

**Supplier Code**





We will lead a movement to make sustainable chocolate the norm, so that the chocolate we all love will be around for generations to come.

### **Introduction**

As the world's leading manufacturer of cocoa and chocolate products with production facilities and operations in more than 30 countries, we recognize that our businesses influence the livelihoods of many people around the world and that we have a fundamental responsibility to conduct our business in a safe, fair, ethical and transparent manner.

Committed to provide our customers with premier experience, the reliability, quality and safety of our products and services is paramount. We cannot compromise on legitimate expectations and requirements of our customers and business partners and strive to live up to highest standards on a continuous basis.

Addressing the biggest sustainability challenges in the chocolate supply chain, we have launched our Forever Chocolate strategy and have committed to four bold targets that we plan to achieve by 2025:

- We will eradicate child labor from our supply chain
- We will lift more than 500,000 cocoa farmers out of poverty
- We will be carbon and forest positive
- We will have 100% sustainable ingredients in all of our products

In order to achieve these targets, we need to create a movement, as they are too big for one company alone. Recognizing the important role of our Suppliers in our value chain, we therefore also invite you, our Suppliers, to unite behind our visions and share our expectations in order to support our high ambitions in terms of product safety and quality, sustainability and business ethics. For that chocolate will be around forever.



## Scope

This Supplier Code applies to all Suppliers and their employees and sub-contractors providing products, materials, expertise and related services to any entity of the Barry Callebaut Group. It sets out the essential minimum requirements expected from each Supplier and flanks the Suppliers' commitments under applicable laws and contractual arrangements. These mandatory requirements can be found in the standard text at the beginning of each chapter.

*We embrace a continuous improvement approach and expect the same from our Suppliers. On your journey towards best practice, we therefore encourage you to consider and adhere to the "Guidance for Continuous Improvement" which goes beyond the essential minimum requirements. This Guidance can be found in the italic paragraphs following the mandatory requirements*

In addition to the requirements stipulated in this document, we have defined category specific policies which detail provisions specific to certain ingredients or sectors that we require suppliers to comply with.

## Quality & Product Safety

The Supplier ensures that all products, materials and services supplied to Barry Callebaut shall strictly meet the agreed requirements and specifications and be compliant with all applicable laws and regulations.

The Supplier immediately informs Barry Callebaut if it becomes aware of any fact or suspicion that may indicate a regulatory, quality, safety or labeling problem affecting the supplied products or Barry Callebaut's products.

## Compliance with Laws and Regulations

The Supplier strictly complies at all times with all applicable laws and regulations in force and effect at their legal seat, the place of performance and the place of delivery and final destination of the products and services.



### ***Prevention of bribery and corruption***

The Supplier conducts its businesses in compliance with applicable anti-bribery, anti-corruption and anti-money laundering laws.

The Supplier shall not engage in bribery or other corrupt or unlawful practices to advance the Supplier's or Barry Callebaut's business interests or to influence the acts or decisions of relevant decision makers, including government officials as well as private individuals. This includes any advantage offered to Barry Callebaut employees in any form (kickbacks or other) for delivering services for Barry Callebaut.

### ***Fair competition***

The Supplier conducts its businesses in compliance with applicable competition and anti-trust laws.

The Supplier shall not engage in any unlawful practices, including but not limited to price fixing, market sharing and market splitting, sharing of confidential and commercially sensitive information or agreeing to limit sales or outputs for the purpose of restricting or deferring the fair competition and free market, notably when acting in concert with third party competitors.

### ***Confidentiality & data privacy***

The Supplier shall keep strictly confidential any commercial, operational or technical information in respect of the business Barry Callebaut and shall not without the prior written consent of Barry Callebaut, disclose to any persons, or grant access to any person, any confidential information for any other purpose than as required for the successful performance the Supplier's contractual obligations.

Personal information, such as of clients and employees, is processed and stored in accordance with data privacy regulations.

### ***Adherence to sanctions***

The Supplier conducts its business, including sourcing of materials, in a manner that will not result in the Supplier or Barry Callebaut being in breach of any applicable trade sanctions and embargoes.

