



TOUTON

**SUSTAINABILITY
REPORT**

2023-2024

CONTENTS

GROUP PRESENTATION

- 6 Message from the CEO
- 8 Key figures
- 12 A strategic year
- 14 PACT: an assertive CSR strategy
- 24 Commodities flow mapping
- 26 Highlights of 2024:
12 months of extraordinary trading
- 38 A special year for operations
- 40 Business model
- 44 Map of partners



PROMOTE A RESILIENT AGRI-INDUSTRY

- 46 Introduction
- 48 KPI/Indicators
- 50 **Commit to the climate transition**
 - 50 Defining a climate strategy for the entire value chain
 - 54 Implementing our zero deforestation policy
 - 56 Restoring ecosystems and protecting natural resources
- 60 **Transform supply chains**
 - 60 Developing regenerative agriculture
 - 63 Mitigating the environmental impact of all our operations
- 65 **Guarantee product and service quality**
 - 65 Controlling our supply chains
 - 65 Guarantee the reliability and continuous improvement of processes and data systems
 - 66 Ensuring compliance and food safety





CULTURE OF TRUST

- 68 Introduction**
- 70 KPI/Indicators**
- 72 Engage and grow our talents**
 - 72 Providing a safe and healthy working environment
 - 73 Enhancing our tools and improving working conditions
 - 75 Promoting and nurturing talents
 - 78 Guarantee respect, diversity and inclusion
- 80 Empower producers and communities**
 - 80 Championing respect for fundamental human rights
 - 81 Advancing safe and decent working conditions
 - 82 Driving community empowerment
 - 84 Improving living conditions
- 85 Enable partnerships and collaborative approaches**
 - 85 Joining and committing to global and sectoral initiatives
 - 85 Sharing best practices and knowledge transfer



ENCOURAGE POSITIVE GROWTH

- 86 Introduction**
- 88 KPI/Indicators**
- 89 Contribute to economic development**
 - 89 Providing access to financial services
 - 92 Promoting the circular economy
 - 96 Investing in local infrastructure and jobs
- 100 Foster innovation**
 - 100 Promoting entrepreneurship and creative solutions
 - 102 Deploying innovative services and business models
- 103 Ensure the integrity of our practices**
 - 103 Upholding ethical and responsible business practices
 - 106 Implementing risk prevention and control
 - 109 Ensuring transparency in our operations



NON
MIRALEP



MAX. GROSS WT. 25,000 LBS.
 TARE WT. 2,300 LBS.
 MAX. CARGO CAP. 22,700 LBS.
 NET WT. 22,700 LBS.
 GROSS WT. 25,000 LBS.
 TARE WT. 2,300 LBS.
 MAX. CARGO CAP. 22,700 LBS.

NET WT. 22,700 LBS.
 GROSS WT. 25,000 LBS.
 TARE WT. 2,300 LBS.
 MAX. CARGO CAP. 22,700 LBS.

CAUTION
9'6"
HIGH

MAX. GROSS WT. 25,000 LBS.
 TARE WT. 2,300 LBS.
 MAX. CARGO CAP. 22,700 LBS.

19

CAUTION
9'6"
HIGH

19

1.

GROUP PRESENTATION

Message from the CEO	6
Key figures	8
A strategic year	12
PACT: an assertive sustainable strategy	14
Commodities flow mapping	24
Highlights of 2024: 12 months of extraordinary trading	26
A special year for operations	38
Business model	40
Map of partners	44



Message from the CEO

This year will go down in history for the tropical agricultural commodities we trade.

The confirmed and accelerated shortfall in cocoa production, and to a lesser extent in coffee production, led to unprecedented market movements, with prices reaching all-time highs by the end of the first quarter of 2024.

More than ever, our core trading activities were put to the test. Thanks to our experience, our knowledge of the field, and our ability to adapt, **we were able to fulfill our contracts and deliver to all our customers.** This result was achieved through the collective efforts of our teams across all departments, and I would like to thank them for their dedication.

Despite the challenging context, we did not slow down our systems' transformation to meet the many new regulatory and contractual requirements. **This transformation requires significant investment in human resources, tools and internal processes.** It also entails real teamwork to ensure that everyone understands what is at stake, along with a clear allocation of roles and responsibilities across our business to facilitate **agility and innovation.**

Our systemic approach allows us to assure customers of our ability to deliver products that meet regulatory and contractual requirements. It supports the strengthening of our relationships with producer partners, whose role is crucial to achieving the ambitious targets set by our sectors.

The new financial year will see the implementation of our **new Climate Strategy** through an ambitious carbon action plan that leverages our operations and environmental sustainability programmes. Beyond corporate responsibility, this Climate Strategy is integral to our overall sustainable business approach. The same logic applies to the formalisation of our Corporate Social Responsibility strategy: **Positive Agri Culture by Touton (PACT)**, which is supported by our new responsible sourcing tool, the **PACT STANDARD.**



Patrick de Boussac



Courage, flexibility and confidence are key to meeting the current and future challenges faced by our sectors.

The courage to question ourselves, to take risks in the face of change, while offering the assurance of our ability to deliver.

Maintaining flexibility while taking and implementing decisions remains a core asset for the Touton group.

The trust we nurture daily with all our supply chain partners has once again allowed us to play our part in the incredible human adventure of tropical agricultural commodity trading.





Key figures



175

years of
history and
expertise

4

continents

14

countries

+15

nationalities

+650

employees



100% sustainable

Cocoa direct supply chain



more than

11.5 million €

in sustainability premiums paid to producers in Côte d'Ivoire and Ghana



A solid network of

300 suppliers

of first-rate material



15 certifications

for sustainability and quality



7 plants

6 for packaging
1 for processing



Top 3

World ranking
clove traders



Top 6

World ranking
cocoa traders



Top 10

World ranking
vanilla traders



Top 15

World ranking
coffee traders



- 76% - Cocoa
- 20% - Coffee
- 3% - Spices and other tropical products
- 1% - Vanilla

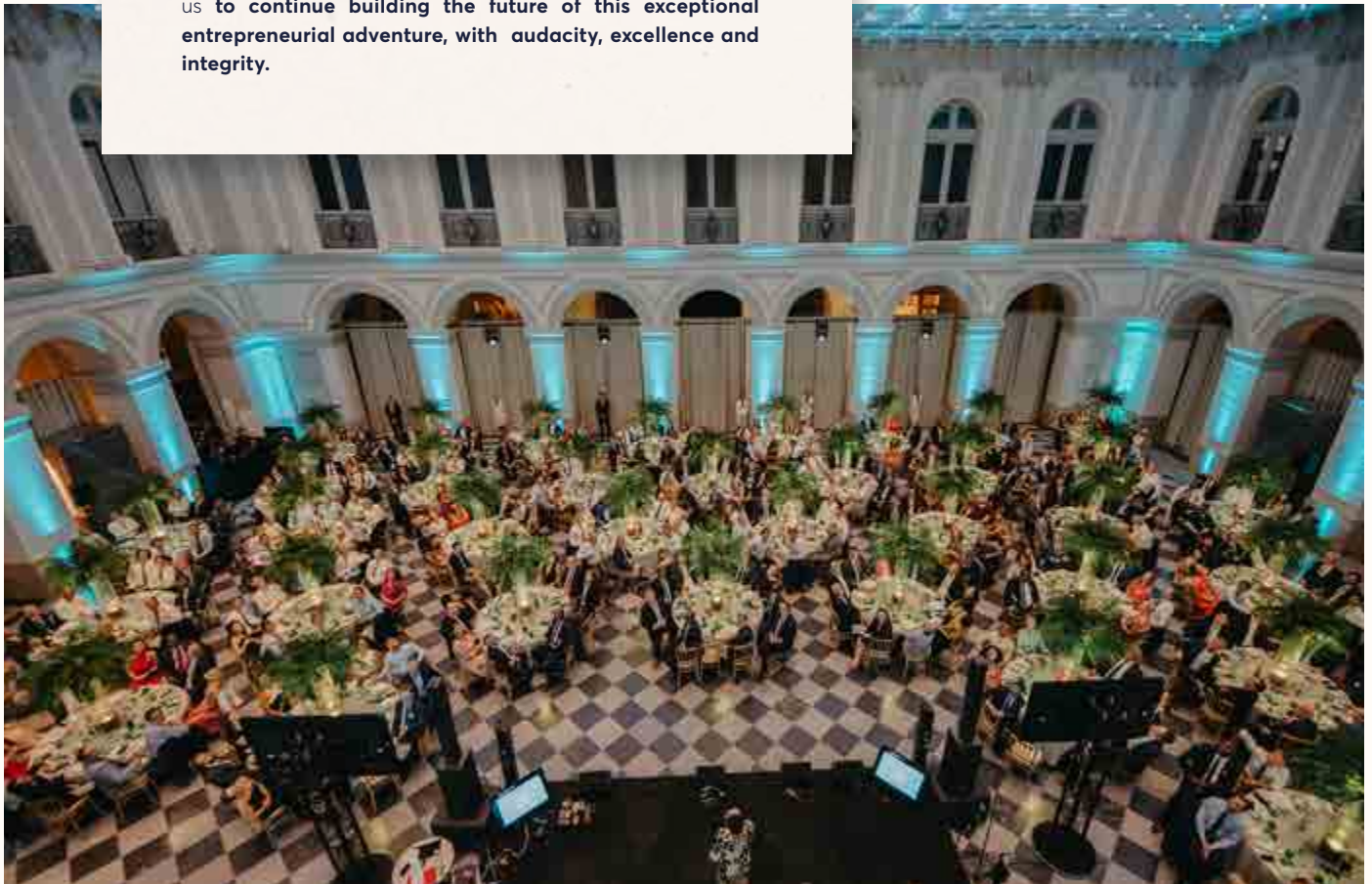
175 years of expertise

The year 2023 marked a turning point in the history of Touton. On the 13th of September, the group celebrated its 175th anniversary, a rare longevity in the business world.

Gathered in the symbolic *Palais de la Bourse* in Bordeaux, an iconic site for the trade in tropical agricultural products, the strength and authenticity of the human relationships that Touton shares with all its employees, partners, customers and suppliers set the stage for the magic to happen.

A blend of French elegance and tropical beauty, the celebration brought together over 300 men and women from all over the world who share the same passion for the cocoa, coffee and ingredients sectors.

