

News Release

Barry Callebaut aims to make sustainable chocolate the norm

"Forever Chocolate": Barry Callebaut targets 100% sustainable chocolate by 2025

- Global market leader Barry Callebaut launches comprehensive sustainability strategy that addresses the key sustainability challenges in the chocolate supply chain
- Introduces four ambitious 2025 sustainability targets to guide its move from sustainable cocoa to sustainable chocolate
 - o eradicate child labor from its supply chain;
 - o lift more than 500,000 cocoa farmers out of poverty;
 - be carbon and forest positive;
 - o have 100% sustainable ingredients in all its products.

Zurich/Switzerland, November 28, 2016 – Barry Callebaut, the world's leading manufacturer of high-quality chocolate and cocoa products, published today its new sustainability strategy "Forever Chocolate" with the ambition to move sustainable chocolate from niche to norm in less than a decade. Antoine de Saint-Affrique, CEO of Barry Callebaut: "We have been pioneering sustainability in cocoa and chocolate for many years, and we have made great progress. But despite all our efforts, only 23% of the cocoa beans we source are from sustainability programs. We are determined to step change this and have 100% of our chocolate and its ingredient sustainably sourced by 2025".

Four concrete and relevant targets by 2025

In order to secure the future of chocolate, Barry Callebaut's new sustainability strategy includes four targets that the company expects to achieve by 2025 and that address the biggest sustainability challenges in the chocolate supply chain:

- 1. Eradicate child labor from its supply chain;
- 2. Lift more than 500,000 cocoa farmers out of poverty
- 3. Become carbon and forest positive
- 4. Have 100% sustainable ingredients in all its products

CEO Antoine de Saint-Affrique: "The targets we have set ourselves after a thorough materiality analysis are bold, and we recognize that we do not have all the answers. What we know for sure is that we cannot reach these targets by ourselves. That is why we intend to start a movement that also includes governments, NGOs, consumers and our customers. Sustainable chocolate is as much about governments creating an enabling policy environment and enforcing legislation, NGOs creating awareness and consumers making sustainable choices, as it is about industry commitment and investment. 'Forever Chocolate' is an open invitation to work with us in finding structural solutions to the sustainability challenges in the chocolate supply chain. Without sustainability, there cannot be growth. By taking on the challenges we face as an industry, we will make 'Forever Chocolate' a reality."



Building upon existing initiatives

Barry Callebaut has had a long-standing commitment to improve the livelihood of cocoa farmers and made "Sustainable Cocoa" one of the 4 pillars of its corporate strategy a long time ago. Through its sustainability programs with farmer cooperatives in origin countries, as well as through its direct sourcing and farm services organization, Biolands, the company has invested in productivity and community development for the past decade. In addition, Barry Callebaut was a founding member of the World Cocoa Foundation as well as the International Cocoa Initiative (ICI) and one of the driving forces behind CocoaAction, the World Cocoa Foundation's voluntary strategy to align the initiatives of global cocoa and chocolate producers to improve the livelihood of cocoa farmers. "Forever Chocolate" is aligned with existing efforts, but recognizes the need to go above and beyond considering the urgency of the challenges in the chocolate supply chain.

Addressing the root causes

Despite industry's efforts, there are a number of structural issues in the chocolate supply chain. Low productivity on cocoa farms as a result of poor agricultural practices, nutrient depleted soil, and aging cocoa trees are keeping many farmers in a state of poverty. Poverty prevents cocoa farmers from investing in their farms and new practices to increase productivity that would boost their incomes. In addition, poverty keeps farmers from hiring professional workers, forcing them to rely on their family members, including their children, to work the fields.

Sustainable chocolate also requires more than sustainable cocoa. It requires achieving zero net deforestation and curbing carbon emissions for the production of any chocolate ingredient or chocolate product.

Barry Callebaut will publish each year a report on the progress it is making towards the four targets it has defined.

About Barry Callebaut Group (<u>www.barry-callebaut.com</u>):

With annual sales of about CHF 6.7 billion (EUR 6.1 billion / USD 6.8 billion) in fiscal year 2015/16, the Zurich-based Barry Callebaut Group is the world's leading manufacturer of high-quality chocolate and cocoa products – from sourcing and processing cocoa beans to producing the finest chocolates, including chocolate fillings, decorations and compounds. The Group runs more than 50 production facilities worldwide and employs a diverse and dedicated global workforce of close to 10,000 people. The Barry Callebaut Group serves the entire food industry, from industrial food manufacturers to artisanal and professional users of chocolate, such as chocolatiers, pastry chefs, bakers, hotels, restaurants or caterers. The two global brands catering to the specific needs of these Gourmet customers are Callebaut® and Cacao Barry®. The Barry Callebaut Group is committed to sustainable cocoa production to help ensure future supplies of cocoa and improve farmer livelihoods. It supports the Cocoa Horizons Foundation in its goal to shape a sustainable cocoa and chocolate future.

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