



*This Report addresses the period from September 1, 2022 to August 31, 2023 and has been prepared in compliance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada). This Report is made on behalf of **Barry Callebaut Canada Inc. ("Barry Callebaut")**. References to "we" and "our" throughout the report refer to Barry Callebaut. A French version of this Report is available online at: [Barry Callebaut Safeguarding Human Rights in our Supply Chain](#).*

Introduction

Forced labour and child labour as defined in the Act are criminal acts and serious violations of human rights. As an industry leader in the cocoa and chocolate industry, Barry Callebaut recognizes the important role that we have in ensuring that our operations and products, and the supply chains that support these, adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in our supply chain. This Report sets out the steps we have taken during fiscal year 2022/23 to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere by Barry Callebaut or of goods imported into Canada by Barry Callebaut.

We believe we have a responsibility to all our stakeholders – farmers, employees, shareholders, customers, consumers, suppliers, and the communities where we operate – that goes beyond making a profit. We expect all Barry Callebaut employees, representatives and business partners (suppliers, vendors, consultants, volunteers, etc.) to respect local laws and regulations related to human rights, to adhere to our codes and policies and behave in a way that does not place any child we come into contact with through our business operations at risk of harm or abuse.

Barry Callebaut supports the principles set forth in the [Universal Declaration of Human Rights](#), the [United Nations \(UN\) Convention on the Rights of the Child \(CRC\)](#), the [African Charter on the Rights and Welfare of the Child](#), the [United Nations Guiding Principles \(UNGP\) on Business and Human Rights framework](#), and the [Organization for Economic Co-operation and Development \(OECD\) Guidelines for Multinational Enterprises](#). The minimum age for employment at Barry Callebaut is in accordance with the International [Labor Organization \(ILO\) Convention 138](#), or, if higher, the age specified by local legislation.

Our Business

Barry Callebaut Canada Inc. is a wholly-owned subsidiary of Barry Callebaut AG ("BCAG"), a company headquartered in Zurich, Switzerland. Barry Callebaut AG and its subsidiaries (the "BC Group") is a global leading manufacturer of high-quality chocolate and cocoa products. The BC Group serves the entire food industry – from global and local food manufacturers to artisanal and professional users of chocolate, such as chocolatiers, pastry chefs, bakers, hotels, restaurants or caterers. BCAG is a business-to-business company and the BC Group is a fully vertically integrated business and has a unique global footprint with 66 factories and 26 CHOCOLATE ACADEMY™ Centers around the globe. The BC Group is present on the ground in all key origin countries and has a longstanding commitment to sustainability. Further information on where BC Group's sites are located, its employees, supply chain and governance structure can be found via [Barry Callebaut's Annual Report](#).



Policies, management and due diligence in respect of Barry Callebaut's supply chain is carried out at a global level by BCAG. As a member of the BC Group, Barry Callebaut is bound by, follows and relies upon BCAG's policies, due diligence activities, commitments and assessments as described throughout the report. As such, references to the initiatives of BCAG throughout the report should be interpreted to mean that they were initiatives implemented at a global level, but which apply to the activities to Barry Callebaut as a BC Group member.

Our Policies

Through BCAG's organizational and governance policies, the BC Group communicates its values and expectations, setting a high bar for ourselves, and our suppliers - this includes direct and indirect suppliers of raw materials and selling partners. BCAG's policies are clear that it does not approve any forms of forced labour or child labour. BCAG is committed to consistently evolving and improving its approach. BCAG does not approve of child, forced or bonded labour in any of its operations or in the operations of suppliers. BCAG makes every effort, including through carrying out due diligence and audits to monitor the performance of suppliers, to prevent its activities from having a negative impact on human rights. BCAG's policies, position statements and reports are publicly available via [Barry Callebaut's Position on ESG page](#).

Safeguarding human rights position statement

BCAG is subject to the UK Modern Slavery Act and the California Transparency in Supply Chains Act of 2010 and its most recent statements under those acts detail its efforts in 2022/23 toward safeguarding human rights and ensuring that slavery and human trafficking are not taking place in any part of its business or supply chain.

Code of Conduct

The Code of Conduct sets forth mandatory principles and requirements for behavior and is complemented by our global and local policies. The Code, which applies to all BC Group employees worldwide, articulates our minimum standards regarding human rights, forced labor, and child labor. Expectations and procedures for reporting wrongful acts or suspected wrongful acts in violation of the Code are communicated to all employees. It is the responsibility of each employee to uphold the principles of the Code and employees are encouraged to seek advice and to raise questions or concerns at any time with their manager, Human Resources or Group Legal & Compliance if they have reason to suspect non-compliance with the Code of Conduct.