The success of this unique event was a testimony to the long lasting relationship of trust that Touton maintains with the actors in its sector. It provided the occasion for all to celebrate and strengthen the ties that will enable us **to continue building the future of this exceptional entrepreneurial adventure, with audacity, excellence and integrity.**



THE "HISTORIC" TOUTON

Creation of the trading house that became **"MAISON TOUTON BORDEAUX"**

1848

"LES ÉTABLISSEMENTS ROGER TOUTON"
Natural ingredients and cocoa beans trading

1956

"TOUTON GROUP"
Under the management of P. de Bousac
Focus on cocoa, coffee, vanilla & spices trading

1992

PRESENCE IN PRODUCER COUNTRIES

Opening of **10 TOUTON OFFICES** in Africa and Asia for the sustainable sourcing, packaging and export of agricultural products

1995 - 2023

Latest opening: **TWENDE SHAMBA** in Tanzania

2023

EXPANSION IN CONSUMER COUNTRIES

5 REPRESENTATIVE OFFICES around the world: Russia, Singapore, USA, Hamburg

1992 - 2023

Opening of **TOUTON DUBAI**

2023

DEVELOPMENT OF OUR TRADE AND SERVICES

Structuring our **KEY DEPARTMENTS:** Cocoa, Coffee, Ingredients, Semi-finished cocoa products, Sustainability

2004 - 2014

Industrialisation: **COCOA TOUTON PROCESSING COMPANY**
Mass cocoa processing plant in Ghana

2015

Opening of our **RESILIANCE INNOVATION INVESTMENT FUND**

2020

Definition of **Positive Agri Culture x TOUTON**

2024





OLIVIER LIEUTARD,
Deputy CEO, TOUTON

A strategic year

"The 2023-24 financial year was exceptional due to the complexity of the operational challenges we faced, from sales to finance, procurement, or logistics.

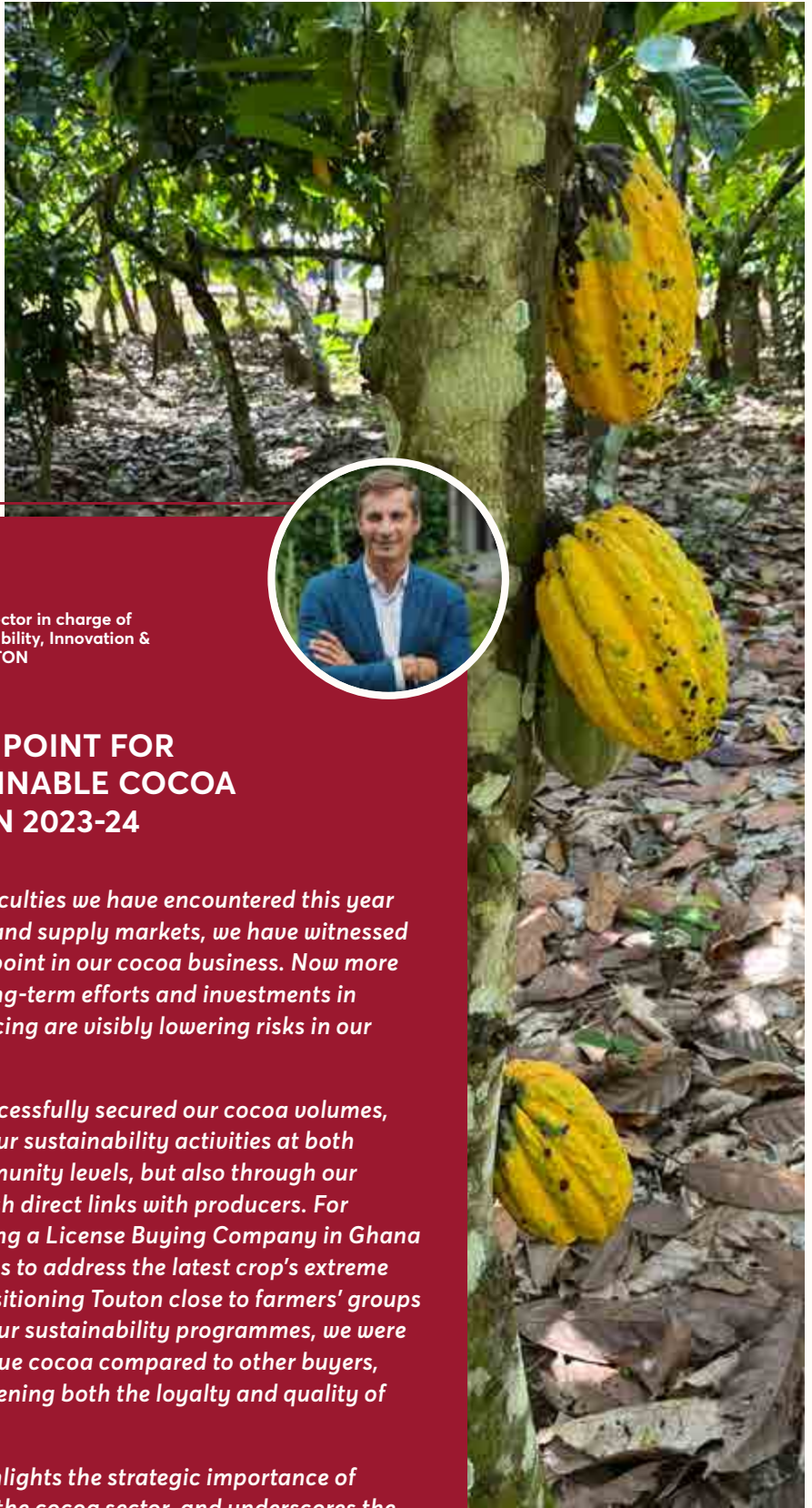
Firstly, market conditions for cocoa and coffee have had an unprecedented impact on our cash flow requirements. Since our two main markets are forward basis (forward sales by producing countries), they require the financing of margin calls up to the shipment of goods in the event of price rises. In the current market conditions, **we needed to bear the additional financing lines required to maintain our positions and manage this liquidity constraint.** Thanks to our long-standing banking relationships and the work of our Finance department teams, we were able to sustain our borrowing capacity, strengthen the confidence of our financial partners, and ensure the financing of all our operations through to their successful conclusion.

Secondly, record production declines (-35%!) in the two largest cocoa-producing countries, Côte d'Ivoire and Ghana, had significant implications for our capacity to source products and therefore perform against contracts. Thanks to the investments we have made in managing our supply chains, to the considerable expertise of our teams, and to our ongoing investments in sustainability, we have been able to maneuver through this delicate period and secure our supplies in a particularly difficult and competitive context.

We take pride in the fact that we managed to load and deliver 100% of our contracts from these two countries, a performance that deserves our full praise.

Finally, despite the unique market conditions, we have continued to support and invest in the transformation of our organisation. By way of illustration, the adaptation of our processes and operations to the new regulations on imported deforestation (EUDR) is a project that has mobilised all our departments (Trade, Sustainability, Compliance, Quality, Logistics) for the past two years. We have also finalised the formalisation of our new sustainability strategy, the Positive Agri Culture, and our climate roadmap.





JOSEPH LARROSE,
Deputy Managing Director in charge of
Supply chain, Sustainability, Innovation &
Communication, TOUTON

A TURNING POINT FOR OUR SUSTAINABLE COCOA BUSINESS IN 2023-24

"Despite the difficulties we have encountered this year on the financial and supply markets, we have witnessed a major turning point in our cocoa business. Now more than ever, our long-term efforts and investments in sustainable sourcing are visibly lowering risks in our trading business.

This year, we successfully secured our cocoa volumes, not only due to our sustainability activities at both farmer and community levels, but also through our ability to establish direct links with producers. For example, acquiring a License Buying Company in Ghana in 2018 allowed us to address the latest crop's extreme shortfalls. By positioning Touton close to farmers' groups and leveraging our sustainability programmes, we were able to better value cocoa compared to other buyers, thereby strengthening both the loyalty and quality of our supplies.

This success highlights the strategic importance of sustainability in the cocoa sector, and underscores the relevance of our long-standing efforts to secure our supply chain amidst market fluctuations.

The combination of our expertise as traders AND supply chain managers has enabled the Touton group to weather the biggest cocoa crisis in decades.



PACT: an assertive CSR strategy

OUR VISION OF TRADING: POSITIVE AGRI CULTURE BY TOUTON

The Positive Agri Culture is based on our vision of what trade looks like in the future. It embodies the Touton group's policy in terms of Corporate Social Responsibility. Drawing on our 175 years of experience, it is built around the key principles of sustainable development, as well as the values and codes that have guided the group's operations for many years. This policy defines the strategic objectives and operational means to be implemented to accompany

the sustainable transformation of the agro-industry linked to tropical agricultural commodities.

A unifying force, the Positive Agri Culture embodies the Touton group's choices concerning the way we conduct our operations with a long-term view, in relation to all our stakeholders and the ecosystems in which we operate.



The Positive Agri Culture (PACT) draws from Touton's existing responsible commitments. It complies with the regulatory and socio-economic context of the agro-industry worldwide and aligns with the key principles guiding international sustainable development including:

- **The 10 founding principles of the United Nations Global Compact** on human rights, labor, the environment and anti-corruption;
- **Touton's Code of Ethics**, which defines the ethical and compliance principles that every employee is expected to observe in their day-to-day activities;
- **The Supplier Code of Conduct**, which defines the values and principles to which Touton asks its suppliers to adhere in their own supply chains;
- **Touton's policy on respecting Fundamental Rights**, including human rights, labor rights and environmental protection. This includes child protection and non-discrimination;
- **Touton's Climate Strategy**, which defines an action plan to facilitate the reduction of greenhouse gas emissions throughout our value chains and the adaptation to the challenges posed by climate change.





The PACT strategy provides a structured and coherent framework for reading our CSR strategy. It has become the backbone of the Touton group's new sustainability report, which is organised around 3 main objectives and their many action levers, each of which can be activated at different levels of the supply chain.

Focus



In 2024, we are defining and adopting the vision and collective action plan for creating shared value at every level of the supply chain.

POSITIVE :

because it reflects our entrepreneurial spirit.

AGRI :

because agricultural raw materials are at the heart of our business.

CULTURE :

because it represents the relationship of trust that we build to connect all players in the value chain: from producers to customers, to colleagues and clients.



• Environmental component:

To develop a resilient agri-business model that guarantees product quality while respecting ecosystems.

• Economic component:

To promote positive growth, guided by an enterprising, responsible and equitable vision.

RESILIENT AGRI-INDUSTRY

COMMIT TO THE CLIMATE TRANSITION	Defining a climate strategy for the entire value chain	
	Implementing our zero deforestation policy	
	Restoring ecosystems and protecting natural resources	
TRANSFORM SUPPLY CHAINS	Developing regenerative agriculture	
	Mitigating the environmental impact of all our operations	
GUARANTEE PRODUCT AND SERVICE QUALITY	Consolidating our supply chains	
	Ensuring compliance and food safety	
	Guarantee the reliability and continuous improvement of processes and data systems	

CULTURE OF TRUST

• **Social component:**
To establish a genuine culture of trust, federative and enterprising.

ENGAGE AND GROW OUR TALENTS	Providing a safe and healthy working environment	
	Enhancing our tools and improving working conditions	
	Promoting and nurturing talents	
	Guarantee respect, diversity and inclusion	
EMPOWER PRODUCERS AND COMMUNITIES	Championing respect for fundamental human rights	
	Advancing safe and decent working conditions	
	Driving community empowerment	
	Improving living conditions	
ENABLE PARTNERSHIPS AND COLLABORATIVE APPROACHES	Joining and committing to global and sectoral initiatives	
	Sharing best practices and knowledge transfer	

POSITIVE GROWTH

CONTRIBUTE TO ECONOMIC DEVELOPMENT	Providing access to financial services	
	Promoting the circular economy	
	Investing in local infrastructure and jobs	
FOSTER INNOVATION	Promoting entrepreneurship and creative solutions	
	Deploying innovative services and business models	
ENSURE THE INTEGRITY OF OUR PRACTICES	Upholding ethical and responsible business practices	
	Implementing risk prevention and control	
	Ensuring transparency in our operations	

PACT STANDARD, A NEW SUSTAINABLE SOURCING TOOL



To realise our vision of **POSITIVE AGRI CULTURE** and create value shared by all, we have developed a new responsible sourcing tool: **PACT STANDARD**. This standard enables us to create traceable, transparent and responsible supply chains for cocoa, coffee, vanilla and tropical ingredients.

