



TOUTON

Progress Report 2022 & 2023-2025 Action Plan Ghana



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Foreword

This year's report is both about looking back on achievements in line with our CFI commitments to date and looking at what comes next.

The sector continues to evolve and prepare for a more robust regulatory framework and to scale-up the good work that's been done so far so we can reach the ambitious targets set forth both by the private and the public sector.

The new European Union (EU) Deforestation Regulation provides for an 18 month transition period before the requirements on economic operators, such as Touton, come into play. We are proud of our efforts and progress so far in respect to plot-level mapping of farmers in our supply chain. With the help of our service providers, we also continuously reinforce and improve on our deforestation-risk assessment systems

We continue to engage with cocoa producing governments and with EU stakeholders on the opportunities and the potential challenges linked to the implementation of the Regulation.

Last crop season, we joined the French Initiative for Sustainable Cocoa (IFCD, otherwise known as FRISCO) and offered the expertise from senior colleagues to contribute to the working groups coordinated by the ICCIG* in West Africa and by the EU in Brussels.

We also engaged in new exciting partnerships in Ghana and Côte d'Ivoire, such as the Cavally Landscape Project in Côte d'Ivoire led by Earthworm & Nestlé with funding from the Swiss Cooperation Development Agency (SECO).

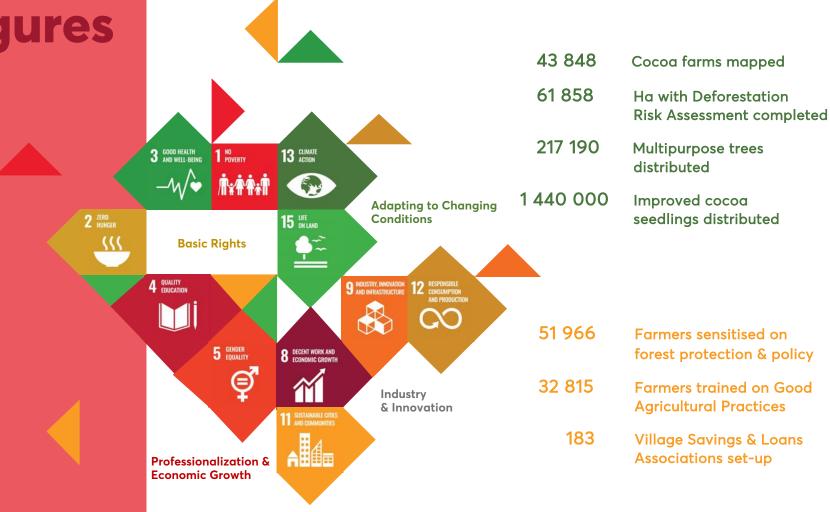
Our ambition is to continue on this path and to increasingly integrate innovative alternatives into our sustainability programmes to meet today's challenges as well as tomorrow's. We are proud to be working with a variety of dynamic start-ups that are developing original and agile farmer-centric solutions in the areas of traceability and cost-effective crop insurance, among others.

We are proud of our achievements towards CFI 1.0, and look forward to contributing to the success of CFI 2.0.

Patrick de Boussac CEO, Touton Group



Key Figures



This year we are reporting total figures (both Touton & activities performed on behalf of our partner clients) for the 21/22 season.

Please see the Tracking Table in Annex for the split between Touton and clients.

What is the Cocoa & Forests Initiative?

Collective Action to End Cocoa-Related Deforestation

The governments of Côte d'Ivoire and Ghana and 35 leading cocoa and chocolate companies, representing 85% of global cocoa usage, joined together in the Cocoa & Forests Initiative to end deforestation and restore forest areas. Their combined actions play a crucial role in protecting and restoring biodiversity, sequestering carbon stocks in West African forests, and addressing climate change in line with the Paris Climate Agreement.

The Cocoa & Forests Initiative delivers on Sustainable Development Goal 13 (Climate Action) and 15 (Life on Land).

The Cocoa & Forests Initiative is a public private partnership based on frameworks for action (Côte that d'Ivoire and Ghana) and action plans for the private sector (Côte d'Ivoire and Ghana) and public sector (Côte d'Ivoire and Ghana) spell out commitments to:

- protect and restore forests,
- promote sustainable cocoa production and farmers' livelihoods,
- engage communities and boost social inclusion.

