

**GRI Report 2014/15**

**Barry Callebaut AG**



## About the GRI Report of Barry Callebaut

The GRI Report 2014/15 of Barry Callebaut AG is based on version G3.1 of the sustainability reporting guidelines of the Global Reporting Initiative (GRI). The GRI Report together with the Chocolate Sustainability Report 2014/15 and the Annual Report 2014/15 fulfills GRI Application Level C, as verified and confirmed by the GRI.

GRI is the world's leading standard for corporate sustainability reporting ([www.globalreporting.org](http://www.globalreporting.org)). Application of GRI Level C guidelines requires information relating to:

- all points in the "G3.1 Profile Disclosures", covering strategy and analysis, organizational profile, reporting parameters, governance, commitments and engagement;
- and at least ten performance indicators relating to economic (EC), environmental (EN), human rights (HR), labor (LA), social (SO) and product responsibility (PR) issues.

Both sets of criteria are addressed in the present GRI Report. GRI issues and performance indicators are discussed directly in this GRI Report and relevant chapters and page numbers in the Chocolate Sustainability Report 2014/15 and Annual Report 2014/15 are referenced.

All the indicators discussed are reported as fully as the available data allow. Specific reference is made ("partial information") where an indicator is only partly reported. Where an indicator is not reported this is also stated.

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## Table of Contents

<b>Strategy and Analysis</b> .....	<b>4</b>
<b>Organizational Profile</b> .....	<b>4</b>
<b>Report Parameters</b> .....	<b>6</b>
Report Profile.....	6
Report Scope and Boundary .....	6
GRI Content Index.....	7
Assurance.....	7
<b>Governance, Commitments, and Engagement</b> .....	<b>8</b>
Corporate Governance .....	8
Commitments to External Initiatives.....	9
Stakeholder engagement.....	10
<b>Economic Performance Indicators</b> .....	<b>12</b>
Economic Performance .....	12
Market Presence .....	13
Indirect Economic Impacts.....	13
<b>Environmental Performance Indicators</b> .....	<b>15</b>
Materials.....	15
Energy.....	15
Water.....	16
Biodiversity.....	16
Emissions, Effluents, and Waste .....	17
Products and Services.....	19
Compliance .....	19
Transport.....	19
Overall .....	19
<b>Labor Practices and Decent Work Performance Indicators</b> .....	<b>20</b>
Employment.....	20
Labor/Management Relations.....	20
Occupational Health and Safety .....	21
Training and Education.....	22
Diversity and Equal Opportunity .....	23
<b>Human Rights Performance Indicators</b> .....	<b>25</b>
Investment and Procurement Practices.....	25
Non-discrimination.....	25
Freedom of Association and Collective Bargaining .....	26
Child Labor.....	26
Forced and Compulsory Labor .....	27
Security Practices.....	27
Indigenous Rights.....	27
<b>Society Performance Indicators</b> .....	<b>28</b>
Community .....	28
Corruption.....	28
Public Policy .....	29
Anti-Competitive Behavior .....	29
Compliance .....	29
<b>Product Responsibility Performance Indicators</b> .....	<b>30</b>
Customer Health and Safety.....	30
Product and Service Labeling.....	31
Marketing Communications .....	31
Customer Privacy .....	32
Compliance .....	32
<b>Food Processing Sector Supplements</b> .....	<b>33</b>
Sourcing .....	33
Labor/Management Relations.....	33
Customer Health and Safety.....	34
Labeling.....	35
Animal Welfare .....	35
<b>GRI Index</b> .....	<b>37</b>
<b>GRI Guideline Application in the Sustainability Report 2014/15</b> .....	<b>49</b>

Unless otherwise noted, the page numbers in this detailed index refer to Barry Callebaut's Chocolate Sustainability Report 2014/15 ("the CSR") or Annual Report 2014/15 ("the AR").

## Strategy and Analysis

### 1.1

#### **Statement from the CEO about the relevance of sustainability to the organization and its strategy.**

Chocolate Sustainability Report 2014/15, p.1: Letter from the Chairman and the CEO.  
Annual Report 2014/15, p. 6-8: Letter to Shareholders.

### 1.2

#### **Description of key impacts, risks and opportunities (impacts of the organization on sustainability and stakeholders, and impacts of sustainability trends on long-term prospects and financial performance of the organization).**

Cocoa sustainability is firmly embedded into our business strategy. The key activities and impacts of Barry Callebaut are described at length in the Chocolate Sustainability Report 2014/15, ranging from cocoa farming to the production of sustainable cocoa and chocolate products.

## Organizational Profile

### 2.1

#### **Name of the organization.**

Barry Callebaut AG.

### 2.2

#### **Primary brands, products, and/or services.**

Barry Callebaut AG including its subsidiaries ("The Group") is one of the world's leading cocoa and chocolate companies. We serve the entire food industry, from food manufacturers to artisans and professional users of chocolate such as chocolatiers, pastry chefs or bakers; we also supply products for vending machines. The Group offers a broad and expanding range of chocolate and other cocoa-based products with numerous recipes. We also provide a comprehensive range of services in the fields of product development, processing, training and marketing. The Group is fully vertically integrated along the entire value chain: from sourcing of raw materials to the production of the finest chocolate products.

Our principal brands are Barry Callebaut, Callebaut, Cacao Barry, Carma, Van Leer and Van Houten for chocolate products; Barry Callebaut, Bendsorp, Van Houten and Chadler for cocoa powder and Bendsorp, Van Houten, Caprimo, Le Royal and Ógonblink for vending mixes. Our line of sustainable cocoa and chocolate products is HORIZONS.

### 2.3

#### **Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.**

Annual Report 2014/15, pp. 9-10: Business at a Glance  
p. 109: Governance

### 2.4

#### **Location of the organization's headquarters.**

Zurich, Switzerland.

## 2.5

### **Countries where the organization operates.**

With production in 34 countries and customers in 131 countries, the Barry Callebaut Group is the world's leading chocolate and cocoa company. The principal countries in which the Group operates include: Belgium, Brazil, Cameroon, Canada, China, Côte d'Ivoire, Ecuador, France, Germany, Ghana, Indonesia, Italy, Japan, Malaysia, Mexico, the Netherlands, Poland, Russia, Singapore, Spain, Sweden, Switzerland, Tanzania, Turkey, United Kingdom, and the U.S.

Countries of specific relevance for sustainability issues are the cocoa-producing countries from which we source: Côte d'Ivoire, Ghana, Indonesia, Brazil, Ecuador, Cameroon, and Tanzania.

## 2.6

### **Nature of ownership and legal form.**

Annual Report 2014/15, p. 96: Related parties

Barry Callebaut AG ("The Company") was incorporated on November 24, 1994 under Swiss Law, having its head office in Zurich, Switzerland, at Pfingstweidstrasse 60. Barry Callebaut AG is registered in Switzerland and has been listed on the SIX Swiss Exchange (BARN, ISIN Number: CH0009002962) since 1998. As of August 31, 2015, Barry Callebaut's market capitalization based on issued shares was CHF 5,823 million (August 31, 2014: CHF 6,175 million). The majority shareholders (Jacobs Holding AG and Renata Jacobs) hold 58.6% of the shares issued.

## 2.7

### **Markets served.**

Annual Report 2014/15, p. 21-26: Business review by region

We sell our products to customers in 131 countries. The principal countries in which the Group operates include: Belgium, Brazil, Cameroon, Canada, China, Côte d'Ivoire, Ecuador, France, Germany, Ghana, Indonesia, Italy, Japan, Malaysia, Mexico, the Netherlands, Poland, Russia, Sierra Leone, Singapore, Spain, Sweden, Switzerland, Tanzania, Turkey, United Kingdom, and the U.S.

The highest proportion of our sales is in Region Europe, followed by the Regions Americas and Asia Pacific. Overall, we perceive an increasing shift of demands toward emerging markets, while growth in developed markets will be at a lower rate. We are also seeing a consolidation in the food manufacturing industry, which includes our top customers. This is an important area where Barry Callebaut can benefit from the outsourcing trend.

The globalization of the food supply chain and the shift from captive or integrated to more open and competitive markets in the chocolate industry means that customers are comparing the offerings of different suppliers more closely. An open and competitive market is an advantage to Barry Callebaut, which is uniquely positioned with its global footprint, as well as its powerful innovation and cost leadership capabilities. We place high value on open and fair competition.

## 2.8

### **Scale of the reporting organization.**

We operate 53 factories in 34 countries and employ 9,430 people.

See details in Annual Report 2014/15 pp. 2-4 (Key figures), and from p. 35: financial statements  
See also CSR 2014/15: pp 3-5

## 2.9

### **Significant changes during the reporting period regarding size, structure or ownership.**

- The most significant recent change in the company's size was the acquisition of cocoa business of Singapore-based Petra Foods in July 2013.

- In addition, we fully acquired the direct farmer sourcing enterprise Biolands in 2014.

2.10

**Awards received in the reporting period.**

No significant awards received at corporate level

## Report Parameters

### Report Profile

3.1

**Reporting Period for information provided.**

September 1, 2014 to August 31, 2015

3.2

**Date of most recent previous report.**

This is Barry Callebaut's fourth GRI report. The first was published in 2012.

3.3.

**Reporting cycle**

Annually

3.4

**Contact point for questions regarding the report or its contents.**

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## Report Scope and Boundary

3.5

**Process for defining report content.**

All performance indicator aspects of the GRI guidelines are assigned as potential content for chapters of the report. On the basis of the test questions in the Materiality section of the GRI "Reporting Principles for Defining Content," we assess all aspects for their relevance or materiality, both from the perspectives of both external and internal stakeholders. The most recent stakeholder panel was in March 2015 and comprised 12 participants from customers, retailers, NGOs, and academia.