PACT STANDARD is designed to anticipate and proactively address social, environmental and economic issues in a changing agri-food sector. **It generates a positive impact on farming communities and consumers, with a long-term perspective.**

Drawing on our presence in producer countries and our understanding of the issues "on the ground", we have devised a truly flexible and customisable responsible sourcing standard.

Each programme is tailored to a specific supply chain to meet the sustainable development needs of our partner producers, in line with the main certification standards and European and international regulations. As a sourcing tool for manufacturers, it also enables us to meet the sustainable sourcing ambitions of roasters, chocolate makers and processors.

The pilot phase, conducted for cocoa in Côte d'Ivoire and coffee in Uganda, is ending. The 2024-25 season will see the Touton group's sustainability teams - over 200 experts worldwide - deploy its standard on new local supply chains, in collaboration with our industrial customers.



AUDREY LAGAUCHE,
Cocoa Sustainability Director,
TOUTON

"The PACT STANDARD launch is a pivotal moment for our company and the cocoa producers we partner with. This standardised approach will allow us to fully capitalise on our capacities to implement even more impactful programmes across both existing and new origins. It is not just about growing cocoa but about nurturing a legacy of sustainable and shared prosperity."



THOMAS DELBAR,
Coffee & Ingredients
Sustainability Director, TOUTON

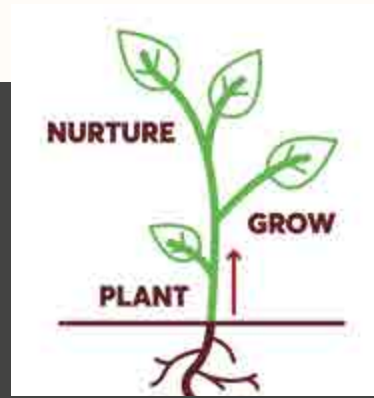
"Deploying the PACT STANDARD enables our sustainability teams to carry a single, clear and ambitious message to our partners producers on a daily basis. Implementing PACT best practices, in often remote coffee and ingredients production areas, cements the relationship between producers and Touton, removing the confusion created by the multitude of existing certification programme."

A progressive, people-centred, longterm approach

PACT STANDARD is based on three main pillars and one cross-cutting pillar, each divided into areas of intervention to ensure impact at all levels.

Each intervention follows operational procedures specific to a given supply chain and is associated with verification points. These points provide a solid framework for annual audits, carried out by a recognised independent verification body.

Third-party verification follows the verification manual developed by Touton. This manual enables activities to be assessed according to the objectives and performance indicators of the PACT STANDARD. The audit takes place every year, at the end of the crop season.



PACT STANDARD applies a logic of continuous improvement. Its structure makes it possible to adjust the impact to meet the needs of a given sector, in line with the investment ambitions of Touton and its customers. This progressive approach translates into 3 levels of activity: PLANT, GROW, NURTURE, where the first level, PLANT, is mandatory to ensure product compliance with current regulations. For coffee specifically, this continuous improvement process takes place over 3 years, with the obligation to reach the NURTURE level in the 3rd year of the programme's implementation.



COLLABORATIVE SYSTEMS

To establish solid collaborative systems that effectively manage risks and responsibilities in any given agricultural value chain and provide the assurance of reliable, compliant and sustainable sourcing, in line with European Regulation and sectoral regulations.



INCLUSIVE GROWTH

To generate added value and equal opportunities for all actors of the supply chain. Led by an entrepreneurial spirit, interventions facilitate access to financial, structural and knowledge resources.



SMART ECOSYSTEMS

To build climate-smart farming ecosystems through actionable interventions that protect forests, biodiversity and efficiently manage natural resources in the face of changing conditions.



SOCIAL POSITIVE

To foster empowerment and well-being for producers and communities through bespoke interventions that put human rights and social equity first.

OUR CLIMATE STRATEGY FOR IMMEDIATE LOW-CARBON TRANSFORMATION

We have a responsibility to demonstrate the sustainability of our model in the face of today's planetary limits and environmental challenges. As an agricultural supply chain manager in tropical zones, we are constantly improving the transparency and sustainability of our value chains. This enables us to comply with international regulations, meet our customers' expectations and actively contribute to the climate transition and global carbon neutrality. **Our latest carbon assessment, carried out in 2022 on the entire scope of our operations (scope 1, 2 and 3), reveals that 93% of our emissions come from agricultural production, and that 99% of our total emissions are indirect (scope 3).**

Based on this observation, the Touton group has decided to adopt a new Climate Strategy. **Our vision is to transform agro-industrial value chains to ensure their resilience, contribute to the regeneration of ecosystems, and achieve global carbon neutrality.**

We have set greenhouse gas (GHG) emission reduction targets, aligned with the Science-Based Targets (SBTi) to limit global warming to below 2°C, or even 1.5°C, by the end of the century, in line with the Paris Agreement.

Touton's Climate Strategy builds on existing sustainability activities and is reinforced by an action plan covering our direct and indirect operations. Transformative actions will be applied at all levels of our value chains and will include reducing the climate impact of transport activities, increasing the capacity of natural carbon sinks through agroforestry, as well as improving waste management at our sites and plants.

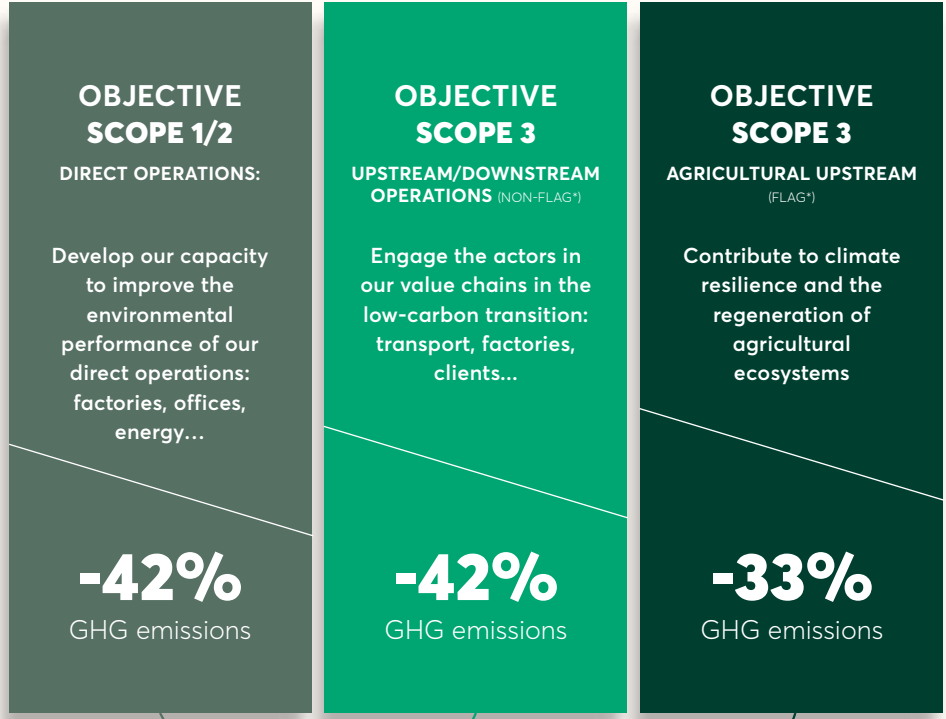
Our aim is not only to improve our environmental performance, but also to meet the expectations of our stakeholders and comply with new regulations, such as the European «zero deforestation» regulation, the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD).

Touton's management has validated the group's commitment to medium-term SBTi emission reduction targets. The focus is to achieve our targets within 10 years, meaning by 2035.

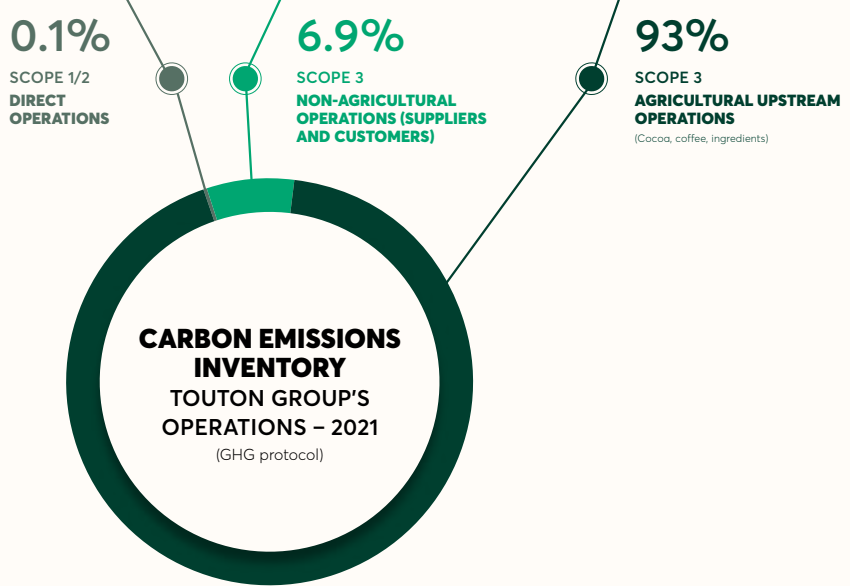




CLIMATE STRATEGY AND CARBON EMISSIONS REDUCTION PATHWAY
SBTI BASED - TO 2035



* FLAG = Forest Land and Agriculture



GUARANTEEING COMPLIANCE WITH THE EU'S ZERO DEFORESTATION REGULATION (EUDR)

Deforestation refers to the conversion of forests to agricultural use, resulting in their degradation, as defined by the Food and Agriculture Organisation (FAO). **The European Union's Zero Deforestation Regulation (EUDR) aims to ban the marketing and export of products that have contributed to deforestation or forest degradation on the European market after December 31, 2020. The regulation covers seven agricultural products, including coffee and cocoa.**



What is EUDR ?

The European «zero deforestation» regulation (EUDR) concerns seven products (cocoa, coffee, soy, palm oil, wood, rubber and cattle) and their by-products. The regulation came into force the 29th of June 2023, but the main bans and obligations will apply to the Touton group from the 30th of December 2024.

To be placed on the European Union market, products and raw materials must be:

1. **free from deforestation or produced on land that has not been subject to deforestation** or forest degradation after the 31st of December 2020 deadline.
2. **legally produced in accordance with the regulations and legislation** in force in the country of production.
3. **covered by a due diligence statement containing geographical data of all plots** where cocoa or coffee has been produced. For plots larger than 4 hectares, polygons with sufficient latitude and longitude points to describe the perimeter of each plot must be provided. For plots of less than 4 hectares, a single latitude and longitude point is sufficient.