The <u>World Cocoa Foundation</u> (WCF); <u>IDH, the Sustainable Trade Initiative</u>; and the Governments of Côte d'Ivoire and Ghana **drive the** Cocoa & Forests Initiative. King Charles III (then known as The Prince of Wales) launched the Initiative in March 2017 and reviewed implementation progress in November 2018.

Deforestation of tropical rainforests is a major issue in Côte d'Ivoire and Ghana, which together produce nearly two-thirds of the world's supply of cocoa, the main ingredient in chocolate. <u>Côte d'Ivoire</u> and <u>Ghana</u> respectively lost 26% and 9.3% of their humid primary forest between 2002 and 2020, with a significant portion of deforestation attributable to cocoa farming expansion.

Cocoa provides crucial income to communities in rural West Africa, but farmers are too often faced with poverty. Poverty is one of the causes of deforestation. Accelerating a transition to sustainable livelihoods is essential for farmers' economic security and a healthy planet.

The Cocoa and Forests Initiative is an example of successful collaboration between cocoa origin governments and cocoa supply chain companies working together with cocoa producing communities to strengthen the sustainability of the cocoa sector by ending deforestation, promoting reforestation and improving sustainable livelihoods for cocoa farmers and their communities.

To learn more, follow #cocoaandforests on social media, or visit CocoAndForests.org and WorldCocoa.org.











What are the main CFI Commitments?

Cocoa & Forests Initiative activities proceed from three priorities

Priority 1: Protect and restore degraded forests

To this end, the governments and companies have pledged no further conversion of forest land for cocoa production and have committed to the phased elimination of illegal cocoa production and sourcing in protected areas.

Both countries are introducing a differentiated approach for improved management of forest reserves, based on the level of degradation of forests. In 2019, the government of Côte d'Ivoire adopted and published a new forest code which, among other things, put forth policies for the promotion of cocoa agroforestry to restore degraded land, improve forest cover, and promote sustainable livelihoods and agriculture in the classified forests and rural zones.

Both governments have shared maps on forest cover and land-use, and continue to update the maps, including socio-economic data on cocoa farmers, to inform private sector investments.

Companies have made significant investments in the promotion of cocoa agroforestry and the restoration of degraded forests.

To ensure effective implementation and monitoring of these commitments, companies have pledged to develop traceability from farm to the first purchase point for their own purchases of cocoa. They also work with governments to ensure an effective national framework for traceability encompassing all traders in the supply chain and to anticipate forthcoming due diligence legislation.

The companies will similarly share information with the national satellite monitoring platforms to effectively monitor progress on CFI, as well as proactively address threats of new deforestation.

Priority 2: Sustainable agricultural production and increased farmer incomes

These are essential pre-requisites for reducing pressure for agricultural encroachment into forests and strengthening the resilience of cocoa farmers to climate change.

The participating governments and CFI signatory companies are accelerating investment in long-term productivity of cocoa in order to grow "more cocoa on less land." Key actions include provision of planting materials for the promotion of cocoa agroforestry, training in good agricultural practices, soil fertility, land tenure reform, and capacity building of farmers' organizations. Sustainable livelihoods and income diversification for cocoa farmers are being accelerated through food crop diversification, agricultural inter-cropping, and development of mixed agroforestry systems and shade-grown cocoa.

Priority 3: Community engagement & social inclusion, focus women & youth

The governments and companies have committed to full and effective consultation and participation of cocoa farmers in the design and implementation of key actions, and promotion of community-based management models for forest protection and restoration.

The governments have adopted social and environmental safeguards and are assessing and mitigating the social impacts and risks of any proposed land-use changes on affected communities.



Touton Cocoa & Forests Initiative Results

1. Forest Protection and Restoration: Adapting to Changing Conditions



Last crop season, we were able to take our work on Deforestation Risk Assessment (DRA) to the next level.

In addition to updating our DRAs across our direct supply chain, we worked with our Satelligence, our partner, on refining models to integrate the monitoring of regenerative agriculture and agroforestry benefits (notably though biomass density analysis).

We continued to work closely with partner farmers on devising agroforestry programmes that deliver both eco-system benefits but importantly, socio-eco benefits for farmers.

While companies scale-up efforts on growing climate smart cocoa, producing countries are starting to reap the benefits of the hard work invested in developing REDD+ programmes. Early 2023 Ghana was the second country in Africa to receive payments from a World Bank Trust fund for their reduction of emissions achieved through Ghana's Cocoa Forest REDD+ Programme (GCFRP).

Touton is proud to be collaborating with the Cocobod and industry peers towards meeting Ghana's commitments under the Paris Agreement.

