

CÉMOI
CHOCOLATIER
FRANÇAIS



TRANSPARENCE
CACAO CÉMOI



DISCOVER
THE PEOPLE
AND VIRTUOUS
PRACTICES
BEHIND OUR
OUTSTANDING
COCOAS

TRANSPARENCE CACAO
IS CÉMOI'S COMMITMENT
TO BUILDING A SUSTAINABLE
COCOA SUPPLY CHAIN
FROM THE GROWER
TO THE CONSUMER.

TRANSPARENCE CACAO



SUPPORTING THE FARMERS AND PROTECTING THE ENVIRONMENT TO PRODUCE EXCELLENT COCOA



EDITORIAL

PATRICK POIRRIER
CEO OF THE CÉMOI GROUP

TRANSPARENCE CACAO – A SUSTAINABLE ALTERNATIVE
FOR A FRAGILE INDUSTRY

“ Today, we live in an increasingly interdependent world. For example, the quality of the chocolate we eat is directly linked to the lives of a multitude of farmers who own less than five hectares of farmland.

Numerous intermediaries

The farmers often make an insufficient living from what they produce. In many cases, the cocoa is bought by an intermediary, who sells it to another intermediary, and so on. By the time it reaches the port, a sack of cocoa may have changed hands ten times. This situation is harmful both to the grower and the chocolatier. We need to create a more direct link with the farmers. In numerous countries, apart from price regulation systems, there is no contact between these farmers and the processing companies. The buyers have no means of tracing the origin of their merchandise.

Quality depends on income

When farmers are badly paid, they cannot invest to maintain their plots. Their yields fall and quality suffers. Moreover, to raise production the farmers are tempted to clear some forest to create new plots to farm. CÉMOI has decided to act on these problems. CÉMOI's philosophy is that of a serious, responsible, family business. For more than 20 years we have geared our development to a business model of vertical integration from source to sales. This means we guarantee and control quality at each stage of processing. From the farmer cooperatives to the factories, the only intermediary is CÉMOI. Our aim is to strengthen a value chain in which everyone benefits – the farmer, we the chocolatiers, and our customers.

With our TRANSPARENCE CACAO initiative, we are trying to light the way, to show that it is possible to work towards holistic cocoa quality, where social and environmental quality in farming benefits the aromatic quality of the product. These efforts are bearing fruit: we have succeeded in developing the aromatic potential of cocoa from Côte d'Ivoire, which is now classed as fine cocoa. Lastly, TRANSPARENCE CACAO is a global approach, which is not incompatible with the vision of the different quality labels. Today, the entire cocoa industry is proving us right. In March 2017, under the distinguished patronage of the Prince of Wales, CÉMOI was one of the twelve main companies in the global cocoa industry to commit to working together to end deforestation and promote improved practices. What is at stake is nothing less than the continuing production of a raw ingredient that makes people happy and must go on doing so.

”



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EDITORIALS

BENJAMIN BESSI
MANAGING DIRECTOR CÉMOI CÔTE D'IVOIRE



AN AMBITIOUS PROGRAMME IN THE FACE OF MAJOR CHALLENGES

“ In 2015, we launched the TRANSPARENCE CACAO programme with great ambitions and the hope of being a driving force for virtuous circles in the cocoa industry. Today, these ambitions have turned into missions that not only engage us, as the number one French chocolatier, but which also encourage the other industry players to join in.

As we know only too well, cocoa today is facing major challenges: climate change, the agronomical challenge of ageing orchards and diseases that are destroying the trees, the challenge of restructuring the industry, with the need to organise the farmers into cooperatives. These challenges, affecting food, health and the environment, form the very core of our TRANSPARENCE CACAO programme. We are convinced that quality food inevitably starts with farming that is both socially and environmentally sustainable.

Although the programme continues to focus on the challenges facing the cocoa industry, it is also essential for us to connect with all our stakeholders. Our teams in the field continue to make major contributions to environmentally friendly development, good living standards and well-being in the cocoa-producing communities.

In this programme, our ambition remains the same as ever: to assist the farmers and protect the environment in order to produce excellent cocoa. ”

JOAQUIN MUÑOZ
DIRECTOR SUSTAINABLE DEVELOPMENT AT CÉMOI



SAYING WHAT YOU DO & DOING WHAT YOU SAY: TRANSPARENCY ABOUT OUR SUSTAINABLE COCOA ACTIVITIES

“ In the main country of purchase of our cocoa beans, Côte d'Ivoire, the current cocoa production model is based on very small family farms, the income from which does not allow the families to provide for their needs (health, education, access to electricity and drinking water). Urgent action is needed.

This first report from the CÉMOI Group's Sustainable Cocoa programme takes stock of the innovative (and unique) approach taken by CÉMOI in the face of the main challenges facing the cocoa sector:

- Farmers: professionalising the cocoa farmers, strengthening their cooperatives, investing in their communities while ensuring fair remuneration, protecting the forests and environment surrounding the communities;
- Consumers: raising their trust in the cocoa's origin and sustainable development commitments while improving their tasting experience with richly aromatic chocolate.

The implementation of TRANSPARENCE CACAO takes place in three distinct stages in the cocoa sectors of each of the countries where CÉMOI buys its cocoa beans:

- a) Learning about the origins of the product by means of an initial diagnostic field study to set out the priority challenges by country. Getting to know all the suppliers and controlling supply of the beans right to our factories;
- b) Transforming the cocoa sector in the countries of origin: by helping the cooperatives become small-scale service enterprises; helping the farmers to become rural entrepreneurs (training in good farming practices, rational use of phytosanitary products, combating deforestation, agroforestry, better remuneration of farmers, greater traceability, etc.); by raising knowledge of farming practices that will bring out more flavour in each and every cocoa bean.
- c) Checks: monitoring & assessment, measuring the impact of action undertaken, learning; readjusting our action programme if its impact is insufficient.

This simple approach is aimed at building a “win-win” business relationship in which the cooperative and the farmers become genuine agents of change for the rural environment. ”



THE PROGRAMMIE



TRANSPARENCE

CACAO CÉMOI

Having been committed to a sustainable development programme for more than 20 years, the CÉMOI Group took a new and decisive step in 2015 by launching its own programme: TRANSPARENCE CACAO. With it, the CÉMOI Group is demonstrating its desire to control the entire cocoa supply chain in which it is engaged at each stage of the process. It aims to promote sustainable cocoa farming by placing the farmers and farmer organisations at the centre of its action programme.

This programme guarantees the traceability of the cocoa from the bean to the chocolate, and control of the production chain from the farmer to the consumer. It aspires to respect quality at each stage of production with the sole purpose of offering chocolate with a unique taste.

Today, the cocoa sector is facing numerous challenges: quality, productivity, promotion of the work of the farmers, professionalisation of the players and protection of the environment.

OUR APPROACH IS BASED ON FOUR FOCAL ASPECTS OF QUALITY, which constitute the foundation of TRANSPARENCE CACAO, and on indicators measuring our overall performance.

CÉMOI IS COMMITTED TO ACTING ON EACH AND EVERY ONE OF THE POINTS AS PART OF A CONTINUOUS IMPROVEMENT PROCESS.



1 | FOOD QUALITY / TRACEABILITY

CHOCOLATE WITH A KNOWN HISTORY. Total traceability, from its origin to the manufacturing process: the factory, zone, cooperative and farmer.



2 | AROMATIC QUALITY

CHOCOLATE WITH SUBTLE, DELICATE FLAVOURS. This criterion takes into account our expertise in matters of flavour and the work achieved in our centres.



3 | QUALITY OF LIFE OF THE FARMERS

CHOCOLATE THAT ALLOWS THE FARMERS TO LIVE IN DIGNITY, support their families and invest in their farms. This aspect takes into account the professionalisation of the farmers and their cooperatives, children's schooling, and access to water, electricity and healthcare.



4 | ENVIRONMENTAL QUALITY

CHOCOLATE THAT CONTRIBUTES TO ENVIRONMENTAL PROTECTION EFFORTS. This aspect will reduce the risk of deforestation and promote agroforestry.



T

MISSIONS OF THE PROGRAMME

CÉMOI has shown that to build sustainable supply chains, the notion of quality has to be viewed holistically: social and environmental quality, food grade and aromatic quality. Consequently, one of the primary missions assigned to its TRANSPARENCE CACAO programme is:

TO INTEGRATE QUALITY AND RESPECT FOR THE ENVIRONMENT INTO COCOA SOURCING TO TRIGGER A PROCESS OF VALUE CREATION AND TRANSFORMATION OF THE RURAL ENVIRONMENT.

But more specifically, we have set out the following subsidiary missions:

- 

1 TO ASSIST FARMERS
in their efforts towards professionalisation and entrepreneurship to develop professional cooperatives.
- 

2 TO PROTECT THE ENVIRONMENT AND NATURAL RESOURCES
crucial to sustainable cocoa production in and around the cocoa plantations.
- 

3 TO RAISE FARMERS' INCOME
by diversifying their sources of income.
- 

4 TO GUARANTEE THE TRACEABILITY OF THE COCOA on the market.

A STRUCTURED AND DYNAMIC INITIATIVE

The objective of the TRANSPARENCE CACAO programme is to strengthen our knowledge of the supply chains right back to the farmer communities by relying on them to improve the quality of their harvests and in so doing enable them to earn more from their work, while at the same time taking care of their environment.

