



CALLEBAUT™

BELOIUM 1811

Callebaut

Sustainability Commitment



- **Callebaut sustainability commitment**
- **Understanding cocoa supply & sustainability**
- **How you support cocoa farmers**
- **Transparency, certification and verification**
- **The Cocoa Horizons Foundation**

- **Your communication tools**



Callebaut – Sustainability commitment

Our Finest Belgian Chocolates range supports cocoa farmers and sustainable cocoa cultivation with every single pack sold.



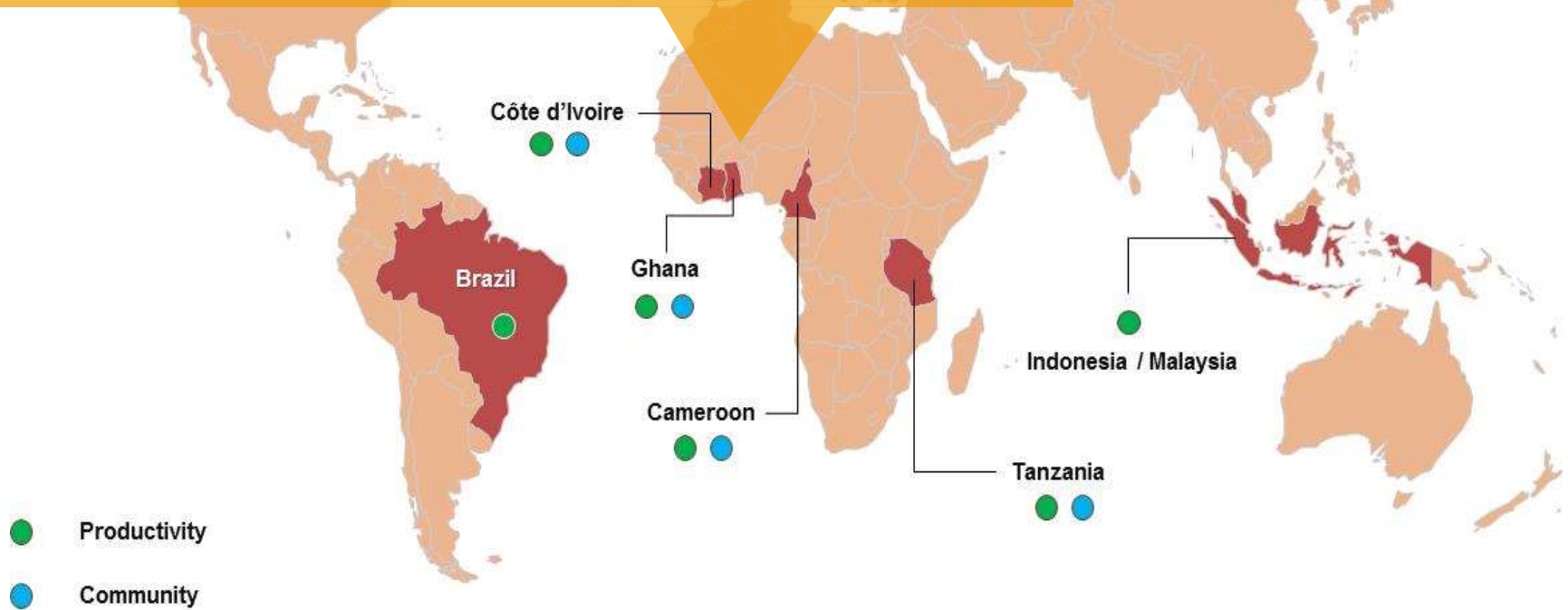
- Callebaut is the first gourmet chocolate brand that supports farmers & sustainable cocoa cultivation with the complete standard range
- In partnership with the Cocoa Horizons foundation - making the difference through direct contact with cocoa farmers





Understanding cocoa supply in origins

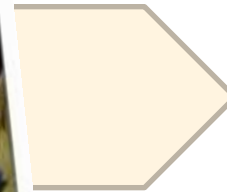
- West Africa – Callebaut's most important region for Cocoa supply
- 1,000,000 farmers in Côte d'Ivoire
- Cocoa farmers are smallholder farmers and they run small-scale cocoa farms (2 to 4 hectares). Around 6 million farmers grow cocoa in Africa.
- Cocoa sourcing: farmer organizations (e.g. cocoa cooperatives) buy the cocoa directly from the farmers. In turn, they sell the cocoa to Callebaut