This collaboration is also reflected in the <u>benefit sharing</u> <u>plan</u> underpinning Ghana's' ERPA with the World Bank see <u>p.x</u>).

Prepared through extensive consultations with local stakeholders and civil society organisations throughout the country, the plan ensures all participating stakeholders are fairly recognised and rewarded for their role in reducing emissions.

At the heart of all these efforts is the will to help smallholder farmers increase their resilience to climate change and to improve their livelihoods.

This year we also wished to focus on the role women play in and around cocoa farming. We believe they are important agents of change when it comes to curbing negative environmental impacts. They also play an important part in ensuring a better future for their children.

And lastly, we are heartened to see more young adults engaging in the cultivation and maintenance of cocoa.

Success Story

The role of women in and around cocoa farming

Cecilia Akwabea Cocoa producer Assin Techiman



Cecilia Akwabea

60 years old Married, 8 children Assin Techiman, Central Region

"I have been a cocoa farmer for over 20 years. Today, I lead the farming activities on a 15 acre farm that belongs to our family of 5 women. I was not able to attend school, so I used to follow my father to the farm, and I was introduced to agroforestry as a child.

In the course of his work on the farm I observed my father transplanting young shade tree seedlings in the open spaces on the farm. When he passed away and I took on the farm, I realised some of the trees were either broken or dead, so I decided to replace them when I would visit the farm.



I am married and I have 8 children. One of my sons has become our local purchasing clerk. He helps transporting the seedlings to the community to distribute them to the farmers.

I plant the seedlings and do part of the harvesting myself. I take personal pride and responsibility in their growth and survival.

Over time I realised the sunshine and heat were becoming severe on the farm so I decided to plant trees more systematically. I have seen a lot of benefits including cooler temperatures and better cocoa yield.

I am specific on the type of trees I grow. Emire (Terminalia ivorensis), and Ofram (Terminalia superba) are trees I love to plant. When I see Konkroma (Morinda lucida) as well in the farm, I allow them to grow without cutting them down. As for Odum (Milicia excelsa) I did not plant them because they were already on the cocoa farm. Aside the trees I scout, I receive trees from ELIHO/Touton to plant.

My older children also help during harvest time, and I take on 2 male caretakers to help with the regular maintenance of the farm. They do the weeding and I inspect their work to tell them what was done well and what needs to be improved. My husband knows about agroforestry and even encourages me to continue. He sometimes helps me when I am planting.

Aside from cocoa farming I also cultivate vegetables. I have a rice farm of about two and half acres and cultivate tomatoes, pepper, garden egg, and onions. I am now also making soap!

I am proud to be a female farmer and to be able to advise other women and my children on how to farm cocoa while respecting nature. In fact, I have taught my children to understand the value of trees and have shown them how to plant them.

Success Story

Encouraging women to take on commercial activities in the supply-chain

Comfort Apoh Purchasing Clerk Assin Breku, Central Region



Comfort Apah

Purchasing Clerk 48 years old Assin Breku, Central Region

Comfort is a cocoa purchasing clerk at Assin Breku in the Assin North District. She purchases cocoa for ELIHO/Touton.

Comfort explains that she decided "to get involved in cocoa buying taking example on her husband who was a cocoa purchasing clerk. At first, she assisted him with his job but eventually he left the work in her care.

"This is often considered a man's job, but despite my competing with men when purchasing cocoa, I am well respected. When we go for meetings or to source money from ELIHO for the cocoa purchase, they see me as the only woman and therefore they serve me first. My concerns are always heard, and that makes me happy".

Comfort's work as a purchasing clerk includes ensuring that the farmers that she buys cocoa from dry their cocoa well and bring the dried cocoa to her. She then ensures the cocoa is bagged correctly and transported to ELIHO.

"Trust is very important in cocoa buying. I have earned that trust from farmers and other stakeholders".



"I have 4 children (2 of my own and 2 from my sister). I encourage my daughter to further her education and get involved in cocoa purchasing in the future. In fact, I recommend cocoa purchasing to other women because it is a decent and enjoyable job to do. Many women come to me for advice on starting the job".

Success Story

Technology at the service of compliance: challenges to be addressed

Niels Wielaard CEO Satelligence





Niels Wielaard

CEO Satelligence

Touton has been working with Satelligence since 2020. We asked Niels Wielaard how he sees the cocoa sector's preparedness vis a vis the forthcoming EU and US deforestation regulations.

