

# GRI Report 2020/21

## MATERIAL ISSUES – GRI STANDARDS MAPPING

Barry Callebaut AG's 2020/2021 GRI Index is based on the Global Reporting Initiative (GRI) Standards. GRI is the world's leading standard for corporate sustainability reporting ([www.globalreporting.org](http://www.globalreporting.org)). Through this GRI Index, together with the Forever Chocolate Progress Report and the Annual Report 2020/2021, Barry Callebaut reports in accordance with the Core option of the GRI Standards.

All material standards and indicators discussed are reported as fully as the available data allow.

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### Relevant GRI Standard(s)

<b>CHILD LABOR</b>	408: Child Labor 412: Human Rights Assessment 414: Supplier Social Assessment
<b>FORCED LABOR</b>	409: Forced Labor 412: Human Rights Assessment
<b>POVERTY</b>	203: Indirect Economic Impact 413: Local Communities
<b>FARMER INCOME</b>	203: Indirect Economic Impact 413: Local Communities
<b>LOW YIELDS</b>	203: Indirect Economic Impact
<b>FUTURE COCOA SUPPLY</b>	201: Economic Performance 203: Indirect Economic Impact 304: Biodiversity
<b>TRACEABILITY</b>	308: Supplier Environmental Assessment 414: Supplier Social Assessment
<b>HEALTH &amp; SAFETY</b>	403: Occupational Health and Safety 414: Supplier Social Assessment
<b>TALENT</b>	404: Training and Education 405: Diversity and Equal Opportunity
<b>EMPLOYEE ENGAGEMENT</b>	401: Employment
<b>CLIMATE CHANGE</b>	302: Energy 305: Emissions
<b>DEFORESTATION</b>	304: Biodiversity 308: Supplier Environmental Assessment
<b>CO<sub>2</sub> EMISSIONS</b>	302: Energy 305: Emissions
<b>AIR POLLUTION</b>	305: Emissions
<b>SOIL DEGRADATION</b>	304: Biodiversity
<b>WATER</b>	303: Water
<b>COMPLIANCE</b>	205: Anti-Corruption 206: Anti-Competitive Behavior 307: Environmental Compliance 410: Security Practices 415: Public Policy 419: Socio-Economic Compliance

## GRI 102: GENERAL DISCLOSURES

### Organizational Profile

Disclosure number	Disclosure title	Answer
102-1	<b>Name of the organization</b>	Barry Callebaut AG
102-2	<b>Activities, brands, products, and services</b>	Barry Callebaut is the world's leading supplier of high-quality chocolate and cocoa products, with more than 12,783 employees operating out of more than 40 countries. Its main brands are: Barry Callebaut, Callebaut, Cacao Barry, Carma and Mona Lisa. For further information: <a href="http://www.barry-callebaut.com/en/brands">www.barry-callebaut.com/en/brands</a>
102-3	<b>Location of headquarters</b>	Barry Callebaut AG, Hardturmstrasse 181, 8005 Zurich, Switzerland
102-4	<b>Location of operations</b>	<a href="http://www.barry-callebaut.com/en/contact">www.barry-callebaut.com/en/contact</a>
102-5	<b>Nature of ownership and legal form</b>	Barry Callebaut AG ("The Company") was incorporated on December 13, 1994, under Swiss law, having its head office in Zurich, Switzerland, at Hardturmstrasse 181, 8005 Zurich. Barry Callebaut AG is registered in Switzerland and has been listed on the SIX Swiss Exchange (BARN, ISIN Number: CH0009002962) since 1998. As at August 31, 2021, the market capitalization based on issued shares was CHF 12,811 million (August 31, 2020: CHF 10,978 million). The significant shareholders of the Company are listed in Note 5.4 to the Consolidated Financial Statements, with Jacobs Holding AG as the reference shareholder holding 30.1% of the issued share capital (August 31, 2020: 40.1%).
102-6	<b>Markets served</b>	Barry Callebaut offers its products in 137 countries across the following regions: Europe, Americas, Asia Pacific. The company serves clients in the Food & Beverage industry. Barry Callebaut serves the entire industry, from food manufacturers to artisans and professional users of chocolate such as chocolatiers, pastry chefs or bakers; the Company also supplies products for vending machines.
102-7	<b>Scale of the organization</b>	As of August 31, 2021, the total number of employees was 12,783 and Barry Callebaut operated 64 factories. The annual sales in fiscal year 2020/21 (ended August 31, 2021) amounted to CHF 7.2 billion. Barry Callebaut's market capitalization based on issued shares was CHF 12.8 billion and the debt to equity ratio was 47.8%. In fiscal year 2020/21, Barry Callebaut achieved healthy volume growth of +4.6% to 2,191,572 tonnes.
102-8	<b>Information on employees and other workers</b>	<p>At the end of the fiscal year 2020/21, Barry Callebaut had 12,783 employees. The Company had: 3,651 permanent and 179 temporary female employees; 8,651 permanent and 299 temporary male employees, 3 employees without gender identification. Employees in EMEA: 5,441 permanent and 331 temporary; Americas: 3,625 permanent and 67 temporary; Asia: 1,883 permanent and 38 temporary; Africa: 1,356 permanent and 42 temporary; 3,455 full-time and 375 part-time female employees; 8,760 full-time and 190 part-time male employees; 3 full-time employees without gender identification.</p> <p>The following types of workers perform organization activities: Consultants, Agency Temps, Members of the Board of Directors, Contractors, Trainees, Volunteers / Students. Information on employees is collected in Barry Callebaut's internal HR system (Global HRIS System Success Factors). As from September 2018, the Company collects granular data on employees in the Barry Callebaut's Leadership Academy. At the end of FY20/21, 40 employees were assigned to the Barry Callebaut's Leadership Academy.</p>
102-9	<b>Supply chain</b>	Barry Callebaut is fully vertically integrated along the entire value chain. The Company sources cocoa directly from smallholder farmers in Côte d'Ivoire, Ghana, Cameroon, Indonesia and Brazil as well as from third-party suppliers from the main cocoa-producing countries. Cocoa beans and chocolate are processed or produced in 64 factories operated directly by Barry Callebaut. Its main brands are Barry Callebaut, Bensdorp, Callebaut, Cacao Barry, Carma, Caprimo, Chocovic, La Morella Nuts, Le Royal, Mona Lisa, SICAO, Van Leer, Van Houten Professional and Van Houten Drinks.
102-10	<b>Significant changes to the organization and its supply chain</b>	<ul style="list-style-type: none"> <li>- In the fiscal year 2020/21, the significant changes to the organization's size and structure include the following: <ul style="list-style-type: none"> <li>- New brand Cabosse Naturals offers pure cacao fruit ingredients</li> <li>- Opening of new office and CHOCOLATE ACADEMY™ Center in Shenzhen, China</li> <li>- La Morella Nuts expands globally and opens Center of Expertise</li> <li>- Barry Callebaut launches #oneBC, its Diversity &amp; Inclusion Strategy</li> <li>- Barry Callebaut recognized as Supplier Engagement Leader by CDP</li> <li>- Opening of new chocolate factory in Baramati – India</li> <li>- Opening of dedicated dairy-free factory in Norderstedt, Germany</li> <li>- Van Houten launches first-ever ruby chocolate drink powder</li> <li>- Cacao Barry launches WholeFruit Evocao™ chocolate</li> <li>- Barry Callebaut to acquire Europe Chocolate Company in Belgium</li> <li>- Outsourcing agreement with Atlantic Stark in Serbia signed</li> <li>- Barry Callebaut to open factory in Kaliningrad, Russia</li> <li>- Barry Callebaut is recognized as a leader in managing ESG risks for the third consecutive year by Sustainalytics.</li> </ul> </li> </ul>
102-11	<b>Precautionary principles or approach</b>	Barry Callebaut considered the following references in development of the HACCP (Hazard Analysis and Critical Control Point) principles: Guidance on Food Allergen Management for Food Manufacturers Food Drink Europe (2013), Global Standard for Food Safety: Guidelines for Allergen Management (2014), FARRP – International Regulatory Chart (2015), European Food Safety Authority, FAO/WHO Food Standards. Codex Alimentarius. General Standard for the Labelling of Prepackaged Foods (1991), Guidance on Allergen Management and Consumer Information. Best Practice Guidance on Managing Food Allergens with Particular Reference to Avoiding Cross-Contamination and Using Appropriate Advisory Labelling, FSA (2006).
102-12	<b>External initiatives</b>	Among the main external initiatives which Barry Callebaut endorses and supports are: the Dutch Sustainable Trade Initiative (IDH), the German Development Finance Institution (DEG), Fairtrade, ILO Impact Insurance Facility, International Cocoa Initiative, International Finance Corporation (IFC), Jacobs Foundation, Livelihoods Fund for Family Farming, Mastercard Fund for Rural Prosperity, Opportunity International, One Planet Business for Biodiversity (OP2B), Rainforest Alliance, The Sustainable Agriculture Initiative Platform, United Nations Global Compact, UTZ Digital ICS, World Business Council for Sustainable Development (WBCSD) and the International Cocoa Initiative (ICI).