Aspects deemed material from both an external and internal point of view were treated as priority topics in developing the report. Such priority topics include: economic performance and market presence, energy, water, waste, health & safety, training & education, labor management, procurement, freedom of association, initiatives against child labor, forced & compulsory labor, community engagement, anti-corruption initiatives, customer health & safety, and product & service labeling.

The report was developed for the target audiences identified as primary stakeholders under 4.14 below. Reporting of included indicators complies with the GRI guidelines as much as data availability allows.

3.6

**Boundary of the report.**

The general boundaries of the report are all operations of Barry Callebaut Ltd. Concerning our staff, data on all global Barry Callebaut employees is included. As the majority of our resource use and emissions can be attributed to our production sites, our environmental reporting excludes our sales offices and head office, and focuses on our production sites. While we recognize that the environmental impacts from the transport of our products is also important, we do not currently have comprehensive data on transportation-related emissions and energy use.

The detailed CSR data of the new operations acquired with the cocoa business of Petra Foods are now integrated into our reporting. This significantly alters our KPI progress and makes comparisons with previous years possible only when expressed on a like-for-like basis, i.e. excluding the acquired operations.

3.7

**Specific limitations on the scope or boundary of the report, if any.**

The CSR data of the new operations acquired with the cocoa business of Petra Foods are now integrated into our reporting.

3.8

**Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.**

Unless explicitly noted otherwise, in the year under review there were no major changes regarding reporting methodologies in subsidiaries, leased facilities or outsourced operations that significantly affect comparability with information disclosed in the previous year's report.

3.9

**Data measurement techniques and bases for calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.**

Data presented in this report has been collected by central functions from the operations across the company.

3.10

**Explanation of reasons for and effects of any restatements of information provided in earlier reports.**

No such restatements.

3.11

**Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.**

Integration of the operations acquired from the cocoa division of Petra Foods.

## **GRI Content Index**

3.12

**Table identifying location of Standard Disclosures in the report.**

The relevant information can be found in this GRI Report, structured according to the GRI guidelines. A complete table is shown at the end of this report, pp. 37-48.

## **Assurance**

3.13

**Policy and current practice with regard to seeking external assurance for the report.**

The Chocolate Sustainability Report 2014/15 has been externally validated by the independent auditing organization Denkstatt GmbH. The audit statement is available on our website. We do not seek external assurance for the GRI report.

## Governance, Commitments, and Engagement

### Corporate Governance

4.1

**Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.**

Our sustainability agenda is driven from the top of the company. At corporate level, the cross-functional CSR Steering Committee is chaired by the CEO and includes the heads of each sphere of our Sustainability strategy, all members of the Executive Committee and top managers of Barry Callebaut. The CSR Steering Committee meets quarterly to define vision and strategy, as well as to review programs and progress.

#### CSR Steering Committee



See also: Annual Report 2014/15, pp. 109-123: Corporate Governance, including Board of Directors, Functioning of the Board.

4.2

**Indicate whether the Chair of the highest governance body is also an executive officer.**

The Chairman of the Board is not simultaneously CEO or a member of the Executive Committee.

4.3

**For organizations that have a unitary board structure state the number of members of the highest governance body that are independent and/or non-executive members.**

The members of the Board of Director's are all non-executive. For more detailed information please see Annual Report 2014/15, pp. 109-117.

4.4

**Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.**

Annual Report 2014/15, pp.122: Shareholder's participation

4.5

**Linkage between compensation for members of the highest governance body, senior**



**managers and executives (including departure arrangements), and the organization's performance (including social and environmental performance).**

There is no such linkage.

4.6

**Processes in place for the highest governance body to ensure conflicts of interest are avoided.**

We have a Group Conflict of Interest Policy. Every year, Board and ExCo members must disclose their external engagements in writing. The Board's Nomination and Compensation Committee (NCC) is responsible for reviewing potential conflicts. All BC employees must gain the approval of their supervisor prior to acceptance of external engagements, such as Board membership of third-party companies.

4.7

**Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.**

Such qualifications are not evaluated separately but form part of the overall evaluation of the expertise of the members of the highest governance bodies.

4.8

**Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.**

The Barry Callebaut Code of Conduct documents the values and mission of the company and outlines the behavior required of all employees. The Code has been rolled out in all locations and its practical implications are regularly explained to employees through local training and Group communications. We have a whistleblowing hotline which is regulated by our Fraud Response and Whistleblowing Policy. The Code can be found online (<http://www.barry-callebaut.com/codeofconduct>).

The values of the company are Customer focus, Passion, Entrepreneurship, Team spirit and Integrity.

4.9

**Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.**

A comprehensive annual risk review takes place in the framework of our Group Enterprise Risk Management system. A systematic risk assessment for the purpose of the prioritization of our Internal Audit Department and its annual audit plan must be approved by the Board's integrated Audit, Finance, Risk, Quality and Compliance Committee (AFRQCC).

4.10

**Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.**

The Board of Directors conducts an annual self-evaluation.

## **Commitments to External Initiatives**

4.11

**Explanation of whether and how the precautionary approach or principle is addressed by the organization.**

In some parts of the world, there is public concern about the safety and sustainability of genetically

modified organisms (GMOs) or products containing GMOs or derived from GMOs. Legislation has been introduced to allow consumers to be informed about the presence of such products. Barry Callebaut is committed to fully comply with all manufacturing and labeling requirements of GMO legislations across the world. In countries where GMO labeling is required, we only use GMO-free raw materials.

Barry Callebaut ensures that, in all countries where labelling of GMO products is legally required (e.g. EU, Switzerland, China), the ingredients used in the manufacture of its products do not contain GMOs, are not produced from GMOs, and do not require a GMOs labeling mention in the ingredient list.

4.12

**Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.**

Together with other cocoa and chocolate companies, civil society organizations, the countries of Côte d'Ivoire and Ghana, and the U.S. government, we signed the Harkin-Engel Protocol in 2001 to work to eradicate the Worst Forms of Child Labor in the cocoa sector, as defined by the ILO Convention 182.

Barry Callebaut has committed to support the industry strategy CocoaAction, which brings together the leading cocoa and chocolate companies to sustain the cocoa industry and improve the livelihoods of cocoa farmers. CocoaAction will develop meaningful partnerships between governments, cocoa farmers, and the cocoa industry to boost productivity and strengthen community development in Côte d'Ivoire and Ghana, the largest cocoa-producing countries in the world. By 2020, CocoaAction intends to train 300,000 cocoa farmers and provide them with improved planting material and fertilizer. The initiative also works to empower communities through education, child labor monitoring, and women's empowerment.

CSR p.11

4.13

**Memberships in associations (such as industry associations) and/or national/international advocacy organizations.**

Barry Callebaut is a member of industry trade associations that sponsor and promote various projects, research and working groups that focus on sustainability and child labor issues in the cocoa sector.

Barry Callebaut is also a leading member of several industry and multi-stakeholder associations, such as the World Cocoa Foundation (WCF), the International Cocoa Initiative (ICI) (CSR p.17) and CocoaAction (CSR p.11).

Barry Callebaut has been an active member of the ICI since its inception in 2002. The ICI is a unique partnership between civil society organizations and companies that aims to improve the lives of children and contribute to the elimination of child labor in cocoa-growing communities and the cocoa supply chain. We work with ICI field experts in Côte d'Ivoire to provide training and raise awareness about child labor issues among Barry Callebaut personnel, as well as management and administrative staff at farmer organizations. ICI has also conducted household surveys in select communities to assess awareness levels and child labor risks.

## **Stakeholder engagement**

4.14

**List of stakeholder groups engaged by the organization.**

Our main stakeholders are shareholders, customers, employees, farmers and farmer organizations, business partners, the environment, and neighbors at all company sites.

4.15

**Basis for identification and selection of stakeholders with whom to engage.**

Key stakeholders mentioned under 4.14 are selected based on their ability to significantly impact Barry Callebaut's economic, ecological and social performance and vice versa.

4.16

**Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.**

For the purposes of reporting, we convene stakeholder panels. The most recent stakeholder panel was in March 2015 and comprised 12 participants from customers, retailers, NGOs, and academia.

4.17

**Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.**

For the purposes of reporting, we conduct external stakeholder panels to identify topics and concern to external stakeholders. We then conduct internal workshops with key business functions to update our material CSR issues. A materiality matrix of these issues can be found on our website link.

## Economic Performance Indicators

### Economic Performance

EC1

**Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.**

Partial information: Annual Report 2014/15

In thousands of CHF	2014/15	2013/14
Direct economic value generated (revenue from sales and services):	6,241,865	5,865,940
<b>Economic value distributed</b>		
Total operating costs (cost of goods sold)	5,395,039	5,004,815
Total employee wages and benefit (total personnel expenses)	478,477	474,687
Total payments to providers of capital (finance costs)	134,477	121,964
Total payments to government (income tax expenses):	44,269	42,410
Total community investments	10,000	10,700
Economic value retained (= Ec. value gen. <i>minus</i> Ec. value distr.)	179,603	211,364

EC2

**Financial implications and other risks and opportunities for the organization's activities due to climate change.**

Partial information:

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 our business (e.g. crop yields).

