

## ASSURANCE STATEMENT

# Independent assurance statement on the 2016/17 Forever Chocolate Progress Report

To the management and stakeholders of Barry Callebaut AG:

denkstatt GmbH has been engaged by Barry Callebaut AG (hereinafter referred to as “the Company”) to provide independent third-party assurance over the 2016/17 Forever Chocolate Progress Report as well as over the separate Global Reporting Initiative (GRI) Content Index (hereinafter referred to as “the Reports”) published on the Barry Callebaut website.

The aim of this process is to provide assurance to the Company’s stakeholders over the accuracy, reliability and objectivity of the reported information and that it covers the issues material to the business and its stakeholders. The Forever Chocolate Progress Report has been self-declared to comply with the ‘in accordance - core’ requirements of the GRI Standards. Application of the GRI Standards has been verified. We have reviewed all sustainability-relevant content and data included in the Report. Financial data were not reviewed as part of this process.

### Management responsibilities

The preparation and presentation of the selected information in the Reports are the sole responsibility of the management of the Company. Management is also responsible for identifying key stakeholders and material issues as well as for defining commitments with regard to sustainability-related performance, and establishing and maintaining appropriate performance

management and internal control systems from which the reported information is derived.

### Assurance provider’s responsibilities

Our responsibilities are to:

- provide appropriate assurance that the information in the Reports is accurate and free from material misstatements;
- assess performance management and internal control systems from which the reported information is derived, and
- form an independent conclusion based on the assurance procedures and evidence obtained on the reliability of the information in the Reports, and whether it is in accordance with the criteria of the GRI Standards.

### Scope

The scope of our work was limited to assurance over performance data and information included in the Forever Chocolate Progress Report for the reporting period September 1, 2016 to August 31, 2017 as well as over the corresponding GRI Content Index. Our review included:

1. statements, information and performance data contained within the Forever Chocolate Progress Report;
2. the Company management’s approach to material issues, and

3. alignment of the reported data and information to the requirements of the GRI Standards.

We have fulfilled our obligation to provide appropriate assurance that the information in the Reports is free from material misstatements. We planned and carried out our work to provide moderate assurance regarding the nature and extent of the Company's adherence to the GRI Reporting Principles. In addition, we have reviewed all sustainability-related content and data included in the Reports for the 2016/17 financial year, and assessed the performance management and internal control systems from which the reported information is derived.

#### Methodology, approach & limitation of work

We planned and carried out our work in order to obtain all the evidence, information and explanations that we considered necessary in relation to the responsibilities outlined above. Our work included the following procedures, which involved a range of evidence-gathering activities.

- Group headquarters level: We gathered information and conducted interviews, face-to-face as well as via telephone, with managers and employees of the following departments: Legal & Compliance, Global Sourcing, Sustainability Reporting and Sourcing, Biolands Group, Cocoa Bean Trading and Speciality Cocoa Trading, Sustainability Management Ivory Coast, Operations, Human Resources, Community Development, Energy Management, and Sustainability Controlling. During the interviews, adherence to the principles of GRI and data were evaluated. We assessed and verified information published in all key sections of the Report.
- The interviews conducted at Group level focused on the four pillars of the Forever Chocolate Strategy: zero child labour, prospering farmers, thriving nature and sustainable chocolate; as well as on human resources, health and safety and compliance.

- Supply chain and factory level: We gathered information and conducted interviews with managers and employees involved in factory operations. The following sites were visited to assess supply chain and production operations:
  - Supply chain, Ivory Coast
  - Abidjan Zone 4 factory, Ivory Coast
  - Meulan factory, France
  - Banbury factory, England
  - Lodz factory, Poland

At the sites we implemented the following approach:

- making enquiries and conducting spot checks to assess implementation of the Company's policies at the plant;
- reviewing the internal systems, processes and controls for collecting and reporting the selected information, including assessing the appropriateness of assumptions made, estimation techniques used and reporting boundaries, as well as reliability and consistency between factory and corporate level;
- assessing the disclosure and presentation of the selected information to ensure consistency with assured information, and
- evaluating the Company's public disclosures against the GRI Standards (core option).