Disclosure number	Disclosure title	Answer
102-13	Membership in associations	<p><b>Cocoa relevant</b>                      ABICAB, AIDEPIT, AIPC, Alliance7, Amcham, Ania, Aschoko/Confimex, BDSI, BLL &amp; BVE, Belgian Confectionary Association (Choprabisco), Biscosuise, Bundesverband der Deutschen Süßwarenindustrie, China National Candy Association, Chocolate and Cocoa Association of Japan, Chocosuisse, Cocoa Association of Asia, Cocoa Merchants Association of America (CMAA), EFOSZ, European Cocoa Association (ECA), European Confectionary Association (Caobisco), Federalimentare, FAARP, Federation of Malaysian Manufacturers, FEVIA, FDP, FIAL, FNL, GAPMM Indonesia, GEPEX, Hunbisco, Index Nuovo León, International Cocoa Initiative, International Cocoa Organization, INC International Nut and Dried Food, Indonesia Cocoa Association, Malaysia Cocoa Board, National Confectioners Association, NCA, One Planet for Business for Biodiversity (OP2B), Polbisco, Produlce, SGLH, Singapore Manufacturing Federation, SVLQ, SVG, VBZ, Unione Ind. LI VCO, World Cocoa Foundation.</p> <p><b>Non-cocoa relevant</b>                      Bee friendly, Bonsucro, Coalition for Sustainable Livelihoods, AIM-Progress, Sustainable Vanilla Initiative, Roundtable on Sustainable Palm Oil (RSPO), Roundtable on Sustainable Coconut and Coconut Oil, Sustainable Agriculture Initiative Platform (SAI), ProTerra Foundation and Stakeholder Council, SOS Cerrado, Supplier Ethical Data Exchange (Sedex), Cool Farm Alliance, Palm Oil Network Switzerland, ASACAM, North American Sustainable Palm Oil Network (NASPON), China Alliance for Sustainable Palm Oil, High Carbon Stock Approach (HSCA)</p> <p><b>Industry</b>                      World Business Council on Sustainable Development (WBCSD)</p>

## Strategy

102-14	Statement from senior decision-maker	<p><b>Message from the CEO</b>                      It is my true pleasure to share with you Barry Callebaut's fifth Forever Chocolate Progress Report. This is by all means a special report, as we are halfway through our plan to make sustainable chocolate the norm by 2025. What better moment to take stock of our progress to date, capture our learnings, and start planning what further actions will be required by 2025, in order to reach our targets?                      Looking at the progress we made since 2016, I am very proud and impressed by our achievements so far. In the first five years of Forever Chocolate, we have reduced our carbon intensity per tonne of product by more than -17%, lifted 214,584 cocoa farmers (+50%) in our supply chain out of extreme poverty – on a trajectory towards a living income – and reached 43% of the cocoa and chocolate products sold containing sustainably sourced cocoa. In addition, through the scaling of our traceability and sourcing efforts, we reduced the Land Use Change (LUC) impact from cocoa cultivation by over -10%. While there is still work to be done, these results signify tangible impact on the ground. This was also recognized by Sustainalytics, who ranked Barry Callebaut in the top 3 out of 205 food companies for the third consecutive year in terms of managing the sustainability risks in our supply chain.                      In order to continue to progress against our targets, we focus on strategic partnerships with societal and industry stakeholders, aiming to scale our impact on the ground. Ultimately, if we want to make sustainable chocolate the norm, our actions have to extend beyond Barry Callebaut – creating a movement of cocoa farming communities, industry, governments, and societal stakeholders. This is why in fiscal year 2020/21, we focused extensively on scaling and partnering for change. We have teamed up with experts from Embode to implement our new approach to tackling child labor, which sets clear internal milestones to guide planning, implementation, and stakeholder engagement. By working with EcoVision Lab, part of the Swiss Federal Institute of Technology in Zurich, we continued to put digital innovations in place and developed a publicly available, industry-first High Carbon Stock (HCS) map that identifies forests with high conservation and carbon-capturing value.                      Next to these innovative solutions, public policy has a crucial role to play in order to create an enabling environment for systemic change in the chocolate industry. In the past year we have participated, through trade associations and multi stakeholder platforms, in constructive dialogue between cocoa origin governments and cocoa consuming regions. Public policy with regards to traceability, deforestation and human rights due diligence, will be important additions to the common objective of achieving a sustainable cocoa supply chain.                      All these efforts and accomplishments were made possible only with the expertise, dedication and hard work of all Barry Callebaut colleagues, our partners and our customers, who are embracing the sustainability pathway reflected in our Forever Chocolate movement. I would like to thank everyone who is a part of the movement to make sustainable chocolate the norm, for their continued passion and commitment.                      I warmly invite other stakeholders to join us on this journey, further partnering for scale and impact.</p> <p><b>Peter Boone</b>                      CEO of Barry Callebaut</p>
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## Ethics and Integrity