"The cocoa sector is making good progress in terms of mapping the farms they source from and conducting their deforestation risk analyses, certainly for West Africa. This is also supported by what the governments of Côte d'Ivoire and Ghana are doing through their farmer census and cocoa management systems roll-out"

In terms of technology, satellite imagery has evolved a lot over the past few years. However, there are still elements that would need further alignment to ensure public and private sector alike interpret deforestation risk analyses and forest cover maps in the same way.

For instance, sectorial alignment is required on analysis of imagery according to the same forest definition. However, the definition used by producing countries differs from the Food & Agriculture Organisation (FAO) definition retained within the EU Deforestation Regulation. Definitions can also differ from one crop to another.

The systems that work in line with the FAO definition may capture and interpret perennial crops (essentially dense tree cover) as forest. If this data is used in forest base-line datasets, it can lead to misinterpretations in terms of land use change events thereafter incorrectly flagging clearing of unproductive cocoa farms as deforestation.

Datasets should ideally be corrected to take this difference into account.

Another aspect that is not always properly taken into account is the fact that while we acknowledge historic deforestation has often been caused by agriculture (including cocoa), other economic activities conducted in cocoa landscapes can be involved too. For example, gold mining can heavily impact forest cover and water sheds.

This phenomenon highlights the importance of using landscape approaches to assess deforestation. It also raises questions in respect to country or region level risk categorisation which is foreseen by the EU Deforestation Regulation. And to carbon sequestration calculations for Scope 3 emissions through which land cover change can be assessed directly or statistically calculated at landscape level (therefore not crop-specific).

For all the above reasons we agree with peers that crop-specific guidelines are needed. They would support all economic operators to comply with regulatory requirements and conversely allow competent authorities in importing countries to assess their level of compliance.

Technical service providers such as Satelligence are working hand in hand with public and private sector actors to reinforce their deforestation risk monitoring and remediation systems. We would very much welcome the opportunity to share our expertise with the EU authorities and different Member States as they adapt their systems to ensure the new legislative texts deliver on their objectives".

Touton Cocoa & Forests Initiative Results

2. Sustainable Production & Farmer Livelihoods



We work with civil society partners as well as our in-house teams to train partner farmers in good agricultural, social and environmental practices. We place a special emphasis on the diversification of income sources - both through the creation of agricultural service employment opportunities and through crop diversification.

We are also working with financial partners and civil society partners to support farmers' access to financing by sharing good management practices and by setting up VSLAs, in collaboration with our clients.

Members are coached on the importance of savings, investment, how to grow/manage farming businesses, organisational management and how to borrow, repay, and share profits at the end of a savings cycle.

We have a number of projects underway in respect to diversification of income, notably through the production of additional vegetable crops (garden eggs, okra etc.), and animal rearing activities (including poultry and grasscutter rearing).

In addition to generating extra income for households and communities, these activities also provide nutritional benefits.

While Income Generating Activities (IGA) are primarily targeted towards women when it comes to additional crop or community-based service jobs, other income-generating activities (diversified job opportunities such as those developed under our CocoaTech programme) are more geared towards men, even though we see an increasing number of women interested to join our group of young agri-preneurs.

As for our section on Forest protection and Restoration this year our case study looks at how the services provided by a CocoaTech can help bring about not only production benefits in terms of yield but also reduce environmental impact, help prevent child labour at farm-level, and support farmers in the rational use of inputs (and therefore better budget for this cost).

Success Story

An entrepreneurial couple engaged in catfish farming

Alice and Isaac Cocoa & catfish farmers Twifo Mankessim – Central Region



Alice and Isaac Arhin

35 and 38 years old Married – 4 children Twifo Mankessim – Central Region

"Cocoa farming has been our primary activity since 2007. In 2019, we received support from ELIHO/Touton for farm maintenance and learning about climate smart cocoa.

We joined the Village Savings & Loans Association (VSLA) after testimonies from friends in neighboring communities about their benefits. We were encouraged by Touton staff in 2020 to become a VSLA member as it requires nothing but willingness and determination.

We now hold key positions in the VSLA as treasurer (Alice) and chairperson (Isaac). Through the VSLA we received training on personal income management, improved savings culture, group management, child-care education, agronomical education (including benefits of agroforestry and the dangers of deforestation), and access to a loan facility from the formal financial institution (Bank).

The establishment of the VSLA in Mankessim has brought about strong cohesion among members of the community. It has facilitated community engagement and information circulation as the group meets weekly for savings and discussion. The savings group helps to reduce individuals' expenses and increases access to funding to support our children.