Consequently, implementation of the TRANSPARENCE CACAO programme is based on 3 COMPLEMENTARY STAGES: firstly, getting to know the 60,000 farmers in the programme and how they are organised so as to have greater control over the quality of the cocoa supplied and identify ways of improving it. Following this diagnostic assessment, we will be able to set up specific action plans for the professionalisation of each of these players. These action plans will then be audited by external players and, depending on their findings, improved.

■ GETTING TO KNOW THE SUPPLY CHAIN

Getting to know the entire supply chain means getting to know all the players involved in transforming cocoa into chocolate. The CÉMOI Group is present at each and every stage.

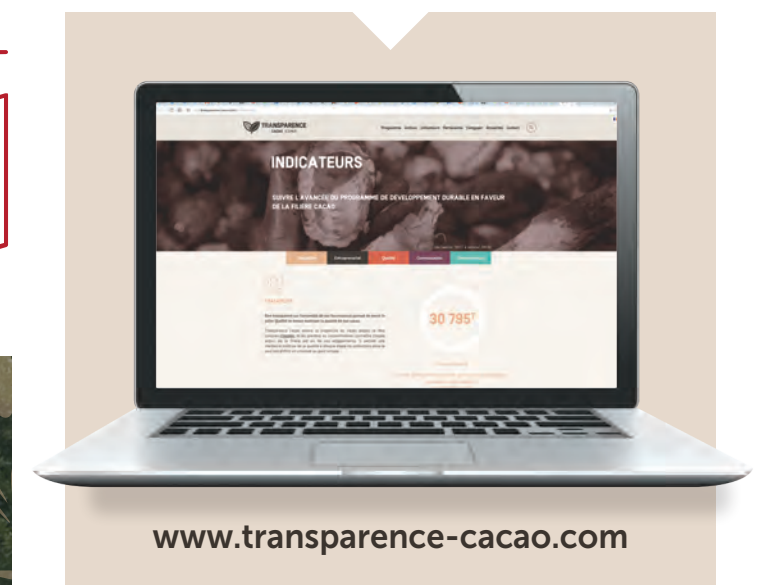
■ CHANGING PRACTICES

The objective is to raise the awareness of the cooperatives and, consequently, the farmers so that they become a genuine link in the chain to produce cocoa sustainably and develop the industry. For this reason, TRANSPARENCE CACAO is setting up specific support projects depending on the needs of each entity to make them more efficient in terms of management, sales, agronomy, etc.

The programme thus aims above all to support the farmers and the cooperatives in their efforts towards professionalisation. This professionalisation should have a long-term impact in transforming the rural environment by enabling the farmers and cooperatives to fund their development projects.

■ MONITORING AND IMPROVING THE PROGRAMME

Checking project progress by means of performance indicators and the involvement of external partners is essential for monitoring the programme.



2

CAP 2021, OUR OBJECTIVES

A. OUR AMBITION

TRANSPARENCE CACAO is a programme which set itself ambitious goals from the outset. The challenges of climate change, deforestation and low income for farmers demand that we act fast to reduce the risk for the cocoa industry. We have set ourselves the deadline of 2021 – Cap 2021 – to attain these ambitious objectives.

1 OBJECTIVE ENVIRONNEMENT



57,000 HECTARES OF COCOA ORCHARDS REHABILITATED

This indicator illustrates the surface area in hectares where good farming practices have been applied (pruning, fertilisation, shade management, etc.) and/or regeneration (replanting, grafting, basal buds, etc.).

These practices are aimed at improving parcel production by optimising the natural resources of the environment and restoring soil fertility. These practices are part of our commitment to stable, sustainable cocoa production.

2 OBJECTIVE ENTREPRENEURSHIP/FARMERS



60,000 GROWERS, 18,000 OF WHOM HAVE RECEIVED TRAINING

The ultimate objective of TRANSPARENCE CACAO is to change the rural environment. This means professionalising the cocoa supply chain. Our goal is to assist farmers in their efforts to become farm entrepreneurs and to develop cooperatives as SMEs. This would turn the cooperatives into attractive centres of business that would benefit their communities.

Volatile prices is one fact which prevents farmers from planning for the future. Their low income is insufficient to allow them to invest in maintaining their parcels, as the cocoa trees age and yields fall.

Aware of these issues, we have geared one focal aspect of our Quality programme to improving farmers' quality of life by acting directly on their income through the purchasing price and providing technical support.



100 % PROFESSIONAL COOPERATIVES/SMES

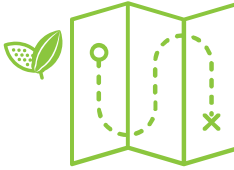
The programme encompasses around one hundred cooperatives and cocoa suppliers. The objective is to provide support to several of them every year to improve their and their members' skills.

We have grouped the cooperatives into three leagues based on criteria of structure, relationship with the farmers, governance and reliability. For each league, we have set up an appropriate training programme aimed at building capacity and developing services to the growers. Each cooperative has to meet various criteria to move into the league above.



START-UP LEAGUE LEAGUE PRO LEAGUE

3 OBJECTIVE TRACEABILITY



100 % TRACEABLE, SUSTAINABLE, QUALITY COCOA MASS

Exercising transparency about all our suppliers serves the interests of our Quality programme and helps us control the quality of our cocoa.

Through TRANSPARENCE CACAO, CÉMOI is committed to ensuring traceability of the cocoa from the bean to the chocolate, and from the farmer to the consumer. One of our commitments is to know each player in the supply chain. This gives us greater control over quality at each stage of cocoa mass production with the sole purpose of offering chocolate with a unique taste.

4 OBJECTIVE COMMUNITIES

MORE THAN 10 PROJECTS EVERY YEAR



TO DEVELOP COCOA-FARMING COMMUNITIES

A community is defined as a village or camp which is home to at least ten farmers who are members of cooperatives involved in the TRANSPARENCE CACAO programme.

Thanks to the programme, we are helping these communities take action to improve their daily lives – gaining access to drinking water and electricity and sending their children to school.

TRANSPARENCE CACAO aims by this means to create a special bond between the cooperatives and the farmers. The programme forms an efficient network which fosters the transfer of technology and know-how. The infrastructures and training programmes turn the cooperatives into connection points that federate farming communities. The cooperatives play an important economic role for the surrounding populations. This is why with TRANSPARENCE CACAO we are strengthening this attractiveness and developing active communities centred on projects that benefit the local people.



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B. OUR PROGRESS IN 2017*



Track our performance and programme news on our dedicated website:

www.transparence-cacao.com

*in Côte d'Ivoire

3 OUR ACTION AT THE CORE OF THE COCOA SECTOR

A. PROTECTING THE FORESTS: AN ABSOLUTE PRIORITY

As part of our programme, we have signed a partnership with the Ivorian Office of Parks and Reserves (OIPR) and Ecotierra, which specialises in agroforestry projects. Some 57,000 hectares of cocoa orchards will be rehabilitated in Côte d'Ivoire by 2021 on the agroforestry model. This partnership could in future generate carbon credits which would be reinvested in forest protection measures under the REDD+ (Reducing Emissions from Deforestation and Forest Degradation) mechanism.

We have signed contracts with these partners **to define cocoa-based agroforestry systems, and with ICRAF, a body specialising in agroforestry, a contract under which they will train nursery owners in plant production.**

We are pursuing a policy of zero deforestation with pilot projects in Peru and Côte d'Ivoire. Within the cooperatives, social responsibility and environmental committees (CSR committees) are raising people's awareness of the importance of the forest.

“ We have created demonstration parcels to make the growers aware of the importance of the choice of tree species and introducing them into the cocoa plantations. ”

*Dr. Alexis Assiri,
head of CÉMOI's
Agronomy Programme*

Cocoa growing is often implicated in deforestation in Côte d'Ivoire. Professionalising the cocoa sector would make it possible to switch from an extensive model, which results in forest clearing, to a more intensive and ecofriendly model.

We are committed to eliminating identified risks of deforestation from our supply chains. Initially, we are concentrating on four raw ingredients that have the greatest impact on forests: cocoa, palm oil, cardboard/paper and soybean. We apply this policy to 100% of these raw ingredients and have designed policies specific to the supply countries.

As regards the cocoa sector, we are stepping up our policy of combating deforestation. Moreover, we are also committed to reforestation, agro-ecology, monitoring and maintenance of forest cover.

CÉMOI is undertaking a series of actions to introduce integrated cocoa farming methods and encourage farmers to protect the natural habitat of the forest. Besides training and awareness-raising sessions, one initiative in particular has been undertaken around the Tai Forest in Côte d'Ivoire, where CÉMOI is helping growers densify and rehabilitate their orchards.

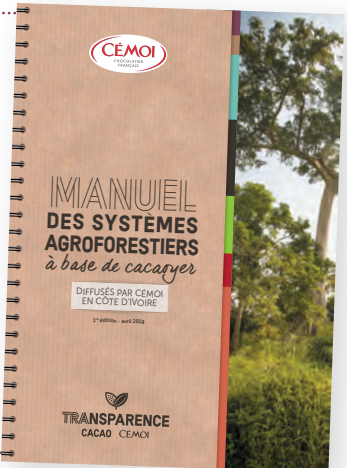
ADDITIONAL COMMITMENTS TO FOSTER FORESTS – REFORESTATION, AGRO-ECOLOGY

With our TRANSPARENCE CACAO programme, we are taking our commitment even further thanks to our presence in the field and to motivated partners.