To better manage and assess such risks or opportunities, Barry Callebaut intends to diversify its supply sources as much as possible (sourcing beans and other raw materials from various origins). Additionally, we act as a global player with back-up possibilities in different countries and regions providing us the ability to compensate local issues through our global supply chain. Such risks as adverse weather conditions are estimated as accurately as possible. At this time, these risks (and opportunities) cannot be quantified in a meaningful manner. To mitigate the risks, Barry Callebaut continuously works on a well-diversified supply source for key raw materials.

EC3

**Coverage of the organization's defined benefit plan obligations.**

Pension provisions are calculated according to the same IAS19 valuation methodology for all Barry Callebaut entities but the management of the pension plans is regional and country specific. Recovery plans are put in place according to statutory funding requirements, which are different per country and legislation. Overall the necessary measures are put in place to ensure full coverage by the average maturity date/duration of the plans.

In the future, recovery plans for funding gaps in defined benefits plans will be further implemented and updated regularly in order to improve the funding situation of these plans. Furthermore, the conversion of certain defined benefit plans into defined contribution plans is under investigation. In terms of accounting standards, we apply the revised IAS 19 reporting standard

EC4

**Significant financial assistance received from government.**

The Barry Callebaut group has received no significant assistance from government that has a material impact on its financial results.

## Market Presence

EC5

### **Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.**

Where there is a standard minimum wage (legal or commonly used), Barry Callebaut pays its employees this minimum wage or more at all sites of operations. The average ratio between lowest salary paid at each operation and the standard minimum wage (where available) is 1.48.

EC6

### **Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.**

Cocoa bean cultivation is only possible in a narrow geographic region. Where possible, we strive to source directly from cooperatives or farmers in this region, and buy from local operators to supply our local processing operations in origin countries (especially Côte d'Ivoire, Ghana, Brazil, and Indonesia). Approximately 66% of our cocoa is sourced from cooperatives, farmer organizations, local cocoa supply chain intermediaries, and national cocoa marketing bodies.

Since 2012, Sustainable Cocoa has been the fourth pillar in our overall corporate strategy, alongside Expansion, Cost Leadership, and Innovation. With Sustainable Cocoa as an integral part of our strategy, Barry Callebaut aims to intensify cooperation with the farmer communities to increase both the quantity and quality of cocoa yields, as our customers require.

The countries with the highest consumption of our products are not countries in which cocoa can be grown. For factories in consuming countries we have no strict policy in place. Our approach is a balanced handling of local exporters and international traders, depending what fits best to balance supply needs and capture price opportunities.

EC7

### **Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.**

Barry Callebaut's position is to hire managers based on talent, so geographical origin is less important than experience, capabilities, and potential. We also strive to promote managers internally, which indirectly fills the pipeline with local talent.

## Indirect Economic Impacts

EC8

### **Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.**

Alongside our work to improve cocoa farming, we work with communities and farmer groups to ascertain needs and contribute solutions in four key areas: education, child protection, women's empowerment, and health. Our approach to community development is aligned with the industry's CocoaAction strategy. In 2014/15 we conducted a community needs inventory with 60 cooperatives in Côte d'Ivoire to gain a better understanding of education and health infrastructure and service requirements.

Since education is the cornerstone of development, we contribute to educational infrastructure in communities where facilities are inadequate. This includes building and furnishing classrooms and school canteens, constructing separate latrines for boys and girls, providing solar panels for lighting, and building teacher housing to attract and retain qualified teaching staff. In total, 3,750 children are

benefiting from our education initiatives. Since 2011 we have funded school infrastructure projects in several cocoa-growing regions of Côte d'Ivoire in cooperation with 10 different farmer organizations, benefiting 1,800 children. In fiscal year 2014/15, we built two fully equipped and furnished primary schools to benefit 600 children annually. Each new primary school has six classrooms, solar-powered lighting, a furnished and equipped canteen, latrines and hand washing stations, and a borehole and pump on the school premises. We also funded the construction of four additional classrooms and additional latrines at Akoupé College, bringing to 16 the number of classrooms we have built at this secondary school in Côte d'Ivoire, which had a 2014/15 enrolment of 1,200 students. In Ghana, we funded the construction of a primary school library. In a joint project with our customer Chocolate Design of Japan, we built and furnished a kindergarten comprising three classrooms, an office, and a dining room. We also funded the construction of two separate six-unit latrines, with hand washing stations, for boys and girls at a primary school and junior high school.

Extensive community programs have been conducted by Barry Callebaut over the years. Our operations in Côte d'Ivoire, Cameroon, Ghana and Brazil contribute to health and education initiatives, mainly in cocoa-farming communities. These activities reflect the our cocoa strategy, and in particular the four focus areas of Education, child protection, women's empowerment, and Health. Relevant criteria for the selection of activities are aligned with community needs based on dialog with suppliers (cooperatives in Côte d'Ivoire and Ghana, and farms in Brazil) and local governmental agencies.

#### Challenges and Barry Callebaut's approach to meet them

Public schools are managed and directed by the Ministry of Education in each country. Maintenance of the facilities long-term is the responsibility of the local community. Through its business relationships with cooperatives in the area, Barry Callebaut maintains regular contact with the communities and provides guidance and suggestions upon request.

#### Outlook and objectives

Continued focus on education and health interventions in target communities, including infrastructure and products new rural primary school/community learning center construction, distribution of 1,350 water filters in Côte d'Ivoire and Ghana. Ongoing continuation of educational support programs in Brazil, and expansion of training programs in agriculture and food production for women.

Chocolate Sustainability Report 2014/15, pp. 16-17: Community development

EC9

#### **Understanding and describing significant indirect economic impacts, including the extent of impacts.**

Our business impacts various actors in the economy, from smallholder cocoa farmers and other suppliers to employees, contractors, customers, providers of capital, and tax authorities. We believe that our business generates and captures value, then shares this value with the stakeholders mentioned. We have not performed socio-economic studies which would quantify this impact.

An example is the training of farmer trainers in Côte d'Ivoire (Cocoa Center of Excellence, more information can be found here: <http://www.barry-callebaut.com/51?release=10624>).

We are working to encourage and enable women to actively participate in farmer training activities and in farmer group administration and management. In addition, we support literacy and business-skills training, and work with women and community-based women's groups to create income generation opportunities. In fiscal year 2014/15, we continued our women's agroforestry training program through our Biopartenaire subsidiary in Côte d'Ivoire in collaboration with IDH. We welcomed another 20 women into the three-year program that comprises a training curriculum; assistance in clearing and planting a plot of land with cocoa, food crops, and other plants; and regular coaching and advice. In addition to what they harvest, the women also have the opportunity to earn additional income as agroforestry trainers in their own communities. A total of 34 women are now participating in the program. Through a joint program with the World Cocoa Foundation, 54 women from 54 cooperatives from which we source cocoa participated in leadership training in 2014/15. In addition, 200 women from two cooperatives are participating in a three-year agricultural and entrepreneurship training program for female farmers launched in June 2015. The program is being implemented by ANADER, the national rural development agency of Côte d'Ivoire.

*Also refer to EC8*

## Environmental Performance Indicators

### Materials

EN1

**Materials used by weight or volume.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

EN2

**Percentage of materials used that are recycled input materials.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

### Energy

EN3

**Direct energy consumption by primary energy source.**

	2014/15
<b>Non-renewable energy consumption</b>	GJ
Natural gas	2,089,415
Heating oil, diesel	29,798
<b>Renewable energy consumption</b>	
Biomass: cocoa bean shells	155,403
<b>Total</b>	2,274,616

The integration of the operations acquired with the cocoa business of Petra Foods significantly impacted our environmental KPIs. The total direct energy use increased 12.5% to 2,274,616 GJ. We are improving key production processes, optimizing their energy use and installing more energy-efficient equipment.

In fiscal year 2014/15, our total direct and indirect energy use per tonne of activity (including the new cocoa factories) was 1.05 GJ/t, up from 0.96 GJ/t in the previous year. This short-term increase was driven by the acquisition of the cocoa business from Petra Foods.

Using this new baseline, Barry Callebaut has now committed to a further target to reduce relative energy use by 20% by 2020.

See also CSR pp.30-31

EN4

**Indirect energy consumption by primary source.**

Total electricity consumption for FY 2014/15 was 1,157,263 GJ. This electricity was drawn from the grid, as Barry Callebaut does not generate any electricity itself. Of this, a calculated 607,974 GJ are from renewable electricity from the electricity grids.

EN5

**Energy saved due to conservation and efficiency improvements.**

Energy savings from innovative conching technology

A conching technology developed in-house allows us to reduce the associated energy consumption by more than 30% compared to the traditional process while making the process more compact and efficient. This technology also incorporates several enhancements previously tried and tested by our teams over the years. The energy savings translate directly into a reduction of our carbon footprint. This technology has been tested on an industrial scale in our plant in Poland. We confirmed the viability of this innovation and have implemented this new technology in our largest chocolate factory. This technology forms the basis for new production plants.

EN6

**Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.**

These types of initiatives are not applicable to our business, as we do not produce or sell energy-consuming products.

EN7

**Initiatives to reduce indirect energy consumption and reductions achieved.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

## Water

EN8

**Total water withdrawal by source.**

Water used in Barry Callebaut operations is taken mainly from municipal sources. Water consumption for FY 2014/15 was 2.322,346 m<sup>3</sup>. The water use ratio per tonne of activity was 0.532 l/t, up 12% vs. PY. This was due to the integration of data from the newly acquired cocoa factories.

EN9

**Water sources significantly affected by withdrawal of water.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

EN10

**Percentage and total volume of water recycled and reused.**

We have implemented programs to reduce water use -- switching from wet-cooling to dry-cooling systems, for example -- but not yet to recycle or reuse water.

