News Release

Redesigning how chocolate is made

Barry Callebaut introduces the second generation of chocolate

- To indulge in the purity of cocoa flavors, Barry Callebaut has redesigned the farming, fermentation, and roasting of the cocoa beans
- The second generation of chocolate by design puts 'cocoa first, sugar last'. Whereas Dark chocolate is only made from cocoa and sugar, Milk chocolate contains dairy as well
- With the second generation of chocolate, Barry Callebaut aims to accelerate the industry
 effort to address the changing consumer preferences and consumers' desire to indulge
 more mindfully

Venice/Italy, October 27, 2022 – Barry Callebaut, the world's leading manufacturer of high-quality chocolate and cocoa products, announced today, more than 140 years after the emergence of the first generation, the introduction of the second generation of chocolate. Enabling brands and artisans to be fit for what consumers desire: food and drinks paying homage to nature's flavors, while supporting them to live more healthily.

Traditional techniques, future-proof engineered

The distinct flavor characteristics of the cocoa bean, cultivated during farming and awakened during the fermentation and roasting processes, are fundamental to the new chocolate.

Barry Callebaut redesigned the making of chocolate – known as the <u>Cocoa Cultivation & Craft</u> principle (CCC) – to recognize the special qualities of each cocoa bean and coax out the nuances of flavor. With initial efforts dating back to early 2000, Barry Callebaut gained new insight from a long-term research program in collaboration with the Jacobs University Bremen, Germany. Advanced detection technologies, combined with new sensory methods, enable the identification of unique characteristics in the cocoa beans.

To indulge in the purity of cocoa flavors

By applying the CCC principle, Barry Callebaut could redefine chocolate completely: 'putting cocoa first, sugar last'. Moreover, to experience the nuances of cocoa flavors, the recipe of the second generation of chocolate is as pure as it can be and contains 60-80% more cocoa. Dark chocolate is made of two ingredients: cocoa to which only sugar is added. Milk chocolate is made of cocoa, milk and sugar.¹

The new product design is not only testament to nature's flavors, but also to the mindfully living consumer. The chocolate contains 50% less sugar than 80%+ of the chocolate consumed across the world.

The chocolate taste ranges from a natural and rich cocoa flavor to more complex flavor profiles. By introducing the second generation of chocolate, Barry Callebaut aims to inspire and support brands and artisans to define their next generation of chocolate creations in confectionery, bakery, pastry, desserts, and ice-cream.

Peter Boone, CEO of Barry Callebaut Group, explained: "The second generation of chocolate addresses perfectly the changing consumer preferences and consumers' desire to indulge more mindfully. It will inspire and support brands and artisans to craft their next-generation chocolate creations and is testament to our leadership in shaping the future of chocolate indulgence."

¹For reference, the current industry average contains 30-40% cocoa for Milk and 45-50% cocoa for Dark chocolate and contains 6-9 ingredients.



Mindful indulgence is on the rise

While looking for joyous moments and pleasure in life, more and more consumers today want to live in harmony with their body, mind, and environment. Accordingly, the chocolate subcategory related to mindful indulgence has been growing +6.0%, outpacing the +1.8% growth of the total 2016-2021 market.²

Chocolate produced according to the CCC principle has been successfully validated through a quantitative consumer concept and product test by independent global research agency MMR Research Worldwide³ in the US, the UK, and China, indicating a positive consumer appeal and purchase intent.

Since 2017, Barry Callebaut has deepened its consumer insights and accelerated its innovation effort with the introduction of Ruby chocolate, WholeFruit chocolate and the first nutraceutical fruit drink, Elix. With the introduction of the second generation of chocolate, Barry Callebaut confirms its purpose to create chocolate happiness and to make sure it keeps being the world's favorite indulgent treat for today's and tomorrow's generations. It takes about 12 – 18 months before consumer brands and artisans introduce their applications.

² Euromonitor International Limited [2022] © All rights reserved, 2016-2021 data, scope of the sub-category contains products labeled: allergen-free, natural, plant-based, sugar solutions, BC proprietary estimates.

³ MMR Research Worldwide Quantitative Consumer Study 2021.



About Barry Callebaut Group (www.barry-callebaut.com):

With annual sales of about CHF 7.2 billion (EUR 6.6 billion / USD 7.9 billion) in fiscal year 2020/21, the Zurichbased Barry Callebaut Group is the world's leading manufacturer of high-quality chocolate and cocoa products – from sourcing and processing cocoa beans to producing the finest chocolates, including chocolate fillings, decorations and compounds. The Group runs more than 60 production facilities worldwide and employs a diverse and dedicated global workforce of more than 13,000 people.

The Barry Callebaut Group serves the entire food industry, from industrial food manufacturers to artisanal and professional users of chocolate, such as chocolatiers, pastry chefs, bakers, hotels, restaurants or caterers. The global brands catering to the specific needs of these Gourmet customers are <u>Callebaut</u>[®] and <u>Cacao Barry</u>[®], <u>Carma®</u> and the decorations specialist <u>Mona Lisa</u>[®].

The Barry Callebaut Group is committed to make sustainable chocolate the norm by 2025 to help ensure future supplies of cocoa and improve farmer livelihoods. It supports the <u>Cocoa Horizons Foundation</u> in its goal to shape a sustainable cocoa and chocolate future.

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