- **Protecting ecosystems:** Threatened or endangered species and habitats are protected and the natural ecosystems are not destroyed. Measures are taken to promote biodiversity and conserve the fauna. Among other things, these measures help protect high conservation value (HCV) forests, high carbon stock (HCS) areas and ecosystems of note.
- **Implementation of good practices to reduce greenhouse gas emissions** on existing plantations, for example by prohibiting forest burning.
- **Working with cocoa communities** to plant trees for shade, restore soil fertility and develop agroforestry projects.
- **Promoting agroforestry as an additional source of income for farmers.** These agroforestry plantations seem to offer potentially stable production methods over time that are resistant to climate change by combining environmentally friendly services and diversified production.
- **Respecting the rights of the local people,** for example by setting up a policy of free consent and preventing conflict related to land use. This commitment also includes helping farmers comply with this policy. In particular, supporting family farming and integrating them into the sustainable supply chains.

Agroforestry is a farming method that includes trees which interact with seasonal crops, such as cocoa, either ecologically or economically. Agroforestry is therefore at the interface of agricultural, environmental and economic considerations. By integrating trees into cocoa farms, agroforestry allows for the diversification of production to improve social, economic and environmental conditions.

PUBLICATION OF A COCOA-BASED AGROFORESTRY HANDBOOK BY OUR TEAMS IN CÔTE D'IVOIRE. This agroforestry handbook, which was co-produced by our teams of experts, was made public in April 2018. It is the result of successful collaboration between several organisations, including Ecotierra, the Conseil du Café et du Cacao (Coffee and Cocoa Council) of Côte d'Ivoire, the World Agroforestry Centre (ICRAF) and the National Centre of Agronomic Research (CNRA).



More specifically, agroforestry helps:

- Protect plants protect one another thanks to their parasites, which reduces the use of fertiliser and pesticides;
- Combat drought;
- Reduce water pollution;
- Contribute to biodiversity and carbon storage;
- Conserve primary forests;
- Improve soil quality.



ECUADOR: AN INCUBATOR FOR THE COCOA SECTOR

Conserving a top-quality cocoa sector where fair trade organic cocoa began



A forerunner in organic cocoa farming, the CÉMOI Group forged strong economic links with Côte d'Ivoire, Ecuador, the Dominican Republic and São Tomé many years ago, which allowed it to develop a premium cocoa with exceptional aromatic properties.

Ecuador is one of the most emblematic countries of origin of cocoa, and CÉMOI is committed to conserving its national cocoa trade.

With production volumes close to **250,000 tonnes in 2016 – 3% of world production** – this sector benefits nearly 100,000 families of small and medium-sized growers.

This is how this top-quality sector came to be the place where our programme began, with a bold project for organic, fair-trade cocoa, all of which was fermented in our centres. This project has been a reality for several decades now. The structured, cooperative model based on involvement enables us to organise the farmers and improve productivity as well as quality.

B. A COLLECTIVE COMMITMENT TO COMBATING DEFORESTATION

In March 2017, under the aegis of His Royal Highness The Prince of Wales, the twelve largest cocoa players signed an unprecedented agreement: they pledged to work together to put an end to the deforestation and degradation of the forests in the cocoa supply chain. Among the signatories, CÉMOI is a pioneering figure with a longstanding commitment to the sustainable development of the cocoa trade.

3

This framework for action is based on **the Statement of Intent** announced at the high-level meeting organised by His Royal Highness The Prince of Wales in London in March 2017. It sets out the principal commitments, tangible actions and objectives, including precise deadlines and other necessary prerequisites for a cocoa value chain without deforestation in Côte d'Ivoire.

- **Forest protection and restoration:** this covers the conservation of national parks and reserves, improving the forest cover in the rural domain, as well as the restoration of classified forests that have been degraded by human activities, in particular encroachment by cocoa farms.
- **Sustainable production and farmers' livelihoods:** this covers sustainable intensification and diversification of production in order to increase farmers' yields and income and to reduce pressure on forests.
- **Community engagement and social inclusion:** this covers social safeguards through civil society and community engagement.



FOCUS

CÉMOI'S INITIATIVE FOR SUSTAINABLE LANDSCAPES (ISLA)

Duration: 2016 – 2019 | Location: Southwest Côte d'Ivoire near to the northern limits of the Taï National Park.

The Taï National Park is one of the last large swathes of primary tropical forest in West Africa. It was added to the list of Natural World Heritage Sites by UNESCO in 1982. It is home to numerous species, including one of the largest chimpanzee populations in West Africa. To protect existing forest zones, the current cocoa production models in Côte d'Ivoire need to change. TRANSPARENCE CACAO - ISLA aims to convince farmers to view the natural environment – the forest – as a potential source of income. It also aims to help the farmers to become farm entrepreneurs.

OBJECTIVES:

- To strengthen the management capabilities of 3 cooperatives to become professional service providers to their members;
- To strengthen the entrepreneurial skills of 1,800 cooperative members;
- To test and supervise the rehabilitation and regeneration of 2,500 hectares of cocoa farms, including introducing agroforestry techniques;
- To develop financing mechanisms to create an environment propitious to cooperatives;
- To establish 3 ethics committees to address environmental and social issues.

PARTNERS

Conseil du Café-Cacao (Coffee-Cocoa Council) of Côte d'Ivoire / World Agroforestry Centre / Ecotierra / SODEFOR / IDH / Anader.

COLLECTIVE STATEMENT OF INTENT: THE COCOA AND FORESTS INITIATIVE

PREAMBLE

- > Recognising the vital role of the cocoa sector in Côte d'Ivoire in bringing jobs and wealth to local communities, while at the same time seeking to be environmentally and socially sustainable and striving to protect the world's tropical forests;
- > Noting the importance of the cocoa sector in national economic development, the reduction of rural poverty, and in accelerating the transition to sustainable livelihoods for the almost one million smallholder farmers who grow cocoa;
- > Emphasising the critical role of forests, biodiversity and conservation in addressing climate change, regulating the local and regional climate, and providing other critical ecosystem services that underpin the resilience of the cocoa sector and local livelihoods;
- > Acknowledging the role of agricultural commodity development, including the cocoa sector, in deforestation and forest degradation, and recognising the contribution that the cocoa sector can make in numerous countries to the restoration of forests and resilient landscapes;
- > Understanding the importance of public-private partnerships in sustainable and inclusive economic development, and our commitment to support sustainable development goals;
- > Conscious of the need to promote, foster and accelerate the economic and social development of countries with tropical forests in order to improve living standards and people's well-being;
- > Recognising that agricultural commodity production must contribute to national commitments to reduce greenhouse gas emissions agreed in the United Nations Framework Convention on Climate Change, as well as other relevant global commitments;
- > We, the undersigned companies, commit to working together, pre-competitively, to end deforestation and forest degradation in the cocoa supply chain, with an initial focus on Ghana and Côte d'Ivoire.

DECLARATION

TO THIS END, WE WILL:

- > Promote and participate in multi-stakeholder coalitions that bring together public, private, and civil society partners, to support the development of a common vision and joint framework to end deforestation and forest degradation in the cocoa sector;
- > Align individual company action plans with the common vision and joint framework by 2018, to reach our respective deforestation commitments in the cocoa sector;
- > Build on existing initiatives and catalyse further efforts to improve cocoa productivity and resilience to reduce pressure on existing forests, working in partnership with producer country governments, farmers and farmer organisations, civil society organizations, development partners, and other stakeholders; and promote improved practices through our supply chain relationships;
- > Work in partnership with producer country governments and all relevant stakeholders to professionalise and economically empower farmers and their families, and deepen support for inclusive and participatory development of cocoa-growing communities, with a strong focus on gender empowerment;
- > Ensure evidence-based decision-making by generating and sharing data and research on forests, forest loss and degradation, and patterns of land use in cocoa landscapes; and by promoting collective learning on sustainable commodity production across geographies, sectors and actors;
- > Work with producer country governments, farmers and farmer organizations, civil society organizations, development partners, and other stakeholders to jointly advance effective approaches to land-use policy and planning, forest protection, and where appropriate, integrated landscape scale management;
- > Encourage increased mobilisation of financial resources from all sources (including public and private, bilateral and multilateral, and alternative sources of finance) as well as the use of innovative financial tools and mechanisms, to address the challenge of financing for sustainable development in the cocoa sector;
- > Ensure effective and transparent monitoring and reporting on progress on our respective deforestation commitments in the cocoa sector;
- > Seek to extend the initiative to other cocoa-growing countries and regions based on the experience of the initial collaboration in Ghana and Côte d'Ivoire.

JOINT FRAMEWORK FOR ACTION

Following this meeting, we undertake to work collectively with producer country governments, farmers and farmer organizations, civil society organizations, development partners, and other stakeholders to prepare a joint framework for action to give substance to the commitment above by November 2017, with a view to announcing the framework and associated commitments at the 23rd session of the Conference of the Parties (COP 23) to the UN Convention on Climate Change (UNFCCC) in Germany.

Mr. Antoine de Saint-Affrique, Chief Executive Officer, Barry Callebaut / Mr. Peter Blommer, President and Chief Executive Officer, Blommer Chocolate Company / Mr. Harold Poelma, President, Cargill Cocoa and Chocolate / Mr. Patrick Poirier, Chief Executive Officer, CÉMOI / Mr. Alain Poncellet, Deputy Chief Executive Officer, Cocoa and Coffee, ECOM Group / Mr. Aldo Uva, Chief Officer, Operating Supply and Strategic Business Platforms, Ferrero / Ms. Michele Buck, CEO, The Hershey

Corporation / Mr. Blas Maquivar, President, Chocolate UK & Global Retail, Mars Chocolate / Mr. Hubert Weber, Executive Vice President and President, Mondelez Europe / Ms. Sandra Martinez, Global Head of Confectionery, Nestlé / Mr. Gerry Manley, Chief Executive Officer, Olam Cocoa / Mr. Patrick de Boussac, Chief Executive Officer, Touton



3

C. DEEPER KNOWLEDGE OF FARMING COMMUNITIES

The CÉMOI Group has developed strong economic links with Côte d'Ivoire, Ecuador, the Dominican Republic and São Tomé over many years, which has enabled it to develop premium cocoa with outstanding aromatic characteristics. Through TRANSPARENCE CACAO, one of the key objectives of the CÉMOI Group is to get to know the sector, from the cooperatives right down to the farming communities, to help them improve harvest quality and by doing so increase their income while at the same time caring for their environment.