102-16	Values, principles, standards, and norms of behavior	<p>Barry Callebaut values are customer focus, entrepreneurship, team spirit, passion, and integrity. The Barry Callebaut Code of Conduct reflects these values and their belief that the best working environment is one built on mutual respect and trust.</p> <p>Barry Callebaut developed its Code of Conduct in 2002 (updates in 2011, 2013 and 2016). The document was approved by the Executive Committee and signed by the CEO. The Chairman of the Audit, Finance, Risk, Quality &amp; Compliance Committee (AFRQCC) is informed about compliance cases and completion of training by Executive Committee members. The importance of this document and its implementation is amplified by the fact that the Chief HR Officer is a member of the AFRQCC.</p> <p>All employees of Barry Callebaut sign the Code of Conduct; the document is available in 9 languages on the website. Barry Callebaut's business partners receive the Supplier Code. The Supplier Code includes a reference to their values.</p>
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## Governance

Disclosure number	Disclosure title	Answer
102-18	<b>Governance structure</b>	<p>As of November 2, 2016, the Barry Callebaut Group is organized into different regions: EMEA (Europe, Middle East, Africa), Americas and Asia Pacific. The globally managed Global Cocoa is, like a Region, reported as a separate segment. Barry Callebaut's business can also be separated into three different Product Groups: Food Manufacturers Products, Gourmet &amp; Specialties Products, and Cocoa Products.</p> <p>Committees of the highest governance body include the Board of Directors; the Audit, Finance, Risk, Quality &amp; Compliance Committee; the Nomination &amp; Compensation Committee; and the Internal Audit.</p> <p>The sustainability agenda is strongly driven by Barry Callebaut's top management. The cross-functional Sustainability Steering Committee is chaired by the CEO and includes all members of the Executive Committee and top managers of Barry Callebaut. The Committee meets quarterly to review sustainability strategy and progress.</p>

## Stakeholder Engagement

102-40	<b>List of stakeholder groups</b>	Barry Callebaut is a vertically integrated company and therefore its stakeholders include all parties along the cocoa value and supply chain: farmers, suppliers, governments and donors. Besides the customers, the other major stakeholder groups are employees, investors, media, industry associations / platforms, governments and NGOs.
102-42	<b>Identifying and selecting stakeholders</b>	Barry Callebaut engages with all identified stakeholder groups to drive a shared vision for the future of the cocoa industry and at the same time to respond to challenges shared with the identified stakeholder groups.
102-43	<b>Stakeholder engagement</b>	<p>Barry Callebaut's values represent a mindset and way of doing business that is committed to generating sustainable earnings over time and creating long-term value for all stakeholders. Barry Callebaut is dedicated to running all operations with transparency and integrity, which includes reporting on <b>Environmental, Social and Governance (ESG)</b> management and risks. In 2021, Barry Callebaut hosted its first dedicated ESG Investor Roadshow and Governance Roadshow to present and discuss ESG topics with interested investors.</p> <p>In 2015, Barry Callebaut identified issues material for the sustainability of its business and the context in which the Company operates. An updated materiality assessment was conducted through an online survey in spring 2018. The latest materiality assessment was published in April, 2021.</p> <p>The survey was sent to both internal and external stakeholders and responses from the following stakeholder groups were received and taken into consideration: employees, investors, NGOs, customers, suppliers, industry platforms, donors, implementing partners, analysts, IGOs, and others.</p> <p>Barry Callebaut maintains a regular dialogue with stakeholders through both participation in external activities (like workshops and conferences) as well as through organization of own internal activities (such as feedback sessions).</p>
102-44	<b>Key topics and concerns raised</b>	<p>Together with the stakeholders, a number of topics were identified in 2015 and re-confirmed in 2018 and 2021:</p> <p>Farmer productivity, poverty alleviation and farmer livelihood, farmer access to finance, child labor, living income, climate change and greenhouse gas emissions, deforestation and forest restoration and supply chain traceability. All of the topics are addressed by Barry Callebaut's Forever Chocolate Strategy and its ambitious targets: Eradicate child labor from Barry Callebaut's supply chain; Lift more than 500,000 farmers out of poverty; Become carbon- and forest-positive; Have 100% sustainable ingredients in all of Barry Callebaut's products.</p>

## Reporting Practice

102-45	<b>Entities included in the consolidated financial statements</b>	See Annual (Financial) Report 2020/21: <a href="http://www.barry-callebaut.com/en/group/investors/results-publications">www.barry-callebaut.com/en/group/investors/results-publications</a>
102-46	<b>Defining report content and topic boundaries</b>	<p>This report represents a holistic materiality universe and sustainability issues that are at the core of the food and beverage industry. Barry Callebaut aims for continuous and transparent reporting on its sustainability activities and achievements. To further enhance and improve the monitoring and evaluation of its activities, annual sustainability results are verified by an external third party.</p> <p>The Company engaged all stakeholder groups to contribute to its materiality matrix. The materiality matrix therefore represents a set of topics relevant for the entire stakeholder universe of Barry Callebaut.</p> <p>Barry Callebaut takes into consideration its size and reach. With operations in more than 40 countries and more than 12,500 employees, Barry Callebaut is a major player in the cocoa and chocolate industry. With operations to source cocoa across the globe, while growing our direct sourcing capacity, Barry Callebaut's presence in cocoa origin producing countries enables us to source the largest volume of cocoa, and sustainable cocoa, in the world. Non-cocoa ingredients are sourced from third-party suppliers who are actively engaging on sustainability issues. This includes both structured engagements such as our VisionDairy Charter as well as project work on a variety of ingredients, including for example cane sugar.</p>

Disclosure number	Disclosure title	Answer
102-47	List of material topics	<p>The following topics were identified through a rigorous materiality assessment, undertaken in April 2021:</p> <p>Farmer productivity, poverty alleviation and farmer livelihood, farmer access to finance, child labor, living income, climate change and greenhouse gas emissions, deforestation and forest restoration and supply chain traceability. All of the topics are addressed by Barry Callebaut's Forever Chocolate Strategy and its ambitious targets: Eradicate child labor from Barry Callebaut's supply chain; Lift more than 500,000 farmers out of poverty; Become carbon- and forest-positive; Have 100% sustainable ingredients in all of Barry Callebaut's products.</p> <p>Compliance, community engagement, women's empowerment, health and safety, talent and diversity, employee well-being, health, nutrition and clean label, water stewardship, waste and packaging are topics not directly identified in Barry Callebaut's materiality matrix. They are nevertheless included in the GRI Report to paint a full picture of the sustainability activities. They co-define how Barry Callebaut lives its corporate values, serves customers, and honors its commitments.</p>
102-48	Restatements of information	None
102-49	Changes in reporting	None
102-50	Reporting period	September 1, 2020–August 31, 2021
102-51	Date of most recent report	GRI Report 2019/20 (December 2020) Annual Report (November 2021)
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Taryn Ridley, External Affairs Manager Phone. +41 43 204 0404 Email. taryn_ridley@barry-callebaut.com
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	See individual GRI Disclosures
102-56	External assurance	An assurance report and statement is publicly available online via <a href="http://www.barry-callebaut.com">www.barry-callebaut.com</a> The auditing partner, PwC UK, audited the Forever Chocolate Progress Report 2020/21.