Supplier Code

Our Supplier Code sets forth essential minimum requirements expected from our direct and indirect suppliers. Our suppliers must comply with all applicable local and national laws, rules, regulations and requirements of the country in which they grow, manufacture, distribute or provide products or services. We further expect suppliers to respect and comply with international labor standards as defined by the core conventions of the [International Labor Organization \(ILO\)](#).

Whistle-Blowing and the Reporting of Grievances



As defined in BCAG's Code of Conduct and Global Human Rights Statement, we expect all employees and contingent workers to raise their concerns if they become aware of or suspect wrongful acts in violation of the BCAG Code of Conduct. BCAG has established a dedicated whistleblowing platform: Integrity Line. The Integrity Line platform is part of BCAG's Compliance program. It was launched to facilitate reporting of non-compliance and suspicious transactions in cases where employees do not feel comfortable addressing such issues directly. The platform also allows anonymous reporting. Employees can also call the Integrity Line hotline (24/7). In addition, BCAG has extended its Integrity Line explicitly for complaints from external parties (ie Grievance). A Grievance in this context can be considered as an allegation, question, or issue in BCAG's supply chain formally raised by an affected individual (or group) regarding their treatment or experience. A complaint can be raised by parties who are themselves affected, such as workers or local communities, by an organization representing the affected parties, such as a trade union, or by an independent organization, such as an NGO.

Due Diligence

BCAG applies an overarching human rights due diligence framework modeled after the [OECD Due Diligence Guidance for Responsible Business Conduct](#). In 2022/23, we updated our global sustainability commitments under Forever Chocolate to subject our entire supply chain to human rights due diligence by 2025. This includes the continued monitoring and remediation of child labor cases. At the same time, we have added a target for 2030, supporting cocoa farming communities to protect child rights and prevent child labor from occurring, which underlines the community activities we have been developing since 2019. Our approach to eradicating child labor is based on child-centered systems strengthening and applying data-driven risk analysis capabilities. In addition:

- For all the ingredients we source, we use [Verisk by Maplecroft](#). Verisk quantifies the salient human rights risk at a country and ingredient level. Supply chains of other ingredients ranked high risk for the involvement of child labor, such as sugar cane and vanilla, are addressed through sustainability certification requirements and our ESG third-party due diligence process. As we do not directly source from the farmers in these supply chains, we use third-party audits for compliance. As a result we ensure that all ingredients from regions at high risk of child labor involvement are certified or verified sustainable. Forced child labor and forced adult labor are expressly forbidden under such standards. We also expect our suppliers and their employees, agents and subcontractors to share our strict commitment to human rights, particularly the eradication of forced labor and child labor. Suppliers are required to sign our Supplier Code and are requested to conduct their own human rights impact assessment, have a functioning grievance system, train and conduct awareness-raising sessions among their own suppliers, and monitor and provide for or cooperate in remediation where required.
- BCAG supports the international standards as defined by SEDEX. All our sites have conducted initial SMETA audits, and in fiscal year 2022/23, 85% were fully SMETA-compliant, and 15% of sites had conducted a SMETA audit shortly before our fiscal year ended and were in the process of implementing one or more enhancements. In the cocoa communities



where we source our cocoa, we are supporting our suppliers in setting up their due diligence process. As such, we support the establishment of Human Rights Committees (HRCs) at the farmer group level. The HRCs oversee and manage the prevention, identification and remediation of human rights violations. In 2022/23, in Côte d'Ivoire, new Human Rights Committees were set up in 182 farmer groups and trained on how to assess, address and monitor human rights violations. In addition, in 2022/23 we continued to monitor and identify cases of child labor in our cocoa supply chain in West Africa via Child Labor Monitoring and Remediation Systems (CLMRS) based on the industry practice as developed by the [International Cocoa Initiative](#) (ICI). We also work very closely with ICI to remediate the cases of child labor identified.

- Our approach to remediation involves a diverse strategy that prioritizes education, social issues and gender-related considerations. Remediation activities include the provision of birth certificates, which are crucial legal documents for protecting their rights and enabling access to schools, education and training inputs on child labor awareness for families and communities, and follow-up visits to farmer homes. If BCAG becomes aware of forced labor, this would typically be reported immediately to the appropriate authorities. If support from BCAG is required as part of remediation efforts, we would readily assist and follow up on the outcome.