In addition to the savings training, we benefitted from training about the income generating of fish farming. Touton helped us to establish our catfish farm in 2022. We currently have 6 dugout earth ponds which contain about 3000 fishes per pond. We invested over 100 000 Ghana cedis in the project, which we sourced from the VSLA loan system, a bank, and personal funds.



All the fish farming is done in a natural way, we do not transport water to the fishponds, we depend on ground water and rainfall. The tree cover in our community also helps to maintain the water level in the fishponds for a sustainable growth.

Fish farming is a lucrative business which is easily combined with cocoa production. However, the cost of maintenance is high due to the cost of fish feed. The project has helped to strengthen our household unity of purpose, and division of labour between husband and wife.

Youths often argue that there is no work in the country, but in my view fish farming is a lucrative field to venture into to serve as additional source of income for households".

Touton Cocoa & Forests Initiative Results

3. Community Engagement & Social Inclusion



Last year we illustrated the importance of participatory consultation processes when engaging with cocoa communities on sustainability programmes.

Farmer input and participation in project design is an essential pre-condition to its success and long-term sustainability.

This holds for activities that are conducted at farm level, at community level, landscape, and even national level.

Last year we focused on the youth empowerment movement we kick started in Ghana under the Child Ambassadors' Programme. This continues to develop and grow.

This year we'd like to look at the importance of working through Community Committees when it comes to addressing the sensitive topics of deforestation and child labour risks.

We also exchanged with Thomas Yaw Gyambrah on exciting new developments in respect to Ghana's Cocoa Forest REDD+ Program and how efforts underway connect with the new EU Deforestation Regulation.

Success Story

Engaging Community goodwill in fostering child and forest protection

Diana Yeboah

Farmer
Member of a Community Child Protection Committee
Assin Techiman – Central Region



Diana Yeboah

Farmer & Community Child Protection Committee Member 34 years old Married – 2 children Assin Techiman - Central Region

Diana is a cocoa farmer and was selected by her peers to become a Community Child Protection Committee (CCPC) member.

I was happy to be selected as a CCPC member. My father sent me to school, but I could not complete high school due to pregnancy. So, I want to make sure I serve as an example by offering children the guidance so that they attend and stay in school, and get the benefits they deserve.

We had training as CCPC members. During the training, we were educated on why children should not be used for heavy work, and the need for children to prioritize education.

Our roles and responsibilities as CCPC members include educating community dwellers and ensuring that they don't use children below 18 years for child labour, ensuring that their children are not sent to farm during school hours, nor being used for non-permissible work.

We organize community meetings and also conduct house-to-house visits and sensitization, to ensure that children of school going age are in school. I often use my example to educate families during sensitization.

We often collaborate with the community forest committee to educate parents on implication of involving children in forest tree cutting, crop spraying and carrying of timber and logs.

We have counseling procedures for parents who use their children for child labour. We also use the community information center for announcements to remind parents on issues of child protection as well as work children cannot do. When we do identify cases, we first engage the responsible parents to find a solution to end the abuse or child labour. If we cannot resolve the issue we go to the community forest committee because it is comprised of leaders of the community, who often find other ways of solving local problems.

Child abuse issues that we are not able to resolve in the community are escalated to the responsible authorities.

"Volunteering to protect children of my community is a calling and helps fulfills my heart's desire as many children will have their dreams come true when they get the opportunity to attend and stay in school."



Success Story

The win win of addressing deforestation and child labour jointly

Kofi Ameyaw Chief (Lead?) Farmer Assin Techiman Central Region



Kofi Ameyaw

Lead farmer Nkrankrom Junior High School Bone East Region

> Kofi Ameyaw is a chief farmer and a member of the Community Forest Protection Committee (CFPC) which is made up of the elders and traditional leaders of the community.

> Part of the role of the forest committee is to ensure that the community engages in tree planting. Community members find and replant trees and also receive seedlings from Touton.

"With the new tress that have been planted, we have observed on our cocoa farms, particularly in the mornings where there are more mature trees that are above the cocoa trees, that water droplets form and fall as if it's raining. This helps maintain moisture on the cocoa plants".

The CFPC works closely with community CCPC to ensure that children go to school.

The Child protection and Forest Protection committees meet every week to plan activities together.

"When we see a child who is not in school, we question the child. Our work also extends to the smaller communities around Assin Techiman, where we encourage our neighbours to also form community committees".