## GRI 103: MANAGEMENT APPROACH

### Management Approach

103-1	Explanation of the material topic and its boundary	<p><b>Child labor</b> Among the most prevalent types of child labor, occurring primarily on family farms, is that of children working at too young an age or working in hazardous conditions. There are still an estimated 1.56 million children in Côte d'Ivoire and Ghana involved in child labor for cocoa cultivation. Barry Callebaut manages child labor (or human rights violations) in its own operations. The risk is much lower in factory production as it is regulated both by laws and by internal means.</p> <p><b>Farmer productivity, poverty alleviation and farmer livelihood, farmer access to finance</b> As a result of low yields due to poor farming practices, aging trees and limited access to inputs such as fertilizer and planting materials, the average cocoa farmer's income is below the World Bank's extreme poverty line of USD 1.90/day. Such low income makes it impossible for farmers to invest in their farms, or to hire staff to work the fields. Barry Callebaut works with farmers across major cocoa-producing regions to ensure the future of cocoa supply and improve their livelihoods. Barry Callebaut provides a variety of farm services to farmers and works on topics such as income diversification. The Company is also working towards ensuring traceability of its Cocoa Horizons product and partners with third-party certifications.</p> <p><b>Climate change, greenhouse gas emissions, forest restoration and biodiversity</b> Deforestation is one of the biggest causes of global warming. It emits carbon dioxide into the atmosphere through the "slash and burn" method for clearing forests, and at the same time reduces the number of trees that can absorb carbon dioxide. Further down, considerable amounts of CO<sub>2</sub> emissions are emitted through chocolate production itself. Therefore, Barry Callebaut has a holistic approach towards managing its CO<sub>2</sub> footprint and understanding the impacts of climate change.</p> <p><b>Talent, diversity, employee engagement, and health and safety</b> Attracting the best talents from across the world is the basis for Barry Callebaut's growth and prosperity. The Company offers a safe, engaging and collaborative workplace for its people, as well as the development and career growth opportunities they require to deploy their full potential. Barry Callebaut is fully committed to a working environment where business is conducted with integrity and in a manner where employees feel fully engaged, supported, and safe from injuries.</p>
103-2	The management approach and its components	In order to deliver on its Forever Chocolate targets, Barry Callebaut set up a program structure to ensure focus and alignment around the activities it needs to perform. The Forever Chocolate program is supported by the full Executive Committee, who sit in the Steering Committee together with key stakeholders. Barry Callebaut's Chief Sustainability Officer is an Executive Committee member who sponsors the program, with managerial leadership by the VP, Head of Sustainability.

Disclosure number	Disclosure title	Answer
103-2	<b>The management approach and its components</b>	<p>The program has been structured around the four pillars of Forever Chocolate: Zero child labor (Eradicate child labor from the supply chain), Prospering farmers (Lift more than 500,000 farmers out of poverty), Thriving nature (Be carbon- and forest-positive) and sustainable chocolate (Have 100% sustainable ingredients in all Barry Callebaut products). Each of these pillars is led by a business expert with deep knowledge of the topic, and a project manager to drive and steer the different projects and programs. The program has dedicated resources responsible for strategic planning, implementation and for the review process.</p> <p><b>Child Labor</b> Barry Callebaut aims to have zero children involved in hazardous labor in its supply chain by 2025. This is measured by the number of child labor cases identified and remediated in its supply chain. Tackling poverty is a long-term solution to child labor, but in the short term, the Company puts in place solid monitoring and remediation systems and will implement a community approach to tackling child labor, in order to identify and forever eliminate child labor. The approach to eradicating child labor is based on child-centered systems strengthening and applying data-driven risk analysis capabilities under the overarching framework of human rights due diligence, which closely follows the OECD Guidance for Responsible Business Conduct. A child-centered approach starts at the local level, engaging with children, parents, families, and community members to create empowered communities to help their own development and make lasting change for the future. This approach relies on a framework of collaborative action from all stakeholders. It includes developing community action plans, building the capacity of local authorities to better support families, and stepping up local and regional advocacy to increase farmer empowerment.</p> <p>In addition, Barry Callebaut believes that enforcing a strong regulatory framework on human rights protection in origin countries should be part of a broader effort to strengthen an enabling environment in cocoa farming on the ground. This approach should go hand in hand with the due diligence legislation in consuming countries, which can be fully effective only if sector-wide traceability is established, to monitor both environmental and human rights protection. The Company also supports awareness raising and a change in perceptions in the communities themselves. In addition to that, child labor monitoring and remediation activities are implemented together with the International Cocoa Initiative. Also, Barry Callebaut aims to identify and implement new methodologies and ensure the right enabling environment.</p> <p><b>Prospering Farmers (farmer productivity, poverty alleviation and farmer livelihood, farmer access to finance)</b> Barry Callebaut is committed to tackling farmer poverty by empowering farmers to earn a better income through access to training, coaching, financing, and planting material. The Company works intensively with governments in origin countries and donors to create an enabling environment for sustainable rejuvenation of cocoa farms. Barry Callebaut committed itself to lifting more than 500,000 farmers out of poverty by 2025. This is measured against the World Bank's USD 1.90/day threshold for extreme poverty. The Company is on a journey of setting up robust farm services, developing most effective R&amp;D to get farmers out of poverty, assessing macroeconomic impacts and providing best-in-class farmer finance investment products.</p> <p><b>Thriving Nature (climate change, greenhouse gas emissions, forest restoration and biodiversity)</b> Barry Callebaut aims to be carbon- and forest-positive by 2025. The Company measures this primarily by its full organizational carbon footprint – that is, the carbon footprint from farm to customer and number of hectares of forest and cocoa farming land regenerated. Barry Callebaut engages in initiatives to reduce carbon footprint in its factories and transportation. Furthermore, the Company is reducing the carbon footprint of its cocoa and non-cocoa ingredients by developing agroforestry and carbon sequestration projects.</p> <p><b>Sustainable Chocolate (traceability)</b> The goal is to have 100% sustainable ingredients in all of Barry Callebaut products by 2025. Here, the strategy is to source sustainable cocoa and non-cocoa ingredients which align with existing sustainability standards and ensure an effective supply chain management. Barry Callebaut engages with its suppliers in a continuous dialogue to drive positive change in the cocoa and chocolate industry. For this purpose, the Company has further developed ingredient-specific sustainable sourcing policies which integrate its material topics and address the most pressing sustainability issues per ingredient.</p> <p><b>Talent, diversity, employee engagement, and health and safety</b> The Talent Management Process helps employees to focus on – and prepare for – the next step in their career. Barry Callebaut supports employees at every stage of their career with services, programs and benefits. As a company with operations in developing economies, Barry Callebaut understands the importance of assisting their employees locally, based on their specific needs. In cocoa-growing countries, the Company aims to offer programs which provide a broad range of services, including medical care, housing and education.</p> <p>At the core of Barry Callebaut's People Strategy is #oneBC. #oneBC was launched successfully in January 2021. It is data-driven, with time-bound, metricated targets stemming from a thorough analysis of the Company's people data. In addition, Barry Callebaut also formed two new bodies, the D&amp;I Council and the D&amp;I Champions, to support the implementation of the #oneBC strategy. The D&amp;I Council, chaired by the CEO, assists the Executive Committee in implementing the strategy and reviewing progress. The D&amp;I Champions, nominated by the Executive Committee, represent each Region and Function.</p>
103-3	<b>Evaluation of the management approach</b>	<p>Barry Callebaut runs a range of projects and activities. Results and progress of these projects are being reviewed on a quarterly basis by the Executive Committee Members who provide feedback and guidance. Results feed into improvement of the projects and contribute to continuous learning about how to create the highest possible impact. In addition to the internal Executive Committee guidance and feedback, Barry Callebaut works with external experts (such as Wageningen University in the Netherlands) to improve its sustainability performance and to strengthen the industry movement towards sustainable chocolate production. Barry Callebaut also has an external sustainability advisory council consisting of a senior team of external experts who annually evaluate and challenge the Company's progress. In 2020/21, Barry Callebaut further enhanced the functionality and size of its Katchilè database system to strengthen its monitoring and evaluation-driven approach to deploying any sustainability activity.</p>

