

Global Environmental Policy

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Limitations and Disclaimers

This policy is the Company's general guideline and management reserves the right to apply different terms, as determined in management's sole discretion. This policy can be changed at any time, with or without notice by the employer. Nothing in this policy shall apply to the extent it would be inconsistent with any applicable law

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Global Environmental Policy

1 Introduction

As the world's leading manufacturer of high-quality Cocoa and Chocolate products, we consider a sustainable Cocoa and Chocolate industry as an imperative and not an option. It is our ambition to also play a leading role in the movement towards a sustainable world, with sustainable products being the norm.

The strength, creativity and entrepreneurship of our company comes from the contribution and dedication of our employees. For them and their families, it is essential to live and work in a healthy and sustainable environment, with fresh air, potable water, healthy food and no pollution.

Barry Callebaut is committed to take care for the environment, to limit its negative impact it has on the environment and to realize its ambition to become carbon and forest positive by 2025. Our ambition crafts the next step in our long history of investing in a sustainable supply chain. (<http://forever-chocolate.barry-callebaut.com/thriving-nature#our-goal>).

Therefore, we need to track and understand the impact of our total business activity on the environment and avoid any adverse impact as far as possible. We contribute actively to minimize any impact or even reverse past damages like deforestation, carbon emission, bio diversity reduction and this to the extent that falls within our ability.

With this environmental policy, we set out the directions for our organization towards a sustainable world on which we depend for the continuity of our natural resources. The policy envisages the risks and possible impact of our production activity, our supply chain, distribution centers, office activity, other related policies and our employee behavior. We focus on step changes and the many small steps, every single day of the year. We create employee awareness and their understanding so we also contribute to a better environment based upon human behavior.

2 Environmental Management System (EMS)

Running an effective Environmental Management System is instrumental to realize our Environmental strategy and related ambitions. Every location is responsible to run an effective EMS, covering all potential risks and impacts it has on the environment.

Based on a risk assessment, sites put in place measures at their critical points to capture the environmental impact and this for all production processes and any other related business activity. Having all measures in place, the total environmental impact is systematically monitored to ensure our activity is in compliance with all relevant regulations and on track with set targets, limits and requirements, internal and external.

Any element of this policy as described hereafter, needs to be subject of the risk assessment and when relevant, be integrated in the EMS.

The EMS is also the basis to drive Continuous Improvement initiatives with the aim to enhance controls and further reduce possible short- and long-term adverse impacts. As a minimum, we analyze root causes of negative performance deviations and implement corrective actions to anticipate similar negative events in the future.

We act responsibly with regard to environmental incidents and act promptly to stop the impact of an incident.

2.1 Responsibility

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To ensure that our environmental policy is properly managed, specific responsibilities are assigned at the different layers of our organization.

Our Global Executive Committee takes ownership over this policy and commits to its implementation. Therefore, our global Environmental performance is periodically reviewed and puts in place the necessary resources and structures needed to realize our short- and long term objectives.

Every region has assigned a specific Environmental leader, who steers, coaches and supports the sites in the running of the EMS, compliance to legislations, managing the Environmental performance and improve controls and performance over time. Regional leaders take ownership over the Environmental performance and provide report to the regional management team.

Every local organization has assigned a local environmental responsible to ensure the coverage of the EMS is complete and is run properly. With this, the full environmental impact is reflected and systematically reviewed by the local management team. The management team ensures full compliance to all regulatory requirements, environmental performance is in line with internal targets and ambitions and improvements are systematically triggered.

3 Our Raw Materials

Being dependent from natural resources, we have a key and overwhelming interest in the preservation of nature and climate as this is the only way to ensure the supply of our natural sources on the long term.

We gradually increase the sourcing of sustainable ingredients that do not harm the environment and have no adverse impact on eco systems and biodiversity. It is our goal to only source sustainable ingredients by 2025.

Our ambition requires raw material suppliers to also adhere to the same sustainable practices with similar respect for the environment, eco systems and biodiversity.

4 Waste Management

Effective waste management contributes to the Environment but is also essential in the protection of the health and safety of our people and the broader communities. All these are an absolute priority for Barry Callebaut. Effective waste management is required at all our premises and as a minimum, need to meet all legal requirements and set targets.

Effective waste management means we minimize the use of materials and with that, directly lower our ecological impact and waste disposal. When we cannot prevent waste, we investigate in possible ways to Re-use, Reduce or Recycle (= 3R-methodology). When disposal cannot be avoided, we opt for the most environmental friendly way to dispose waste, in line with legal requirements.

Our waste management applies to liquid and solid materials, product and non-product related, production and non-production related products and treatments. We pay special attention to the disposal of hazardous chemicals and products, taking into account their possible impact on environment.

4.1 Product waste

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Working with natural products, we make most efficient use of raw materials to keep our environmental impact minimal. Throughout our entire supply chain, we minimize product losses and we rework product that fits for human consumption. Any product that gets lost for human consumption requires root cause analysis and elimination.

4.2 Packaging

As a company, we take responsibility for the impact of our packaging material on the environment. This relates to the inbound packaging material we receive when procuring raw materials, semi-finished or other products and materials, as to the packaging material we use to deliver our products to our customers.

We continuously seek to minimize this impact by, in order of priority, reducing the amount of material used, switching from less to more environmental friendly material and converting non-recyclable packaging material into material that can be recycled.

Our ultimate ambition is to not have any packaging material that ends-up as non-recyclable waste. Our procurement processes and product design processes integrate the necessary criteria to trigger the above decision process and to steer towards our ambition.

4.3 Hazardous waste

We respect license requirements for hazardous materials and only work with licensed and approved hazardous waste vendors.

We minimize our use of hazardous material and recycle what can be recycled. What remains as hazardous waste is disposed in an environmental safe way, respecting legal requirements.

