



Programme de conservation des écosystèmes
Programme de protection de la vie sauvage

Barry Callebaut

Our approach to Sustainability

Sustainability is about generating value for our business as well as for all our stakeholders – producers, suppliers, customers, shareholders, employees and communities.

Additional information:
www.barry-callebaut.com/csr
www.barry-callebaut.com/codeofconduct

With the integration of the acquired cocoa business, the Barry Callebaut Group is now the world's leading chocolate and cocoa company. As our business grows, expectations rise, too.

Our sustainability strategy addresses our three main areas of impact: sustainable cocoa, environmental protection and employee development.

Due to the importance of cocoa as a raw material, we made Sustainable Cocoa the fourth pillar of our growth strategy, alongside Expansion, Innovation and Cost Leadership. Working together with stakeholders, we aim to make cocoa farming a profitable livelihood today and for future generations. At the same time, we aim to secure the volumes and quality of cocoa needed for our growth while meeting the growing demand among customers and consumers for responsibly produced chocolate.

Our environmental protection programs focus on reducing the impacts of our production and transport. Since carbon emissions from our operations form the largest part of our environmental footprint, this is our primary focus.

Our employees are the actors of our business success, and are also key in implementing sustainability initiatives successfully. We develop and promote them, so that they can fulfill their potential. We also offer a workplace that is fair, safe and positive.

Our commitment to sustainability is enshrined in the Barry Callebaut Group Code of Conduct. In addition, our values guide how we do business and are the basis of how we engage in our sustainability initiatives.

This section highlights the key sustainability activities and achievements for fiscal year 2013/14. Further details on our CSR indicators can be found in the 2013/14 GRI report available online. Our Governance is also described in the Sustainability Report 2012/13.

Sustainable cocoa: increased productivity for a better life

Additional information:
www.qualitypartnerprogram.com
[www.barry-callebaut.com/
qualitypartnerprogram](http://www.barry-callebaut.com/qualitypartnerprogram)
[www.barry-callebaut.com/
cocoa-horizons](http://www.barry-callebaut.com/cocoa-horizons)
s.a. Cocoa Sustainability Report
2013/14

Cocoa is typically produced by smallholder farmers in remote equatorial areas. Most of the world's cocoa volume comes from West Africa, the area that faces the industry's most vital sustainability challenges.

The demand for cocoa grows year-on-year, while cocoa production worldwide remains relatively flat. To safeguard the future of cocoa, we must make cocoa farming more attractive and profitable to farmers.

Our approach to sustainable cocoa

Our mission is to improve the livelihoods of cocoa farmers and their communities through the promotion of sustainable, entrepreneurial farming, improved productivity, and community development.

The Barry Callebaut Group believes that cocoa production is sustainable when farmers:

- earn an equitable income;
- engage in responsible labor practices;
- safeguard the environment; and
- can provide for the basic health and education needs and well-being of their families.

Cocoa Horizons

Cocoa Horizons is our 10-year, CHF 40 million initiative launched in 2012 to improve farm productivity. The Barry Callebaut Group's cocoa sustainability team comprises 58 colleagues globally, of which 35 are in Côte d'Ivoire alone. It includes trainers, ecologists, agronomists, geographers, controllers, and auditors. The team works with cooperatives to organize training and support for their farmers and their communities.

Biolands

The Biolands Group, as a direct sourcing and farm services entity, is dedicated to sourcing sustainably produced cocoa beans from 63,000 farmers across Tanzania, Sierra Leone, and Côte d'Ivoire. It works directly with farmers and village coordinators to provide training, inputs such as fertilizers, financial services, support and assistance in the production of certified cocoa. Biolands applies a bottom-up cooperation model, working with smallholder farmers to ensure fair prices are paid to the farmers and to improve cocoa quality, yields, and farmer livelihoods. This farmer-centric, village-to-port approach enables full traceability for every bag of cocoa.