## Biodiversity

EN11

**Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

EN12

**Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.



EN13

**Habitats protected or restored.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

EN14

**Strategies, current actions, and future plans for managing impacts on biodiversity.**

While our own operations do not impact natural habitats directly, we want to help conserving biodiversity wherever we can make a difference. Although cocoa is typically farmed as a monocrop nowadays, it originated in the rainforest undergrowth. Cocoa grows better in the presence of other plants and the shade of taller trees. One of the good agricultural practices we teach is therefore intercropping, the planting of various plants between rows of cocoa trees. At our research facility in Selborne, Malaysia, we test intercropping solutions with different levels of biodiversity in order to identify optimal planting regimes. In Côte d'Ivoire, we have started to promote agroforestry, which offers dual benefits; it diversifies farmer incomes and has a positive effect on biodiversity. In light of the deforestation linked to palm oil, we have joined the Roundtable on Sustainable Palm Oil and committed to use only RSPO palm oil in our European operations (CSR p.27). We are now developing a strategy to combat deforestation, which will apply to our entire value chain, including cocoa. As an industry, we need to develop a better understanding of this issue and promote better practices. We therefore participate in sector initiatives to address deforestation.

In Côte d'Ivoire, Barry Callebaut leads a project to protect biodiversity in the largest remaining part of the old rainforest. In a joint initiative with the Rainforest Alliance, we implemented a cocoa farmer training program to help protect Taï National Park. The involved parties aim to develop long-term solutions to prevent further degradation of rainforest and fragile ecosystems near Taï National Park, one of the last major remnants of the vast primary tropical forest that once spanned present-day Ghana, Côte d'Ivoire, Liberia and Sierra Leone, and is the largest island of forest remaining in West Africa, according to the UNESCO World Heritage Center.

In cooperation with the Rainforest Alliance, Barry Callebaut is also establishing nurseries for indigenous shade trees, launching a tree-planting program, creating nurseries for cocoa seedlings, and setting up demonstration plots to showcase good agricultural practices. Cocoa farms with more diverse vegetation than monocultures, such as intercropping with various trees, bushes and plants, in the long-term have a higher yield, lower disease load and soil quality which does not degrade over time.

General aspect with regard to biodiversity management at Barry Callebaut:

- Research program ambition: Becoming a worldwide respected knowledge partner in cocoa growth and productivity understanding the influence parameters to increase cocoa yield in a sustainable manner.
- Strategy: identify best agricultural practices and agronomic systems design to increase yield and quality of cocoa at plantation level in the most strategic countries.
- Objectives: increase productivity, quality and sustainability (by means of introducing new organic techniques to improve soil structure and fertility).

EN15

**Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.**

This indicator is not determined to be particularly relevant to Barry Callebaut and its stakeholders.

## **Emissions, Effluents, and Waste**

EN16

**Total direct and indirect greenhouse gas emissions by weight.**

In the last fiscal year, CO<sub>2</sub> emissions from manufacturing amounted to 367,653 tonnes of CO<sub>2</sub>, due

to the integration of the cocoa business. The relative CO<sub>2</sub> emissions increased to 0.084 tonne of CO<sub>2</sub> per tonne of activity.

EN17

**Other relevant indirect greenhouse gas emissions by weight.**

This indicator is not determined to be particularly relevant to Barry Callebaut and its stakeholders.

EN18

**Initiatives to reduce greenhouse gas emissions and reductions achieved.**

Barry Callebaut's cocoa processing factories in West African origin countries use discarded cocoa bean shells as a source of heat. Using a process first introduced in Côte d'Ivoire, this generates up to 100% of the steam needed for cleaning and processing. 155,000 GJ of heat were generated in fiscal year 2015/15. This has the dual benefit of reducing waste and replacing fossil fuels, thereby significantly reducing our carbon footprint. In European and American factories, bean shells are sold to make soil improvement material. This is then used in agriculture as a substitute for peat and other organic materials. The resulting carbon emission reductions are difficult to quantify but the ecological benefits (avoidance of peat extraction) are considerable.

EN19

**Emissions of ozone-depleting substances by weight.**

Due to the nature of our business, we do not have significant emissions of ozone-depleting substances from our operations.

EN20

**NO<sub>2</sub>, SO<sub>x</sub>, and other significant air emissions by type and weight.**

This indicator is not determined to be particularly relevant to Barry Callebaut and its stakeholders.

EN21

**Total water discharge by quality and destination.**

This indicator is not determined to be particularly relevant to Barry Callebaut and its stakeholders.

EN22

**Total weight of waste by type and disposal method.**

Partial information: At corporate level, we collect and monitor waste from the production process, which does not include total factory waste. In fiscal year 2014/15, our operations generated 10,263 tonnes of such waste.

Although waste is a relatively small part of our environmental footprint, waste reduction is part of our continuous improvement program One+. We focus on our main waste streams, reducing the amount we generate and finding alternative uses for waste.

EN23

**Total number and volume of significant spills.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

EN24

**Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.**

This indicator is not determined to be particularly relevant to Barry Callebaut and its stakeholders.

EN25

**Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.**

This indicator is not determined to be particularly relevant to Barry Callebaut and its stakeholders.

## **Products and Services**

EN26

**Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.**

The environmental impacts of our products are in the supply chain, not with the consumer, therefore this question does not apply to our business.

EN27

**Percentage of products sold and their packaging materials that are reclaimed by category.**

Our products (cocoa and chocolate products) are not "reclaimed" after use since they are food for human consumption, therefore this question does not apply to our business. The packaging materials represent an insignificant part of our environmental work stream.

## **Compliance**

EN28

**Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.**

There have been no significant fines and no material non-monetary sanctions in FY 2014/15.

## **Transport**

EN29

**Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.**

This indicator is not determined to be particularly relevant to Barry Callebaut and its stakeholders.

Transport represents an estimated 200,000 tonnes of CO<sub>2</sub>e.

## **Overall**

EN30

**Total environmental protection expenditures and investments by type.**

This indicator is not determined to be particularly relevant to Barry Callebaut and its stakeholders.

## Labor Practices and Decent Work Performance Indicators

### Employment

LA1

**Total workforce by employment type, employment contract, and region.**

Permanent employees per region	Africa	Americas	Asia-Pacific	Europe	Total	Percentage
BoD & Executive		1	2	18	21	0.2%
Senior Management	2	13	16	55	86	0.9%
Management	79	215	144	440	878	9.3%
Professional	97	447	236	554	1334	14.1%
Administrative	175	281	333	956	1745	18.5%
Blue Collar	588	1564	1344	1870	5366	56.9%
<b>Total</b>	<b>941</b>	<b>2521</b>	<b>2075</b>	<b>3893</b>	<b>9430</b>	<b>100.0%</b>
	10%	27%	22%	41%	100%	

In FY 2014/15 there were 1,692 temporary employees (18% of the total workforce).

LA2

**Total number and rate of employee turnover by age group, gender, and region.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

LA3

**Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.**

Permanent part-time employees enjoy the same benefits as full-time employees.

This indicator is not reported for temporary employees as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

### Labor/Management Relations

LA4

**Percentage of employees covered by collective bargaining agreements.**

Number/percentage of people covered by a union or collective bargaining agreement		
Region	No of empl.	% covered
Africa	853	91%
Americas	1,456	58%
Asia-Pacific	784	38%
Europe	2,586	66%
<b>Global</b>	<b>5,679</b>	<b>60%</b>

LA5

**Minimum notice period(s) regarding operational changes, including whether it is specified in**

**collective agreements.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

**Occupational Health and Safety**

LA6

**Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.**

In fiscal year 2014/15, 4,951 employees (53% of total) were covered by a Health & Safety committee. For 3,239 employees (34%), Health & Safety topics were also covered as part of their formal collective agreements.

LA7

**Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region.**

Category	2014/15	2013/14
Number of hours worked	16,787,223	10,940,451
Accidents	172	206
Injury frequency rate (acc per mio hrs)	10.2	18.8
Lost work days due to accidents	3,279	4,164
Severity rate (lost days/100,000 hrs)	0.20	0.38

LA8

**Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.**

CSR 2014/15, pp. 40 Benefits to employees in origin countries

Employee support services in cocoa origin countries

	Brazil Ilhéus	Brazil Itabuna	Brazil Extrema	Brazil São Paulo	Côte d'Ivoire Abidjan	Côte d'Ivoire San-Pédro	Côte d'Ivoire Sinfra	Cameroon Douala	Ghana Tema	Malaysia Port Klang	Malaysia Pasir Gudang	Indonesia Bandung	Indonesia Makassar	Mexico Monterrey	Mexico Toluca	Mexico Mexico City
Start year of operations	1993	1979	2010	2008	1964	1995	2000	1952	2001	2008	2013	2013	2013	2008	2011	1941
Facilities	Cocoa factory	Cocoa factory	Chocolate factory	Country office	Cocoa factory	Cocoa factory	Bean cleaning facility	Cocoa factory	Cocoa factory	Combined factory	Cocoa factory	Cocoa factory	Cocoa factory	Chocolate factory	Chocolate factory	Cocoa factory
No. of employees	309	277	105	87	302	233	12	119	100	360	412	544	84	180	142	36
Doctor/nurse on site	✓	✓	✓		✓	✓		✓	✓					✓	✓	
Medical exams	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Vaccinations					✓	✓	✓		✓	✓	✓	✓		✓	✓	
HIV/AIDS education and support	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓			
Health insurance or other medical care	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Warm meals on factory premises	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓			
Housing/home ownership opportunity					✓	✓	✓			✓	✓			✓	✓	✓
Transportation to/from work site	✓	✓	✓	✓	✓	✓	✓		✓						✓	
Education support/school fees	✓	✓	✓	✓	✓	✓	✓	✓	✓							
Sports activities	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓			

Barry Callebaut provides education, counseling, and prevention programs against serious diseases, as well as treatment for workers at our own factories and at our supplier organizations in cocoa-producing regions.