Touton is firmly committed to supporting the implementation of the EUDR, as part of its fight against deforestation. The key elements of an EUDR are risk assessment and the adoption of preventive and remedial measures to achieve a zero or negligible deforestation risk level, allowing products to be exported to the European Union market.

Touton is actively preparing for the entry into force of the EUDR, which will have an impact on day-to-day cocoa and coffee operations, notably by setting up a cross-functional working group:

- **by defining roles and responsibilities for implementing and complying** with requirements;
- **by combining the expertise of different departments:** IT, back office, sustainable development, legal and compliance, audit, etc.;
- **through the involvement not only of our head office, but also of our subsidiaries** and suppliers in producer countries;
- **by developing a reliable and verifiable internal methodology for the risk assessment** matrix around 3 themes: traceability, deforestation and legality.



Getting ready for EUDR:

1. Establish good practices and reliable systems:

- **Carry out preliminary supply chain audits** to assess Touton's readiness for EUDR, define priorities and analyse gaps between practices and obligations. This comprehensive approach will also cover requirements arising from other new European regulations such as CSRD and CSDD/HRDD.
- **Select reliable geospatial intelligence service providers** to help us improve deforestation monitoring and mapping of the coffee and cocoa supply chain. An initial EUDR preparation exercise was carried out with Satelligence for Côte d'Ivoire and Ghana.
- **Clean and qualify geolocation** data in our database.

2. Monitoring, improvement and controls:

- **Train** internal teams.
- **Improve policies on responsible sourcing** sustainability, human rights, environment and quality practices. This includes implementing a new supply chain assessment process and improving the complaints mechanism to enable stakeholders to bring potential deforestation incidents to Touton's attention before they take root.
- **Develop a toolbox for suppliers**, training and supporting them in data collection, responsible sourcing and understanding the regulations.
- **Facilitate engagement with other stakeholders and partners** throughout the supply chain.
- **Manage inventories** and transition stocks.

An international group with local roots

14
countries

90
warehouses
under
management

82%
of our teams
in producer
countries

1
industrial
mass cocoa
processing
plant

6
packaging
plants



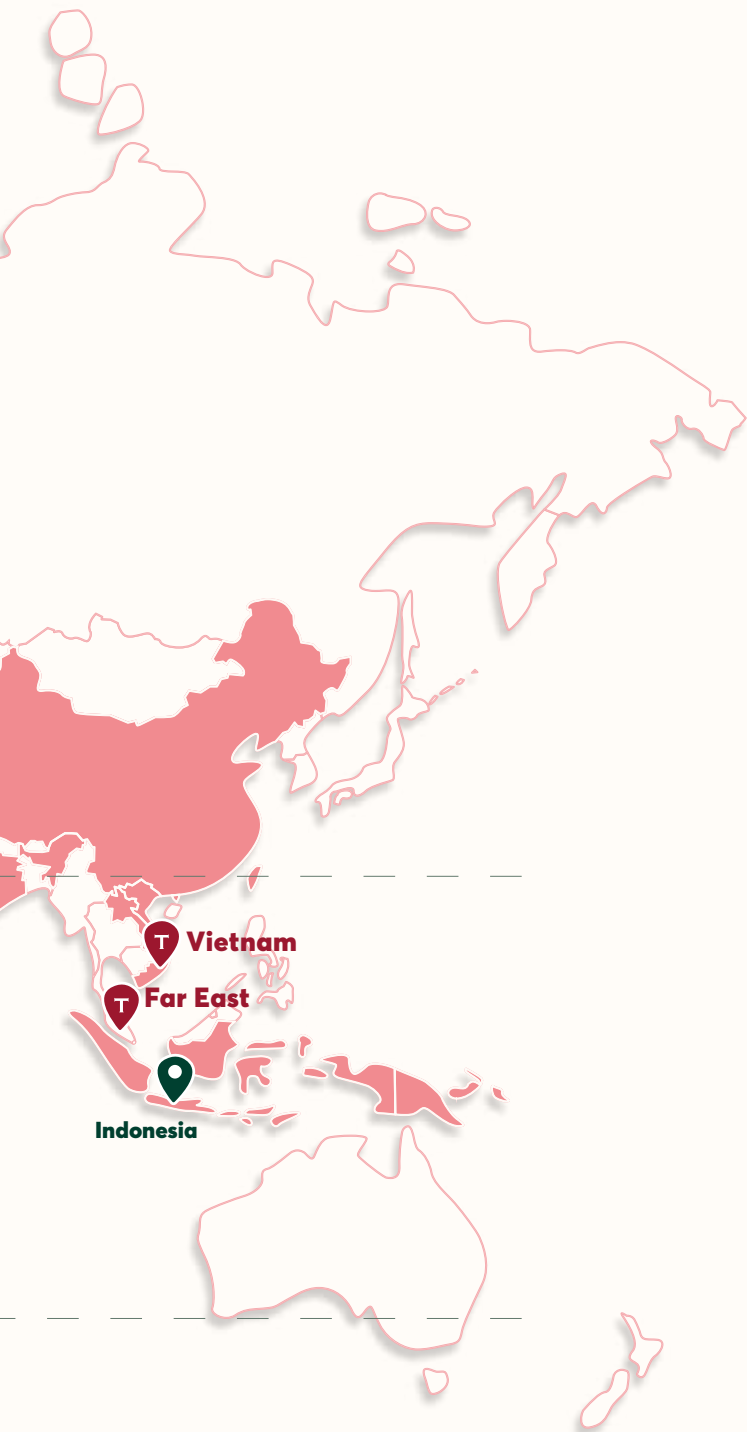
T Toton Group
Subsidiaries or Representative Offices

📍 Key sourcing
partners' network

● Main sourcing countries
for coffee/cocoa/ingredients

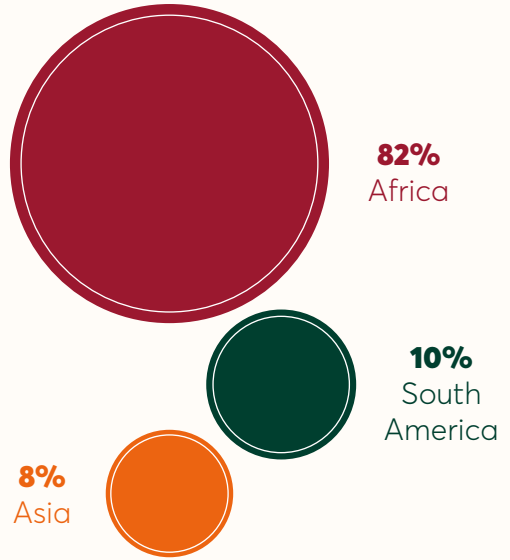
● Industrial partners

COMMODITIES FLOW MAPPING



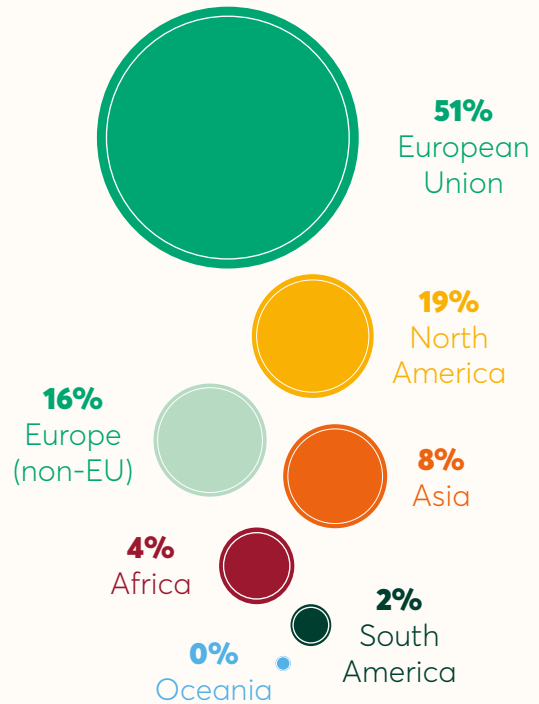
PURCHASES BY CONTINENT

(all products)



SALES BY CONTINENT

(all products)



12 months of extraordinary trading



ANTOINE DELSART,
Director Cocoa Trade,
TOUTON

THE COCOA CRISIS: A YEAR OF HISTORIC CHALLENGES FOR THE MARKET

A fever pitch on the cocoa market

The 2023-24 financial year was a year of historic market movements, structures, differentials and ratios. This probably makes it the most turbulent year since the 1976-77 crop. The combination of aggravating factors over a very limited period of time directly resulted in a price explosion, exceeding even the most extreme forecasts.

Thanks to the experience of our teams and the work of our Research department, we had foreseen and anticipated this structural problem. However, we were far from imagining the earthquake that was about to shake the entire market. The Touton group therefore had to adapt, to be agile and to question all the sectoral usual reasoning and deep-rooted assumptions.

From bad counts to climatic disappointments, the harvest potential in Côte d'Ivoire and Ghana deteriorated during the summer of 2023. By the end of March 2024, production in both countries was 700,000 tonnes down on the previous year, with a main crop deficit for the first time in history.

Côte d'Ivoire, for example, saw its main crop fall from 2,230,000 tonnes in 2022-23 to 1,700,000 tonnes in 2023-24. Worse still, the entire main crop turned out to be barely equivalent to that of the October-December 2022 period alone. Where classic deficits are usually felt in the summer, the shortage of cocoa and extreme tension on the physical market became apparent as early as January 2024.

As a result, the sector saw local markets adjust, bush prices rise, and the bidding war to meet commitments get out of control. A dynamic observed in all producing countries, in Africa and South America alike. Unsurprisingly, differentials and ratios followed the same trend, rising sharply, in line with the exploding market structure.

The physical stress became so great that the negative dynamic was self-sustaining: **the market value sustained the rise in local prices, further maintaining differentials and the inverted structure, consequently generating an explosive context.**

Falling stocks on the futures market (both in London and New York) was another aggravating factor: manufacturers partially filled their needs with available and relatively inexpensive cocoa in the face of origin differentials.



For chocolate, macro-economic and geopolitical conditions remain tense

Consumption of chocolate and chocolate products remained stable. Bean grindings stabilised at -0.2% for the 2022-23 cocoa year, following a substantial increase in the previous year (+3.1%). On the other hand, we expect a significant drop (-7%) for the current cocoa year, for one simple reason: the shortage of beans. Origin grindings will be the first to be affected, as they offer very little flexibility in their supplies.

As a result, a major deficit of around -550,000 tonnes is forecast for the 2023-24 campaign, in addition to the two major deficits of 2021-22 and 2022-23. **The three years combined show an extraordinary shortfall of around -932,000 tonnes.** This year's explosion in prices will have repercussions in stores for several months to come, as the major chocolate makers have already announced price hikes.



Top cocoa price level by 26/03/2024 :

London

8 009 GBP

New York

9 553 USD

"Everything we feared would happen last year has come true this year, but only worse.