Assessing Our Risk

BCAG engages in various activities to identify, assess, and manage supplier risk. In assessing the risk of forced and child labour in our business and supply chains, we specifically:

- Conduct Child Labor Monitoring and Remediation Systems (CLMRS) based on the industry practice as developed by the [International Cocoa Initiative](#) (ICI). Child labor cases identified, under remediation and remediated are [publicly disclosed](#) on an annual basis. We also support the establishment of Human Rights Committees (HRCs) at the farmer group level. We assist them in developing their human rights structures and functions and enable them to effectively assess and address adverse human rights impacts in their cocoa supply chain operations. The HRCs oversee and manage the prevention, identification and remediation of human rights violations. In 2022/23, in Côte d'Ivoire, new Human Rights Committees were set up in 182 farmer groups and trained on how to assess, address and monitor human rights violations.
- We have established Human Rights Impact Assessments (HRIAs) - results of the HRIA are used to prioritize and develop our interventions and engagement with suppliers. Following Ecuador in the previous fiscal year, in 2022/23 HRIAs were conducted in Brazil, Cameroon, Côte d'Ivoire, Ghana, Indonesia and Nigeria.
- We undertake country-level risk assessments and map supply chains for all the ingredients we source. We use [Verisk by Maplecroft](#) as the first step in this process.
- We work with our customers to meet their specific cocoa and chocolate requirements. This includes sourcing quantities of raw materials including cocoa and sugar that have been



independently certified by third parties as being compliant with specific certification standards. Forced child labor and forced adult labor are expressly forbidden under such standards. BCAG endorses the international standards as defined by [SEDEX](#).

- We undertake supplier trainings in our direct cocoa supply chain. Suppliers received training on the concepts of child and forced labor as well as support in their efforts to assess and address child labor. Such training is provided in collaboration with our NGO partners. In addition, in 2022/23, as part of our employee onboarding, we developed an online training program covering our Code of Conduct and our child labor safeguarding and forced labor concepts. Employees who work directly with cocoa communities and farmers are required to attend in-depth training and annual refresher courses on the issues of child labor and forced labor.
- Child protection training and awareness raising is also a key aspect of our strategy in the cocoa communities we source from. We also expect our suppliers and their employees, agents and subcontractors to share our strict commitment to human rights, particularly the eradication of forced labor and child labor. Suppliers are expected to sign our Supplier Code and they are requested to conduct their own human rights impact assessment, have a functioning grievance system, train and conduct awareness raising sessions among their own suppliers, and monitor and provide for or cooperate in remediation where required.

Engagement with our stakeholders to assess our material risks

The chocolate and cocoa value chain is characterized by its complexity and structural challenges, making it crucial to effectively identify and address key areas for achieving impacts. In 2023, BCAG conducted a comprehensive [double materiality assessment](#) to better understand and prioritize these areas. A materiality assessment is an analytical process through which a company identifies, assesses, and prioritizes ESG topics. The concept of "double materiality" urges companies to not only consider the impacts they impose on humans and nature ("impact materiality") but also the risks and opportunities related to ESG topics that might affect their financial situation ("financial materiality"). This process involved extensive engagement with a wide range of stakeholders. Their feedback and insights have been integral to ensuring that our approach aligns with both the realities of the cocoa sector and the expectations of our stakeholders.

A clear consensus emerged around five standout topics as being material: **Supply Chain Traceability, Climate and Energy, Biodiversity and Ecosystems, Workers in the Value Chain and Affected Communities**. Throughout the assessment, these topics consistently emerged as priorities, from a stakeholder, impact and financial perspective. Child labour and forced labour are subtopics within the aforementioned material topics of *Workers in the Value Chain* and *Affected Communities*. The results also demonstrated that our Forever Chocolate strategy is aligned with stakeholder expectations and is prioritizing areas where significant impacts and risks have been identified.



1. *Our commitments*

Sustainability is at the heart of BCAG, representing one of our four strategic pillars. In 2016, we launched Forever Chocolate, the next chapter in our long-standing commitment to building a sustainable cocoa and chocolate supply chain. We are committed to driving long-term systemic change toward a sustainable cocoa supply chain and we report on the progress of these time-bound, measurable targets, which are assured by a third-party independent assurance provider.