In cocoa-growing areas of Africa, Barry Callebaut supports a range of community health activities. In 2014/15, approximately 56,000 people benefitted from our health initiatives. See Chocolate Sustainability Report 2014/15, p.40.

LA9

**Health and safety topics covered in formal agreements with trade unions. Aspect: Training and Education**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

## Training and Education

LA10

**Average hours of training per year per employee by employee category.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

LA11

**Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.**

Across the organization, we offer a wealth of training programs. These include technical and on-the-job skills development, as well as quality and health and safety courses. In fiscal year 2014/15, 385 managers and other professional associates took part in one of the 21 Global Leadership and Skills Development trainings from our Marbach Development Programs in Germany, Singapore, and the United States.

### Leadership Programs

- The Source leadership course is for the young professionals identified by management as a "source" of our success, today and in the future. It is designed to improve personal effectiveness and broaden business insight. Participants must be nominated by their direct managers, supported by HR, and approved by regional presidents or ExCo leaders.
- Management Development 1: Team Leadership is the core program in leadership practice. Participants focus on key people management skills with exercises in leadership and teamwork, and improve their business insight through finance and project management.
- Management Development 2: Strategic Leadership builds business acumen by examining the larger strategic issues outside participants' functional areas, improving their skills in assessing business and organizational challenges, and leading their people to collaborative responses.
- Management Development 3: The Leadership Challenge gives experienced Barry Callebaut managers the opportunity to deeply explore and expand their leadership capabilities and apply them to current business challenges. Includes a 360-degree assessment.
- Executive Leadership is the annual session for senior managers to sharpen their strategic skills and become more effective organizational leaders and developers of management talent. The program introduces new topics each year, giving executives a regular opportunity to refresh their view of leadership in action.

### Management Skills Workshops

- Being the Boss is a program for new and recently appointed managers and supervisors, focusing on building person-to-person relationships, exercising constructive influence, and creating and guiding a real team. Assessments and activities are designed to encourage the self-reflection and insight required to master the craft of leading people to achieve successful outcomes.
- Delegation and Coaching provides real-world practice in delegation and coaching skills that

will reduce stress, empower colleagues and build morale. Taken together, these techniques are “power tools” for effective management that can maximize individual and team productivity.

- Project Management provides in-depth practice in using the tools necessary to deliver a successful project. Participants learn how to deliver results by defining clear objectives and building powerful plans and a team climate that understands milestones and executes, despite barriers.

#### Functional and Skills Workshops

- Business Communication focuses on developing concise communications, making effective presentations and confidently presenting ideas to internal and external stakeholders. Participants also focus on communicating more effectively in a diversified, multicultural environment.
- Customer Focus enables all Barry Callebaut professionals dealing with internal or external customers to successfully discover and deliver what customers really want. Through recent Barry Callebaut cases, participants will examine what "customer focus" means in practice.
- Finance gives non-financial managers and professionals the knowledge and tools necessary to more successfully analyze and understand financial issues involved with their department or function.
- Negotiation is for managers and professionals in all areas where success depends on developing solutions by cooperating with others -business clients, suppliers, internal departments, colleagues and other stakeholders. Participants learn how to set goals and prepare effectively, understand the needs and interests of all parties, and conclude better agreements.

Further training programs include courses designed to maintain our standards for quality, health and safety as well as technical and on the job skills training. On a case-by-case basis, sabbaticals may be granted to any employee, depending on company requirements.

#### Key initiatives

- We offered updated leadership programs and workshops, and introduced a new workshop series focusing on the critical skills of managing and developing people (Being the Boss, delegation and coaching, see above).
- Global HR together with Operations developed a comprehensive training program that covers continuous improvement, technical training, energy, etc. to facilitate knowledge transfer in all plants.

Programs to help employees prepare for retirement or lay off:

To help employees approaching retirement, our HR staff offer one-to-one support for preretirement planning. We also conduct presentations with pension plan experts to explain important aspects of retirement benefits and scenarios. Post-layoff or outplacement support is provided on a case-by-case basis.

#### LA12

##### **Percentage of employees receiving regular performance and career development reviews.**

All of our employees have at least one annual appraisal discussion with their direct line manager or supervisor. Employees in managerial or technical roles have these discussions based on our internal Performance Management and Development Process (PMDP), which includes target-setting and assessment, a bonus structure tied to individual and Group performance, as well as career and personal development perspectives. This is aligned with expected actions and behavior associated with Barry Callebaut's corporate values.

## **Diversity and Equal Opportunity**

#### LA13

##### **Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.**

Employee diversity	Blue collar	Admin	Professional	Management	Senior mgmt	Executive	Total
Female	14%	57%	38%	30%	16%	19%	27%
Male	86%	43%	62%	70%	84%	81%	73%
30-50	56%	60%	67%	74%	65%	33%	60%
>50	20%	15%	15%	23%	35%	67%	19%
<30	24%	25%	18%	3%	0%	0%	21%
<b>Total</b>	<b>5,366</b>	<b>1,745</b>	<b>1,334</b>	<b>878</b>	<b>86</b>	<b>21</b>	<b>9430</b>

Minority group is not a meaningful description of a human being; it is not recognized in the country where our company is headquartered and data would be illegal to collect and manage.

LA14

**Ratio of basic salary of men to women by employee category.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

LA15

**Return to work and retention rates after parental leave, by gender.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.



## Human Rights Performance Indicators

### Investment and Procurement Practices

HR1

**Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

HR2

**Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.**

The Barry Callebaut Supplier Code is distributed to suppliers of all categories representing 70-100% of category spend, and signed Supplier Declarations are collected. Not all responses have yet been received, we expect in time all suppliers to return a signed agreement.

In FY 2014/15, we have published new sustainable sourcing guidelines and are developing a set of ingredient-specific guidelines with detailed provisions for palm oil, vanilla, sugarcane, milk powder, and hazelnuts. These new guidelines supplement our existing Supplier Code.

This year we extended our collaboration with suppliers and customers and joined three global sector frameworks. We are active members of the SAI Platform and several working groups, and we ask suppliers to implement the SAI Practices and Principles as appropriate. We participate in the AIM PROGRESS forum to drive sustainability. Our engagement with SEDEX has considerably increased transparency in our supply chain. Most of our sugar, oils and fats suppliers in Europe are members of SEDEX.

HR3

**Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.**

Partial information:

Formal implementation of the Code of Conduct (CoC) for employees (document can be accessed online [here](#)).

The Barry Callebaut Code of Conduct is an integrated part of the employment contract. All employees must confirm in writing that they have read the CoC and agreed to uphold its provisions. The Code also forms part of the onboarding training (welcome day) in most locations; and the corporate legal team conducts training sessions using a compliance game. The aim of the Ethical Dilemma Game is to raise awareness of dilemmas relevant to daily work, stimulate debate, challenge choices, create insights into other people's perspectives, and prompt discussion about other dilemmas. In addition, the CoC is communicated to employees via Intranet and "Hot Chocolate" (Barry Callebaut newsletter).

Sustainability Report 2014/15, p. 6-7: Governance.

### Non-discrimination

HR4

**Total number of incidents of discrimination and actions taken.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

## Freedom of Association and Collective Bargaining

HR5

**Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.**

Across our organization, we have a strong commitment to respect the ILO provisions on freedom of association, and we support freedom of association in line with local laws and regulations. More than half (61%) of our workforce employees are members of a union or covered by a collective bargaining agreement.

Examples of how the right to exercise freedom of association and collective bargaining are implemented include the following:

- Ghana: The constitution and the labor laws of Ghana stipulate that individuals have the right to exercise freedom of association. Barry Callebaut recognizes this right and many of its employees are unionized. Management does not interfere in this process. Furthermore, the employees are covered by a Collective Bargaining Agreement.
- Côte d'Ivoire: The presence of staff representatives and trade union is in accordance with the national law and international convention. They have their organization and the company helps them in the organization of their meetings. The management also meets regularly with personnel representatives.

## Child Labor

HR6

**Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.**

At all of our sites we prominently display our commitment to fight against child labor. All of our employees have a contract that must include a proof of age. Group-wide, every employee is aged 15 or above. This minimum age is higher in some countries. For example, in Côte d'Ivoire the watchmen at our sites ensure that no one under the age of 18 enters to work in the plants.

Since 2012, Barry Callebaut has held certification from Sedex, the Supplier Ethical Data Exchange. This non-profit membership organization is dedicated to driving improvements in responsible and ethical business practices in global supply chains. It has provisions on forced labor and children labor.

Our Code of Conduct expressly prohibits child labor, forced or compulsory labor. Suppliers are required to sign Barry Callebaut's Supplier code of conduct.

In Cameroon, according to local law and requirements, Barry Callebaut launched a social engagement program to prohibit child labor in our enterprise. To ensure compliance with local and international regulatory requirements, our subsidiary SIC CACAOS invites its partners, suppliers and subcontractors to comply strictly with the principles and rules denouncing forced labor and all forms actions that can harm the health and safety of children and people.

Child labor is an issue in cocoa-farming communities and of concern to all industry members. While it is not unusual for all members of a family, including children, to help on a family-run cocoa farm, Barry Callebaut strongly condemns slavery, forced labor and any practices that exploit, endanger, or harm children.