We had anticipated a major deficit due to a negative supply impact, mainly in West Africa, and this did indeed happen. Harvests in Côte d'Ivoire and Ghana fell, but much more than expected.

We were among the first to identify this major problem. The more we analysed it, the more the situation deteriorated. It was an unprecedented situation for cocoa, probably unique. The conditions were exceptional, reminiscent of the 1976-77 crisis. The mechanics were similar, but this time the intensity and speed were extreme. Having anticipated these developments, we took the necessary decisions to position ourselves accordingly.

The key was to manage our positions and contracts with the utmost precision, to guarantee product delivery despite unstable market conditions. We managed to sail through the storm and honor all our commercial contracts, which remains our ultimate goal.

Antoine Delsart



Guaranteeing our contracts: a successful *tour de force*

Against this backdrop of extreme tensions, the Touton group focused on its core mission: to guarantee contract delivery by managing the associated risks.

In a bull market, unregulated origins are quickly subject to supplier default. On the other hand, in regulated systems, purchases are made difficult by the lack of cocoa and overpayments.

To manage this "physical risk", the **Touton group was able to rely on its key attributes: strong local teams, sustainable supply chains which have played a major role, and a particularly fine-tuned management of its risk exposures.** The combination these three factors enabled the group to purchase and then ship all contracted volumes. Thanks to various mechanisms and efforts – both financial and human – in the countries of production, Touton was able to supply its historical key accounts, as well as all its cocoa customers.

This performance has clearly strengthened Touton's position vis-à-vis its business partners, customers and producers, as well as its competitors.





FILIPA SECRETIN,
Trade Director, Cocoa
Products, TOUTON

A BUMPY RIDE FOR SEMI-FINISHED COCOA PRODUCTS

A high intensity start to the year

The year 2023 began with the cocoa industry poorly covered, with less than six months of available stocks. Market players, surprised by the robustness of bean prices, were reluctant to pass on this increase in their sales prices, in an already inflationary context. As a result, their buying strategy consisted in using existing contracts and gradually averaging with new short-term contracts, while waiting for a correction (which never came...).



Leading to a historic rise

By the end of 2023, bean prices had risen by 1,500 GBP, while the combined ratio had fallen by 45 points. Côte d'Ivoire's November crush figures then showed a sharp 16% drop, confirming a relative shortage of beans. Cocoa mass continued to climb, reaching €6,000, while cocoa butter increased to €9,000.

Despite these price hikes, consumption has not yet been significantly affected, and the long-awaited erosion of demand has not materialised.



Secure our supplies and seize new opportunities

In this exceptional context, the priority was to secure the supply for our cocoa mass production factory in Ghana (CTPC). Touton met the challenge of honoring all its contracts thanks to the cohesion of its teams and the strengthening of its partnerships in Côte d'Ivoire.

Touton's business in Japan grew strongly, with contracted volume up 50% on previous years. The group also expanded its customer base in the rest of Asia, Europe, the Middle East and New Zealand. However, supply problems in the main producing countries prompted the need to diversify our sources of natural cocoa butter to Latin America and Nigeria.

The year 2023-24 began with ratios and prices rising steadily. Uncertainty persists as to the impact of this rise on consumers and demand. The adjustment between supply and demand could come from a shortage of beans rather than from prices, as world stocks are at their lowest.

The year 2024 therefore began with a shortage. The drop in production during the 2023-24 campaign was first felt in producing countries, before being passed on to consuming areas. Since the beginning of the year, exports have fallen, while crushing has remained stable.

As a result, product inventories fell significantly in Europe and the USA, despite continuing strong demand for chocolate. **All markets soared: bean prices doubled, ratios rose inexorably, and cocoa product prices reached absolute records. By the end of the year, European liquid cocoa mass was trading at 10,000 euros/tonne, and deodorised liquid cocoa butter was more than 25,000 euros/tonne.**

"THE 2023-24 COCOA CAMPAIGN WAS EXTRAORDINARY IN EVERY WAY.

We saw:

- *Rising cocoa prices, multiplied by 3.5;*
- *Resilience of chocolate consumption despite their rise, all products combined;*
- *The decline and the odd timing of production in the two leading producer countries;*
- *Rising cocoa mass and butter ratios when they should actually be falling in a bull market;*
- *The ability of Touton teams to cope with this unprecedented situation.*

The past year has been anything but ordinary!

Filipa Secretin





THIBAUT PROCACCI,
Director Coffee trade,
TOUTON

NO COFFEE BREAK FOR THE MARKET

The past year was marked by a third consecutive global deficit of 2.6 million bags, which has kept the market tense. This deficit exacerbated tensions in the supply chains of producing countries, while stocks in consuming countries remained at historically low levels, amplifying market uncertainties.

Between deficit and surplus: the Arabica market navigates troubled waters

For Arabica, total production for the 2023-24 financial year is estimated at 93.7 million bags, marking a significant increase of around 9% on the previous year. This increase seems sufficient to meet a demand of 88.6 million bags, generating a surplus of 5.1 million bags. This surplus breaks down into a 3% surplus of bags for the washed arabica market and a modest 2% surplus for natural arabica.

At the start of the year, Arabica prices showed a downward trend, influenced by forecasts of record harvests for the 2024-25 season in Brazil.

However, climatic hazards, characterised by sporadic rainfall and heat waves at flowering time, have affected flower survival and reduced production potential. For the 2024-25 financial year, our forecasts are mixed. A slight surplus of 1 million bags is anticipated, but many challenges remain, not least the new European regulation on imported deforestation. This measure is likely to reduce the supply available for the European market, causing an imbalance in the supply chain.

At the same time, the Robusta market is going through a period of extreme tension, adding further pressure to the Arabica market. This unprecedented situation could lead to significant disruptions, making supply and inventory management more complex for market players.



Arabica coffee price trend from 04/2023 to 04/2024

FLORIAN DUMEAUX,
Director Coffee Department, TOUTON



"The situation we've been observing for the past year is the result of a worldwide robusta production problem, particularly in Vietnam, the world's leading producer and exporter. At the same time, - exports of robusta worldwide, particularly from Vietnam- to consuming countries, have never been so strong, leading to critical levels of available stocks, both at origin and destination.

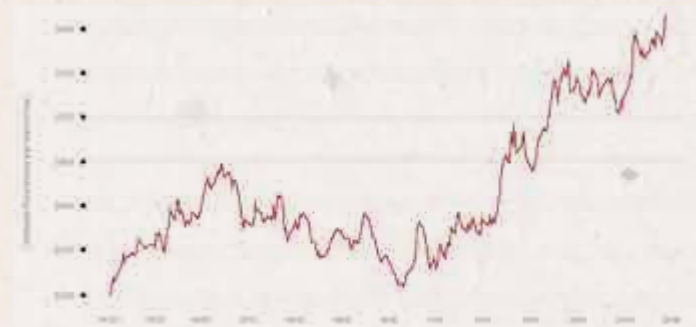
Several factors explain this situation, including a rise in local consumption in Vietnam, an increase in local roasting capacity (soluble coffee) and a transfer of production. In fact, over the past two years, Vietnamese growers have been turning away from coffee to more profitable crops, such as durian, a fruit that is well known in Asia and which, a year ago, was five times more profitable than coffee.



The Robusta crisis: between drought and frost in Brazil and falling production in Vietnam

Robusta demand increased by 14% in 2021-22, following the rise in Arabica prices caused by drought in Brazil. Then, the devastating frost episode that hit the country's main Arabica-producing regions in July 2021 exacerbated the situation for the 2022-23 harvest. The trend continued, with demand for Robusta reaching 80.4 million bags. Production was unable to keep pace, resulting in a deficit of 4.3 million bags. Robusta exports, especially from Vietnam, then increased, reducing stocks at origin and destination, keeping the market in backwardation.

For 2023-24, Robusta demand should reach 81.5 million bags, but production is down, with an estimated shortfall of 8.5 million bags. This reduction is mainly due to lower production in Vietnam (production estimated at 26.5 million bags) and Indonesia (7.8 million bags), made worse by the La Niña phenomenon and the reduction in cultivation areas. **Initial low stocks for 2023-24, resulting from the previous year's high exports, show no sign of improving. The market will therefore remain under pressure.**



Robusta coffee price trend from 04/2023 to 04/2024



SY NGU,
Directeur TOUTON Vietnam

"The switch away from coffee cultivation towards durian, macadamia and other fruit crops could have a medium to long term impact on robusta production in our country. As durian trees grow, they take over the space from the coffee trees, and as long as durian's price level remains high, our farmers will either maintain or lower robusta cultivation.





EMMANUEL NEE,
Director Ingredients Department,
TOUTON

INGREDIENTS, BETWEEN REBOUND AND TENSION



Vanilla: towards a market rebound

The market for vanilla, Madagascar's emblematic product and a major part of the world's supply, is once again going through a period of turmoil reminiscent of the 2004-05 crisis. The cause lies in the «erosion of demand» for natural vanilla, a consequence of high prices in recent years, and the failure of the \$250/kg minimum price system introduced in 2020 for Madagascar vanilla exporters.

The recent collapse in prices can be explained by a combination of factors: the accumulation of stocks estimated at the equivalent of one to two years' world consumption for the 2023-24 season (i.e. around 3,500 tonnes), demand outstripping total supply, and growing competition, despite the structural decline in Indonesian exports.

The end of the minimum price system, which had embroiled the country in a tug-of-war with world buyers, has led to a five-fold drop in vanilla prices, now averaging around \$60/kg FOB origin. These low prices in real terms are having a major impact on producers' livelihoods.

However, this cyclicity suggests that prices are likely to rise in 2024, supported by a rebalancing of market fundamentals. It is also possible that certain market strategies will be put in place to take advantage of this potential rebound.

A clear rebound in 2024?

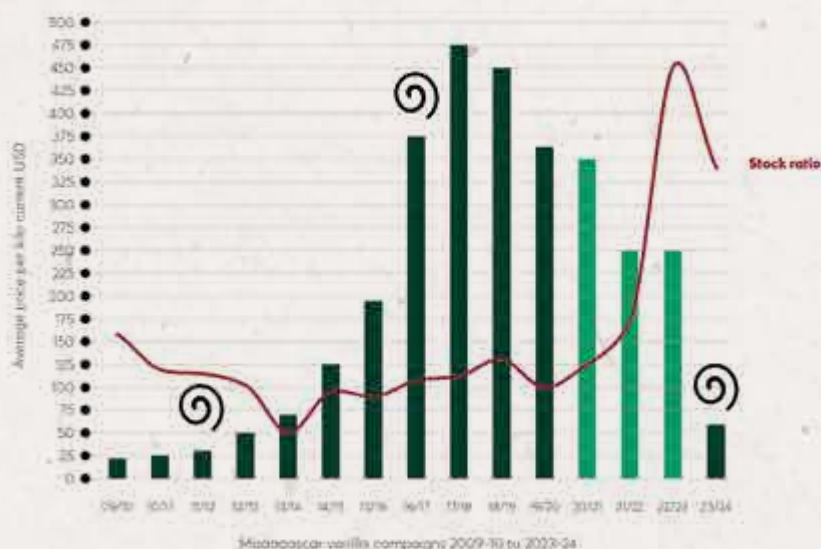
On the 27th of March 2024, Cyclone Gamane, hit Madagascar hard. Beyond the human tragedy, the cyclone affected harvests, which could trigger a new rise in prices.