COOPERATIVES

Behind each cooperative is a community. The communities are more or less active depending on their environment. A community is a village or camp which is home to at least ten farmers who are members of cooperatives involved in the TRANSPARENCE CACAO programme.

9 years
AGE OF A COOPERATIVE

710
MEMBERS
PER COOPERATIVE

2,835
TONNES
OF COCOA SUPPLIED
PER COOPERATIVE

It is in this context that the CÉMOI Group undertook a full-scale diagnostic assessment of the cooperatives and plantations in its network to better understand the challenges facing the sector and, above all, to be closer to those who are at its starting point: the farmers.

THIS STUDY* REVEALED:

- The proportion of cocoa farmers' children who go to school;
- What access people have to basic necessities (water, electricity and health care);
- Information about 74 cooperatives and suppliers, accounting for a total surface area of 14,026.19 ha;
- The environmental issues at stake in managing cocoa plantations;
- The different types of cooperative management.



PLANTATIONS

3,2
HECTARES
SURFACE AREA OF A PLANTATION

22 years
AGE OF A PLANTATION

5,4 km
DISTANCE
BETWEEN THE COLLECTION
CENTRE AND THE PLANTATION

519 kg
PER HECTARE
YIELD PER PLANTATION



FARMERS

43%
OF FARMERS
HAVE SCHOOLING
A grower who has a level of education equivalent to primary school level is considered to have schooling.

THE INCOME OF
80%
OF THE FARMERS
COMES FROM
COCOA



FARMER'S FAMILY

12 DEPENDENT
CHILDREN

63%
OF FAMILIES
HAVE ACCESS
TO WATER
A grower who has access to a hydraulic pump, a well or a borehole, or who is connected to the water supply (SODECI) is considered as having access to water.

39%
OF FAMILIES
HAVE ACCESS
TO ELECTRICITY
A grower who has a generator or a solar panel, or who is connected to the national grid (CIE) is considered as having access to electricity.

82% PERCENTAGE
OF CHILDREN
ENROLLED
IN SCHOOL

*Study carried out in 2017 by TFT



OUR WORK WITHIN THE COOPERATIVES AND PLANTATIONS



GOOD FARMING PRACTICES



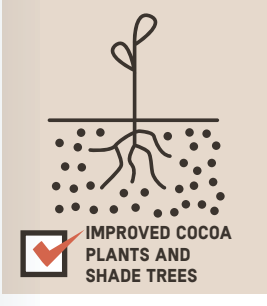
AGROFORESTRY



DIVERSIFICATION



COCOA ORCHARD DEVELOPMENT PLAN



IMPROVED COCOA PLANTS AND SHADE TREES



FARM MANAGEMENT

A. DEVELOPING FARMERS' EXPERTISE

THANKS TO AGRONOMIC SUPPORT FOR THE FARMERS THEMSELVES...

The ultimate objective of TRANSPARENCE CACAO is to change the rural environment. This means professionalising the cocoa supply chain. To do so, a team of more than 25 CÉMOI agronomy technicians are sharing good farming practices with the communities: sanitary harvesting of cocoa pods; conservation of shaded zones; maintenance of plantations; use of compost made from cocoa pods.

The growers of CÉMOI's partner cooperatives undergo practical training complemented by a module on agroforestry. CÉMOI's objective by providing this support is to make the growers more professional.

Various action plans have been set up in different domains (teaching good farming practices, forest protection, etc.) to ensure long-term, sustainable development by bringing about improved quality and higher productivity in the sector by means of agronomic techniques.

IMPROVING FARMERS' LIVING STANDARDS

Improving the living standards of the farmers and the cocoa-growing communities is one of the programme's main focuses. The improvements offered by the programme include:

- **Training in good farming practices** to raise plantation yields and therefore productivity;
- **Bonuses** that provide additional income and result in investment in production tools;
- **Instant payment** facilitated by mobile payment, which puts the cash immediately at the farmers' disposal and feeds their cash flow.



YAO KOUAKOU PAUL
Member of ECOOPAB cooperative

“ I'm YAO KOUAKOU PAUL, a member of ECOOPAB, and my job is to deliver cocoa to the cooperative. I sit on the members' service committee, which was set up to consider ways of satisfying cooperative members' needs. I know that my cooperative has been working with CÉMOI since 2010 with Fresh Cocoa. I took part in a training course at Divo with Technoserve in 2016. TRANSPARENCE CACAO has given us the chance to be trained with a view to managing our cooperative properly, taking care of the members and improving their lives. Thanks to the good training we've received, we are able to take proper care of our plantations and prevent deforestation to combat climate change so our children can lead happy lives. Our partnership consists of producing quality, traceable cocoa to CÉMOI. I think this partnership is a very good and very welcome thing for us as growers, because we have been well-trained by Anader and our relay farmers in good farming practices. The partnership between CÉMOI and ECOOPAB is really welcome and we pray to the Almighty that it may last a long time. Thank you. ”



YELKONI LEON
Member of the Ceako de Touih cooperative

“ I am YELKONI LEON, of Burkinabé nationality, a farmer and a member and delegate of the Ceako de Touih cooperative. I have schooling to year 6. I live at Yaokouakoukro, I have a wife who has schooling to year 5 level, 2 children who go to school and a cocoa plantation of 3 ha. My main task is to produce quality cocoa and to put it at the disposal of the cooperative. I have known CÉMOI since 2007 and the TRANSPARENCE programme since 2016. Under the transparency programme, we have access to many training courses at all levels, and all the players are concerned; we are taught what to do and there is a follow-up afterwards. Our accounts, and above all our relationship with the tax office, are healthier. TRANSPARENCE provides the solutions to the problems in the cocoa sector, because where the farmers are concerned, our income is better managed now that we have opened bank accounts. Also, our children go to school thanks to the FFS and the TRECC project, and lastly there's the planting of shade trees to protect our plantations better.

Our partnership with CÉMOI consists of receiving training and putting it into practice to produce large quantities of quality cocoa, manage our money and protect the environment.

We think this partnership with CÉMOI will go far if we work continuously, ceaselessly, and are paid a good price for our products. ”



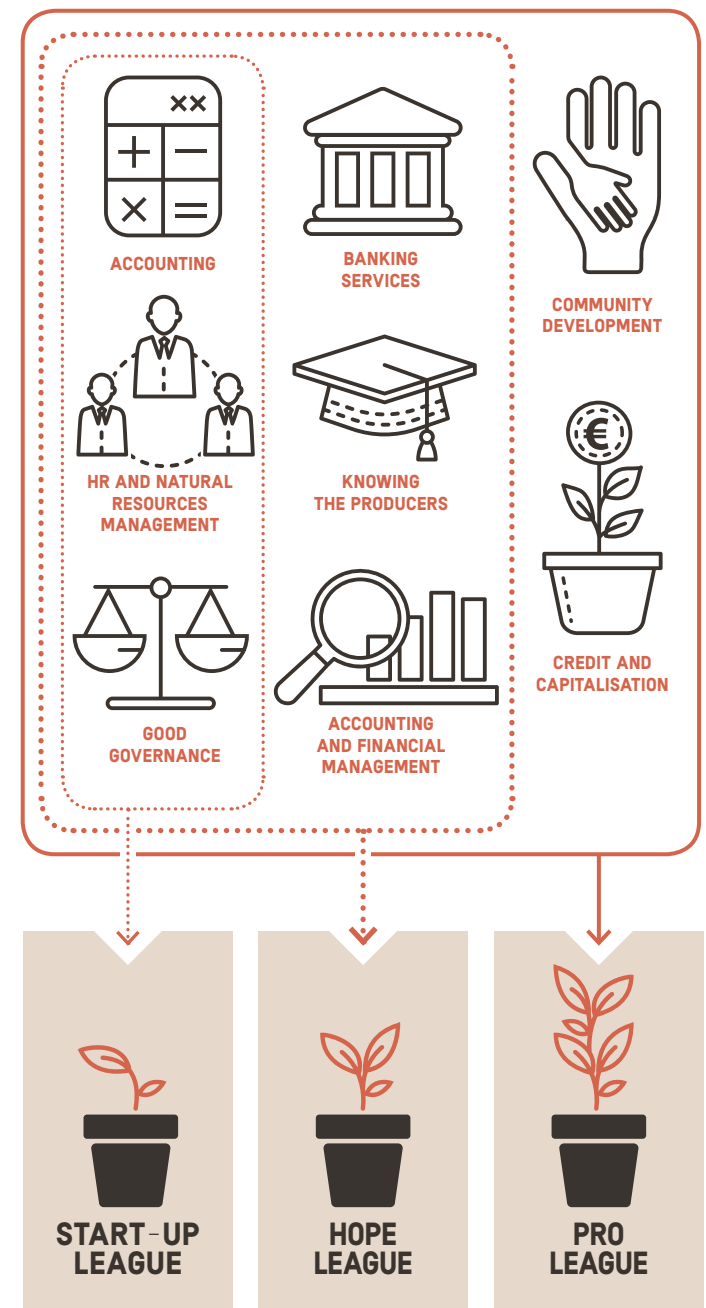
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B. CAPACITY-BUILDING IN THE COOPERATIVES

To help build the capacity of the farm cooperatives and make them more autonomous, **we have divided them into three "leagues" according to their maturity.**

The programme is aimed at teaching the cooperatives technical, logistic and commercial skills to be able to assume their role of service provider.