### ***Preventing Conflict of Interest***

The Supplier shall avoid any situations, such as offering gifts, hospitality, entertainment or other favors where an individual's private interests may conflict with the interests of the Supplier and/or Barry Callebaut or where such situations might impair fair and objective judgment.



## **Safeguarding Assets**

### **Assets**

All equipment, tools and materials provided by Barry Callebaut to the Supplier for performance of its contractual obligations shall remain the sole property of Barry Callebaut. The Supplier handles such materials with due care and diligence and ensures appropriate use, storage and maintenance. Barry Callebaut's properties must be returned to Barry Callebaut in good state and order immediately upon completion of the Supplier's contractual obligations.

### **Intellectual property**

The Supplier shall safeguard and respect Barry Callebaut's intellectual property rights. Any licensed intellectual property rights shall only be used for the intended and designated purposes.

## **Compliance with International Labor Standards**

The Supplier respects and complies with international labor standards as defined by core conventions of the International Labor Organization (ILO) and the UN Guiding Principles on Business and Human Rights.

### **Freely chosen employment**

All employment must be freely chosen. Forced, bonded, indentured labor and any other form of slavery or human trafficking are prohibited. This includes that the Supplier ensures that throughout the hiring process no monetary deposits or legal documents such as original identification documents are collected from employees and also abstains from any other activity that creates involuntary dependency. The Supplier furthermore ensures that the workers' freedom of movement does not get restricted in any way and that workers are free to leave the premises. Involuntary prison labor is not to be used. All work will be voluntary, and workers must be free to leave upon giving reasonable notice.

*The Supplier conducts a risk assessment with regards to modern slavery in its supply chains and implements measures to address the identified risks.*



### **No child labor and protection of young workers**

The term “child labor” refers to work that is mentally, physically, socially, or morally dangerous and harmful to children, and interferes with their schooling. The Supplier does not recruit or engage the use of child labor and respects and realizes the principles of ILO Convention No. 138, on the minimum age for admission to employment and work, and ILO Convention No. 182, on the worst forms of child labor.

When employing workers below the age of 18, the Supplier demonstrates that the employment of young workers does not expose them to undue physical risks that can harm physical, mental or emotional development.

*The supplier has implemented management systems to monitor and address the risk of child labor in its supply chains. When cases of child labor are identified, the Supplier takes responsible remediation measures. The supplier immediately removes the child from the situation causing harm, ensuring that such measures do not worsen the wellbeing of the affected child and its dependents. Additionally, the Supplier should engage with local governments, NGOs and other stakeholders in order to address the underlying issues of child labor prevalence.*

### **Freedom of association**

The Supplier respects the legal rights of employees, as applicable, to join or to refrain from joining worker organizations of their choice, including trade unions, and to bargain collectively.

### **Legal and fair compensation**

The Supplier operates in full compliance with applicable laws and regulations regarding wages, work hours, benefits and binding agreements, including overtime work, overtime premiums and other pay arrangements. The Supplier compensates employees at least in accordance with the industry and local labor market. Deductions from wages as a disciplinary measure shall not be permitted. Furthermore, the Supplier provides all workers with written information in a language understood by the worker about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

*The Supplier ensures that the compensation paid to workers for regular working hours provides an adequate standard of living for employees and their dependents.*



### ***Prevention of excessive working hours***

The Supplier complies with applicable laws with respect to the number of working hours per day and the number of days worked in a week. All overtime must be voluntary.

### ***No discrimination***

The Supplier will not discriminate based on a person's race, gender, age, nationality, marital status, ethnic origin, religion, sexual orientation, membership in trade unions or other worker organizations or political affiliation. The Supplier will hire, compensate, promote, discipline, and provide other benefits or conditions of employment based on an individual's performance and ability to do the job.

### ***Respect and dignity***

The Supplier treats all employees with respect and does not engage in or support the use of physical punishment, threats of violence, verbal, physical, mental, sexual or any other form of abuse or harassment.