According to the International Labor Organization (ILO), the most pressing industry-specific child labor concerns include potentially hazardous conditions children may be exposed to in the cocoa fields and their limited access to education.

Our vision for prospering cocoa communities is one in which all children can attend school and are protected from harmful work. We believe this is a shared responsibility. We therefore promote the importance of schooling in our farmer training, and work with communities to raise awareness about

child labor, better understand its causes, and set up appropriate responses.

In 2014/15, we provided training to raise awareness about child labor issues to 46 cooperative administrators, as well as farmers and community members. In consultation with national administrative authorities, we initiated a process to provide birth certificates for school-age children, without which they cannot enroll in school. In addition, the Cocoa Horizons Truck has brought child labor sensitization to 37,200 villagers. In alignment with our CocoaAction commitment, in 2015/16 we will work on the implementation of a child labor monitoring and remediation approach with the International Cocoa Initiative.

Barry Callebaut adheres to the ILO Conventions. The following measures have been taken to minimize the risk of child labor/forced labor by suppliers:

- QPP Charter on Child Labor (relevant to QPP coops, in Côte d'Ivoire and Cameroon)
- Child labor sensitization activities with community members by ICI local NGOs (Côte d'Ivoire)
- Child labor module included in Farmer Field School curriculum

In addition, Barry Callebaut provides classrooms and schools, helping to address gaps in educational infrastructure. Such support is regarded as contributing to the elimination of child labor by the CLCCG (government of USA, Côte d'Ivoire, and Ghana).

Further information on our child protection activities can be found in the 2014/15 Chocolate Sustainability Report, p. 17.

## Forced and Compulsory Labor

HR7

**Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.**

*See indicator HR6*

## Security Practices

HR8

**Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

## Indigenous Rights

HR9

**Total number of incidents of violations involving rights of indigenous people and actions taken.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

## Society Performance Indicators

### Community

SO1

**Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.**

*See indicator EC8 for additional information (description of programs and outcomes).*

The impacts from our own direct operations fall below the materiality threshold. In our supply chain, however, we have significant impact on the communities from which we source cocoa, primarily by generating income for farmers and their families. We aim to increase the positive impacts we have on communities through farmer education, as well as community education and health programs, especially in remote cocoa-growing areas. Other community programs include women's empowerment and child protection.

The Sustainability Report extensively covers this topic. Highlights of fiscal year 2014/15 include:

- Reached 56,300 people with our community activities
- 3,750 children benefiting from our education initiatives
- Provided 1,350 water filters for 12,000 people as part of Water for Life
- Helped provide medical insurance for 3,200 people

### Corruption

SO2

**Percentage and total number of business units analyzed for risks related to corruption.**

Partial information

Barry Callebaut's Legal & Compliance department continues to expand the Group's Compliance Program. Compliance awareness is fostered by a full page of compliance information in each issue of the Group's employee magazine and on the Group's intranet, including an interactive compliance dilemma game.

To manage risks related to corruption, Barry Callebaut's internal audit evaluates corruption risks based on standard fraud detection methodology applied in regular site audits. All material sites are included in this analysis, i.e. 100% of countries where the company operates production sites and/or has sales activities. When corruption red flags are identified, additional risk evaluations or investigations are conducted with support from the Legal Department. The Legal Department conducts face-to-face compliance training in all regions every year. In addition, corruption risks are considered as part of the Group's annual risk assessment and in the planning of the internal audit and compliance training cycle.

The Barry Callebaut Code of Conduct has been rolled out in all locations and its practical implications are regularly explained to employees through local training and Group communications. Employees are expected to report Code violations. A whistleblowing hotline allows confidential and anonymous contacts and is regulated by our Fraud Response and Whistleblowing Policy.

SO3

**Percentage of employees trained in organization's anti-corruption policies and procedures.**

The Barry Callebaut Code of Conduct has been rolled out in all locations and its practical implications are regularly explained to employees through local training and Group communications.

SO4

### **Actions taken in response to incidents of corruption.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

## **Public Policy**

SO5

### **Public policy positions and participation in public policy development and lobbying.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

SO6

### **Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

## **Anti-Competitive Behavior**

SO7

### **Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.**

No cases in FY 2014/15. Competition law forms part of the Group's regular compliance training sessions. Awareness of competition law and potential compliance issues is addressed in face-to-face training, our "Dilemma of the Month" series on the Group's intranet, and in the Group's employee magazine.

## **Compliance**

SO8

### **Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

## Product Responsibility Performance Indicators

### Customer Health and Safety

PR 1

**Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.**

Product safety is an absolute priority at Barry Callebaut and we put great emphasis on our quality assurance programs that cover all customer relationships. All of our products are systematically assessed for quality and food safety along each life cycle stage including:

- Product development
- Research and development
- Certification
- Manufacturing and production
- Marketing and
- Storage distribution and supply
- Use and service
- Disposal

All of our plants hold Global Food Safety Initiative (GFSI) certification, which is typically delivered in compliance with the British Retail Consortium (BRC) standard or ISO 22000. All plants maintain Hazard Analysis Critical Control Point (HACCP) plans for products in order to comply with national regulations and international food safety best practice.

In addition, Barry Callebaut has a set of corporate policies governing product safety; at region and site level, further policies and procedures can be added to the mandated global requirements.

We use “food safety by design” principles to assure safe processes and products so in fact all our products are designed to be food safe and of a consistent quality. We monitor the Critical Control Points (CCPs) in our processes continuously to ensure that we maintain control.

Non-conformances are logged, and we review these on a regular basis to identify areas for improvement. Locally, we monitor complaints, investigate the root cause of issues in order to increase customer satisfaction, and have continuous improvement programs in place.

In FY 2014/15 we maintained a significant project (Project Spring) to improve service to customers, focused on Western Europe.

To meet consumers' increasing demand for information about food additives and potential allergens, including nuts, soy or wheat, we work with our customers to provide comprehensive information on all our products.

We have developed a number of position statements responding to the main customer and consumer concerns, past or present, on a wide range of topics, including:

- Heat treatment of milk products
- Compliance with radioactivity legislation
- Declaration on the authorized use of additives and flavorings
- Histamine
- Maleic acid
- 4-methylimidazole
- Acrylamide
- Presence of bitter almonds in sweet almonds
- Declaration on halal
- Benzoic acid and sorbic acid
- Ionizing radiation
- Non-CITES species

- TSE and milk ingredients
- Best-before-date
- Botulinum contamination of whey protein concentrate
- Copper content in Chinese chocolate standard
- Declaration on animal products and alcohol
- GMOs
- Microbial monitoring of finished products
- Precautionary soy labeling
- Statement on contaminants
- Statement on diacetyl
- Statement on pesticides
- Statement on the use of palm oil

PR2

**Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

## Product and Service Labeling

PR3

**Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.**

Since we are purely a business-to-business company, the information required by our customers varies from customer to customer. We endeavor to provide all the information they might require.

PR4

**Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.**

In FY 2014/15 Barry Callebaut experienced no incidents of non-compliance with regulations that resulted in a fine or penalty. There were no incidents of non-compliance with voluntary codes concerning product information or labeling.

PR5

**Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.**

Partial information:

Locally, Barry Callebaut works to increase customer satisfaction continuously. We monitor and respond to complaints, investigate the root cause of issues, and have continuous improvement programs in place.

Customers can give feedback through our Customer Service groups; we also gather feedback via our Quality Assurance teams at plant level. On the corporate website, every Quality and Food Safety related comment is assessed by our global Head of Quality and Regulatory Affairs.

## Marketing Communications

PR6

**Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.**

Since Barry Callebaut is a fully business-to-business company, consumer-related marketing laws, standards and voluntary codes do not apply. This indicator is not relevant to Barry Callebaut and its stakeholders.

PR7

**Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.**

Since Barry Callebaut is a fully business-to-business company, consumer-related marketing laws, standards and voluntary codes do not apply. This indicator is not relevant to Barry Callebaut and its stakeholders.

## **Customer Privacy**

PR8

**Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.**

In FY 2014/15 there were no such substantiated complaints.

## **Compliance**

PR9

**Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.**

In FY 2014/15 Barry Callebaut received no such significant fines.



## Food Processing Sector Supplements

### Sourcing

FP1

#### **Percentage of purchased supplies compliant with company's sourcing policy.**

Assuring safety and consistency starts with the procurement and supply of raw materials. We purchase only from approved suppliers that have been screened in our supplier management process.

We specify the materials that meet our requirements and request that suppliers meet those specifications. We continue to monitor the quality and performance of the supplied materials throughout the contract period using our Supplier Evaluation System (SES). We provide feedback on the quality of the supply to our Procurement team and the suppliers.

To ensure that we can manufacture quality assured and safe finished products, we demand transparency and management of data over the supply network upstream from our manufacturing plants. To manage quality in an expanding and complex supply network, we populate our databases with data from the suppliers and the supplied materials. We use SAP software to support this work.

Elements that are part of the database highlight the importance of full integration of all plants, tollers and co-manufacturers and are part of Barry Callebaut's global template. New suppliers and materials are also approved as they became integrated in the raw material/vendor approval process.

We aim to align expectations with our suppliers regarding labor and human rights standards, Barry Callebaut's Quality Assurance team requests that suppliers complete an Ethical Audit Questionnaire based on the Social Accountability International's auditable social certification standard for decent workplaces, SA8000. We have developed a Supplier Code that outlines the minimum requirements expected from our suppliers. These include compliance with all laws and regulations, compliance with international labor standards, notification of incidents, background checks and drug-free workplaces, no engagement in corrupt practices, and monitoring of compliance.