'We were 12 children and my father did not take any of us to school. I have really suffered in labour and that is why I do not want any of my children to engage in child labour'.

"You can go to school first and then engage in farming at the right age, and with the proper training.

When planting rice for example, I just throw the rice onto the field, and use lining to guide the planting, I can estimate the expected yield. But due to the lack of proper measuring knowledge I sometimes struggle and do not end up with the expected yield".

Education is key for youths who wish to enter cocoa farming with proper knowledge of how to protect the forest and how to safeguard their children.



Success Story

Ghana's Cocoa Forest Redd+ Benefit Sharing Plan

Thomas Yaw Gyambrah
Ghana Lead REDD+ Programme
Forestry Commission



Thomas Yaw Gyambrah

Ghana Lead REDD+ Programme Forestry Commission

Thomas Yaw Gyambrah is currently the lead person on Ghana's Cocoa Forest REDD+ Program (GCFRP).

This year, Ghana was the second country in Africa to benefit from payments from the World Bans Carbon Facility to reward action led to reduce carbon emissions.

We asked Thomas to explain how the Benefit Sharing Plan (BSP) foreseen by Ghana's Emissions Reduction Payments Agreement (ERPA) with the World Bank works.

"The ERPA signed between Ghana and the World Bank is primarily anchored on the performance of emission reductions leading to payments of carbon funds/benefits to Ghana. Ghana sees REDD+ as a gamechanger not only to lower emissions but also as a means to harness climate investments to support local action while benefiting communities and small-holder farmers. This resolve resonates and rallies several partners ranging from government, private sector and civil society organizations around the shared vision of Ghana REDD+. In meeting the expectations of all, a robust and well-consulted Benefit Sharing Plan serving as blueprint for the distribution of performance-based carbon benefits to various beneficiaries was developed during the readiness phase of the Ghana REDD+ process. About 70% of the total carbon benefits is intended for farmers and local communities as they are the key actors whose behaviour (in terms of land use) needs to change for ER targets to be achieved."

In line with the GCFRP framework, beneficiaries are identified with local participants (HIA leaders, cocoa farmers, community opinion leaders, traditional authorities, the private sector and main stakeholders.

The benefit-sharing plan for the GCFRP, that will be updated and revised periodically, is based on the following principles and criteria:

- The design and implementation of the BSP for the ER Program should comply with relevant applicable laws in Ghana, including agreements and customary rights.
- The design and implementation of the BSP for the ER Program are carried out in transparent and inclusive manner.
- Benefits are allocated to:
- o actors who take verified actions to achieve emission reductions (performance);
- o actors with legal rights (statutory or customary) to trees and forests:
- o actors who have demonstrated facilitation skills for emission reduction activities

With all the work that is underway in Ghana in respect to fighting deforestation and enhancing traceability in the cocoa sector, we asked Thomas how he views the forthcoming EU Deforestation Regulation

"Ghana already identified deforestation as an inherent challenge within the cocoa value chain and has been working with the key stakeholders to source cocoa from sustainable landscapes through the GCFRP.

We, therefore, see the EU Regulation as a means to highlight and recognise the efforts that Ghana is currently undertaking to reduce deforestation.

The area of dichotomy now is the definition of forest in the EU Regulation which is different from Ghana's definition of Forest. Such nuances have to be discussed further".



Touton's Vision for the Cocoa & Forests Initiative 2022 and beyond

We have reached an important milestone for The Cocoa & Forests Initiative with the successful completion of the collaboration's first phase. Over the past five years, the signatory governments and companies have made significant progress towards eliminating deforestation and restoring forest areas. Building on this partnership, there is a strong commitment from the companies and government, and other stakeholders, towards the continued and growing success of CFI.

Both private sector and the governments agree that for CFI 2.0 (2023-2025) to be successful, we must accelerate and scale impact on the ground by building collective action and co-investment in priority landscapes in addition to supply-chain investments. Therefore, the focus of CFI 2.0 is to also implement public-private collaborations in priority landscapes to improve livelihoods, conserve forests and restore degraded area, thereby protecting biodiversity and ecosystem services, reducing and sequestering carbon, and establishing zero-deforestation landscapes. CFI 2.0 will also play a key role in building alignment with EU (and potentially other) due diligence legislation on deforestation.