## Economic Performance

Disclosure number	Disclosure title	Answer
201-1	<b>Direct economic value generated and distributed</b>	<p>Direct economic value generated and distributed (EVG&amp;D) in thousands of CHF:  <b>Economic value generated:</b> CHF 7,207,595</p> <p><b>Economic value distributed</b>                      Cost of goods sold: CHF 6,060,392; Marketing and sales expenses: CHF 135,376; General and administration expenses: CHF 430,390; Other expenses/income (net): CHF 14,749; Net finance expense: CHF 101,669; Income tax expenses: CHF 80,514.</p> <p>Net profit attributable to:                      Shareholders of Barry Callebaut AG: CHF 383,939                      Non-controlling interest: CHF 566</p> <p><b>Economic value retained:</b> CHF 384,505</p>
201-2	<b>Financial implications and other risks and opportunities due to climate change</b>	<p>The business of Barry Callebaut depends primarily on the availability of key raw materials such as cocoa, sugar and dairy. Events such as changes in temperatures, poor weather conditions, etc. can negatively impact the availability and price of these raw materials and affect the business (e.g. crop yields). The risk is physical in nature. Climate change has a severe impact on the world in general and agricultural regions in particular. More intensive and shorter periods of rain in the wet season and drier and hotter periods in the dry season are likely outcomes that impact crops significantly. Farmers can no longer rely on the rainfall that's crucial to farming. On top of all of this, deforestation leads to soil degradation, accelerating the downward spiral. If industry does not commit to reducing its carbon footprint and achieve zero net deforestation in its supply chain, the ecosystem that provides chocolate ingredients will rapidly erode. Barry Callebaut engages in activities to support their farmers in adopting climate-friendly practices through farmer services, in replanting projects and awareness-raising activities (see Indicator 203-2).</p>

## Indirect Economic Impact

Disclosure number	Disclosure title	Answer
203-2	<b>Significant indirect economic impacts</b>	<p>Barry Callebaut can only lift cocoa farmers out of poverty if it pursues nothing less than systemic change in cocoa farming. Systemic change means cocoa farming that is prospering and self-sustaining.</p> <p>The first step in achieving systemic change is to understand the specificities and needs in order to enable each cocoa farm in their global supply chain to be self-sustaining. This is why, in 2020/21, the Company continued creating farmer data sets that map, amongst other things, the size of a farm, its soil quality, its productivity, as well as the household it has to support. So far, 394,305 cocoa farms of active farmers in the supply chain this season were mapped in Barry Callebaut's Katchilè database, and this number will increase to half a million by 2025. This database gives the unprecedented capability to design tailor-made Farm Business Plans for participating cocoa farmers (92,508 farmers benefiting in 2020/21). In addition, the Company needs to understand what self-sustaining cocoa farming looks like in the major cocoa-growing countries.</p> <p>In fiscal year 2016/17, Barry Callebaut kicked off pilot projects in key cocoa-growing countries to further our understanding of country-specific sustainable cocoa farming models. In this fiscal year, Wageningen University in the Netherlands, the world's leading agricultural university, completed its evaluation of the pilot projects in Côte d'Ivoire, Ghana, Cameroon, Brazil and Indonesia. At farm level, the pilot activities encompassed interventions to increase cocoa productivity as well as crop and income diversification. The evaluation showed that Barry Callebaut's ongoing learnings from the pilots enabled rapid establishment of their Farm Services organization, and that some services, such as individualized coaching, play a vital role in the integration and efficient use of farm package inputs. In addition, the findings revealed that a lack of access to adequate financial resources was a barrier to the adoption of recommended farm packages. Using these learnings, Barry Callebaut has refined the approach for supporting farmers in professionalizing their cocoa farms. It is clear that the implementation and impact of the Farm Services offerings could be further enhanced by sector-wide collaboration and coordination by local authorities. Also, the Company distributed almost 2.7 million young cocoa seedlings for replanting and almost 2 million shade trees.</p> <p>Cocoa Horizons, as an impact-driven sustainability program, ensures that activities are focused on relevant areas and implemented efficiently. In 2020/21, the premiums from the purchase of HORIZONS cocoa products generated over CHF 28.4 million in funds. The program reached more than 230,000 farmers. In 2020/21, the Cocoa Horizons program was extended to offer customers an exclusive program that includes an additional premium payment on top of Cocoa Horizons.</p> <p>Farmers participating in Cocoa Horizons have access to coaching, access to a Farmer Business Plan, are offered access to financial services and farm services, and are supported with income diversification activities and women empowerment programs. All of the above will ensure that cocoa farming again becomes a profitable business.</p> <p>A sustainable cocoa supply chain can only be achieved with the support from public authorities. Without public intervention, company initiatives will progress much slower on making structural impact outside of their direct supply chains. At industry level, implementation of projects to increase farm productivity through farmer training, better access to agricultural inputs, improved planting materials and credit for investment, should be continued in order to support farmer professionalization. For cocoa-importing countries and regions, such as the EU, there are several complementary actions that are needed to support a sector-wide change: Due diligence and deforestation legislation, which would tackle unsustainable practices and help cocoa farmers achieve a living income, needs to be coupled with partnership cooperation with origin countries, in order to be fully effective. This cooperation should also incorporate funding mechanisms and technical expertise to support the development and implementation of a comprehensive agricultural reform.</p> <p>For this reason, in December 2019, Barry Callebaut partnered with other companies and NGOs to call on the European Union to introduce legislation setting a due diligence obligation on all companies that place cocoa or cocoa products on the EU market. Barry Callebaut has been actively participating in the CocoaTalks, an EU-led Multi-Stakeholder Dialogue on Sustainable Cocoa, since its launch in autumn 2020, aiming to deliver concrete recommendations to advance sustainability across the cocoa supply chain through collective action and partnerships. In May 2021, Barry Callebaut together with other food sector companies called for an EU-wide legal framework to halt and reverse EU-driven global deforestation, outlining that the framework has to be ambitious in its efforts to increase global value chain accountability and transparency for at-risk commodities, such as cocoa.</p> <p>In July 2019, Côte d'Ivoire and Ghana announced the implementation of a living income differential (LID). The LID was applied to all sales contracts for shipments starting season 2020/21 by the two countries, irrespective of market levels. Barry Callebaut supports the implementation of the LID, which enables the Ivorian and Ghanaian governments to support a minimum cocoa price to their cocoa farmers, and the LID is included for all shipments and local deliveries to Barry Callebaut in both Côte d'Ivoire and Ghana.</p> <p>In 2020/21, 125,593 farmers in Côte d'Ivoire, Ghana, Cameroon, Brazil, and Indonesia participated in the Farm Services business, and received coaching and other inputs such as tools and seedlings or support to access finance. The Company supported cocoa farmers in replanting their older cocoa farms with young cocoa trees, as well as other crops that provide shade, and helped cocoa farmers diversify their income. After the +23% increase in productivity measured in 2016/17, it has been a challenge to establish a causal relationship between farmers with access to farm services and the productivity per hectare for these farmers. This is due to the difficulties in excluding other external factors that can positively or negatively affect farmer productivity, i.e. weather conditions, aging cocoa trees and the increasing cost of labor. However, this year, the Company has seen that increased investment into pre-harvest labor, particularly for tree pruning, as well as a higher investment in the right mix and amount of soil inputs, can address these challenges. The results have shown in 2020/21, that farmers who increase pre-harvest labor, to on average 350 hours per hectare, are experiencing higher increases in yield. In comparison, farmers who are investing on average less than 50 hours per hectare on pre-harvest labor, are showing the lowest yield performance.</p> <p>In 2020/21, measured against the International Poverty Line threshold of USD 1.90/day, we estimate 214,584 cocoa farmers in the direct supply chain are no longer in poverty. This year, 125,593 farmers in Côte d'Ivoire, Ghana, Cameroon, Brazil, Indonesia, and Ecuador had access to farm services, aimed at improving agricultural methods, increasing yields, diversifying income, and upgrading farming practices.</p>