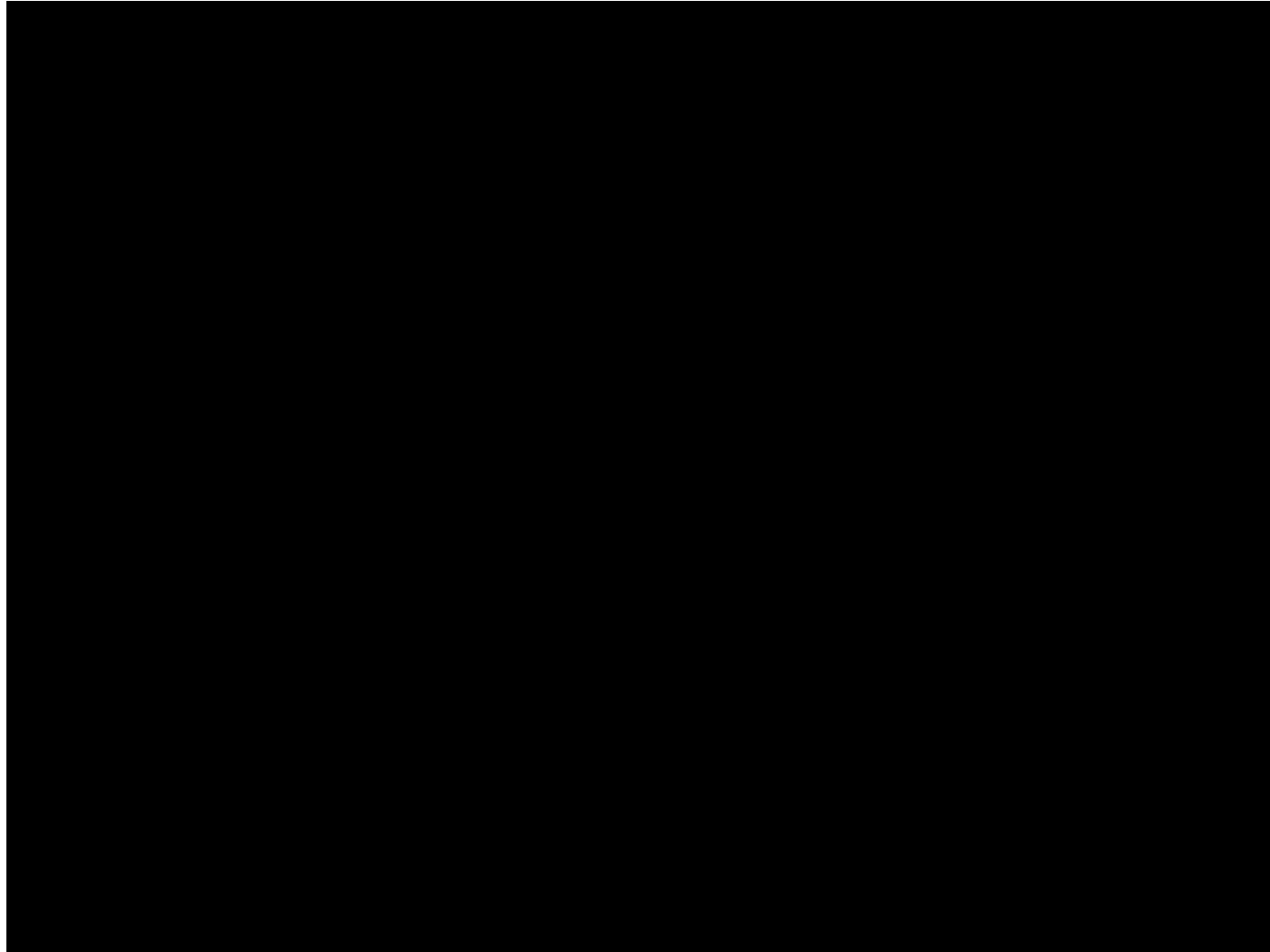
Understanding cocoa supply in origins

Cocoa bean producers/Farmers sell to a Farmer Group.
The Farmer Group is the direct link to us.





Why Cocoa Sustainability?





Why Cocoa Sustainability?



Future Market Volatility

- Growing Demand
- Flat Supply



Competitive Crops

- Rubber
- Palm
- Corn for Protein (Asia)



Farmer Livelihood

- Income
- Community Infrastructure



Next Generation of Farmers

- Youth Reluctant to Farm





How you support cocoa farmers

“To shape a sustainable future across the chocolate and cocoa value chain, from farmer to our customer”



Growing the quality & yield of cocoa

- Planting trees for cocoa of tomorrow
 - Good Agricultural Practices

Growing the quality of life!



