

Barry Callebaut's Position on Child Labor

August, 2023

Global Statement: Barry Callebaut's position on Child Labor

Introduction

Barry Callebaut sources its ingredients, both cocoa and non-cocoa, from countries and regions across the world. Barry Callebaut is committed to working towards a sustainable cocoa industry, and respecting human rights. We aim to have a positive impact on all our stakeholders – farmers, employees, shareholders, customers, consumers, suppliers, and the communities where we operate.

Barry Callebaut observes the principles set forth in the Universal Declaration of Human Rights, the United Nations (UN) Convention on the Rights of the Child (CRC), the African Charter on the Rights and Welfare of the Child, the United Nations Guiding Principles (UNGP) on Business and Human Rights framework, and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. We strictly adhere to local laws regarding minimum age and other terms of employment in our factories and offices around the world. The minimum age for employment at Barry Callebaut is in accordance with the International Labor Organization (ILO) Convention 138 or, if higher, the age specified by local legislation.

According to the CRC, every child has the right to protection from harm, and this means protection from all forms of harm and abuse, not only child labor. We expect Barry Callebaut employees, representatives and business partners (suppliers, vendors, consultants, volunteers, etc.) to respect local laws and regulations related to child rights, to adhere to our codes and policies and behave in a way that does not place any child we come into contact with through our business operations, at risk of harm or abuse. Our work is aligned with the four core principles of the CRC: non-discrimination; devotion to the best interests of the child; the right to life, survival and development; and respect for the views of the child. Under Barry Callebaut's Forever Chocolate program we envision a future where all children are able to embrace opportunities and realize their full potential living in communities that are safe and self-reliant for all.

Our Global Code of Conduct, Supplier Code, Global Labor Policy, and the Global Policy Safeguarding Human Rights, together with this Global Statement on Child Labor and

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related procedures, constitute the policy and procedural framework for Barry Callebaut with respect to human rights and child labor.

Child labor in the supply chain

Child labor is a complex issue, and our Forever Chocolate commitment demonstrates our belief that all forms of child abuse have no place in a sustainable future for chocolate. Accordingly, we strongly condemn all forms of child abuse, including forced labor, slavery, child labor and all practices that exploit children or expose them to harmful or hazardous conditions.

Child labor can take many forms in agricultural and raw material supply chains. This includes children working within their households and families, such as in the case of smallholder farms. It can also include children who are independently and/or informally employed on farms or in other parts of a supply chain such as in transport networks or processing factories. These children may be from the surrounding local communities, or they may have migrated from other regions, looking for work, with or without their parents or family members.

Hazardous child labor (see also definitions in the Appendix section) can include such activities as using pesticides without protective clothing, sharp instruments or dangerous machinery, or other tasks which are directly harmful and risky for their age. It is also considered harmful if the work interferes with a child's education. Child labor is also considered hazardous if children are working more than the maximum set hours for their age or if the work is late or too early in the day. The minimum age for employment at Barry Callebaut is in accordance with the International Labor Organization (ILO Convention 138) or, if higher, the age specified by local legislation.

In line with the UNGPs, we believe that the solution lies not in terminating sourcing activities from these regions, but in assessing, monitoring and addressing the risk of children becoming involved in child labor. Abandoning a region because of the challenges it faces would only worsen its economic and human rights situation.

Forced child labor is the most egregious form of child labor and would include instances where children are made to work under threat or in fear of harm. Children may be deceived or tricked into working, unable to leave, not given adequate pay, breaks, food, or

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other basic essential requirements. There may be situations where children are controlled by violence or threat of violence or through debt that they or their families have incurred. Due to the criminal nature of forced labor, this would be a matter for local law enforcement agencies to address in line with their domestic judicial processes. If Barry Callebaut becomes aware of forced child labor, this would be reported immediately to the appropriate authorities. If support from Barry Callebaut is required as part of remediation efforts, we would readily assist and follow up on the outcome.