According to the [United Nations \(UN\) Convention on the Rights of the Child \(CRC\)](#), every child has the right to protection from harm, and this means protection from all forms of harm and abuse, not only child labor. Our work is aligned with the four core principles of the CRC: non-discrimination; devotion to the best interests of the child; the right to life, survival and development; and respect for the views of the child. We source ingredients, especially cocoa, from regions where child labor, defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical and mental development, is known to occur, for cocoa, mostly on family-owned farms.

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

With regards to human rights, we are committing to having our entire supply chain covered by human rights due diligence by full-year 2025/26. This includes the continued monitoring and remediation of child labor cases. At the same time, we are adding a target for 2030, supporting cocoa farming communities to protect child rights and prevent child labor from occurring, which underlines the community activities we have been developing since 2019. Our approach to eradicating child labor is based on child-centered systems strengthening and applying data-driven risk analysis capabilities under the overarching framework of human rights due diligence, which closely follows the OECD Guidance for Responsible Business Conduct.

Our Steps to Prevent and Reduce Risks of Forced and Child Labour

Given the scale of child labor in West Africa, it is not possible to tackle the issue of child labor case by case alone. Therefore, we have and will continue to advocate a wider community development approach. We consider children to be a critical group for breaking the cycle of poverty, but they are also the most exposed to harm and violence. Our goal is to build a protective environment for children to realize their rights and full potential. To work towards this end, we support a community systems approach working holistically to tackle interconnected challenges. Since our first interventions in the cocoa communities we have applied an iterative process using the learnings and expertise of our partners, aiming to continuously improve our interventions towards sustainable impact and improved wellbeing of the cocoa families and their communities. This starts with understanding which farming communities are most at risk, and providing those farming communities with the necessary support through a combination



of measures focused on strengthening local child protection systems, ensuring access to quality education, and improving community infrastructure and farmer livelihoods.

In the cocoa communities where we source our cocoa, we are supporting our suppliers in setting up their due diligence process. As such, we support the establishment of Human Rights Committees (HRCs) at the farmer group level. We assist HRCs in developing their human rights structures and functions and enable them to effectively assess and address adverse human rights impacts in their cocoa supply chain operations. The HRCs oversee and manage the prevention, identification and remediation of human rights violations. In 2022/23, in Côte d'Ivoire, new Human Rights Committees were set up in 182 farmer groups and trained on how to assess, address and monitor human rights violations. Child protection training and awareness raising is also a key aspect of our strategy in the cocoa communities we source from. We also expect our suppliers and their employees, agents and subcontractors to share our strict commitment to human rights, particularly the eradication of forced labor and child labor.

In 2022/23, we continued to increase the number of communities covered by our child labor monitoring and remediation systems, which now number 348 (+26.5%) farmer groups, representing 343,019 farmers (+35.4%) in Côte d'Ivoire, Ghana, and Cameroon. As a result, in 2022/23, we identified 53,839 (+113.4%) cases of child labor. While the total number of child labor cases identified has risen due to our increased community coverage, we were also impactful in remediating cases during the past fiscal year, with 65,569 (+56.9%) of the reported cases from this and previous years now under remediation.

Remediation Measures

As previously disclosed, in line with the UN Guiding Principles, we believe that the solution lies not in terminating sourcing activities, but in assessing, monitoring and addressing the risk of children becoming involved in child labor. Abandoning a region because of the challenges it faces would only worsen its economic and human rights situation.

Our Code of Conduct and Whistleblower Policy encourages all employees and contract workers of Barry Callebaut to report actual or possible misconduct. We also undertake diligence efforts (as further described in this Report) to ensure that the risk of forced labour and child labour is mitigated in our business. In the event that we discover any forced labour or child labour in our business and supply chains, we take the following measures to remediate such forced labour or child labour:

According to ICI recommendations, a case can only be considered remediated when two consecutive onsite inspections have shown that the child is no longer subjected to child labor. If a child is found to be engaged in child labor during a follow-up visit, we will revisit the remediation plan where appropriate and continue following up on the case. The total process of identification, remediation and two follow-up visits takes at least twelve months. In 2022/23, the number of identified child labor cases considered remediated on the grounds that the child was not found performing child labor during two consecutive monitoring visits amounted to 10,504 cases (+269.3%).