Our Activities

- **Productivity**
 - **Farmer Training**
 - Methods
 - Accreditation of trainers, Farmer Field Schools, Demonstration Plots
 - Topics
 - GAP, Functional Literacy, Child protection, Traceability, Quality, Health & Safety
 - **Farmer Support**
 - Farmers Premiums, Business skills, Farmer services delivery model (Inputs, Materials)
 - **Farmer Financing**
 - Farmer Micro-financing, mobile phone banking
 - **Community**
 - **Education**
 - Construction and renovation of schools, providing cocoa curriculum
 - **Child Protection**
 - Child labor sensitization
 - **Women's Empowerment**
 - Farmer training, literacy, business skills training
 - **Health**
 - Water (Boreholes and filters), Sanitation (latrines, WASH training)
-



How you support cocoa farmers

FY 2015 HIGHLIGHTS

PRODUCTIVITY

25,000

- Farmers enrolled in projects in West Africa

2,000

- Farmers implemented productivity interventions

400,000+

- Seedlings distributed

COMMUNITY

600

- Children enrolled in schools built by BC

12,000

- People benefiting from water filter program

200+

- Women in empowerment training



How Callebaut guarantees verification and transparency of sustainable activities

- **Traceability**
 - Traced from the farmer to the first Callebaut warehouse
 - From there we follow the mass balance principles
 - Fully integrated data management system to trace cocoa beans and collect data (such as training attendance, farm and farmer data) to help reporting, verification and planning
- **Transparency**
 - Independent foundation assures full transparency on the use of premiums
- **Verification**
 - Third party verification on the activities of the foundation a of premiums





Callebaut partners up with the CH Foundation for the implementation & verification of activities supporting cocoa sustainability

- Estd februari 2015
- Non-profit independent organization
- What The Foundation does:
Helping to eradicate extreme poverty in cocoa communities where the Foundation works
- The Foundation's mission:
To improve the livelihoods of cocoa farmers and their communities through promotion of sustainable, entrepreneurial farming, improved productivity and community development.
- **Callebaut is Scaling impact and Driving Change through The Cocoa Horizons Foundation by:**
 - Targeting funds toward most impactful activities
 - Pooling resources to achieve economies of scale
 - Helping drive demand of sustainable cocoa





How you support cocoa farmers

- Callebaut Finest Belgian Chocolates - all sustainable!



- We'll keep you updated!
- Yearly mailings
- Website



How you can communicate



THIS IS HOW WE SUPPORT COCOA FARMERS

<p>TRAINING AND GUIDING FARMERS TO BETTER INCREASE THEIR CROP YIELDS</p>  <p>BETTER CROP YIELDS GENERATE HIGHER FARMER INCOME</p>	<p>600 farmer field schools trained around 25,000 farmers in good agricultural practices & social practices*</p> 	<p>1,655 CHILDREN OF FARMERS IN 18 DIFFERENT COOPERATIVES RECEIVED SCHOOL HITS*</p> 
<p>10 new water wells provide clean water to 1050 children in schools & 4 farming communities**</p>  <p>4,663 MOSQUITO NETS HAVE BEEN DISTRIBUTED IN 54 COOPERATIVES**</p>	<p>3,389 FARMERS & THEIR FAMILY MEMBERS WERE GIVEN VACCINATIONS**</p> 	<p>18 PRIMARY SCHOOLS WERE BUILT IN COCOA FARMING VILLAGES IN IVORY COAST PROVIDING EDUCATION TO 1800 CHILDREN*</p> 

Under (by 2016): 1 new rural primary school in Ivory Coast, 2 school extensions and rehabilitation, 2 existing schools with water

* Figures over the past 10 months, in which Growing Good Chocolate supported the efforts of Serey, Callebaut's Quality Partner Program.
 ** Figures cover the start of the Quality Partner Programme in 2012.



CALLEBAUT

2015 CERTIFICATE

CALLEBAUT ACKNOWLEDGES _____ TO ACTIVELY SUPPORT COCOA FARMERS

IN WEST AFRICA AND CONTRIBUTE TO SUSTAINABLE COCOA CULTIVATION WITH THEIR CHOICE FOR CALLEBAUT'S FINEST BELGIAN CHOCOLATE.