Embedding responsible business practices

Our approach to eradicating child labor closely follows the [OECD Due Diligence Guidance for Responsible Business Conduct](#). Our company efforts are coupled with sector collaboration as well as public intervention to bring about a structural solution to child labor. We believe enforcement of a strong regulatory framework to protect human rights in origin countries should be part of a broader effort to strengthen an enabling environment for sustainable cocoa farming. Such an approach would go hand in hand with the due diligence legislation currently being debated, which can only be fully effective if sector-wide traceability is established and effective systems are set up to identify, prevent, mitigate and remediate business activities that have a detrimental effect on human rights and the environment.

Barry Callebaut's Board of Directors has the overall responsibility of ensuring that Environmental, Social and Governance (ESG) related policies and strategies align with the long-term strategy and business model of the company.

In May 2023 Barry Callebaut sharpened its [Forever Chocolate strategy](#), extending its scope and impact up to 2030. This includes the continued monitoring and cooperating in remediation of child labor cases until 2025. At the same time, we are adding a target for 2030, supporting cocoa farming communities to protect child rights and prevent child labor from occurring, which underlines the community activities we have been developing since 2019. We will further expand our activities related to the adoption of child-centric due diligence systems in cocoa farming communities, empowering

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communities to protect child rights. This means early recognition of children at risk and actions to mitigate these risks. We measure success by the number of cocoa farming communities that have established functioning child protection systems, as well as by the percentage of adults and children reporting an improved sense of wellbeing. Our Theory of Change is focused on a community systems approach in our direct cocoa supply chain, aiming to empower communities to protect child rights using a system strengthening and child-centered approach, working alongside communities, government agencies, NGOs and children themselves, focusing on linkages between protection, education, health, livelihoods, and the overall wellbeing of children, their families and communities.

Assessing and addressing supply chain risks

For all the ingredients we source, we use Verisk by Maplecroft as a first step. Verisk quantifies the salient human rights risk at a country and ingredient level. We also conduct in-depth Human Rights Impact Assessments (HRIA) for the main cocoa sourcing countries and regions. Results of the HRIA are used to prioritize and develop our interventions and engagement with suppliers.

Supply chains of other non-cocoa ingredients ranked high risk for the involvement of child labor, such as sugar cane and vanilla, are addressed through sustainability certification requirements and our ESG third party due diligence process. As we do not directly source from the farmers in these supply chains, we rely on third party audits for compliance. As a result we ensure that all ingredients from regions at high risk of child labor involvement are certified or verified sustainable.

Barry Callebaut's own factory sites comply with SEDEX and regular SMETA audits are conducted which cover (Child) Labor, Health & Safety, Environment and Business Ethics standards.

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Engaging with our suppliers

We expect our suppliers and their employees, agents and subcontractors to share our strict commitment to human rights.. All suppliers are required to sign our Supplier Code.

The [Supplier Code](#) is available in ten languages and sets forth essential minimum requirements. Our suppliers must comply with all applicable local and national laws, rules, regulations and requirements of the country in which they grow, manufacture, distribute or provide products or services. We further expect suppliers to respect and comply with international labor standards as defined by the core ILO conventions, including freely chosen employment, no child labor, freedom of association, legal and fair compensation, no excessive working hours, no discrimination, respect and dignity, and safe and healthy working conditions.

To ensure we put policy into practice, meaning ensuring our staff and suppliers gain an understanding of the policies and the issues they cover and can respond appropriately, we deliver training to all suppliers in our direct cocoa supply chains. They are trained on the concepts of child (forced) labor and child safeguarding and are given support in assessing and addressing child labor.

Training of employees

As part of our employee onboarding process, all corporate and management staff receive training on our Code of Conduct and basic child and forced labor concepts. Employees who work directly with farmers and their communities are required to attend in-depth training and annual refresher courses on the issues of child labor, child safeguarding and forced labor.

For our factory sites, the SEDEX requirements are applicable when it comes to training on labor rights and compliance is measured via the SMETA audits.

Grievance system

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As per UN Guiding Principle 31, we have a Grievance System, widely communicated to employees and suppliers. Grievances can be channeled via email, hotline or an online platform.

Partnerships

We can accomplish more together than we can alone, especially in our aim to prevent and address child labor, which requires a collaborative effort if we want to create system changes for sustainable impact. We will therefore always seek partnerships with our supply chain partners, government entities, NGOs and key experts.