Due to the criminal nature of forced labor, this would typically be a matter for local law enforcement agencies to address in line with their domestic judicial processes. If BCAG becomes aware of forced labor, this would typically be reported immediately to the appropriate authorities. If support from BCAG is required as part of remediation efforts, we would readily assist and follow up on the outcome

BCAG believes that an effective grievance mechanism process (GMP) can support the identification of adverse impacts as part of ongoing due diligence, in line with the OECD Guidelines for Multinational Enterprises. BCAG has established a GMP to systematically receive, investigate, and respond to complaints affecting BCAG`s supply chain from rights holders and implement time-bound actions to resolve these issues. A Grievance can be considered as an allegation, question, or issue in BCAG`s supply chain formally raised by an affected individual (or group) regarding their treatment or experience. A complaint can be raised by parties who are themselves affected, such as workers or local communities, by an organization representing the affected parties, such as a trade union, or by an independent organization, such as an NGO.

In addition, we expect the supplier to take all necessary steps to inform its employees, agents and sub-contractors of the principles set forth in the Supplier Code and to take appropriate action to ensure understanding of and compliance with its principles. BCAG expects the supplier to maintain necessary documentation to demonstrate compliance with the principles stipulated in this Supplier Code and it reserves the right to audit the supplier`s compliance with these principles.

Training

Employees at all levels are required to complete mandatory training to ensure that our Code of Business Conduct and Ethics is understood and properly applied to our daily activities. New employees of Barry Callebaut must complete mandatory online training on our values and policies, including our Code of Business Conduct and Ethics, and be instructed on how to report wrongdoing under our Whistleblower Policy. We provide employees with ongoing and periodic training opportunities to ensure that all employees` knowledge is up to date. As an example, in 2022/23, to ensure our employees and suppliers gain an understanding of the policies and the issues they cover and can respond appropriately, we continued delivering training to all suppliers in our direct cocoa supply chain. They received training on the concepts of child and forced labor as well as support in their efforts to assess and address child labor. Such training is provided in collaboration with our NGO partners. In addition, in 2022/23, as part of our employee onboarding, we developed an online training program covering our Code of Conduct and our child and forced labor concepts. In addition, we also support the establishment of Human Rights Committees (HRCs) at the farmer group level. We assist HRCs in developing their Human Rights structures and function and enable them to effectively assess and address adverse human rights impacts in their cocoa supply chain operations.

Our Progress and Effectiveness

The BC Group`s ESG (Environmental, Social, and Governance) strategy is overseen by the Board of Directors of BCAG. This oversight includes aligning the business and ESG strategy and ambitions, ensuring a long-term vision on the development of our business value, and actively identifying and managing actual and forward-looking risks. The Board of Directors of BCAG



ensures that adherence to regulations and sustainability topics and matters are fully integrated into the purpose, strategy, decision-making, risk management, and accountability reporting. The Audit, Finance, Risk, Quality & Compliance Committee (AFRQCC) Committee of BCAG, a sub-committee of the Board of Directors of BCAG, reviews our internal system controls, risks, quality, and the reliability of our external reporting. It also oversees the implementation of ESG processes, controls and robust reporting and the direct integration of ESG into the audit structure and the relationship with investor relations.

In addition, we monitor compliance with our policies on an ongoing basis. We also review any concerns raised through our Whistleblower Policy and other informal mechanisms of employee feedback.

We communicate our efforts to solve the material issues in our supply chain through various channels and reports on a regular basis, which includes our Annual Forever Chocolate Progress report, which is verified by an independent, third-party assurance provider. The KPIs disclosed on Human Rights, including child labour (child labor cases identified, under remediation and remediated) are included in our Forever Chocolate Progress Report, and our annual Global Reporting Initiative (GRI) report and Assurance statement.

In addition, we maintain a [dedicated public website](#) covering the full range of relevant ESG topics and related reports and policies, and a public tracker sheet disclosing our key KPIs progress over the past 7 years.



Approval & Signature

In accordance with section 11(4)(a) of the Act, this Report was approved by the Board of Directors of Barry Callebaut Canada Inc. on May 29, 2024 and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our company website at www.barry-callebaut.com/en/group/forever-chocolate/ethical-sourcing-and-business/safeguarding-human-rights-our-supply-chain.

In accordance with the requirements of the Act, and in particular section 11 thereof, we attest that we have reviewed the information contained in this Report on behalf of Barry Callebaut Canada Inc.. Based on our knowledge, and having exercised reasonable diligence, we attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

A handwritten signature in black ink, appearing to read "Ben De Schryver".

Name: Ben De Schryver Title:
President & CEO

A handwritten signature in black ink, appearing to read "Philipp Muheim".

Name: Philipp Muheim
Title: Regional Legal Counsel Americas

May 29, 2024,

We have the authority to bind Barry Callebaut Canada Inc.