### ***Safe and healthy working conditions***

The Supplier provides employees with a safe and healthy workplace in compliance with all applicable laws and regulations. Adequate steps are taken to prevent accidents and injury to health in the course of work, by minimizing the causes of hazards inherent in the work environment. The Supplier protects employees from exposure to hazardous materials and provides personal protective equipment to workers where required free of charge. All facilities provided for use by employees, including dormitories, are clean and safe. In addition, the Supplier provides employees with access to potable water and clean sanitation facilities.

The Supplier also ensures emergency preparedness, including adequate provision, signage and communication of emergency exits and procedures. Employees are regularly trained to ensure they are adequately protected.

### ***Environmental Management***

The Supplier meets all applicable legal environmental requirements. The Supplier also obtains, keeps and updates all required environmental permits and registrations.



### **Environmental impact**

The Supplier minimizes its negative impacts on the environment, particularly on climate and biodiversity and implements measures to protect soil and water bodies. The Supplier uses natural resources sustainably.

*In order to identify, manage and mitigate environmental impacts, and to document compliance and continuous improvement, the supplier implements an internationally recognized environmental management system.*

*The Supplier sets and publicly communicates targets in the domain of environmental protection. The Supplier implements relevant measures, and among others actively applies better production processes and technologies in order to reduce its environmental impact. The Supplier engages in research and development of more environmentally friendly products or services. The Supplier shares best practice with its suppliers and implements measures to reduce environmental impact throughout its entire supply chain.*

### **Emissions**

The Supplier actively manages its emissions, especially with regards to greenhouse gases. This includes efforts and strategies to measure and reduce the companies' emissions.

*The Supplier is publicly reporting on its greenhouse gas emissions, including emissions of upstream activities, in line with the GHG Protocol Corporate Accounting and Reporting Standard as well as its emissions of other hazardous substances and has set targets and strategies to reduce its overall climate impact. In order to do so, the Supplier is encouraged to engage in science-based target setting. Ideally, the Supplier is able to report the emissions intensity by product.*

### **Deforestation and biodiversity**

The Supplier ensures that its operations do not directly contribute to deforestation or loss of biodiversity. The Supplier conducts due diligence on commodities associated with deforestation in its supply chain.

*Prior to establishing new operations or expanding existing ones, in addition to obtaining all legal concessions, the Supplier conducts due diligence which combines biodiversity, carbon conservation, and social considerations.*

*The Supplier publicly commits to deforestation-free operations and supply chains, has systems in place to monitor compliance and*





*progress of its supply chain with regards to this commitment and takes immediate actions in case of breaches.*

### **Respect for the Rights of Indigenous and Local Populations**

The Supplier respects the rights of indigenous communities and the local populations in the places where it operates as well as in its supply chain. The Supplier applies the UN-principle of free, prior and informed consent (FPIC).

### **Implementation of the Supplier Code**

#### ***Supply Chain***

The Supplier actively communicates the provisions in this Code to its own suppliers and is expected to initiate, maintain and verify a process of continuous improvement towards sustainable practices in the entire upstream supply chain, in line with the requirements and principles set forth in this document.

*The Supplier has formulated mandatory sustainability requirements for its suppliers and subcontractors in a comprehensive Supplier Code. The Supplier actively communicates these requirements to its suppliers and verifies compliance with these requirements based on a risk approach.*

#### ***Traceability***

The Supplier keeps adequate records on direct suppliers and is able to trace volumes back to the supplying sites.

*The Supplier actively engages its supply chain in order to increase transparency and traceability therein and is able to trace back commodities to the origin.*

### **Implementation Guidance**

In order to ensure compliance with all the topics of the Supplier Code, the Supplier:

- formulates policies
- defines and assigns roles and responsibilities
- implements procedures
- communicates on these topics to employees and relevant third parties
- provides sufficient training to its employees and subcontractors
- monitors the compliance to the policies and procedures
- implements corrective actions
- reports on its progress on these topics



### **Reporting Concerns**

The Supplier provides employees with a communication channel that allows them to anonymously report concerns such as a suggestion box or anonymous phone line.