The Governments have adopted comprehensive plans (Côte d'Ivoire National Action plan (French and English), Ghana National Implementation Plan) for CFI 2.0 that outline key public sector priorities, actions and timelines in line with this common goal. The CFI signatory companies have developed new action plans that set their targets for CFI 2.0 (2023-2025) in alignment with the national plans and Frameworks for Action.

We will continue to engage actively through the initiatives led by the World Cocoa Foundation and the Dutch Initiative for Sustainable Trade (IDH) and with the governments of Côte d'Ivoire and Ghana by participating in national and sectoral working groups and dialogues.

We will continue to participate in the pre-competitive collaborative effort to collectively address deforestation monitoring, notably under the auspices of the World Cocoa Foundation, and the national cocoa sustainability platforms in EU Member States. To this effect we are actively engaged in the French initiative (IFCD).

We will continue to engage with producer countries, and with industry peers, to further strengthen our tools, including traceability, to ensure that we can meet consumer country expectations on deforestation.

Last year we finalised our carbon footprint analysis (on Scopes, 1, 2 & 3) with B-Corp Utopies.

The major challenge is unsurprisingly Scope 3 emissions from cocoa production.

Utopies is now helping us to define our roadmap for reducing our emissions.

We will continue to work with start-ups to deploy innovative digital solutions to the challenges faced by cocoa farmers. Whether it's facilitating access to weather information for farmers, low-cost insurance against production-related risks, the reuse of cocoa waste as biochar, or the biometric tracing of agricultural products, all these solutions aim to improve farmers' resilience in the face of climate change.

More than ever, we are determined to make our contribution to strengthening the value chain.

Annexes

2022 direct investment 2022 on behalf of clients Since 2018 direct investment

Forest Protection and Restoration

# of cocoa plots mapped in direct supply chain	N/A	3 523	35 784	
# and % of cocoa farms mapped in direct supply chain	24 000	3 147	40 701	
# of hectares in the direct supply chain with deforestation risk assessments completed	260 000	5243	56 615	
# hectares of Category 2 Forest Reserve areas restored:			3 091	
# farmers trained in CSC best practices	15 000	71	4 043	
# farmers trained in MTS				
# trees registered	50 000¹			
# and % of farmers with land tenure agreements/documentation etc. obtained via company support				
# farmers informed, trained, and / or consulted on forest policy/law enforcement, forest protection, and restoration	15 000	4 333	47 633	
# Individuals receiving PES: <u>New</u>			4 529	
# Individuals receiving PES: <u>Total Receiving</u>				
# farmers applying agroforestry	N/A	765	7 552	
# multipurpose trees distributed for on-farm planting	20 000	19 982	197 208	119 582
# hectares cocoa agroforestry in development	800	765	7 552	2 955
# of trees distributed for off-farm planting			20 000	
# hectares of forest area restored off-reserve			3 965	
# farmers trained in MTS	,		Already	reported 4.2

¹ Originally foreseen as part of the TiCA programme in Ghana but was finally not implemented.

Sustainable
Production and
Farmer
Livelihoods

# improved cocoa seedlings distributed to farmers	253 308	90 000	1 350 000	230 000
# of farmers reached by GAP training programs	15 000		32 815	
# multipurpose trees distributed for on-farm planting	Already reported 8.1			
# hectares cocoa agroforestry in development				
# individuals participating in additional Income Generating Activities (IGA's)	N/A		646	
# and % individuals in the current reporting year enrolled in a formal financial products and services (loans, insurance, digital payments, and savings [bank/mobile]) with support from companies (excluding cocoa bean pre-financing)				
# of members of VSLA groups in the current year		2 942	1 594	
# of VSLA groups in the current year	N/A	140	43	
# farms mapped within direct supply chain	Already reported 1.1			
% cocoa supply traceable from individual farms to first purchase point	Already reported 2.1			

Social Inclusion and Community Engagement

# farmers informed, trained, and / or consulted on forest policy/law enforcement, forest protection, and restoration	Already reported 6.1			
# of cocoa communities with active forest restoration and protection program	450	300	60	609
# hectares under CBNRM	200 000	185 248	54 752	425 248
# of individuals participating in women's empowerment projects and activities	N/A	4 221	46 696	
# of individuals participating in youth focused projects and activities (age 15-35)	N/A	407	5 332	**********

Touton CFI Action Plan Ghana (Oct 2022-Sept 2025)