With almost 1,500 tonnes exported by the end of March 2024, international sales have picked up, with low prices and excellent quality encouraging buyers to return to the market and anticipate long-term hedging. As the first quarter of 2024 ended, a recovery in local prices already seemed to be in the offing. What's more, production in 2024-25 is expected to be low, with pessimistic forecasts of around 1,000 tonnes, while demand will remain between 2,500 and 2,700 tonnes.

Towards a stabilisation of prices?

The vanilla market could stabilise or even see prices rise in 2024, supported by a combination of climatic, economic and structural factors. Investors and players in the industry are keeping a close eye on these developments, hoping that the superior quality of Madagascar production and revitalised international demand will contribute to a lasting market recovery.

MADAGASCAR VANILLA BEANS EXTRACTION PRICE
Averages price over 14 campaigns in current USD (cyclone impact and stock ratio) 🌀





Cloves still under pressure

In 2023, Indonesia, which was forecasting a much larger crop, saw its volumes remain stable at around 50,000 tonnes, as in the previous 3 years. In such conditions and given the very strong Indian demand from the start of the campaign, prices remained buoyant and particularly volatile, leaving little room for a stable and regular business flow.

Only a few Malagasy operators were able to make the most of the situation, offering significant volumes at advantageous prices. However, the Indian Ocean clove industry suffered from this situation.

All Indian Ocean harvests were small in 2023, except for Madagascar, the main producer after Indonesia, with around 20,000 tonnes. Anticipating an abundant harvest for 2024, Indonesia did not follow the same market strategy. Only one of the cigar industry's giants surprised everyone by taking up a substantial position, much to the benefit of the Malagasy direct exporters who supplied it.

India played an important role, importing almost 9,000 tonnes between October 2023 and March 2024, i.e. around 60% of its annual consumption. This has boosted demand and provided a breath of fresh air for Madagascar producers.

Central and Latin America have become interesting new markets. Not or little considered until now, these markets offer new and promising opportunities for the clove industry, for traders, but also for Malagasy producers, by diversifying horizons and reducing dependence on large traditional buyers.

The Madagascar clove industry demonstrated a certain resilience in 2023, but the need to adapt remains crucial. Operators must continue to explore and adapt to new markets, strategies and regulatory requirements to maintain their competitiveness and take advantage of global market fluctuations.

WHEN SYNTHETIC VANILLIN DETHRONES NATURAL VANILLA: MYTH OR REALITY?

"There is currently some debate about the potential for synthetic vanillin to overtake the natural vanilla market. We believe that although the market for natural vanilla is relatively small compared to the total worldwide use of vanilla flavours, it remains significant. Synthetic vanillin, whether produced from cloves or by bacterian based transformation of a corn or rice substrate, does not have the same impact on our sector. Manufacturers will continue to opt for natural vanilla in certain applications, especially in view of the growing demand for natural products.

THE UGANDA ALTERNATIVE

Our vanilla supply chain project in Uganda represents an interesting alternative to the vanilla produced in Madagascar. Although the quantities are much smaller, its quality is recognised: it is sustainably produced, certified and part of programmes to diversify the income of local producers. Ugandan vanilla enables us to vary our sources of supply. Some of our partner customers actively support this project by purchasing significant quantities. Ugandan vanilla offers promising potential and deserves special attention for the future. Building on this success, we continue to explore new origins.



Emmanuel Nee



Asia / Middle East



Africa



TOUTON FAR EAST PTE LTD

Singapore
Trade in cocoa, coffee, vanilla and ingredients



TOUTON VIETNAM

Ho Chi Minh, Vietnam
Sales and logistics support



TOUTON DUBAI

Sales and logistics support



TOUTON NIGERIA

Lagos, Nigeria
Ingredient processing and export
Multi-product sales and logistics support



TOUTON CAMEROON

Douala, Cameroon
Multi-product sales and logistics support



TOUTON MADAGASCAR

Toamasina, Madagascar
Multi-product sales and logistics support

TOUTON GHANA

Accra/Kumasi, Ghana
Cocoa sales and logistics support

ELIHO GHANA LTD

Accra, Ghana
Cocoa supply

TOUTON UGANDA LTD

Kampala/Kasese, Uganda
Purchasing, processing and export of coffee and ingredients

TOUTON NÉGOCE CÔTE D'IVOIRE SA

Abidjan/San Pedro, Côte d'Ivoire
Multi-product purchasing, processing and export

COCOA TOUTON PROCESSING COMPANY GHANA LTD

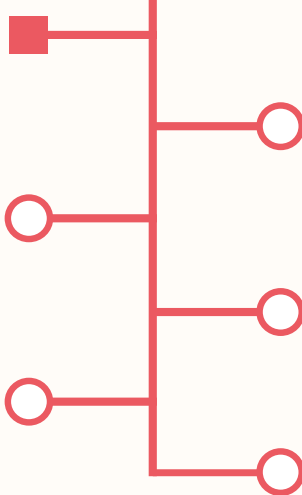
Accra, Ghana
Production and export of semi-processed cocoa products

KAHAWA PAMOJA TANZANIE LTD

Mbinga, Tanzania
Purchasing, processing and export of coffee

TWENDE SHAMBA

Mbinga, Tanzania
Coffee supply



North America



TOUTON USA LTD
Miami, United States
Coffee sales
and logistics support

Europe



TOUTON SA (Headquarters)
Bordeaux, France
Trade in cocoa, coffee,
ingredients and vanilla



TOUTON SPECIALTIES COFFEE GmbH
Hamburg, Germany
Trade in speciality coffees



TOUTON RUSSIA
Moscow, Russia
Multi-product sales and logistics support



RESILIANCE SASU
Bordeaux, France
Corporate capital investment
fund for innovation



TOUTON Group

(Operational organisation chart)



Subsidiaries



Representative offices

Special year for our operations

Faced with an unprecedented market context in 2023-24, testimonials from some of our trade teams' leaders underline the excellence of our people in managing Touton group's operations.

The strategic market intelligence analyses provided by our research department were essential in anticipating all our decisions. The agility of our back-office and logistics departments also played a crucial role in Touton's ability to cope with adverse market conditions.



ADEN MARC LEWIS YOBOUE,
Cocoa and Coffee Research Director,
TOUTON

THE STRATEGIC IMPORTANCE OF MARKET INTELLIGENCE

"Our market research role at the service of the trade was paramount this year. This was particularly true in the cocoa sector given the scale of the harvest disaster that struck the main producing countries.

Five months before the start of the cocoa campaign, our initial findings were already pointing to an unprecedented situation. All credit must go to our local teams, analysts and pod counters on the ground, whose experience and knowledge of the field enabled us to quickly sound the alarm. We were able to rely on the quality of our counting samples and the expertise of these analysts, who remained confident in our figures and findings despite the contradictory information circulating in the market!

The synergy between our research team and the trade - that is, between analysis and action - was excellent and decisive in navigating the troubled waters of the 2023-24 campaign!





THE PIVOTAL ROLE OF THE BACK OFFICE

FRANÇOISE BOUQUET,
Director, Back office Cocoa Beans,
TOUTON

"Our back office department was severely tested during the last cocoa campaign.

In Ghana, the cocoa shortage forced the Ghana Cocoa Board to release stocks in dribs and drabs. We therefore had to allocate a much larger number of instructions to ship small quantities, progressively and for each customer. These gradual, small-scale operations resulted in a multiplication of instructions and sets of documents sent to the banks, which in turn were swamped just before the end-of-year holidays! It was a very complex period right up to March 2024.

The repercussions were felt in our various departments, particularly in the back office and treasury.

We have also had to intensify our warehouse operations and demonstrate great flexibility in meeting our contractual commitments, sustainability programmes and certifications associated with each batch of cocoa.

In Côte d'Ivoire too, we faced a major volume shortfall from the start of the 2023-24 campaign. This was compounded by an unusual problem of bean quality. Normally, quality discrepancies are resolved at the end of the intermediate campaign, but they persisted until December, in the middle of the main harvest period, which is abnormal.

After all these years in the cocoa business, I've never been confronted with such a phenomenon! Was it due to the summer rains, or to storage strategies at the start of the campaign? In any case meeting contractual requirements was extremely complex due to cocoa presenting high levels of defects. However, the expertise of our teams and our strong commercial relationships with customers, we were able to show agility in our services to fulfill our contracts.

We've been through a year of rare intensity, but we've honored all our contracts, and we're proud of it!



LOGISTICS ARE KEY

RODERICK STRAUS,
Freight Director,
TOUTON

"Since the beginning of 2023, the maritime situation became increasingly complex, due to disruptions in the Red Sea, which have forced ships to change routes.

These detours lengthened the usual route to northern Europe by more than ten days, with several negative repercussions including: an increase in the cost per trip of around \$1 million, higher CO2 emissions due to the longer routes, and greater risks of attacks on ships.

In addition, transshipment ports became very congested due to the rerouting of ships. Transit times lengthened considerably, with waits of between seven and ten days to enter ports, generating additional greenhouse gas emissions.

In the Mediterranean sea, the situation turned out to be even more critical, with journeys extended by a further ten days and transit costs eventually tripling.

Despite everything, we found solutions and succeeded in continuing to export our products!



Resource business model

Natural and industrial resources

Annual volume of products processed (in metric tonnes)



308,000T
of cocoa



104,000T
of coffee



8,200T
of spices



92T
of vanilla



1 plant
for processing



6 plants
for packaging



more than
90 warehouses
under management

Financial resources

Consolidated turnover by product
(in million euros)



1,190M€
cocoa



41M€
spices



320M€
coffee



13M€
vanilla





Human resources



more than
650 employees

located in 14 countries
around the world



60%

shareholders involved
in our operational
activities



more than
15 nationalities

in the group

Relational and intellectual resources

more than

300 suppliers

of first-rate materials... and tens of thousands
of partner producers of tropical agricultural
raw materials

more than

50 partners

from civil society who support us on sustainability
programmes, notably numerous donors,
foundations, NGOs and start-ups

Member of

21 organisations

or sectoral (Cocoa, Coffee, Ingredients)
or thematic (Decent income, Deforestation, etc.)
platforms

**5 academics
partnerships**

that help anchor our actions in knowledge

Financial partners



more than

**35 banks
and financial
institutions**

institutions

Value business model

For the environment

42%

Sustainable volume



55%
of cocoa



21%
of cocoa products



19%
of coffee



20%
of vanilla



more than
15 certifications
sustainability, quality or standards
obtained at group level





For our employees



3,330 hours

training for head office employees
(training hours + work-study)



5.66 years

average length of service
(loyalty of our employees)



37 years

average age

For our suppliers



more than

11.5 million €

in sustainability premiums
paid to producers in Côte
d'Ivoire and Ghana

For our customers and end consumers



100%

of contracts honoured "0 defaults!"