In this way, the cooperatives advance from the start-up league to the pro league, with customised assistance at each stage, and develop specific services.



C. EDUCATING TO COMBAT CHILD LABOUR

CÉMOI firmly condemns forced labour, child slavery and any practice that exploits children or exposes them to dangerous conditions.

But TRANSPARENCE CACAO aims to go further than simple inspections. TRANSPARENCE CACAO aims to tackle the worst forms of child labour and prevent abuses. The problem of child labour in West Africa is a complex one. The worst forms of child labour are related to the poverty of the families and underdevelopment in rural areas. We firmly believe that raising the income of the cocoa farmers is crucial to combating the worst forms of child labour. CÉMOI has been working actively to improve farmers' remuneration and wiping out abusive child labour practices in Côte d'Ivoire for many years.

TRANSFORMING EDUCATION IN COCOA COMMUNITIES

> CÉMOI, PARTNER OF THE TRECC PROGRAMME

We are continuing to take an active role in the education and school attendance of children in rural areas with a school-building project and donations of school kits and by raising awareness of the importance of education. In addition to this commitment, we are participating in the targeted education programme (*Programme d'Enseignement Ciblé, PEC*), which is part of the global Transforming Education in Cocoa Communities (TRECC) programme launched by the Jacobs Foundation.

The PEC project is part of a social sustainability strategy aimed at improving the education of children in cocoa-growing areas. More precisely, this targeted teaching programme is a remedial pedagogical approach to help measurably improve children's basic reading and mathematical skills. The objective of the TRECC-CÉMOI programme is to help 100 schools by the year 2022:

- **To provide decision-makers with scientific data and research findings** with the purpose of strengthening education policy in rural communities;
- **To partner with the cocoa and chocolate industry** to step up educational initiatives;
- **To work with the NGOs and social** dto develop and deploy effective education models.

In the medium term, the TRECC programme aims to directly affect more than 200,000 children and teenagers by 2022. As for the long term, the anticipated result is the creation of an ecosystem that will transform education in the cocoa-producing communities in Côte d'Ivoire. By supporting the development of the TRECC programme, we are helping our supply network take advantage of the PEC project and making the growers and their families more aware of the importance of sending their children to school.



ANE TAKI MARC,
Member of the Ceako de Touih cooperative

“ ANE TAKI MARC, I was born on 9/02/1967, I have a wife and ten children, all of whom go to school, am chairman of the board of the CEAKO de Touih cooperative, president of the Côte d'Ivoire national cocoa growers' association (ANPCCI) of San Pedro, Tabou and Bereby, chief of the Agni community, a dignitary to the central chief of Touih and the founder of the private primary school. I am also a cocoa farmer and have 25ha of cocoa. My main mission at the CEAKO cooperative is to coordinate activities and ensure that all the structures function smoothly.

I have known CÉMOI since 2008 and the TRANSPARENCE programme since 2016. This programme is different from all the others we have known. It has taught us a lot through training courses where we learned how to direct a group, settle problems, conflicts, set up a proper accounting system, efficient management and better organisation. We also receive regular coaching. That's an opportunity to talk directly with CÉMOI. The programme takes into account all the aspects of developing cocoa farming. The real problem for farmers is how to manage their income: we have set up bank accounts. We have training for young people, schooling for our children, and protection of the environment to combat climate change. Technical partners provide training and guidance for the cooperatives. It's a comprehensive programme but we need more funding from CÉMOI to set up additional activities.

Our partnership with CÉMOI as part of TRANSPARENCE means fighting together for the well-being of the cooperative, the farmers and for environmental protection. CÉMOI has to help us create better structures, train us and be more effective. In return, we have to supply higher quality cocoa in sufficient quantities. It's a win-win, professional and sustainable partnership.”

5 PROGRAMME ACHIEVEMENTS

A. TRACEABILITY

Traceability is one of the priority objectives of the CÉMOI Group. Two years into the implementation of the TRANSPARENCE CACAO programme, the phase of digitising cocoa traceability has begun with the deployment of the MINKA software tool. Developed by Ecotierra, MINKA is first and foremost a database centralising all the information such as the socio-economic baseline, geographical data and photos, as well as the legal documents required by the external auditors enabling a parcel to be included in our projects. This information is used to validate submitted plots and to collect the information required for monitoring and reporting on the progress and impact of the project in the field. All this data is made available to our teams and technical partners in real time over the Internet.

This scalable tool has so far enabled a reliable supply of information about the traceability of our cocoa to be fed into the system and will ultimately allow information to be sent back to the cooperative and farmers, thereby fostering a more collaborative way of working.

B. ENVIRONMENT: OUR COMMITMENT TO COMBATING DEFORESTATION IS STRONGER THAN EVER

One of our main missions is to protect the environment and the natural resources crucial to sustainable cocoa production in and around the cocoa plantations. While deforestation has fallen over the past ten years, 40 million hectares of primary forest were nevertheless lost over that period. For this reason, our commitment is stronger than ever.

RÉFÉRENCE COCOA CHARTER: A RESPONSIBLE PURCHASING CHARTER FOR ALL OUR COCOA

We have drawn up a cocoa charter to strengthen the involvement of our suppliers in forest protection. By this means, CÉMOI ensures that cocoa bean suppliers respect the national legislation on protected spaces, water bodies and other conservation areas listed by the competent authorities of a given country. Suppliers have to ensure that their cocoa does not come from classified forests and/or nature reserves protected by the current forest code.

We have also stepped up controls on the use of phytosanitary products, prohibiting the use of unauthorised products and those most harmful to ecosystems and to the health of the communities.

C. ENTREPRENEURSHIP: PREPARING THE FUTURE GENERATIONS

FAMILY FARMING SCHOOLS (FFSS) CÉMOI, PARTNER OF THE FFS PROGRAMME TOGETHER WITH IECD

As part of the strategic vision of the CÉMOI Group, the TRANSPARENCE CACAO programme goes further: eradicating the worst forms of child labour is a first step, but we have to go to the source of the problem and combat it at the root. We have taken innovative action by building farm schools as a means of combining obligatory school attendance and family work on the cocoa plots (in partnership with the NGO IECD).

The infrastructures and training programmes turn the cooperatives into connection points that federate a farming community. By this fact, the cooperatives constitute an economic centre for the surrounding populations, which is why, through TRANSPARENCE CACAO, we want to consolidate this attractiveness and develop working communities around projects that are beneficial to the local people.

This is why the CÉMOI Group is regularly involved in training programmes in partnership with NGOs and state organisations. These programmes include the **Family Farming School** programme developed by IECD, an international charity which supports human and economic development projects in some fifteen countries, including Côte d'Ivoire. In partnership with IECD and the Côte d'Ivoire Family Farm Schools Platform (PÉFACI), CÉMOI is supporting agricultural entrepreneurship and training rural populations. The Family Farm Schools (FFS) are aimed at giving more uneducated, unemployed young people from rural areas in Côte d'Ivoire access to the labour market by helping them find jobs or set up businesses in local, rural trades (farming, livestock, processing, etc.).

Having set itself the fine objective of training 25 new young people a year, since 2014 the FFS programme has already trained 45 pupils, 31% of them girls, in farming and livestock, and numerous others have taken advantage of the expertise of our fermentation centres with internships and field studies.

To find out more about the Family Farm Schools:
www.iecd.org/projets/ecoles-familiales-agricoles-en-cote-divoire/



FOCUS

A NEW BUILDING FOR THE FFS OF GNITY TOUADJI



In August 2017, CÉMOI handed over the keys to the new Family Farm School building in Gnity Touadji in southwest Côte d'Ivoire.

The location of the FFS, close to a CÉMOI fermentation centre, has opened up numerous possibilities for contacts and activities between the students, the trainers and the centre's workers, including field studies for the students at the CÉMOI centre, talks by the CÉMOI workers in the FFS, good practice sharing, etc. CÉMOI's support has been extended to training young people beyond the FFS, at the Training Institute for Rural and Farming Entrepreneurship (IFERA). How this works is that the CÉMOI fermentation centres take in IFERA students as interns, enabling them to improve their techniques for cocoa harvesting and post-harvesting operations. These internships also allow CÉMOI to identify competent young people who wish to work in this sector.

Other projects in partnerships with private foundations are also allowing us to step up our educational efforts, thus making an indirect contribution to transforming education in the cocoa communities.



D. AROMATIC QUALITY

The TRANSPARENCE CACAO programme offers three ranges of cocoa to suit our customers' needs and uses:



RÉFÉRENCE > QUALITY COCOA produced by traditional growing methods and sourced directly at the plantation.