Touton CFI Action F	outon CFI Action Plan Ghana (Oct 2022-Sept 2025)		Oct 22- Sept 23	Oct 23- Sept 24	Oct 23- Sept 24	Oct 24- Sept 25	Oct 24- Sept 25	Oct 22- Sept 25
		direct investment	on behalf of clients	direct investment	on behalf of clients	direct investment	on behalf of clients	TOTAL direct investment
Forest	# and % of farms mapped in direct supply chain	4 500 (95%)	49 500 (95%)	4 500 (100%)	49 500 (100%)	4 500 (100%)	49 500 (100%)	
Protection	# of hectares in the direct supply chain with deforestation risk assessments completed	17 100	188 100	17 100	188 100	17 100	188 100	
& Restoration	% of directly sourced cocoa traceable from the farm to the first purchase point	95%	95%	100%	100%	100%	100%	
	# hectares of Category 2 Forest Reserve areas restored							
	# farmers trained in CSC best practices			400		400		
Protection	# farmers trained in MTS							
	# trees registered							
	# and % of farmers with land tenure agreements/documentation etc. obtained via company support							
	# farmers informed, trained, and / or consulted on forest policy/law enforcement, forest protection, and restoration	4 000	44 000	4 000	44 000	4 000	44 000	
	# Individuals receiving PES: <u>New</u>		2 000		2 000		2 000	
	# Individuals receiving PES: <u>Total Receiving</u>							
	# farmers applying agroforestry							
	# multipurpose trees distributed for on-farm planting		180 000		180 000		180 000	
	# and % of farms mapped in direct supply chain # of hectares in the direct supply chain with deforestation risk assessments completed % of directly sourced cocoa traceable from the farm to the first purchase point # hectares of Category 2 Forest Reserve areas restored # farmers trained in CSC best practices # farmers trained in MTS # trees registered # and % of farmers with land tenure agreements/documentation etc. obtained via company support # farmers informed, trained, and / or consulted on forest policy/law enforcement, forest protection, and restoration # Individuals receiving PES: New # Individuals receiving PES: Total Receiving # farmers applying agroforestry		6 000		6 000		6 000	
				Alre	ady reported	d 4.2		
	\$ Contribution for Pillar							

Oct 22-	Oct 22-	Oct 23-	Oct 23-	Oct 24-	Oct 24-	Oct 22-
Sept 23	Sept 23	Sept 24	Sept 24	Sept 25	Sept 25	Sept 25
direct investment	on behalf of clients	direct investment	on behalf of clients	direct investment	on behalf of clients	TOTAL direct
						investment

Sustainable	# improved cocoa seedlings distributed to farmers		450 000		450 000		450 000
Production	# of farmers reached by GAP training programs	4 000	44 000	4 000	44 000	4 000	44 000
& Farmer	# multipurpose trees distributed for on-farm planting			Alrea	dy reported 8.	1	
Livelihoods	# hectares cocoa agroforestry in development		*			400	
Liveiiiloods	# individuals participating in additional Income Generating Activities (IGA's)	-	620		650		650
	# and % individuals in the current reporting year enrolled in a formal financial products and services (loans, insurance, digital payments, and savings [bank/mobile]) with support from companies (excluding cocoa bean pre-financing)		*				
	# of members of VSLA groups in the current year	600		1 000		1 000	
	# of VSLA groups in the current year	30		50		50	
	# farms mapped within direct supply chain			Alrec	ıdy reported 1.	1	
	% cocoa supply traceable from individual farms to first purchase point			Alrea	dy reported 2.	1	
	\$ Contribution for Pillar						
Social Inclusion	# farmers informed, trained, and / or consulted on forest policy/law enforcement, forest protection, and restoration			Alrea	dy reported 6.	1	
& Community	# of cocoa communities with active forest restoration and protection program						
Engagement	# hectares under CBNRM						

of individuals participating in women's empowerment projects and activities

of individuals participating in youth focused projects and activities (age 15-35)

A leading global trader of tropical agricultural commodities, Touton creates lasting relationships to build sustainable agroindustrial value chains. Forging a strong link between producers and agro-industrial players, we ensure effective risk management and responsible sourcing of Cocoa & Cocoa Products, Coffee & Specialty Coffee, Spices & Vanilla.

A global player with strong local roots, Touton combines its solid international networks, with the unique expertise of its workforce to offer tailor-made and evolving trading, market intelligence, logistics and supply chain management services. Acting as a sustainability vector, we apply our systemic approach to codesign innovative and resilient sustainability programmes.

The collective passion that drives us since 1848, engages Touton's thousand+ employees worldwide, to consistently deliver service excellence through shared value.

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