100%

of CTPC products

certified ISO 22000

Map of partners, certifications & standards*

*partial list

Implementation & research partnerships





We are active members of a number of sectoral organisations and international initiatives



Product level: our certifications & standards



Group level: our ratings & standards



In the face of climate change, it is essential not only to reduce our carbon footprint to limit global warming, but also to develop robust strategies to adapt to these major transformations. This means integrating sustainability principles at every stage of the value chain, from the sourcing of raw materials to the distribution of finished products. This commitment requires the collaboration of all stakeholders, including suppliers, customers and employees, to create a positive and lasting impact.

The Touton group is resolutely committed to the climate transition by following a low-carbon trajectory, adopting an assertive policy of imported deforestation and promoting agroforestry practices.

2.

PROMOTE A RESILIENT AGRI-INDUSTRY

Introduction	46
KPI/Indicators	48
Commit to the climate transition	50
Defining a climate strategy for the entire value chain	50
Implementing our zero-deforestation policy	54
Restoring ecosystems and protecting natural resources	56
Transform supply chains	60
Developing regenerative agriculture	60
Mitigating the environmental impact of all our operations	63
Guarantee product and service quality	65
Controlling our supply chains	65
Guarantee the reliability and continuous improvement of processes and data systems	65
Ensuring compliance and food safety	66



KPI/indicators

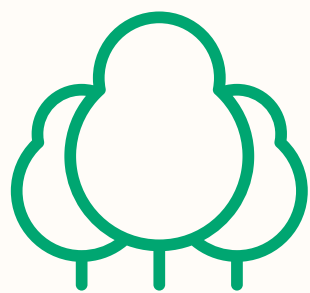
KPI (Key Performance Indicator):
Measures an action (or its impact) over time and is used for decision making and evaluating actions. It can be audited by a third party.

INDICATOR or Calculation and measurement index:
Monitors and measures an action (or its impact). It remains indicative but can evolve into a KPI if relevant over time.

KPI



207,536

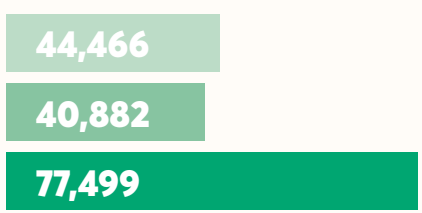


Number of plantations mapped and verified (cumulative)*

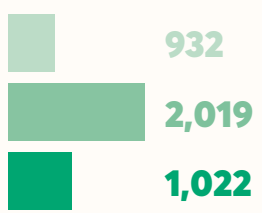
**before the end of the financial year*

● 2021-22 ● 2022-23 ● 2023-24

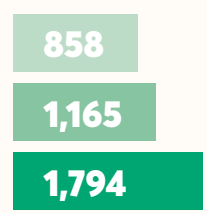
Côte d'Ivoire



Nigeria



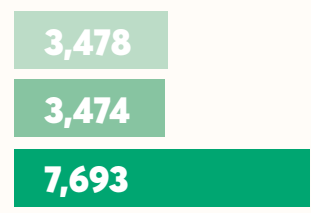
Madagascar



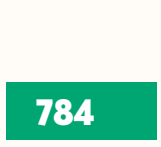
Ghana



Uganda (coffee)



Cameroon



Tanzania (coffee)



Kenya



Indicator



100%

Proportion of cocoa plantations mapped by supplier risk*

**in Ghana and Côte d'Ivoire*

Indicator



22,390

Producers having attended one or more training courses on water and waste management*

**in Ghana, Côte d'Ivoire and Uganda*



KPI



195,708

Plantations having undergone a DRA (Deforestation Risk Assessment)*

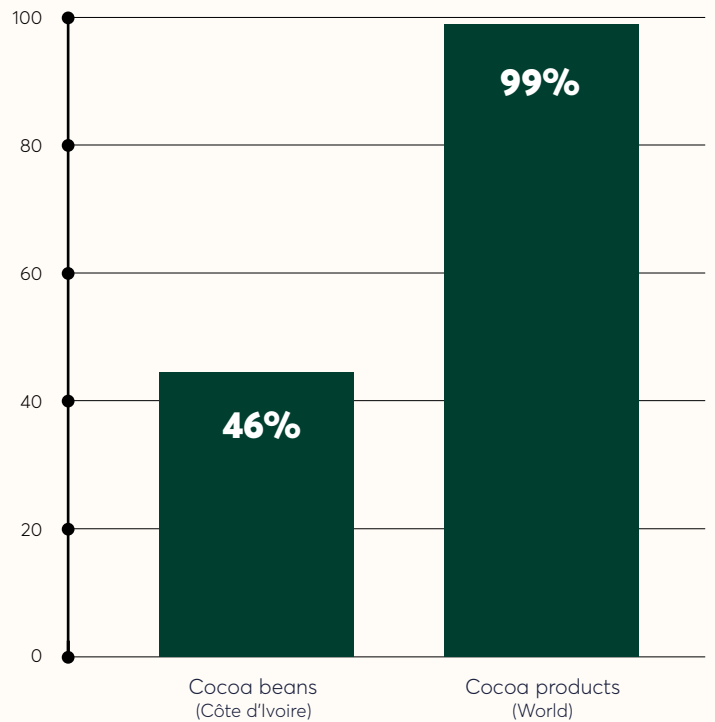
**during 2023-24, cocoa beans in Ghana and Côte d'Ivoire*



KPI

Proportion of products covered by a quality standard*

**ISO9001, FSSC22000, during 2023-24*



Indicator



20,058

Individuals covered by agroforestry projects*

**in Ghana and Côte d'Ivoire*

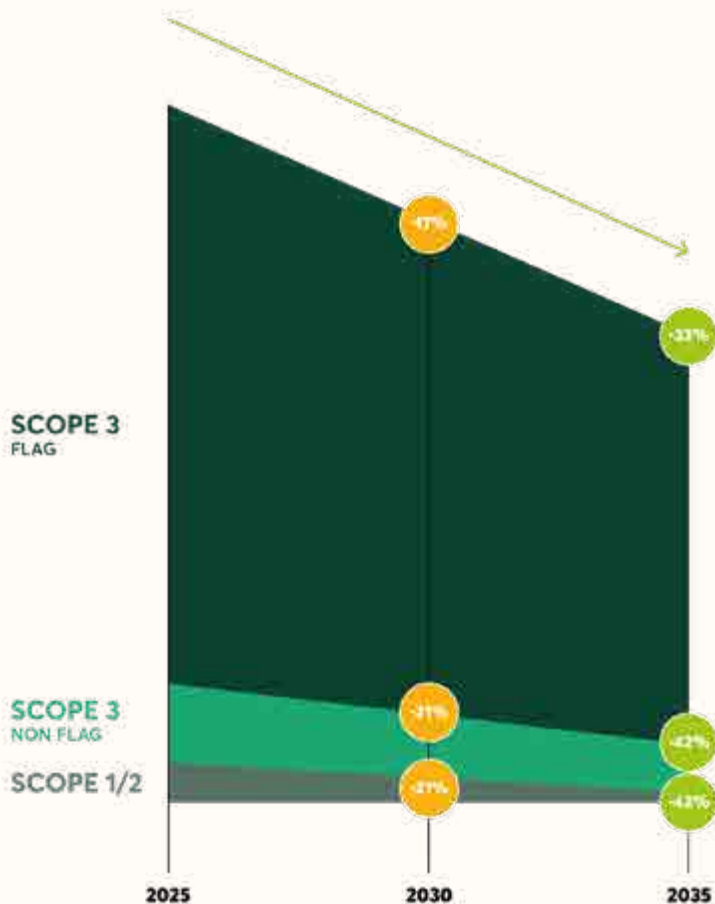
Commit to the climate transition

DEFINING A CLIMATE STRATEGY FOR THE ENTIRE VALUE CHAIN



A commitment to the climate (SBT)

As part of our climate strategy, Touton management has formalised the group's commitment to submit **medium-term (10-year) greenhouse gas emission reduction targets** based on the Science-Based Targets (SBT) approach.



Our vision

TRANSFORM OUR AGRO-INDUSTRIAL VALUE CHAINS TO ENSURE THEIR RESILIENCE, CONTRIBUTE TO ECOSYSTEM REGENERATION AND GLOBAL CARBON NEUTRALITY

<p>OBJECTIVE SCOPE 1/2</p> <p>DIRECT OPERATIONS:</p> <p>Develop our capacity to improve the environmental performance of our direct operations: factories, offices, energy...</p> <p>-42% GHG emissions</p>	<p>OBJECTIVE SCOPE 3</p> <p>UPSTREAM/DOWNSTREAM OPERATIONS (NON-FLAG*)</p> <p>Engage the actors in our value chains in the low-carbon transition: transport, factories, clients...</p> <p>-42% GHG emissions</p>	<p>OBJECTIVE SCOPE 3</p> <p>AGRICULTURAL UPSTREAM (FLAG*)</p> <p>Contribute to climate resilience and the regeneration of agricultural ecosystems</p> <p>-33% GHG emissions</p>
---	--	---

* FLAG = Forest Land and Agriculture

OBJECTIVE 1 :

How can we develop our capacities to improve the environmental performance of our direct operations (scopes 1 & 2) ?

The scope of our direct operations is diverse. It includes plants managed by Touton in Africa, such as CTPC for cocoa processing in Ghana, but also cocoa and coffee bagging plants in West and East Africa, as well as all our offices in France and around the world .

Improving our environmental performance also concerns all Touton employees, both in their business travel and in their collective involvement.

We have identified several levers for action:

- **Reduce the use of fossil fuels in plants and buildings.** We will start with a Life Cycle Assessment (LCA) in each factory to develop specific climate and environmental action plans. A key focus will be to develop the supply or production of renewable energies, in particular through solar installations;
- **Reduce and improve waste management,** for example by introducing waste sorting and composting of bio-waste;
- **Raising teams' awareness of environmental issues.** Our priority will be to reduce the carbon footprint of business travel and encourage the adoption of «soft mobility» on the home/work journey. Another focus will be to train and raise employees' awareness of climate and biodiversity issues.



STÉPHANE NGUETTIA

"Improving the environmental performance of our plant has been a key focus for the CTPC team since 2020. Supported by the group's CSR policy and initiated by our various department heads who wanted to improve the plant's competitiveness but also its environmental impact, we started by working on the most obvious and quickest measures to be implemented in our production cycle:

- *In terms of packaging, we have activated the sorting and recycling of damaged cardboard, which are reused by a third party. We also avoided plastic waste by optimising the size of the plastic liners according to the format of the cocoa mass cartons produced.*
- *A water treatment and regulation station has been installed, and the gas network has been renovated to prevent losses.*

Now we are moving into the next level and planning to carry out a «life cycle analysis» (LCA). The idea is to improve energy efficiency by replacing our oldest machines, but also to develop the enormous potential for renewable energy production of our 18,000 M2 Ghanaian site! In any case, we are moving forward with the ambition of being the first key contributor to the Touton group's objective of reducing GHG emissions by 42% in its direct operations (scope 1 & 2) by 2035!



OBJECTIVE 2 :

How can we engage the actors in our value chains in the low-carbon transition (non-agricultural, non-FLAG scope 3*)?