The Supplier also has a procedure in place that ensures appropriate handling of grievances by workers and ensures that employees are protected from retaliation.

### **Notification on breaches of the Supplier Code**

The Suppliers is encouraged to respond if it has fair reason to believe that Barry Callebaut's employees or its agents or sub-contractors engage in wrongful acts including but not limited to financial irregularity or inaccuracy, fraud, anti-competitive or corrupt practices or violations of significant labor, health, safety or environmental requirements. Such acts should be reported to Barry Callebaut at the email address: [compliance@barry-callebaut.com](mailto:compliance@barry-callebaut.com).

### **Monitoring Compliance**

We expect the Supplier to take all necessary steps to inform its employees, agents and sub-contractors of the principles set forth in the Supplier Code and to take appropriate action to ensure understanding of and compliance with its principles. Barry Callebaut expects the Supplier to maintain necessary documentation to demonstrate compliance with the principles stipulated in this Supplier Code and reserves the right to audit the Supplier's compliance with these principles.

Generally, suppliers will be asked to undergo a SMETA audit and share it with Barry Callebaut through the Sedex platform. If areas of non-compliance are observed, the Supplier will be asked to take corrective action. In the event that the Supplier fails to do so in a timely manner, Barry Callebaut may terminate its business relationship with the Supplier.

### **Revisions to the Supplier Code**

The Barry Callebaut Supplier Code will be reviewed on a regular basis and updated as necessary in order to reflect and support our journey towards the Forever Chocolate commitments. The latest version of the Supplier Code will be posted on the Barry Callebaut corporate website, [www.barry-callebaut.com](http://www.barry-callebaut.com).



Last updated: May 2020

### **References**

The following references are not intended to create additional obligations beyond the principles laid fourth in the Barry Callebaut Supplier Code. However, we encourage suppliers to follow the below detailed references.

#### ***General References***

[Barry Callebaut Code of Conduct](#)

[Barry Callebaut Human Rights Statement](#)

[Barry Callebaut Deforestation Policy](#)

#### ***International Labor Standards***

##### *Freely Chosen Employment*

ILO Conventions 29 (Forced Labour) and 105 (Abolition of Forced Labour)

Employer Pays Principle, as laid out in the Dhaka Principles for Migration with Dignity

##### *No child labor*

ILO Conventions 138 (Minimum Age) and 182 (Worst Forms of Child Labor)

##### *Freedom of Association*

ILO Conventions 87 (Freedom of Association and Protection of the Right to Organise) and 98 (Right to Organise and Collective Bargaining)

##### *Legal and fair compensation*

ILO Conventions 131 (Minimum Wage Fixing)

##### *Prevention of excessive working hours*

ILO Conventions 1 (Hours of Work) and 14 (Weekly Rest)

##### *No discrimination*

ILO Conventions 100 (Equal Remuneration) and 111 (Discrimination (Employment and Occupation))



*Safe and healthy working conditions*

ILO Convention 155 (Occupational Safety and Health)

***Environmental Management***

ISO 14001 Environmental Management Systems standard  
Supplier Declaration

***We the undersigned hereby confirm that:***

- We have received and taken due note of the Barry Callebaut Supplier Code, status as of May 2020
- We are responsible for being aware of all relevant laws and regulations of the country or countries in which our company operates
- We will inform Barry Callebaut in case of conflict between provisions of the Supplier Code and any applicable laws or regulations in our countries of operation
- We will observe and conform to the Supplier Code, incl. its annexes
- We will communicate as appropriate to our employees, agents and subcontractors the terms of the Supplier Code and ensure that they comply with the provisions therein
- We will provide upon Barry Callebaut's request relevant documentation supporting our compliance with the Supplier Code provisions



Supplier Code

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Signature

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Name

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Title

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Name of company

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Company address

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Date

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The requirements and expectations set out herein are in addition to, and not in lieu, of any other requirements, standards, regulations, manual and expectations applicable to the relevant Supplier. They are in no way intended to replace, limit or supersede any contractual arrangements between the Suppliers and the Barry Callebaut Group, but are by their nature intended to supplement any such contractual arrangements.