## Anti-Corruption

Disclosure number	Disclosure title	Answer
205-1	<b>Operations assessed for risks related to corruption</b>	Total number and percentage of Barry Callebaut operations assessed for risks related to corruption was 94 (100%). Significant bribery and corruption risks are mainly present in certain geographies. The risks are defined as follows: (1) Public corruption & bribery – bribes: Risk of public bribery schemes (payments to foreign public officials) done within the Barry Callebaut Group to obtain or retain business or an advantage in the conduct of business; public bribery, if discovered and investigated by authorities, may result in severe <b>reputational harm</b> through negative publicity and significant fines and costs (e.g. due to violation of FCPA or UK Bribery Act); risk primarily present in emerging markets in the areas of import/export, customs, entering new markets/countries and licenses/permits. (2) Public corruption & bribery – facilitation payment: Payment of typically low amounts to foreign officials (e.g. speed money), which are assessed as a lower risk. (3) Private corruption & bribery through kickback schemes, offers, promises and gifts: Risk that employees receive bribes through kickback schemes with various suppliers; risk primarily applicable to purchasing managers.
205-2	<b>Communication and training about anti-corruption policies and procedures</b>	Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to and that have received training on anti-corruption: 18 of 18 (100%, all Europe).  Total number of employees that have received training on anti-corruption: 5,960 of the white-collar employees. 663 in Africa, 1,432 in Americas, 860 in Asia Pacific and 3,005 in Europe. E-learning is renewed every 2 years.  Total number of new employees that have received training on anti-corruption: 1,090 of the white-collar employees: 161 in Africa; 284 in Americas; 157 in Asia Pacific; 388 in Europe.  At the moment, Barry Callebaut does not collect information on the business partners that the organization's anti-corruption policies and procedures have been communicated to.
205-3	<b>Confirmed incidents of corruption and actions taken</b>	Barry Callebaut investigated 12 cases of corruption leading to 4 confirmed incidents in the fiscal year 2020/21. There were 2 cases where employees were disciplined or dismissed and 1 incident where a contract was terminated or not renewed. There was no public legal case brought against the Company or its employees (insolvency claim).
206-1	<b>Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</b>	There are/were 0 cases of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which Barry Callebaut has been identified as a litigant.

## GRI 300: ENVIRONMENTAL STANDARDS

### Energy

302-1	<b>Energy consumption within the organization</b>	The total gas consumption was 574,529,473 kWh and the total fuel consumption from non-renewable sources 19,598,725 kWh, exceptionally high due to the Côte d'Ivoire energy crisis which lead to renewable electricity shortage for the whole country, major efforts were done increasing the use of biomass to mitigate the effect.  Total energy consumption: 1,500,652,807 kWh. Total energy consumption from renewable sources: 635,781,224 kWh, representing 42% of Barry Callebaut's consumption (versus previous 39%). Renewable sources include electricity, solar, biomass, wind, and geothermal origins.  Total electricity consumption (from non-renewable sources): 265,225,261 kWh; Heating and cooling consumption: 0 kWh; Steam consumption: 5,518,123,10 kWh; Total electricity, heating, cooling and steam sold: 0 kWh.  Barry Callebaut follows an intense management of the energy system which is continuously revised, company's sites are on board and committed with regular activities in all the company sites.
302-3	<b>Energy intensity</b>	Energy intensity ratio per ton of activity is 279 kWh. Energy consumption includes electricity, gas, fuel, steam, and renewable energy. The energy ratio is based on energy consumption within the organization.

### Water

303-1	<b>Water withdrawal by source</b>	Total volume of water withdrawn was 2.4 million m <sup>3</sup> from municipal water supplies, artesian wells and other public or private water utilities. Barry Callebaut is working on a new and integrated strategic water management approach. This will allow it to report on water withdrawal per source in the future.  Apparent growth in consumption is mainly related to the progressive incorporation of factories to the new management approach.
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### Biodiversity

304-3	<b>Habitats protected or restored</b>	In 2020/21, Barry Callebaut mapped 394,305 active cocoa farms in its Katchilè database, to understand whether these farmers are located close to protected forest areas and therefore at risk of sourcing cocoa from protected forest areas.
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## Emissions