CocoaAction

CocoaAction is an unprecedented industry strategy to modernize the cocoa sector, announced in May 2014. This platform has been developed by the world's leading cocoa and chocolate companies committed to rejuvenating the cocoa sector under the umbrella of the World Cocoa Foundation. It outlines a set of actions to provide cocoa farmers with a combination of productivity enhancements and community development interventions. We are one of the 12 founding members of CocoaAction.

CHOCOVISION 2014

Together with industry partners, the Barry Callebaut Group has organized the second CHOCOVISION, the only business-for-business conference in the cocoa value chain in June 2014. It brought together nearly 200 key stakeholders from around the world, from the cocoa farmer to the consumer. Industry leaders presented the CocoaAction program to the other stakeholders in the cocoa and chocolate industry and confirmed their ambition to rejuvenate cocoa farming, starting with the two largest cocoa producers, Côte d'Ivoire and Ghana.

SUSTAINABILITY

Barry Callebaut
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Improving farmer practices

The future of the cocoa sector depends on the improvement of productivity on cocoa farms. In order to disseminate good agricultural practices to the many farmers spread across the cocoa growing areas of Côte d'Ivoire, we have put in place a robust training infrastructure.

Our Cocoa Center of Excellence trains the trainers who teach good agricultural practices at hundreds of farmer field schools. In addition to the training facility, the center has a tree nursery, a composting facility, and ten demonstration plots to show optimal farm management practices, including advanced techniques for increasing crop yields and quality.

During fiscal year 2013/14, we conducted 550 farmer field schools, 496 in Côte d'Ivoire and 54 in Cameroon. In addition, we have set up 23 model farms which allow farmers to see best practices firsthand. These activities build on previous experiences of our Quality Partner Program and are aligned with CocoaAction.

Farmers who have applied the learning from our field schools and model farms can further develop the productivity of their farms through our Yield Enhancement Services (YES). These services cover a broad spectrum of topics including the use of fertilizers, provision of plant material, effective pest and disease management, and the importance of biodiversity.

Across all our programs, 99,000 farmers were trained in good agricultural practices.

Community development

Many cocoa farmer families, especially in Africa, face enormous challenges in their daily lives, as their communities often lack basic infrastructure and social services. The economic and social development of cocoa communities is vital to ensuring a sustainable cocoa sector.

We work to improve access to education and foster the development of the next generation of cocoa farmers. In Cameroon, we built a three-room classroom block for 210 pupils. In Côte d'Ivoire, we funded the construction of a fourth classroom block at Akoupé College. Two primary schools are under construction that will bring the total across Côte d'Ivoire to 36 classrooms at 10 rural primary schools, enabling 1,800 children to attend school.

Ensuring that children are not harmed in cocoa production is fundamental, and we work to increase awareness of child labor issues in our farmer training and community sensitization activities, as well as active participation in industry-wide initiatives.

The Barry Callebaut Group aims to address the health needs of our communities, focusing on access to clean water and sanitation. In Ghana, we provided latrines with hand-washing facilities for 600 pupils at two junior high schools. We also offer assistance in health facilities and services. Our Biolands operations in Tanzania and Côte d'Ivoire support an innovative health insurance program for more than 45,000 registered farmers and their families.

The Barry Callebaut Group's new Cocoa Horizons Truck is a multipurpose mobile unit that brings farmer training, education, awareness and medical attention to cocoa farming cooperatives and communities. By August 2014, the truck has traveled 6,618 km through 46 villages, reaching 21,127 people and providing medical attention to 2,644 individuals.

In total, 73,600 people were reached by our community development activities.

Sustainable cocoa products

Customer demand for responsibly sourced cocoa continues to grow. To respond to customer requests for sustainable cocoa products, we offer either cocoa products from certified sources (mainly UTZ Certified and Rainforest Alliance) or cocoa products stemming from our own cocoa sustainability activities. In fiscal year 2013/14, the volume sourced from our sustainability programs amounted to about 84,000 tonnes; the total volume of sustainable cocoa and chocolate products sold was about 13% of our global sales volume.