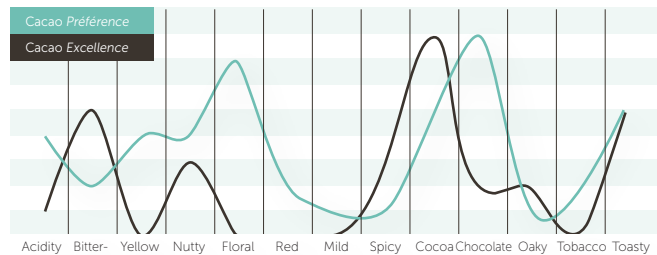
PRÉFÉRENCE > COCOA OF CONSISTENTLY HIGH QUALITY, made from beans which are carefully sorted and selected at the plantation by farmers trained in good farming practices.



EXCELLENCE > A FINE COCOA which expresses its full personality thanks to carefully controlled fermentation and drying.

The cut tests conducted on the cocoa beans bear witness to the perfect command of the fermentation process for the Excellence cocoa beans in our centres, with purple and slaty percentages substantially lower than 2% in 2016 and 2017. The analysis findings demonstrate the effectiveness of the corrective measures put in place in 2015.

As for taste, the positive results of the cut tests were confirmed by the reports of the expert panels. The latter showed clear evidence of the aromatic development of the Côte d'Ivoire Excellence cocoa, with slightly chocolatey notes highlighted by hints of fruity, floral aromas at the attack imparting freshness; overall, the length on the palate was of an organoleptic quality equal to that of chocolate made from fine cocoa.



Comparison of sensory profile of cocoa paste

To substantiate the findings of the expert panel, a study was conducted in partnership with the CIRAD (International Centre for Agronomic Research for Development) in Montpellier. The analytical study clearly showed the aromatic molecules associated with the fruity and floral notes, primarily esters and alcohols. As regards the esters: 17 molecules were identified, 8 of which are present in differing quantities in the Excellence and Référence cocoas. Of these 8 esters, 7 are more concentrated in Excellence. These esters have fruity, mild, and rose-like aromatic characteristics, such as 2-pentanol acetate, isoamyl acetate and 2-phenylethyl acetate.

For our cocoas with other origins (Ecuador, São-Tomé, Dominican Republic), where the first pioneering fermentation control programmes were carried out, the organoleptic and intrinsic qualities – cut test – present equally satisfactory and consistent results.

E. TECHNOLOGY: MAKING MOBILE BANKING A PART OF THE TRANSPARENCE PROGRAMME

The strong penetration of mobile phones has led to a surge in all kinds of services, often specific to the African market. This is why **mobile banking businesses – giving people access to financial services on their phones** – have developed rapidly. **In 2017, there were more than 2 million users in Côte d'Ivoire.** Mobile banking is a system which offers two advantages today: greater financial inclusion and faster growth. CÉMOI is aware of this and since the launch of the TRANSPARENCE CACAO programme has integrated these new aspects of development into the farming sector. Financial inclusion through mobile banking brings lasting improvement to the farming economy as the farmers are paid faster for their services, which raises their financial capacity for investment purposes. Thanks to this technological innovation and the low prices practised by the service providers, this payment system is a real gateway to changes of economic scale for the farmers, and greatly improves quality of life for the cocoa communities.

This innovation illustrates the possibilities for upscaling and upgrading cocoa farming, which is set to continue playing a significant role in the economy of the producing countries.

“ We have been experimenting this system in three cooperatives for the past two years and the results are encouraging, because the fact of receiving their money on the savings accounts associated with their phone chip encourages the farmers to save. ”

*Stéphanie Kadio,
head of Sustainable Development
CÉMOI Côte d'Ivoire.*



KOUASSI KOFFI HUBERSON
Student at IFERA in
Yamoussoukro

KOUASSI KOFFI HUBERSON, age 23. Having previously attended the FFS in Gnity Touadji, which is supported by CÉMOI, today he studies at IFERA in Yamoussoukro, where he is in the first year of a certificate of professional aptitude (CAP) course in farming.

“ Before the FFS, I attended a general school, but my dad stopped funding my schooling because of a lack of money. I became a hairdresser and that's how I got by. I hung around a lot and drank a lot, I didn't really know what to do with my life after I stopped studying. When the Gnity Touadji FFS (Family Farm School) was created with the help of the chocolatier CÉMOI, it was first of all my brother-in-law who was curious. He got interested in the school. He talked about it with my father, who wouldn't listen. Then I succeeded in convincing my dad by saying that the school fees weren't very high and I was interested in farming. Very quickly, my father's attitude to the school changed. He found my behaviour was different. I also started to put into practice what I learned at the FFS in my father's field. And my father was very interested by what I was able to contribute, because beforehand he managed as best he could with the crops, but it didn't always work very well.

At the FFS, I learned technical and practical farming methods, including what to do in difficult climatic periods. I was told what to do during the rainy season, and during the dry season I learned what crops to grow to be able to harvest all year round. What's more, with the FFS I've succeeded in becoming financially independent. By selling my crops, I've brought a bit of money to my family. It was my father who then encouraged me to come to IFERA. He said to me: "If it's the same school and you get even better, you should go."

Today, as soon as I finish at IFERA I want to set up on my own, be my own boss, create my business, that's my future! To finish, what I want to say is a huge thank you to the FFS and I hope it continues as it is doing now. CÉMOI has supported us from the start, it gave us money for the canteen, transport for the field studies, they responded to our needs, the buildings are pleasant places for the pupils and since I left, they've built a new building. **”**

15

6

PROGRAMMIE PARTNERS



The mission of the **World Cocoa Foundation** is to act as a catalyst for public/private partnerships to promote a more sustainable cocoa industry.



Minesudd is responsible for implementing and monitoring the policy of the Ivorian government on environmental protection, urban safety, improvement of the living environment and sustainable development.



Progreso is a Dutch organisation based in Amsterdam, but with a global reach. Its objective is to help coffee and cocoa growers all over the world to adopt sustainable development practices.



The **Athelia Climate Fund** invests in the preservation of ecosystems and sustainable agroforestry by applying the most stringent Environmental, Social and Governance (ESG) criteria.



The **World Agroforestry Centre** (ICRAF) generates scientific data to revitalise cocoa production systems. It integrates notions of environmental protection, sustainability and biophysics. In Côte d'Ivoire, it is conducting a programme to rehabilitate cocoa orchards.



ANADER, the National Support Agency for Rural Development, uses its knowledge of the needs of communities and industries to design and implement programmes aimed at improving living standards in rural areas.



Ecotierra is a sustainable agroforestry project developer generating positive environmental, economic and social impacts.



The **Sustainable Trade Initiative** brings together private and public partners with the purpose of devising new, green and economically viable approaches in commodity sectors and sourcing areas.



The **Conseil Café-Cacao** (Coffee-Cocoa Council) is an agency of the Ivorian Ministry of Agriculture in charge of regulating, stabilising and developing the cocoa sector.



For more than 70 years, the French development agency **AFD** has been working to combat poverty and foster development in the countries of the South. It funds projects, programmes and studies and assists its partners in the South in their capacity-building efforts.



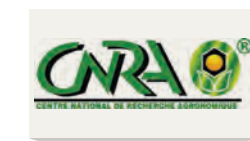
The **REDD+** permanent executive secretariat is an agency of the Ivorian Environment Ministry. Its objective is to reduce the greenhouse gases produced by deforestation and forest degradation.



SODEFOR (standing for Forest Development Company) conducts studies and proposes measures to the Côte d'Ivoire government aimed at ensuring that forestry development plans are executed by coordinating the efforts of the various public and private organisations.



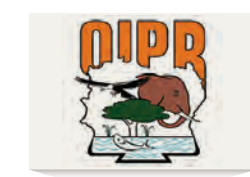
Rabobank is an international financial institution that aims to set up programmes for cooperatives to help them improve their structure.



The **National Centre for Agronomic Research** (CNRA) is the principal agronomic research institute in Côte d'Ivoire and one of the most advanced and innovative.



Technoserve is a not-for-profit organisation operating in 29 countries, the objective of which is to harness the power of the private sector to help people raise themselves out of poverty.



The objective of **OIPR** is to preserve and promote a representative sample of national biological diversity and to sustainably maintain ecological processes in the protected areas.

APPENDICES

FAQS ABOUT THE TRANSPARENCE CACAO PROGRAMME

THE CÉMOI GROUP'S COMMITMENT TO SUSTAINABLE COCOA FARMING

1 WHAT IS CÉMOI'S VISION IN RELATION TO SUSTAINABLE COCOA?

The goal of the TRANSPARENCE CACAO programme is to make 100% of the cocoa exported by developing countries traceable and sustainable. What is "sustainable" cocoa? Cocoa that is better for everyone: better for the cocoa farmer by providing additional income and investment in the community while protecting the natural ecosystems and biodiversity; and better for the consumer by providing richly aromatic cocoa.

The objectives CÉMOI has set itself are:

- To guarantee the traceability of the cocoa sold on the market;
- To market quality cocoa and to promote the aromas of cocoa sourced in Côte d'Ivoire;
- To assist farmers in their efforts to become farm entrepreneurs and turn their organisations into small and medium-sized enterprises and professional cooperatives;
- To raise farmers' income by helping them professionalise and by diversifying their sources of income;
- To conserve the environment and natural resources crucial to sustainable cocoa production in and around the cocoa plantations.

3 WHAT ARE THE OBJECTIVES OF THE PROGRAMME?

One of the four focal aspects of TRANSPARENCE CACAO is aromatic quality. Among all the "sustainable" and "fair trade" initiatives, this is unique. Better fermentation and drying techniques help obtain more richly aromatic cocoas.