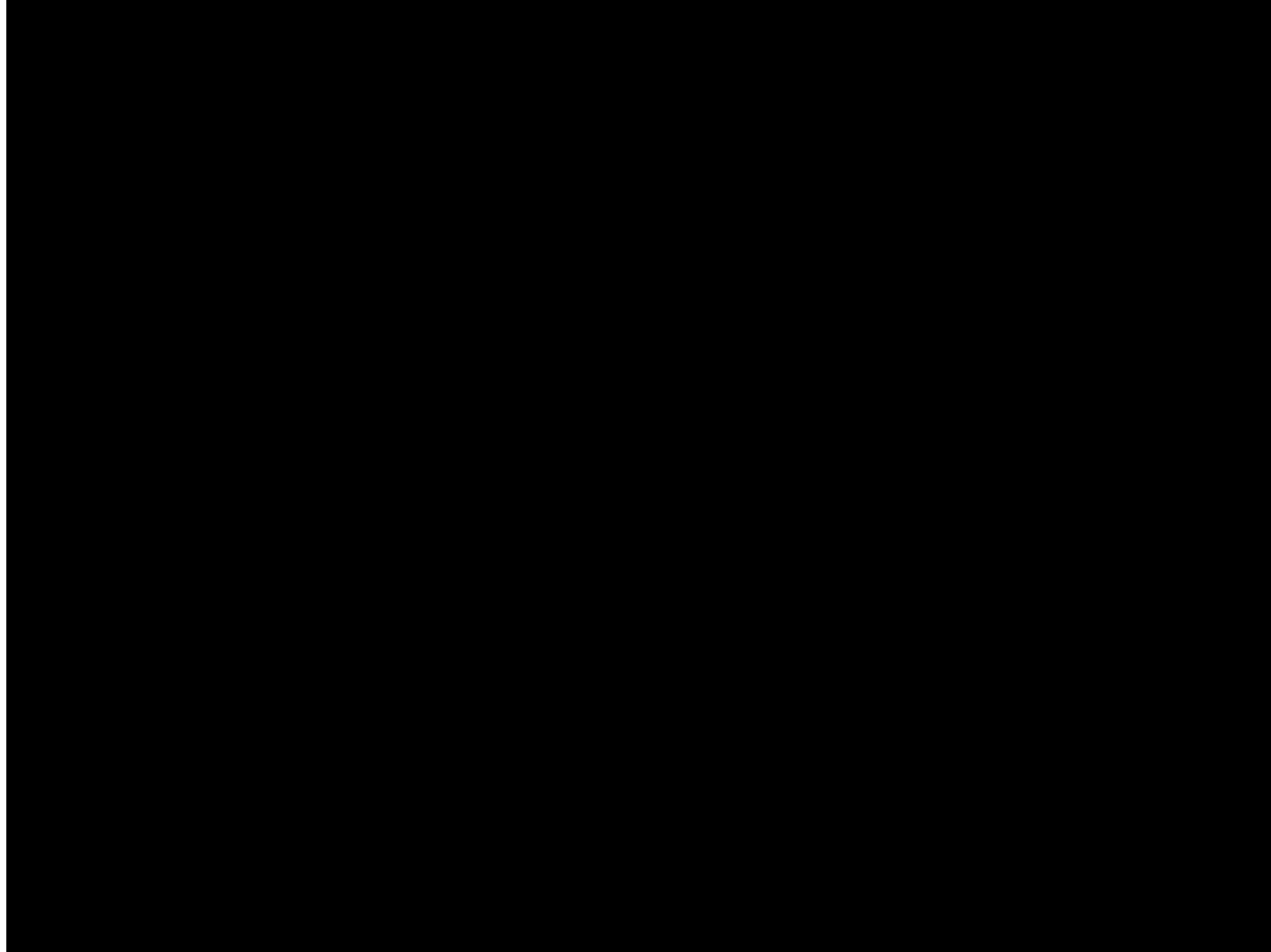
FOR EVERY PACK OF FINEST BELGIAN CHOCOLATE PURCHASED, A PART IS REINVESTED VIA THE COCOA HORIZONS FOUNDATION, TO IMPROVE THE LIVELIHOODS OF COCOA FARMERS AND THEIR COMMUNITIES THROUGH THE PROMOTION OF SUSTAINABLE, ENTREPRENEURIAL FARMING, IMPROVED PRODUCTIVITY, AND COMMUNITY DEVELOPMENT.

CALLEBAUT
SUSTAINABLE COCOA SUPPORT

COCOA HORIZONS
This support programme to cocoa farmers is coordinated and verified by Cocoa Horizons Foundation



Together we can drive change!



January 29, 2016



Thank You