Disclosure number	Disclosure title	Answer
305-5	<b>Reduction of GHG emissions</b>	<p>The carbon footprint of Barry Callebaut's supply chain from farm to customer was 7.83 million tonnes CO<sub>2</sub>e, which is flat in comparison to our previous reported footprint. This is mainly due to the reduced availability of sustainably sourced raw materials, such as sugar.</p> <p>The Company's CO<sub>2</sub>e intensity per tonne of average products slightly decreased from 3.73 tonnes to 3.57.</p> <p>Optimizing carbon footprint constitutes a mix of minimizing the carbon footprint of Barry Callebaut's factories, the carbon footprint of the energy used for the production of products, as well as the carbon footprint of transport activities and non-cocoa ingredients. For example, 26 of the 64 factories (41%) are powered by renewable energy.</p> <p>In order to become forest-positive, Barry Callebaut must continue to eliminate deforestation from our supply chain. A critical component for achieving this, is to know the exact location of the farms the Company is sourcing from. Barry Callebaut's commitment to monitoring farms was further refined this year to include the mapping of farms within 25 kilometers of national parks, game reserves, forest reserves, and, new for 2020/21, classified forests 1 and 2 in Côte d'Ivoire. In 2020/21, Barry Callebaut mapped 240,570 (+358%) farms in their direct supply chain that are located within 25 kilometers of a protected forest area. As a result, Barry Callebaut has established traceability to farm level for the cocoa volumes coming from these mapped farms. Furthermore, Barry Callebaut enabled 55,579 hectares of agroforestry as per Cocoa &amp; Forests Initiative (CFI) requirements. In addition, eliminating deforestation also requires working with sustainability certifications and standards – including Barry Callebaut's own sustainability program Cocoa Horizons – to develop systems that allow for credible proof of the deforestation-free claim. In addition, Barry Callebaut requires its suppliers of all ingredients at risk of causing deforestation to implement equivalent approaches to guarantee that these commodities are free from deforestation.</p> <p>An innovative approach to reduce the Company's carbon footprint concerned the piloting of Biochar, a material produced by transforming cocoa shells and other cocoa by-products into green energy. In 2019/20, working with Circular Carbon, the pilot was assessed for use in the Company's factories. This year, the infrastructure for producing Biochar was ramped up in one of the European factories.</p>
305-7	<b>Nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), and other significant air emissions</b>	<p>Barry Callebaut respects legal requirements for emission levels in each country of operation. In 2020/21, the Company has not received any significant fine for exceeding the legal limits. At the moment, Barry Callebaut does not track NO<sub>x</sub> and SO<sub>x</sub> emissions in their eco-footprinting tool.</p> <p>Measures of different parameters are followed depending on the equipment, size and local legislation, so a variety of frequencies of control and parameters are tracked, in many cases beyond NO<sub>x</sub> or SO<sub>x</sub>, i.e. dust or smoke with TSP/SPM or PM10.</p>

## Compliance

307-1	<b>Environmental compliance</b>	Barry Callebaut received no significant fines in 2020/21.
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## Supplier Environmental Assessment

308-2	<b>Negative environmental impacts in the supply chain and actions taken</b>	<p>Barry Callebaut identified hotspots of actual and potential negative environmental impacts in its cocoa supply chain. They include GHG emissions due to land use change, transport, usage of dairy products and sugar, production in cocoa factories and cocoa farming. Other negative environmental impacts can include soil degradation due to deforestation and usage of fertilizers in cocoa farming, water usage during chocolate production and others. A part of the volume of raw materials that the company sources is at risk of causing deforestation. Barry Callebaut has therefore created a heat map to provide an overview of the geographical footprint of these raw materials and their inherent risks.</p> <p>On the basis of this heat map, the company has assessed which measures, such as traceability and farm mapping, have to be put in place, in addition to certification schemes, to be able to guarantee that the commodities are free from deforestation.</p> <p>In 2020/21, the total raw materials sourced that originate from sustainable sources, including cocoa, was <b>48%</b>. Barry Callebaut is continuing to focus efforts to further build the market pull for sustainably sourced cocoa, and have set an example by transitioning our own gourmet brands to sustainably sourced cocoa, cocoa mass or ingredients. In order to provide a better picture of how the market for sustainable cocoa is developing, Barry Callebaut also monitors the % of cocoa and chocolate products sold that contain sustainable cocoa. It is important to highlight that Barry Callebaut classifies only products that contain 100% of their cocoa content as sustainably sourced in our % of cocoa and chocolate products sold that contain sustainable cocoa. In 2020/21, the percentage of cocoa and chocolate products sold that contain sustainable cocoa is <b>43%</b>.</p> <p>The total of non-cocoa raw materials that are sourced originating from sustainable sources, totaled <b>66%</b>, an increase of <b>+8%</b> compared to 2019/20.</p> <p>Barry Callebaut also trains farmers on good agricultural practices (GAPs) to support farmers in adoption practices such as pruning, pest management, harvest and post-harvest practices or maintaining soil fertility.</p>
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## GRI 400: SOCIAL DISCLOSURES

### Employment

Disclosure number	Disclosure title	Answer
401-1	<b>New employee hires and employee turnover</b>	<p>In the reporting period, Barry Callebaut hired 2,248 new employees:</p> <ul style="list-style-type: none"> <li>– Split by age: 895 employees below 30 years old, 1,122 employees between 30 and 50 years old, 231 employees above 50 years old.</li> <li>– Split by gender: 722 female and 1,515 male employees, 11 with no gender indication.</li> <li>– Split by region: 77 employees in Africa, 1,068 employees in Americas, 301 in Asia Pacific, 802 in Europe.</li> </ul> <p>The total turnover of employees was 14%. The turnover of employees by geozone and gender:</p> <ul style="list-style-type: none"> <li>– Africa: 6% female and 8% male</li> <li>– Americas: 24% female and 24% male</li> <li>– Asia Pacific: 15% female and 12% male</li> <li>– Europe: 10% female and 10% male</li> </ul> <p>The turnover of employees by age and gender:</p> <ul style="list-style-type: none"> <li>– Below 30 years old: 29% female and 29% male</li> <li>– Between 30 and 50 years old: 12% female and 12% male</li> <li>– Above 50 years old: 13% female and 11% male</li> </ul>

### Occupational Health & Safety

403-2	<b>Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities</b>	<p>Barry Callebaut collects information on the following types of injuries: Fatalities (deadly accident), Lost-time accident (an accident whereby the employee is unable to return to work the following day), Restricted Work Case (injury resulting into adjusted work), Medical Treatment Case (injury requiring medical intervention after which normal work conduct is continued) and First-Aid Case (light injury only requiring first-aid care).</p> <p>In addition to the registration of injuries, Barry Callebaut also records prevention measures: Zero harm (detected safety risk that did not result in an injury) and safety talks (dialogue between employees to improve safety awareness, understanding and behavior).</p> <p>In November 2017, Barry Callebaut updated our Global Health &amp; Safety policy, covering all SMETA international standards. Our global safety committee, regional and local safety leaders work to have this policy fully deployed at all sites and systematically increase our performance and maturity.</p> <p>A standard process is in place to conduct risk assessment, eliminate hazards and minimize risks. Every injury needs to be investigated and proper corrective actions need to be implemented. Description of the accident, the cause analysis and corrective actions need to be formalized via a standard report and are subject to management review. Incidents are also shared across sites to avoid similar accidents at other sites.</p>
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### Training and Education

404-2	<b>Programs for upgrading employee skills and transition assistance programs</b>	<p>Barry Callebaut offers a wealth of training programs across the organization to both junior and senior staff. These include technical and on-the-job skills development, as well as quality, health and safety courses. In fiscal year 2020/21, 4,092 employees completed e-learning modules, and 162 managers and other professional associates took part in one of Barry Callebaut's Leadership Academy development programs. In the same fiscal year, 9 young talents completed their 2-year Graduate Program.</p>
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### Diversity and Equal Opportunity

405-1	<b>Diversity of governance bodies and employees</b>	<p>Board of Directors: 6 male members and 2 female members. 0 members under 30 years old, 2 members between 30 and 50 years old and 6 members above 50 years old.</p> <p>Executive Committee: 10 members (1 female and 9 males). 0 members below 30 years old, 4 members between 30 and 50 years old and 6 members above 50 years old.</p> <p>The Company had 30% female and 70% male employees.</p> <p>13% of employees are below 30 years old, 60% of employees are between 30 and 50 years old, 27% of employees are above 50 years old.</p>
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## Child Labor