5 WHAT IMPACT HAS THE TRANSPARENCE CACAO PROGRAMME HAD ON THE QUALITY OF COCOA FROM CÔTE D'IVOIRE?

YES. THE PROGRAMME PROVIDES FOR PAYMENT:

- Of a bonus for sustainable development commitments by the cooperatives;
- Of a Quality bonus to the cooperatives (Préférence cocoa), or directly to the farmers (Excellence cocoa). For example, in Côte d'Ivoire, these bonuses are paid on top of the "farmer's price" set by the Conseil Café Cacao public authority (a fund that stabilises and regulates the prices paid to farmers). In 2017, in Côte d'Ivoire these bonuses represented an additional 25% in income compared with the price set by the state.

2 WHAT LEVEL OF COCOA TRACEABILITY DOES THE TRANSPARENCE CACAO PROGRAMME OFFER?

One of our major commitments is to know each player in the supply chain.

The CÉMOI Group's unique model of vertical integration means that today, it is able to track 100% of its sources back to the cooperatives and partner suppliers of the TRANSPARENCE CACAO programme.

This knowledge about our partner cooperatives enables

us to regularly qualify the risks of our cocoa purchases by country.

YES, WITH 3 QUALITY LEVELS:

- **RÉFÉRENCE** : The fact of having a presence in the producing country allows us to know our purchasing network exactly. We have identified our cocoa supply partners in the producing country. We know their purchasing networks and the farmer communities they work with;

- **PRÉFÉRENCE** : In addition to the commitments for our Référence cocoa, Préférence cocoa offers consistent quality. The beans are carefully sorted and selected at the source by farmers trained in good farming practices. Complementary to this, the farmers and their community get support in implementing the programme's social, environmental and traceability commitments, which will enable the objective of transforming the sector to be achieved. CÉMOI buys directly from the cooperatives;

- **EXCELLENCE** : In addition to the Préférence commitments, Excellence cocoa offers a high standard of fine cocoa which expresses its full character thanks to a fermentation and drying process that is carefully controlled by our teams. CÉMOI buys directly from the farmers.

4 IS ALL THE COCOA PURCHASED BY CÉMOI "TRANSPARENCE CACAO"?

6 ARE THE FARMERS BETTER PAID?

7 HOW DOES CÉMOI COMBAT THE WORST FORMS OF CHILD LABOUR THROUGH ITS PROGRAMME?

CÉMOI firmly condemns forced labour, child slavery and all practices that exploit children or expose them to dangerous conditions.

TRANSPARENCE CACAO aims to go further than simple inspections. The programme aims to attack the worst forms of child labour and prevent abuses. The problem of child labour in West Africa is a complex problem. The worst forms of child labour are related to the

poverty of the families and underdevelopment in rural areas. We firmly believe that raising the income of the cocoa farmers is crucial to combating the worst forms of child labour. CÉMOI has been working actively to improve farmers' remuneration and stamp out abusive child labour practices in Côte d'Ivoire for many years.

And the TRANSPARENCE CACAO programme goes even further. Eradicating child labour is a first step. In addition, CÉMOI has taken innovative action by building farm schools as a means of combining obligatory school attendance and family work on the cocoa plots (in partnership with the NGO IECD).

9 HOW CAN ONE BE SURE OF THE PROGRAMME'S CREDIBILITY?

At the "Inspection" stage of the programme, field inspections are carried out on the farmers and cooperatives based on a reference framework internal to TRANSPARENCE CACAO, and which comprises the full set of commitments. These inspections are conducted by independent, third-party experts.

YES, it is even the organic sector in Ecuador that enabled us to set up our TRANSPARENCE CACAO programme in Côte d'Ivoire.

11 IS ORGANIC FARMING PART OF TRANSPARENCE CACAO?

8 HOW DOES CÉMOI ADDRESS THE QUESTION OF DEFORESTATION THROUGH ITS PROGRAMME?

The CÉMOI Group's unique model of a vertical integration means that today, it is able to track 100% of its sources.

As part of its Environment focus, the programme directly supports more than 18,000 farmers who with their communities commit to stop clearing forest by organising training courses, regular field monitoring and awareness-raising campaigns about the importance of the forests, the environment and biodiversity.

A team of more than 25 CÉMOI agronomy technicians are sharing good farming practices with the communities: sanitary harvesting of cocoa pods; conservation of shaded zones; maintenance of plantations; use of compost made from cocoa pods. To eradicate deforestation will also require an ambitious collective commitment and coordination between the chocolate manufacturing industry and the West African governments. This being the case, the Ivorian and Ghanaian governments, together with the 12 leading cocoa buyers (including CÉMOI), under the auspices of the World Cocoa Foundation, have agreed on a plan of action to ensure better results in the field. The programme goes further: the CÉMOI Group has launched international pilot projects (ISLA, Cacao Ami des Forêts) promoting agroforestry and the reforestation of parcels. For 2021, the programme has set the target of rehabilitating a surface area of forest equivalent to five times that of the city of Paris. The pioneering projects of TRANSPARENCE CACAO are prime examples of cocoa production that combines aromatic quality with "forest-friendliness".

10 WHERE DOES THE TRANSPARENCE CACAO PROGRAMME STAND IN RELATION TO EXISTING PROGRAMME LABELS (Max Havelaar, bio, Rainforest Alliance)?

Traceability and cocoa quality, as well as field support for collective capacity building and farmers, are also provided for by internal reference frameworks like TRANSPARENCE CACAO, which complement existing certification labels. Quite simply TRANSPARENCE CACAO is a three-step programme:

1/ Observing the real situation in the field and getting to know the challenges of the sector in each country (cf. Learning) ;

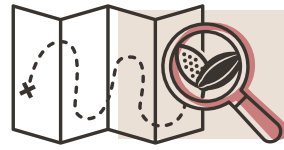
2/ Implementation in the field, transforming the sector (cf.

Transforming) to make it more sustainable (economically more viable and socially more just, while protecting the environment) ;

3/ Monitoring the results of actions in support of the farmers and their community (cf. Monitoring). What is important to us is the impact in the field: we aim to advance by creating a virtuous circle with these three steps.



CÉMOI'S ETHICAL COCOA CHARTER

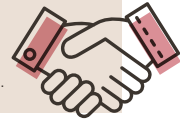


1 | GUARANTEE OF PRODUCT FLOW TRACEABILITY

CÉMOI works with a group of dependable partner cooperatives and cocoa suppliers, the list of which is updated every year and is disclosable.

2 | PARTNER COMMITMENT

All our partners are committed to respecting the CÉMOI code of ethics.

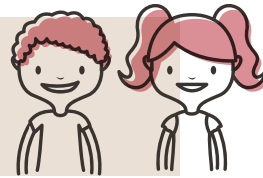


3 | COCOA PRODUCTION IN COMPLIANCE WITH LEGISLATION

Our partners work in compliance with national regulations and legislation on cocoa farming.

4 | RAISING AWARENESS ABOUT CHILD LABOUR

An inventory of the risks of child labour has been drawn up with the partner farming communities and the worst forms of child labour are prohibited on the supplier farms.

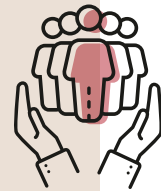


5 | RESPECTFUL WORK CONDITIONS

Our partners identify the people who work within their organisation and ensure that their own cocoa suppliers also identify the people working on their farms. Partners must ensure that no worker is employed by force or under duress. The partners ensure that no worker is subjected to corporal punishment, mental or physical coercion, or verbal abuse.

6 | PREVENTION OF DISCRIMINATION, HARASSMENT AND ABUSE

Partners must ensure that human rights are respected. They must guarantee that initiatives are taken to help eliminate all discrimination, including that based on colour, gender, personal relationship, disability, matrimonial status, age, HIV/AIDS status, religion, political opinions, language, ownership, nationality, or ethnic or social origin.



7 | EMPLOYMENT AND CONTRACTUAL RELATIONS

Partners must ensure that salaried workers are paid on a regular basis. The frequency and level of wages must be clearly communicated at the start of the period of employment.

8 | HEALTH AND SAFETY AT WORK

Partners must ensure that all workers are informed about and protected from work-related health and safety hazards.



9 | GOOD FARMING PRACTICES, USE OF AUTHORISED PHYTOSANITARY PRODUCTS

Partners must ensure that the phytosanitary products (pesticides, fungicides, etc.) used by the farmers are validated and authorised by the competent public authority.



10 | PROTECTION OF ECOSYSTEMS, COMPLIANCE WITH ENVIRONMENTAL LEGISLATION

Partners must ensure that national legislation on protected spaces, water bodies and other conservation areas listed by the competent authorities of a given country is complied with. Partners must ensure that their cocoa does not come from listed forests and/or protected natural areas.



COMMITMENTS – COCOA & FORESTS INITIATIVE – 2017

The signatories recognise that effective engagement and empowerment of cocoa-growing communities and civil society organisations in the Framework for Action process are essential to end deforestation and forest degradation in Côte d'Ivoire. Consequently, they commit to the following 8 points:

1 | **TO PROHIBIT AND PREVENT ACTIVITIES IN THE COCOA SECTOR THAT CAUSE OR CONTRIBUTE TO ANY FURTHER DEFORESTATION** or forest degradation in national parks and reserves, classified forests and protected forests (rural domain).

2 | **TO RESPECT THE RIGHTS OF COCOA FARMERS**, including identifying and mitigating social risks, and sequencing the implementation of actions to minimise potential adverse social and economic impacts.

3 | **TO PROMOTE THE EFFECTIVE RESTORATION** and long-term conservation of national parks and reserves and classified forests.