Progress Reporting

Detailed information and progress reporting about our sustainability strategy, programs and activities is available on the Barry Callebaut corporate website (www.barry-callebaut.com) and our [Forever Chocolate Progress Report](#). We regularly update this information.

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Definitions

It is important to set out some parameters about what is meant by 'child labor'. The following sets out how child labor is defined and what constitutes the Worst Forms of Child Labor.

Child

A child is defined under international law as any person under the age of 18 years. National laws may define a 'child' in different ways, including the concept of evolving capacities of children.

Child Labor

Defined by the International Labor Organization (ILO) as "Work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical and mental development". It refers to work that is mentally, physically, socially or morally dangerous and harmful to children; and interferes with their schooling by:

- depriving them of the opportunity to attend school;
- obliging them to leave school prematurely; or
- requiring them to attempt to combine school attendance with excessively long and heavy work.

Whether or not particular forms of "work" can be called "child labor" depends on the child's age, the type and hours of work performed, the conditions under which it is performed and the objectives pursued by individual countries. The answer varies from country to country, as well as among sectors within countries. Below minimum age is de facto child labor.

Hazardous Child Labor (HCL)

Hazardous child labor or hazardous work is work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children. Guidance

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on hazardous work activities which should be prohibited by governments is given in [Article 3 of ILO Recommendation No. 190](#) :

- work which exposes children to physical, psychological or sexual abuse;
- work underground, under water, at dangerous heights or in confined spaces;
- work with dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads;
- work in an unhealthy environment which could, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health;
- work under particularly difficult conditions such as long hours or during the night or work where the child is unreasonably confined to the premises of the employer.

Hazardous child labor falls within the definition of the “worst forms of child labor”. Examples of this include exposure to hazardous substances, agents or processes; work with dangerous machinery, equipment and tools; manual handling or transport of heavy loads; temperatures or noise levels damaging to their health; and work under particularly difficult conditions such as long hours or during the night. Some of these activities can therefore be improved by changing the circumstances to support and protect the well-being of children.

Worst Forms of Child labor (WFCL)

The worst forms of child labor ([as defined by Article 3 of ILO Convention No. 182](#)) involve children being enslaved, separated from their families, exposed to serious hazards and illnesses and/or left to fend for themselves on the streets of large cities – often at a very early age. “*Worst forms of child labor*” covers four major categories:

- a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labor, including forced or compulsory recruitment of children for use in armed conflict;
- b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;
- c) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties;

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- d) Work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children (hazardous work).

Child work

According to the International Labor Organization (ILO), not all work done by children should be classified as child labor that is to be targeted for elimination. Child work refers to work that is legitimate work permitted by law for children. Under some circumstances, children are permitted to work, but they can only do specific tasks that are age-appropriate, do not negatively affect their health or development, and do not interfere with their schooling.

Child Protection

Child protection (measures and structures) that prevent and respond to abuse, neglect, exploitation and violence affecting children.¹ The goal of child protection is to promote, protect and fulfill children's rights to protection from abuse, neglect, exploitation and violence as expressed in the UN Convention on the Rights of the Child (UNCRC) and other human rights, humanitarian and refugee treaties and conventions, as well as national laws.² Child protection is universal: it is for all children everywhere, from low- to high-income countries.

Child protection in the international context describes the work being undertaken to strengthen laws, policies and systems that are designed to protect children in a given country in his or her own family and community.

Child Safeguarding

Is the responsibility that organizations (including companies) have to make sure their own staff and associates³ operations and programs do no harm to children, that is, that they do not expose children to the risk of harm and abuse, and that any concerns the organization has about children's safety within the communities in which they work are reported to the

¹ [Child protection overview - UNICEF DATA](#)

² [Save the Children's Definition of Child Protection | Save the Children's Resource Centre](#)

³ 'Staff and associates' includes permanent and temporary employees, consultants, contractors, suppliers, partners, volunteers and visitors

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appropriate authorities.⁴ Child protection is universal: it is for all children everywhere, from low- to high-income countries.

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⁴ [Applying the ICS Standards - Keeping Children Safe](#); also: Keeping Children Safe (KCS), International Child Safeguarding Standards, p. 3

⁵ Keeping Children Safe, Understanding Child Safeguarding: A Facilitator's Guide, p.31