FP2

#### **Purchased supplies verified according to responsible production standards.**

This indicator is not reported as the materiality test, conducted in accordance with the GRI Guidelines, determined it to be not particularly relevant to Barry Callebaut and its stakeholders.

### Labor/Management Relations

FP3

#### **Working time lost due to industrial disputes, strikes and/or lock-outs**

In FY 2014/15 there was no industrial dispute, strike or lock-out at any Barry Callebaut operation.

FP4

#### **Programs promoting healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need.**

We encourage our employees to adopt healthy, active lifestyles, for example through our Winning Together program (CSR p.42). In origin countries, we also provide HIV/AIDS education to employees and their families.

In cocoa-growing countries, medical care and education are not universally available. As a result, our programs cover a broad range of services, including medical care, housing, and education.

Most material to our business -- especially in origin countries -- is the malnutrition which is often prevalent in remote areas. In order to help these employees enjoy a nutritious diet, we provide canteens which serve wholesome meals. In addition, we support health services where needed.

Sustainability Report 2014/15, p.40: Employee benefits in origin countries

#### Employee support services in cocoa origin countries

	Brazil Ilheus	Brazil Itabuna	Brazil Extrema	Brazil São Paulo	Côte d'Ivoire Abidjan	Côte d'Ivoire San-Pédro	Côte d'Ivoire Sinfra	Cameroun Douala	Ghana Tema	Malaysia Port Klang	Malaysia Pasir Gudang	Indonesia Bandung	Indonesia Makassar	Mexico Monterrey	Mexico Toluca	Mexico Mexico City
Start year of operations	1993	1979	2010	2008	1964	1995	2000	1952	2001	2008	2013	2013	2013	2008	2011	1941
Facilities	Cocoa factory	Cocoa factory	Chocolate factory	Country office	Cocoa factory	Cocoa factory	Bean cleaning facility	Cocoa factory	Cocoa factory	Com-bined factory	Cocoa factory	Cocoa factory	Cocoa factory	Chocolate factory	Chocolate factory	Cocoa factory
No. of employees	309	277	105	87	302	233	12	119	100	360	412	544	84	180	142	36
Doctor/nurse on site	✓	✓	✓		✓	✓		✓	✓					✓	✓	
Medical exams	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Vaccinations					✓	✓	✓		✓	✓	✓	✓		✓	✓	
HIV/AIDS education and support	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓			
Health insurance or other medical care	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Warm meals on factory premises	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓			
Housing/home ownership opportunity					✓	✓	✓			✓	✓			✓	✓	✓
Transportation to/from work site	✓	✓	✓	✓	✓	✓	✓		✓						✓	
Education support/school fees	✓	✓	✓	✓	✓	✓	✓	✓	✓							
Sports activities	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓			

Although we do not directly employ cocoa farmers, we also work to improve health and well-being for them and their families.

- Côte d'Ivoire:

- Distribution of medical kits and mosquito nets to farmer cooperatives.
- The installation of water filters and boreholes in cocoa communities.
- The construction of canteens, infirmaries and a health center in cocoa communities

## Customer Health and Safety

FP5

**Products manufactured in sites third party certified according to internationally recognized food safety management system standards.**

All Barry Callebaut plants hold Global Food Safety Initiative (GFSI) certification, typically delivered by compliance with the British Retail Consortium (BRC) standard or ISO 22000. All plants maintain Hazard Analysis Critical Control Point (HACCP) plans for products in order to comply with national regulations and international food safety best practice. Consequently, 100% of our production volume is certified.

FP6

**Products that are lowered in saturated fat, trans fats, sodium and sugars.**

We offer chocolate applications which are reduced in sugar, calories and trans-fats for those customers who market such products. Our products do not contain sodium.

In 2015, Barry Callebaut launched new “I feel good” and “better for you” categories in response to rising obesity levels and health care costs around the world, as well as the WHO recommendation for people to halve their sugar intake. By 2020 we want to be able to reduce the calorie content of chocolate by 50%. To do so, we focus on chocolate reformulation, developing new technologies and recipes while improving existing products and processes. We are reducing calorie content through the use of sugar alternatives, such as stevia, and are developing recipes with lower saturated fats. In February 2015, Barry Callebaut was granted a patent for reduced-fat chocolate. The process makes it possible to manufacture milk chocolate with only 25% fat content, almost one-third less than the typical 36%.

Sustainability Report 2014/15, p. 44: Innovating for health

FP7

**Products that contain increased fiber, vitamins, minerals, phytochemicals or functional food additives.**

Chocolate products can provide specific health benefits. Barry Callebaut is also at the forefront of research into fiber, vitamin, protein, and mineral fortification of chocolate products to meet the demands of specific target markets.

We are working to conserve the health benefits which are naturally present in cocoa, such as flavanols, through improved cocoa bean fermentation techniques. After significant research and development, we have found a way to retain the naturally occurring flavanols in cocoa beans. Flavanols have significant health benefits, and the EU has approved Barry Callebaut’s health claim that “cocoa flavanols help maintain the elasticity of blood vessels, which contributes to normal blood flow.” Our Acticoa™ cocoa and chocolate products are guaranteed to contain minimum flavanol requirements to meet the health claim.

In February 2015, Barry Callebaut was granted a patent for reduced fat chocolate. The process makes it possible to manufacture milk chocolate with only 25% fat content, almost one-third less than the typical 36%. This innovation will help consumers to reduce their calorie intake. See also: Sustainability Report 2014/15, p.44: Enhancing natural benefits.

## Labeling

FP8

**Practices on communication to consumers about ingredients and nutritional information.**

Since Barry Callebaut is a full business-to-business company, we do not communicate to consumers. Therefore, this indicator does not apply to our business.

## Animal Welfare

FP9

**Animals raised and/or processed, by species and breed.**

Barry Callebaut does not keep, raise or process any animals.

FP10

**Practices related to physical alterations and use of anesthetics on animals.**

Barry Callebaut does not perform physical alterations nor use anesthetics on any animals.

FP11

**Animals raised and/or processed, per housing type.**

Barry Callebaut does not raise or process any animals.

FP12

**Practices on antibiotic, anti-inflammatory, hormone and/or growth promotion treatments.**

Barry Callebaut does not use any of these substances on any animals.

FP13

**Incidents of non-compliance with laws and regulations, and voluntary standards related to transportation, handling, and slaughter practices**

Barry Callebaut does not transport, handle or slaughter any animals.

## G3.1 Content Index – Food Processing Sector Supplement – Application Level C

Application Level C		Assured by	
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**STANDARD DISCLOSURES PART I: Profile Disclosures**

**REPORT FULLY ON THE BELOW SELECTION OF PROFILE DISCLOSURES OR PROVIDE A REASON FOR OMISSION**

**1. Strategy and Analysis**

Profile Disclosure	Disclosure	Level of Reporting	Location of disclosure	Reason for omission	Explanation for the reason for omission
1.1	Statement from the most senior decision-maker of the organization.	Fully	AR, GRI report p4		

**2. Organizational Profile**

Profile Disclosure	Disclosure	Level of Reporting	Location of disclosure	Reason for omission	Explanation for the reason for omission
2.1	Name of the organization.	Fully	GRI Report: p4		
2.2	Primary brands, products, and/or services.	Fully	GRI Report: p4		
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	GRI report: p4		
2.4	Location of organization's headquarters.	Fully	GRI Report: p4		

2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	GRI Report: p5		
2.6	Nature of ownership and legal form.	Fully	GRI report: p5		
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	GRI report: p5		
2.8	Scale of the reporting organization.	Fully	GRI report: p5		
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	GRI report: pp5-6		
2.10	Awards received in the reporting period.	Fully	GRI report: p6		
3. Report Parameters					
Profile Disclosure	Disclosure	Level of Reporting	Location of disclosure	Reason for omission	Explanation for the reason for omission
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	GRI report: p6		
3.2	Date of most recent previous report (if any).	Fully	GRI report: p6		
3.3	Reporting cycle (annual, biennial, etc.)	Fully	GRI report: p6		
3.4	Contact point for questions regarding the report or its contents.	Fully	GRI report: p6		
3.5	Process for defining report content.	Fully	GRI report: p6		
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	GRI Report: p6		
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	GRI Report: p7		
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	GRI Report: p7		
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	GRI Report: p7		
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	GRI Report: p7		
3.12	Table identifying the location of the Standard Disclosures in the	Fully	GRI Report: p7		

	report.				
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	GRI Report: p7		
<b>4. Governance, Commitments, and Engagement</b>					
Profile Disclosure	Disclosure	Level of Reporting	Location of disclosure	Reason for omission	Explanation for the reason for omission
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	GRI Report: p8		
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	GRI Report: p8		
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	GRI Report: p8		
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Partially	GRI Report: pp8	Does not exist	not implemented
4.14	List of stakeholder groups engaged by the organization.	Partially	GRI Report: p10	Does not exist	not implemented
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	GRI Report: p10		
<b>STANDARD DISCLOSURES PART III: Performance Indicators</b>					
<b>REPORT FULLY ON 10 CORE OR ADDITIONAL PERFORMANCE INDICATORS - AT LEAST 1 FROM EACH DIMENSION (ECONOMIC, ENVIRONMENTAL SOCIAL)</b>					
<b>OF THOSE 10: REPORT ON AT LEAST 7 "ORIGINAL G3" PERFORMANCE INDICATORS</b>					
<b>Sourcing</b>					
Indicator	Disclosure	Level of Reporting	Location of disclosure		
<b>Across all aspects of sourcing</b>					
FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy.	Partially	GRI : p33		
FP2	Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible	Partially	GRI : p33		

production standards, broken down by standard.			
<b>Economic</b>			
Indicator	Disclosure	Level of Reporting	Location of disclosure
<b>Economic performance</b>			
EC1 <sup>COMM</sup>	GRI report: EC1	Partially	GRI report p12
EC2	GRI Report: EC2	Fully	GRI Report: p12
EC3	GRI Report: EC3	Fully	GRI Report: p12
EC4 <sup>COMM</sup>	GRI Report: EC4	Fully	GRI Report: pp12
<b>Market presence</b>			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Partially	GRI Report: p13
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	GRI Report: p13
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	GRI Report: p13
<b>Indirect economic impacts</b>			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	GRI Report: pp13-14
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	GRI Report: p14
<b>Environmental</b>			
Indicator	Disclosure	Level of Reporting	Location of disclosure
<b>Materials</b>			