Disclosure number	Disclosure title	Answer
408-1	<b>Operations and suppliers at significant risk for incidents of child labor</b>	<p>Barry Callebaut expects that some of the suppliers and cocoa farmers pose a risk of child labor. The child labor risk at the company's own sites is low.</p> <p>With the support of ICI, Barry Callebaut continues to implement monitoring and remediation systems on child labor. This constitutes on-the-ground household and farm visits by Company staff to survey practices concerning child employment and education in cocoa farming communities. These surveys identify children performing hazardous tasks and estimates of the prevalence of the worst forms of child labor. In 2020/21, Barry Callebaut deployed monitoring and remediation in 61% of its farmer groups covering 220,878 farmers in Côte d'Ivoire, Ghana, and Cameroon. In the fiscal year under review, 21,258 cases of child labor which we are determined to remediate. Of the reported cases in 2018/19 and 2019/20, 25,486 are in the process of being remediated, and 362 have been fully remediated. Furthermore, the Company trains and sensitizes farmers on the issues related to child labor. In the year 2020/21, Barry Callebaut trained 29,300 farmers.</p> <p>Furthermore, in order to ensure that there are no worst forms of child labor present, Barry Callebaut has updated its supplier code to incentivize suppliers of non-cocoa ingredients to have systems in place to prevent, monitor, and remediate child labor. In the year 2020/21, 24.5% of cocoa and non-cocoa third-party suppliers have equivalent systems in place.</p> <p>The letters of intent Barry Callebaut signed with the Ivorian and Ghanaian governments on sustainable cocoa farming spell out a commitment to increased cooperation on the eradication of the worst forms of child labor. This includes working together on community-led initiatives to eradicate child labor and support women cocoa farmers, as well as young cocoa farmers.</p> <p>In October 2020, the National Opinion Research Center (NORC) from the University of Chicago, US, funded by the US Department of Labor (USDOL), completed a 4-year review of the various interventions carried out by representatives from the cocoa and chocolate industry and the governments of Côte d'Ivoire and Ghana, to reduce the worst forms of child labor. The NORC study reports that there are still 1.56 million children involved in child labor for cocoa cultivation in Côte d'Ivoire and Ghana. In a sub-study conducted by NORC, funded by WCF, a hypothesis of the stabilization of child labor in high-production areas is because interventions to address and prevent child labor have been concentrated in high-production areas. This suggests that child labor interventions in areas of high cocoa production are showing a positive impact on prevalence of child labor.</p> <p>Additionally, to manage child labor risk at its own operations (factories), all Barry Callebaut sites are in the process to be SMETA-compliant. At the end of our fiscal year, 91% of sites achieved compliance and 9% conducted the initial SMETA audit and are closing last NCs.</p>

## Forced Labor

409-1	<b>Operations and suppliers at significant risk for incidents of forced or compulsory labor</b>	<p>Barry Callebaut's Code of Conduct expressly prohibits child labor, forced or compulsory labor. Suppliers are asked to sign Barry Callebaut's Supplier Code of Conduct. At the moment, Barry Callebaut is developing detailed geographical heat maps to identify areas with a risk of forced labor and child labor.</p> <p>Barry Callebaut Global Labor Policy covers the human rights principles and adheres to the ILO Conventions. In May 2020, Barry Callebaut reviewed and enhanced the Global Labor Policy with more elaborated directions for Responsible recruitment. Barry Callebaut endorses the Employer Pays Principle (EPP) and invested in the improvement of the entire recruitment process in function of respecting the EPP, including commitments from and controls at labor providers in the countries of origin of migrant workers.</p> <p>With the systematic renewal of SMETA audits at all sites, Barry Callebaut obtains independent verification of our adherence to the ILO conventions in all countries and locations.</p>
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## Security Practices

410-1	<b>Security practices</b>	<p>Barry Callebaut does not employ own security personnel. Security providers are subject to commit to our Supplier Code. The Company conducts the necessary controls to ensure that these companies also respect the human right principles in line with ILO convention.</p> <p>In the year 2020/21, the Company will explore the topic with third-party providers of gate-keeping personnel.</p>
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## Human Rights Assessment

412-1	<b>Operations that have been subject to human rights reviews or impact assessments</b>	<p>Human rights assessments are fully embedded in the SMETA audit protocol and all our sites need to initiate systematic renewal audits at least every 3 years and this by an independent and qualified auditor, in line with the market standards.</p> <p>All our sites have conducted initial SMETA audits and 91% of our sites have completed the entire audit process at the end of our fiscal year. The other 9% of our sites were in the process to close identified non-compliances. On an annual basis, Barry Callebaut reviews and updates its Global Human Rightly Policy.</p>
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## Local Communities

Disclosure number	Disclosure title	Answer
413-1	<b>Operations with local community engagement, impact assessments, and development programs</b>	Currently, Barry Callebaut concentrates its community development activities on its supply chain in Côte d'Ivoire, Ghana and Cameroon. The development activities cover themes of child labor, education, women empowerment, and prospering farmers. At the moment, Barry Callebaut tracks its environmental and social impacts as defined by its Forever Chocolate KPIs. The progress towards that is presented in the Forever Chocolate report and microsite ( <a href="http://www.barry-callebaut.com/en/group/forever-chocolate/sustainability-reporting">www.barry-callebaut.com/en/group/forever-chocolate/sustainability-reporting</a> ). To allow the company to do so, in the fiscal year 2020/21, farmer census data was collected on a massive scale and child labor heat maps were used to assess the risk in the Cocoa Horizons communities (on a country level).

## Supplier Social Assessment

414-2	<b>Negative social impacts in the supply chain and actions taken</b>	<p>Barry Callebaut has identified hotspots of actual and potential negative social impacts in their cocoa supply chain. Most importantly, they include low average income of cocoa farmers, child labor and forced labor.</p> <p>Currently, the Company uses sustainability certification as its primary means of managing negative social impacts in its supply chain. In order to ensure that there are no worst forms of child labor present in any of the other ingredients Barry Callebaut is sourcing for its products, the Group has updated its Supplier Code to incentivize suppliers of non-cocoa ingredients to have systems in place to prevent, monitor and remediate child labor. Furthermore, Barry Callebaut has assessed most Cocoa Horizons communities for the risk of child labor.</p> <p>Of all the raw materials Barry Callebaut sources, 48% are sustainably sourced. This percentage includes, for cocoa, Barry Callebaut's own Cocoa Horizons program, together with external certifications such as UTZ, Rainforest Alliance, Fairtrade or Organic. Barry Callebaut sourced 66% of its non-cocoa agricultural raw materials sustainably.</p>
415-1	<b>Public policy</b>	To the best of its knowledge, Barry Callebaut does not make any financial and in-kind political contributions directly and indirectly.
419-1	<b>Socioeconomic compliance</b>	Barry Callebaut has not identified significant fines or non-monetary sanctions for non-compliance with laws in the social and economic area in the fiscal year 2020/21.