4 | **TO STRENGTHEN SUPPLY CHAIN MAPPING**, with the end goal of full traceability at the farm level.

5 | **TO IMPLEMENT VERIFIABLE ACTIONS** and timebound targets on the basis of sound data, robust and credible methodologies, stakeholder consultation, and realistic timeframes.

6 | **TO IMPLEMENT AGREED ACTIONS IN THE CONTEXT OF A BROADER LANDSCAPE-LEVEL APPROACH**, with strong links with similar initiatives in other commodities, and full alignment with the national REDD+ strategy and other relevant national strategies and plans.

7 | **TO WORK TOGETHER TO IMPLEMENT THE FRAMEWORK ACTIONS**, and mobilise the necessary financing, resources and technical support for implementation, including continued engagement in a multi-stakeholder process for dialogue on key issues, development of effective implementation plans, joint learning and knowledge sharing and enable institutional capacity.

8 | **TO PROVIDE EFFECTIVE MONITORING AND REPORTING** on progress on commitments and actions to ensure transparency and accountability.



AGROFORESTRY AT CÉMOI

Introducing fruit and forest trees into cocoa plantations contributes to the agro-ecological intensification of cocoa growing, while providing the flexibility and resilience the growers need.

WHAT IS AGROFORESTRY?

The term "agroforestry" was used by Lundgren and Raintree in 1982, then taken up by other institutions. **Agroforestry is a generic term used to refer to the land-use systems and practices in which woody perennials are deliberately integrated into cropping and/or livestock farm systems to provide a variety of benefits and services.** Integration may take the form of a spatial arrangement (for example, crops with trees) or a temporal sequence (for example, improved fallows, crop rotation).

Agroforestry ranges from very simple, scattered systems to highly complex, dense systems. It encompasses a broad array of practices: alley cropping, cropping with trees aligned along contour lines, or fencing using trees, multi-storey cropping, relay intercropping, shrub and tree fallows, park systems, home gardens, etc. Many of these are traditional land-use systems enhanced by agronomic know-how. Consequently, agroforestry is not a single technology, but a general concept of the use of trees in cropping and livestock farming systems that makes them multifunctional and sustainable.

In cocoa farming, agroforestry can be defined simply as a cropping system consisting of combining woody perennials with high nutritional, therapeutic and commercial value and/or livestock with the cocoa trees on one and the same parcel.

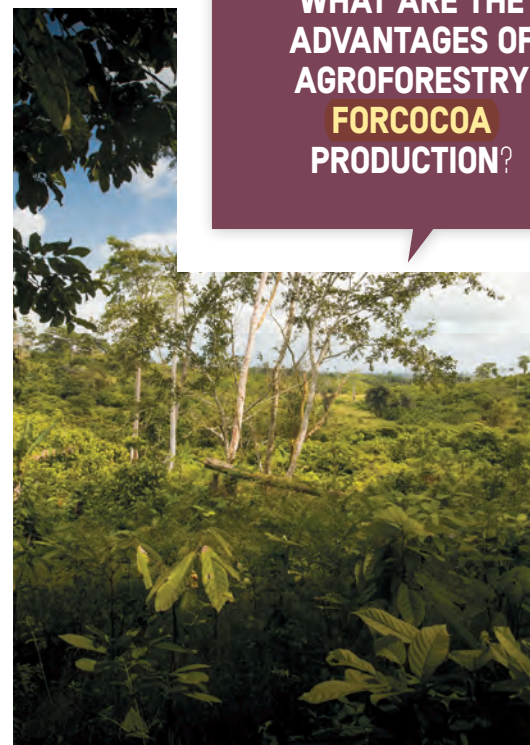


There are several advantages at the agricultural, economic and environmental levels.

AGRICULTURAL LEVEL: Among other things, agroforestry helps improve soil fertility and create and conserve a microclimate propitious to higher yields. It also helps prolong the life of the cocoa trees (some parcels farmed using agroforestry methods in Cameroon produce fruit for more than 30 years).

ECONOMIC LEVEL: Depending on the species used, introducing trees to cocoa plantations provides a means of diversifying a farmer's income. Depending on the species used, introducing trees to cocoa plantations provides a means of diversifying a farmer's income. For example, farming trees can constitute a substantial source of additional income for farmers (timber, wood for fuel, etc.).

ENVIRONMENTAL LEVEL: Agroforestry enables a more effective use of natural resources, as it makes an efficient contribution to maintaining plant and animal diversity. It plays a role in combating the greenhouse effect thanks to the creation of effective carbon sequestration systems. The storage potential of AFSs (agroforestry systems) differs from one region to another. Moreover, the amount of carbon stored depends on the system set up and the environmental and socio-economic conditions. By way of indication, in the eastern region of Ghana, an estimate has shown that AFSs with a percentage of shade higher than 25% captured 131 tC/ha, compared with 39 tC/ha for intensive systems with a percentage of shade below 25%.



WHAT ARE THE ADVANTAGES OF AGROFORESTRY FOR COCOA PRODUCTION?

CÉMOI entrusted Ecotierra with the task of developing agroforestry models. To do so, Ecotierra basically drew up a bibliographical report. The findings were presented, enhanced and then validated during the work sessions of the TRANSPARENCE CACAO technical work group on Agroforestry – Environment. This work group is made up of duly appointed representatives of the *Conseil du Café-Cacao* (Coffee and Cocoa Council), SODEFOR, the World Agroforestry Centre (ICRAF), the National Centre of Agronomic Research (CNRA), and the National Rural Development Agency (ANADER). CÉMOI was responsible for coordinating the drafting of the report.

A / BUILDING ON EXPERIENCE

Numerous projects and initiatives have been carried in agroforestry in general, and in cocoa farming in particular. The objective of the bibliographical review was to build on experience to identify the technical agroforestry roadmaps best suited to cocoa growing in Côte d'Ivoire.

Consequently:

- We built on the knowledge and experience of the CNRA and SODEFOR in Côte d'Ivoire and of ICRAF and other cocoa-producing countries around the world;
- We identified the needs and points of view of the cooperatives and growers in relation to agroforestry by means of complementary surveys in the main cocoa-producing areas.

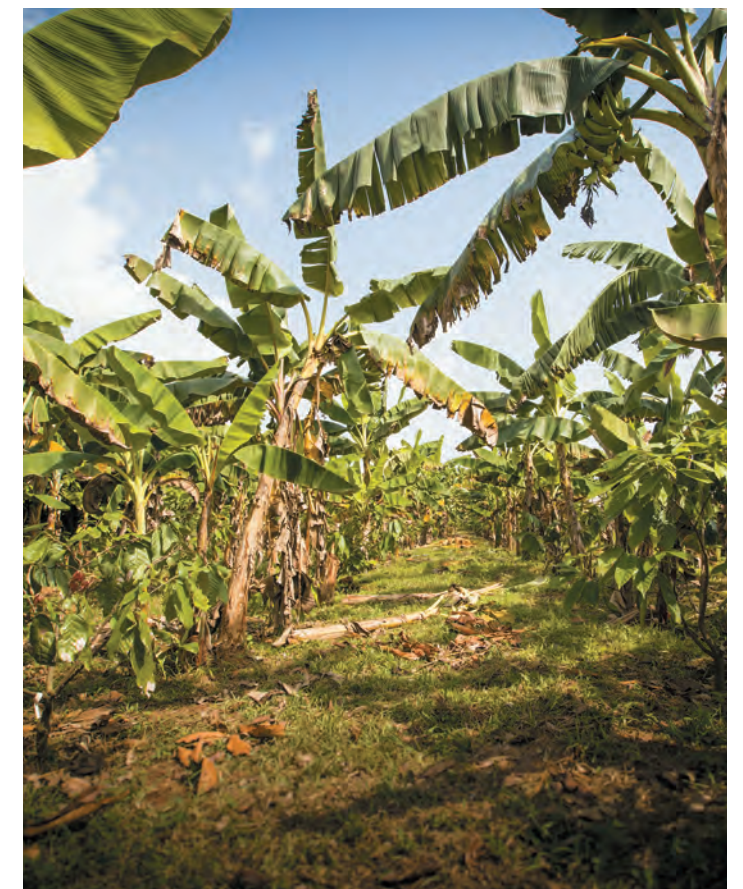
B / CRITERIA FOR THE CHOICE OF TREES TO BE COMBINED WITH COCOA TREES

Cocoa trees are the principal component in the agroforestry systems. They also play a significant socio-economic role in Côte d'Ivoire. This is why it is crucial to choose the right companion species. They have to promote growth of the cocoa trees and improve plantation productivity. The species must also help improve income and food security for the grower communities.

A list of tree species was therefore proposed based on the following criteria:

- **The role of the species in the system:** improved growth or productivity for the cocoa trees, production of major complementary goods, demarcation of parcels, health protection/cordon sanitaire, contribution to feeding cocoa-growing communities;
- **Status in relation to diseases and pests:** non-host species of the swollen shoot virus or which do not host mirids and other insect pests of cocoa;
- **Growers' perception** (preferred species identified in a diagnostic study);
- **The value of the species for the forestry industry and how long it can be farmed** compared with the cocoa production cycle;
- **Its commercial value for the providing additional financial resources for the household.**

HOW WERE THE PROPOSED AGROFORESTRY SYSTEMS DEVELOPED?





TRANSPARENCE

CACAO CÉMOI

RESPECTING
QUALITY

AT EACH STAGE
OF PRODUCTION
WITH THE SOLE
PURPOSE OF
OFFERING
CHOCOLATE
WITH A UNIQUE

TASTE



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