The scope of the assurance covered all of the information relevant to sustainability in the Reports and focused on Company systems and activities during the reporting period.

#### Conclusions

On the basis of the scope of work, nothing came to our attention to suggest that the information in the Reports is inaccurate or contains material misstatements.

Any errors or misstatements identified during the engagement were corrected prior to the Forever Chocolate Progress Report and the GRI Content Index being published.

#### Positive developments

We were pleased to observe positive developments in the following areas:

- Strategy: With the Forever Chocolate Strategy the Company has developed a

powerful tool to create and push for a movement within the entire industry. By implementing the Forever Chocolate Strategy, the Company undertakes strong commitments regarding a transformative way of doing business and engaging actors along the chocolate value chain.

- Supply chain: The Company realises excellent projects based on sound methodology and good data management in its supply chain. Topics addressed include child labor, human rights, prospering farmers and thriving nature. Progress has been achieved, for example, regarding productivity increases among farmers participating in productivity programmes.
- Employees: Training and development have a high priority in the organisation. There are clear strategies and tools for employee development in place. In addition, an employee engagement survey was carried out globally to identify strengths and potential for improvement.
- Health and safety: Health and safety initiatives are well implemented at factory level with strong employee involvement. A global policy has been developed to support common understanding of the issues. Moreover, the factories report lead and lag indicators.
- Environment: “Energy champions” at each site are committed to working on energy topics. The Company has prioritised the topic by using this approach, ensuring operational implementation.
- Compliance management: A good system for screening corruption risks is in place. It enables identification of areas of risk and implementation of corrective actions. Moreover, employees can make use of the integrity line to report issues anonymously. The Company has also put adequate training programmes in place to ensure that every employee is familiar with the contents of the Code of Conduct.

#### Key recommendations

- Strategy: The understanding of what sustainability stands for at the Company has to be improved at factory level. The roll-out of the Forever Chocolate Strategy

is a good opportunity for communication on this topic.

- Supply Chain: The Company should build on the lessons learned from pilot projects in the supply chain. We recommend further development of these projects and scaling them up in order to make the initiatives available across the entire supply chain.
- Data management: The process for collecting and reporting data at factory level needs to be streamlined. We recommend establishing global guidelines on how to organise data management. Additionally, the process for integrating factory level data in the consolidated reports needs to be adapted to assure the correctness and traceability of data.
- Employees: Training and development opportunities for employees of the Company are very well implemented. However, the approach for integrating temporary workers is not consistent. Developing HR strategies for temporary workers is recommended.
- Health and safety: Currently employees at local headquarters and commercial staff are not considered consistently when reporting on health and safety related indicators. The integration of headquarters and commercial staff is recommended, so as to have a comprehensive picture of the health and safety situation at the Company.
- Compliance management: The process for reporting operational cases of non-compliance should be improved. We recommend further development of the system for reporting cases of environmental and socioeconomic non-compliance from factories to headquarters, based on the relevance of the incidents.

#### Statement of independence, impartiality & competence

denkstatt is an independent professional services company. Our team of experts has extensive professional experience of assurance engagements related to non-financial information and sustainability management, meaning it is qualified to conduct this independent assurance

engagement. denkstatt operates a certified Quality and Environmental Management System which complies with the requirements of ISO 9001 and ISO 14001, and accordingly maintains a comprehensive quality control system.

We are particularly vigilant regarding the prevention of conflicts of interest. denkstatt has additional existing commercial contracts with the Company. However, our assurance team does not have any involvement in other projects with the Company that would result in a conflict of interest, nor were we responsible for the preparation of any part of the Reports.

Vienna, 22 November 2017



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