The new Quality Partner Program

The Barry Callebaut Group established the Quality Partner Program in 2005 to enable farmers to grow cocoa in a sustainable and responsible way, increase yields, and improve farmer family livelihood through farmer training and improved access to education and basic healthcare services. Many industrial customers in Europe now use chocolate made with Quality Partner Program cocoa. Furthermore, all products under the Callebaut® Gourmet brand are made from Quality Partner Program cocoa, reaching hundreds of thousands of Gourmet customers worldwide.

Building on past experiences from this program, and integrating the heightened expectations of our customers, we are reinforcing the specifications of Quality Partner Program chocolate to include eight activities. These are designed to drive cocoa farming sustainability.

More information can be found in our Cocoa Sustainability Report 2013/14, available on our website.

Environmental protection: reducing our carbon footprint

Additional information:
s.a. Operations & Supply Chain,
page 37

Our Environmental Policy defines our priorities for reducing environmental impacts of our operations. We focus on decreasing our energy usage and greenhouse gas emissions, and also work to improve water conservation, waste disposal and transport.

The integration of the acquired cocoa operations significantly impacted our environmental KPIs. As a consequence, our CO₂ emissions jumped 34% to 304,418 tonnes, while the relative CO₂ emissions per tonne of activity increased 25%. On a like-for-like basis, the CO₂ emissions would have decreased 2%. The total energy use increased by 7% while the relative energy use per tonne of activity decreased 0.4%. We are improving key production processes, optimizing their energy use and installing more energy-efficient equipment.

Almost 20% of the energy we consume comes from renewable energy sources. In our factories in Ghana, Côte d'Ivoire, Cameroon and Brazil, we are using waste cocoa shells as biomass to fuel our production of steam. This reduces the gas or fuel consumption at those sites by up to 100%.

The Barry Callebaut Group participates in the Carbon Disclosure Project to measure and report carbon emissions using the Greenhouse Gas Protocol methodology.

Water consumption is closely monitored at all our plants. Total water consumption increased 3%, while the relative water use per tonne of activity dropped 4%, just short of our target of a 5% annual reduction.

Waste reduction is integrated into our continuous improvement program "One+": We focus on our main waste streams, since this is where the greatest improvement can be realized. We reduce the total amount of waste generated while seeking alternative uses for waste that cannot be avoided. Waste generation increased 2% in absolute terms and dropped 5% in relative terms.

We are working to reduce carbon emissions from transport, too, by optimizing the flow of raw materials and finished goods.

Employee development: enabling our workforce to grow

We promote talent and create a safe, fair, healthy and inspiring work environment in which our employees can develop, in order to fill more leadership positions from within.

Additional information:
s.a. Employee, page 22–23

As described under Employees (pages 22–23), the Barry Callebaut Group is committed to the development of its employees. We focus on responding to employees' development needs via job enrichment, coaching and training.

A fair and safe workplace

The Barry Callebaut Group is committed to providing equal employment and promotion opportunities to all our employees, and do not tolerate any form of discrimination. We support freedom of association in line with local laws and regulations. Approximately 60% of permanent contract employees are covered by a union or a collective bargaining agreement and 66% of the total workforce is represented in health & safety committees. In origin countries, we also offer HIV/AIDS education to employees and their families. In fiscal year 2013/14, the frequency rate of accidents dropped by 32% and the severity rate dropped by 29%.

In cocoa growing regions, our assistance programs provide a broad range of services to our employees, including medical care, transportation, housing and education:

Coverage of employee support services in cocoa origin countries			
Doctor/nurse on-site	55%	Warm meals on factory premises	89%
Medical exams	100%	Home ownership opportunity	31%
Vaccinations	79%	Transportation to/from work site	46%
HIV/AIDS education and support	46%	Education support/school fees	47%
Health insurance or other medical care	100%	Sports activities	83%

Winning Together

We foster team spirit through programs that engage employees in active lifestyles and community development. Our global Winning Together initiative, set up in 2005, encourages employees to support our development activities in cocoa communities in origin countries. The focus of this year's initiative, called "Water for Life...for All", is to improve access to safe, clean water for farmer families.