4.4 Plastics

The use and disposal of plastics has become one of the world's major environmental challenges and a threat for all oceans and their eco systems. While many plastics are single use plastics with a very short lifetime, they remain in the environment for more than one hundred years.

We recognize that the use of plastic, especially the single use plastic, needs to be addressed and as a sustainable company, we contribute to the solution where possible.

While we do not use many plastics for our products, we still need to further question any use and investigate continuous improvement processes as long as we apply single use plastic. Also in our offices and towards our employees, we create awareness so that single use plastic gets recognized and systematically eliminated.

5 Biodiversity and Reforestation

With products made from natural resources, we heavily depend on the health of ecosystems. Healthy ecosystems require biodiversity as many plants and animals rely on each other to survive. Ecosystems provide food and water, climate regulation, and soil formation. It is clear that without biodiversity, many of the raw materials are at risk and therefore it is obvious that we are ambitious

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when integrating good care for and reconstruction of ecosystems into our sustainability strategy. Conservation and management of biodiversity is a key element within this policy.

We train cocoa farmers in good agriculture practices to reduce the space that is needed to grow cocoa and leave a maximum of space to reinvest into origin forest. We do not source any cocoa coming from origin forest and target to be forest and carbon positive by 2025.

6 Land rights, land grabs & Conservation

We respect existing land rights and recognize the specific right for indigenous people, their prior rights to their lands and resources and their legitimate authority. We stick to the FPIC rules as described in the ILO Convention No 169 (http://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/indigenous-and-tribal-peoples/WCMS_205225/lang--en/index.htm)

We comply with legal requirements, licenses and permissions. For all newly acquired land, legal due diligence related to land title is required. We respect the assigned use of land, nature conservation and land from origin forests. It is our ambition to not source any cocoa or any other raw materials coming from origin forest and contribute actively to reconstruct the origin forests as in the origin countries.

7 Water

We commit to use water resources responsibly, in compliance to all legislations related to water use and disposal. We continuously investigate to reduce our water usage, to re-use waste water for other purposes as this reduces our overall water usage, to minimize water pollution and contamination prior to its disposal.

8 Energy

8.1 Reducing Energy consumption

Our energy strategy includes the systematic reduction of our energy consumption with the objective to minimize our energy usage and carbon emissions. We prevent energy consumption where possible and investigate into new and more energy efficient technology whilst following regulatory requirements and international standards like ISO50001.

Sites systematically reduce their consumption per ton of chocolate production, to investigate the possibility to apply group good practices in energy efficient solutions, and regularly analyze their production processes to further optimize energy consumption. All our factories monitor their energy consumption and analyze consumption patterns with the aim to identify opportunities to lower their energy use.

8.2 Renewable and Sustainable Energy

In addition to reducing our energy consumption, we set targets to systematically replace part of our fossil energy usage by renewable and sustainable energy and this until the use of fossil energy will be phased-out.

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We investigate opportunities to produce our own renewable energy, to convert waste from natural source into sustainable energy and we have integrated the sourcing of green energy into our energy procurement strategy.

The systematic conversion from grey into green energy, complemented with the impact of our energy reduction, drives our reduction of carbon emission per ton of products produced.

Also in transport, we apply new and more efficient technology and opt for solutions based on the use of renewable energy. Other business policies and practices with impact on energy and carbon emission need to consider the phasing-out of fossil energy and support the sustainability journey.

9 Emissions

To protect health of our employees, the people from the communities in which we operate and the environment, we minimize air emission from our operations and control our total impact on the environment.

Our organizations ensure compliance to all legal environmental requirements, including air and carbon emission. We apply the necessary expertise to properly maintain our equipment such as boilers, roasters, generators, and any other possible sources of emission to avoid any excess of emission. We monitor all emission systematically within the set limits and targets.

With the continuous improvement actions taken in our industrial activity, we systematically improve our carbon emission. We make similar considerations to reduce and compensate for the impact of our transportation vehicles and buildings.

10 Pollution

We do all what is feasible to prevent and minimize any release of harmful substances and material that contaminates water, soil or atmosphere and to protect the environment, animals and people. Our organization is aware of possible adverse impact on communities. In this context, we evaluate and minimize eventual impact of noise, odor, visual impressions, light pollution, vibrations, etc. We prevent or reduce pollution at the source whenever feasible, switch to the usage of less hazardous alternatives when available in the market, re-use and recycle as much as possible and only consider disposal when none of the previous cascading options are possible.

11 Our Suppliers

From all our suppliers, we expect to adhere to all legal environmental compliances, to conduct business with respect for the environment and thus, to also comply with the above elements of this policy.

Suppliers need to set-up an effective EMS, conduct risk assessment, monitor environmental performance and drive continuous improvement techniques to prevent, minimize and improve the impact on the environment.

We enhance our collaboration with our suppliers so that all together, we make our total supply chain contribution to our objectives to protect ecosystems, biodiversity and reverse past damages to the environment.

Global Environmental Policy **12 Our Leadership Commitment**

As CEO, COO and CSO of Barry Callebaut, we understand the need to protect ecosystems as a vulnerable element for the future of men kind and all other living species. We understand the importance of biodiversity, the need to protect world seas, clean air, to limit the climate change and the direct link it has to the sustainability of our enterprise, our natural sources, our people and communities.

We are committed to contribute in providing a healthy place for all current and future residences of our beautiful planet, with many vital functions fulfilled by nature and natural processes. As world leading chocolate manufacturer, with products only made of natural ingredients, we have a special interest and need in sustaining the ecologic systems, to work with and not against nature and halter climate change.



Antoine de Saint-Affrique
Chief Executive Officer



Dirk Poelman
Chief Operations Officer



Pablo Perversi
Chief Sustainability Officer