EN1 <sup>COMM</sup>	Materials used by weight or volume.	Not	
EN2	Percentage of materials used that are recycled input materials.	Not	
<b>Energy</b>			
EN3	Direct energy consumption by primary energy source.	Fully	GRI Report: p15, CSR pp30-31
EN4	Indirect energy consumption by primary source.	Partially	GRI Report: p15
EN5	Energy saved due to conservation and efficiency improvements.	Fully	GRI Report: pp15-16
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	GRI Report: p16
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Not	
<b>Water</b>			
EN8	Total water withdrawal by source.	Fully	GRI Report: p16; CSR p31
EN9	Water sources significantly affected by withdrawal of water.	Not	
EN10	Percentage and total volume of water recycled and reused.	Fully	GRI Report: p16
<b>Biodiversity</b>			
EN11 <sup>COMM</sup>	Location and size of land <b>or waters</b> owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not	
EN13 <sup>COMM</sup>	Habitats protected or restored.	Not	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Partially	GRI Report: p17
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Fully	GRI Report: p17
<b>Emissions, effluents and waste</b>			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	GRI Report pp17-18
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	GRI Report p18

EN19	Emissions of ozone-depleting substances by weight.	Fully	GRI Report p18
EN20	NOx, SOx, and other significant air emissions by type and weight.	Not	
EN21	Total water discharge by quality and destination.	Not	
EN22	Total weight of waste by type and disposal method.	Not	
EN23	Total number and volume of significant spills.	Not	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not	
<b>Products and services</b>			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	GRI Report: p19
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partially	GRI Report: p19
<b>Compliance</b>			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	GRI Report: p19
<b>Transport</b>			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Not	
<b>Overall</b>			
EN30	Total environmental protection expenditures and investments by type.	Not	
<b>Social: Labor Practices and Decent Work</b>			
<b>Indicator</b>	<b>Disclosure</b>	<b>Level of Reporting</b>	<b>Location of disclosure</b>
<b>Employment</b>			

LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Partially	GRI Report: p20
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Not	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	GRI Report: p20
LA15	Return to work and retention rates after parental leave, by gender.		
<b>Labor/management relations</b>			
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	GRI Report: p20
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Not	
FP3	Percentage of working time lost due to industrial disputes, strikes and/or lock-outs, by country.	Fully	GRI Report: p33
<b>Occupational health and safety</b>			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Partially	GRI Report: p 21
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Partially	GRI Report: p21
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	GRI Report: p21
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	GRI Report: p22
<b>Training and education</b>			
LA10	Average hours of training per year per employee by gender, and by employee category.	Not	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	GRI Report: pp22-23
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	GRI Report: p23

Diversity and equal opportunity			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	GRI Report: pp23-24
Equal remuneration for women and men			
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Not	
LA15	Return to work and retention rates after parental leave, by gender.	Not	
Social: Human Rights			
Indicator	Disclosure	Level of Reporting	Location of disclosure
Investment and procurement practices			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Not	
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Partially	GRI Report: p25
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Partially	GRI Report: p25
Non-discrimination			
HR4	Total number of incidents of discrimination and corrective actions taken.	Not	
Freedom of association and collective bargaining			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Fully	GRI Report: p26
Child labor			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute	Fully	GRI Report: pp26-27 & CSR p11

	to the effective abolition of child labor.		
<b>Prevention of forced and compulsory labor</b>			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Fully	GRI Report: p27
<b>Security practices</b>			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not	
<b>Indigenous rights</b>			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not	
<b>Assessment</b>			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Not	
<b>Remediation</b>			
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Not	
<b>Social: Society</b>			
Indicator	Disclosure	Level of Reporting	Location of disclosure
<b>Local communities</b>			
SO1 (FPSS)	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Partially	GRI Report: p28
SO1 (G3.1)	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Partially	Chocolate Sustainability Report pp 16-19, 41-43
<b>Healthy and affordable food</b>			

<b>FP4</b>	Nature, scope and effectiveness of any programs and practices (in-kind contributions, volunteer initiatives, knowledge transfer, partnerships and product development) that promote healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need.	Partially	GRI Report: pp33-34
<b>SO9</b>	Operations with significant potential or actual negative impacts on local communities.	Not	
<b>SO10</b>	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Not	
<b>Corruption</b>			
<b>SO2</b>	Percentage and total number of business units analyzed for risks related to corruption.	Fully	GRI Report: p28
<b>SO3</b>	Percentage of employees trained in organization's anti-corruption policies and procedures.	Not	
<b>SO4</b>	Actions taken in response to incidents of corruption.	Not	
<b>Public policy</b>			
<b>SO5<sup>COMM</sup></b>	Public policy positions and participation in public policy development and lobbying.	Not	
<b>SO6</b>	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Not	
<b>Anti-competitive behavior</b>			
<b>SO7</b>	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	GRI report: p29
<b>Compliance</b>			
<b>SO8</b>	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Not	
<b>Social: Product Responsibility</b>			
<b>Indicator</b>	<b>Disclosure</b>	<b>Level of Reporting</b>	<b>Location of disclosure</b>
<b>Customer health and safety</b>			

<b>PR1<sub>COMM</sub></b>	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Partially	GRI Report: pp30-31
<b>PR2<sub>COMM</sub></b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Partially	GRI Report: p31
<b>FP5</b>	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards.	Fully	GRI Report: p34
<b>FP6</b>	Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and sugars.	Not	
<b>FP7</b>	Percentage of total sales volume of consumer products, by product category sold, that contain increased fiber, vitamins, minerals, phytochemicals or functional food additives.	Partially	GRI Report: p35
<b>Product and service labeling</b>			
<b>PR3<sub>COMM</sub></b>	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	GRI Report: p31
<b>FP8</b>	Policies and practices on communication to consumers about ingredients and nutritional information beyond legal requirements.	Fully	GRI Report: p35
<b>PR4</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	GRI Report: p31
<b>PR5</b>	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Partially	GRI Report: p31
<b>Marketing communications</b>			
<b>PR6<sub>COMM</sub></b>	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	GRI Report: p31
<b>PR7</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	GRI Report: p32
<b>Customer privacy</b>			

PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	GRI Report: p32
<b>Compliance</b>			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	GRI Report: p32
<b>Animal Welfare</b>			
<b>Indicator</b>	<b>Disclosure</b>	<b>Level of Reporting</b>	<b>Location of disclosure</b>
<b>Breeding and genetics</b>			
FP9	Percentage and total of animals raised and/or processed, by species and breed type.	Fully	GRI Report: p35
<b>Animal husbandry</b>			
FP10	Policies and practices, by species and breed type, related to physical alterations and the use of anesthetic.	Fully	GRI Report: p35
FP11	Percentage and total of animals raised and/or processed, by species and breed type, per housing type.	Fully	GRI Report: p35
FP12	Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type.	Fully	GRI Report: p36
<b>Transportation, handling and slaughter</b>			
FP13	Total number of incidents of non-compliance with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic animals.	Fully	GRI Report: p36



## GRI Guideline Application in the Sustainability Report 2014/15

The GRI Report 2014/15 and the Chocolate Sustainability Report 2014/15 together with the Annual Report 2014/15 of the Barry Callebaut Group integrate elements of sustainability reporting based on the guidelines disseminated by the Global Reporting Initiative (GRI). These guidelines suggest that certain information be provided not only on the overall profile of the company and its report, but also on management approach and performance indicators regarding economic, environmental, human rights, labor, society, and product responsibility issues (see [www.globalreporting.org](http://www.globalreporting.org)).

Within GRI-G3.1, there are different application levels companies can choose for GRI reporting. These range from Level C with only some elements of GRI sustainability reporting included to Level A where all indicators developed by GRI are reported on.

Report Application Level	C	C+	B	B+	A	A+
<b>G3 Profile Disclosures</b> OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15		Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17		Same as requirement for Level B	
<b>G3 Management Approach Disclosures</b> OUTPUT	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured
<b>G3 Performance Indicators &amp; Sector Supplement Performance Indicators</b> OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.	Report Externally Assured	Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.	Report Externally Assured	Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	Report Externally Assured

\*Sector supplement in final version

GRI A-Level is the highest standard for sustainability reporting and challenging even for extended, dedicated sustainability reports. While this standard was not deemed practical for Barry Callebaut's Annual Reports, the GRI-G3.1 guidelines were applied at C-Level in order to be as ambitious as possible in this context. The Food Processing supplement was also used.

GRI has confirmed that Barry Callebaut's GRI Report 2014/15 qualifies as Application Level C under those guidelines.

### IMPRINT

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