This objective not only includes the transport of goods, from sourcing in the producing countries to product delivery to the customers' facilities, but also the energy used by suppliers' and customers' factories and warehouses.

In 2021, emissions associated with these activities represented around 1.5% of the Touton group's annual emissions. The bulk of transport-related emissions comes from sea freight (76%) and land transport (24%). The share of air transport is very small, as it only concerns vanilla.

The actions planned to reduce greenhouse gas (GHG) emissions will be carried out on two fronts:

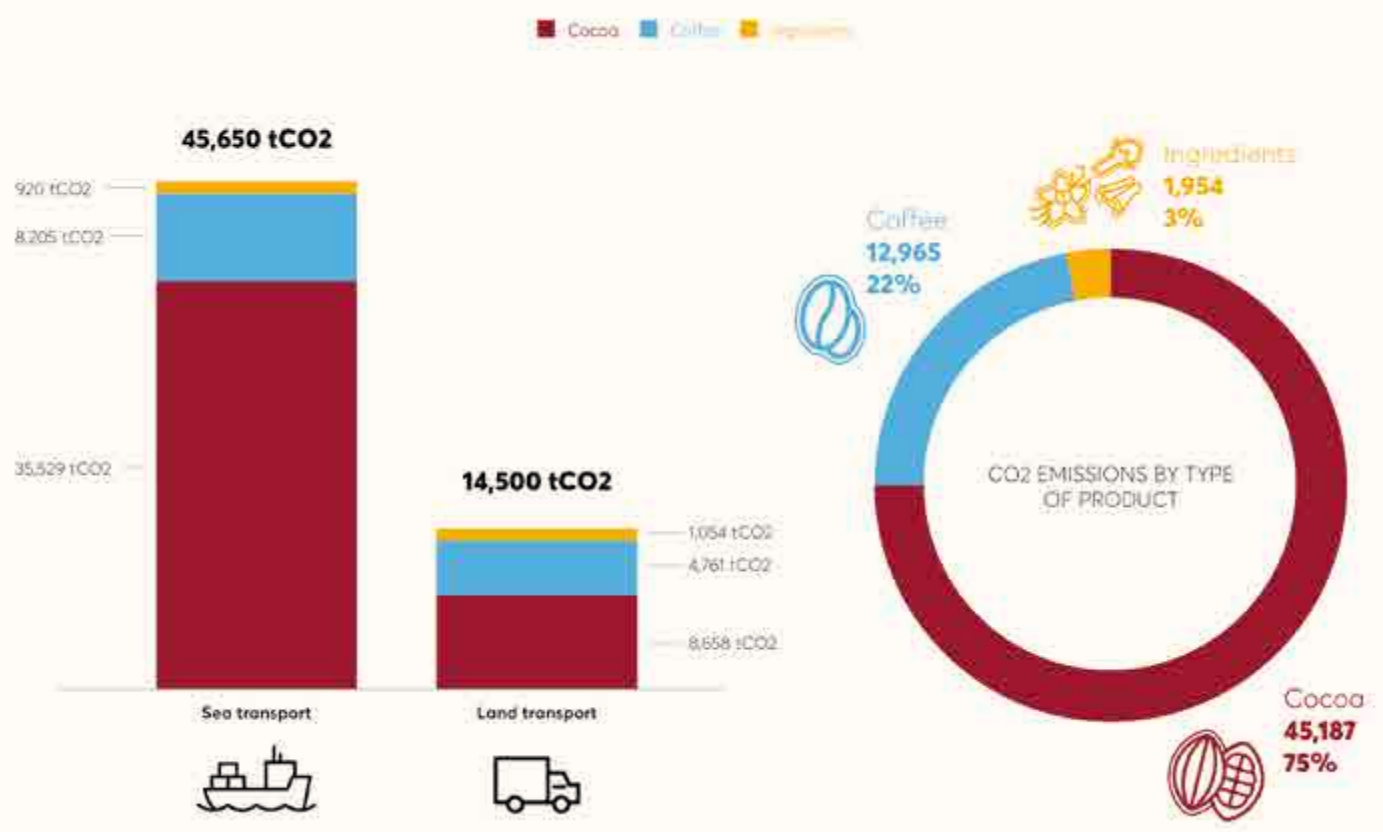
1. reduce emissions from freight transport:

- Setting up a low-carbon sea freight or sailing service from Madagascar
- Air transport limited to the strict minimum
- Introduction of an insetting service to offset residual emissions from air travel

2. improve the carbon footprint of our suppliers' processes and factories:

- Deploy a suppliers' engagement programme, including both commodities suppliers and service providers
- Increase the integration of environmental and climate issues into suppliers' risk management
- Encouraging suppliers to reduce their GHG emissions by limiting energy consumption and accelerating the transition to renewable energies at their factories and warehouses, for example by promoting the use of improved stills in the production of clove leaf essential oil in Madagascar.

CO2 EMISSIONS GENERATED BY SEA AND LAND TRANSPORT FOR TOUTON SUPPLY CHAINS (2021 ASSESSMENT)



* FLAG = Forest Land and Agriculture

OBJECTIVE 3 :

Contribute to climate resilience and to the regeneration of agricultural ecosystems (scope 3 - FLAG*)

The first challenge is to reduce the GHG emissions associated with agricultural production. Indeed, a large part of the carbon footprint of products traded by the Touton group (coffee & cocoa) is linked to potential land conversion or change of land use, and more specifically to GHG emissions linked to past deforestation (over the last 20 years).

How do we get there ?

- Through our commitment to Zero Deforestation across our entire value chain by 2025 is the key lever for reduction and forms an integral part of our Science Base Target (FLAG) engagement. By not converting forested land to cocoa or coffee production, we preserve existing carbon stocks in biomass and soils.
- By implementing regenerative agricultural practices on a large scale, promoting the resilience of ecosystems to climate change, while improving our environmental footprint. Several practices will be used to maximise the sequestration effect: soil cover, crop associations, organic fertilisation, agroforestry and organic farming.

The second lever of action is to increase the capacity of natural carbon sinks through the development of agroforestry practices, i.e. the planting of shade trees within cultivated plots in our supply chains. The sequestration of atmospheric carbon in soils and biomass, is essential if we are to achieve our global objective of +14% carbon sequestration within 10 years. Forest regeneration makes a positive contribution by restoring natural carbon sinks.

The third lever focuses on resilience through anticipation and adaptation to climate risks. By combining the expertise of our various departments, we plan to develop a methodology for analysing the sensitivity of our agricultural supply regions to climate risks. This will be followed by specific, localised adaptation solutions, including innovations such as the distribution of improved or better adapted tree seedlings.

The key performance indicators (KPIs) we initially track focus on reducing GHG emissions, but our ambition goes far beyond. All the actions listed above also have environmental benefits or co-benefits: preserving and restoring biodiversity, soil health, water retention capacity, and the quality of rivers and groundwater. In this way, they contribute to the maintenance and regeneration of ecosystems.



* FLAG = Forest Land and Agriculture

IMPLEMENTING OUR ZERO DEFORESTATION POLICY

Forest conservation, and thus the "non-conversion" of land with forest cover for cocoa or coffee production, is vital to preserve existing carbon stocks in biomass and soils, and to avoid GHG emissions linked to deforestation.


Furthermore, preserving and regenerating degraded forests and ecosystems helps to protect soils and biodiversity, contributing to numerous ecosystem services such as air quality, climate regulation, the water cycle and genetic resources.

We are already committed to a Zero Deforestation trajectory, through sectoral initiatives such as the French Initiative for Sustainable Cocoa (IFCD) and the Cocoa & Forests Initiative (CFI) in Ghana and Côte d'Ivoire.



We have gradually mapped and geolocated our entire direct supply chain for our coffee and cocoa sectors. In addition, analyses of future deforestation risk have been carried out since 2021 with the support of satellite data (in partnership with Satelligence). These analyses enable us to identify geographical areas of priority concern and actions to reduce these risks.

KPI



195,708

Plantations having undergone a DRA (Deforestation Risk Assessment)*

**during 2023-24, cocoa beans in Ghana and Côte d'Ivoire*

Indicator



100%

Proportion of cocoa plantations mapped by supplier risk*

**in Ghana and Côte d'Ivoire*



The commitment to Zero Deforestation throughout our value chain by 2025 has now become a **global commitment at Touton group level**. It is an integral part of our climate strategy, in line with our science-based targets (SBT) and in particular the SBT-FLAG (FLAG = Forest Land and Agriculture) initiative.

In addition, the forthcoming entry into force of the European regulation on imported deforestation, European Regulation against Deforestation and Forest Degradation (EUDR) implies an operational implementation of this Zero Deforestation commitment and internal monitoring and verification processes. **The aim is to guarantee that products traded by Touton have not induced deforestation after 2020.**

These processes combine product traceability, with the analysis of geolocation data on cultivated plots, to ensure that no deforestation has occurred because of production after the deadline. Data on suppliers is also considered, as well as compliance with the regulations of producing countries (principle of legality) as part of the EUDR due diligence process.



KPI



207,536

Number of plantations mapped and verified (cumulative)*

**before the end of the financial year* ● 2023-24

Côte d'Ivoire

77,499

Ghana

118,209

Cameroon

784

Nigeria

1,022

Madagascar

1,794

Uganda (coffee)

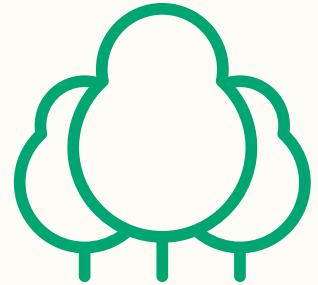
7,693

Tanzania (coffee)

533

Kenya

2





RESTORING ECOSYSTEMS AND PROTECTING NATURAL RESOURCES

Touton has been supporting and implementing landscape approaches for many years, notably in Ghana with the Partnership for Productivity, Protection and Resilience in Cocoa Landscapes (3PRCL) project, in Côte d'Ivoire with the Cavally Forest protection project, and more recently with the Sambirano Valley landscape project in Madagascar.

The launch of a new landscaping project in Madagascar

The Sambirano valley, located in northwestern Madagascar, is facing major challenges linked to climate change, biodiversity loss and the degradation of hydrological functions. The landscape approach adopted is a multi-stakeholder and multi-sectoral methodology, ideal for tackling these complex problems. It targets the cocoa value chain, which is seriously threatened by rapid landscape degradation. Touton is committed to the "Climate-resilient cocoa landscape in Madagascar 2024-27" project, which initial phase ran from June to December 2023. **The project aims to combat deforestation, restore degraded ecosystems and strengthen the resilience of cocoa farmers in the face of climate change.**

JEANNET RAKOTOMALALA,
Sustainability Manager,
TOUTON Madagascar



"In this region of Madagascar, the landscape approach can really make a difference, as it enables us to take action on two interdependent and inseparable fronts: on the one hand, by preserving the forests and the ecosystem services they provide to the land, and on the other, by improving the standard of living of Madagascan farmers and farming communities."





@FranzThiel

Sambirano landscape project

A COLLABORATIVE PROJECT FOR A RESILIENT LANDSCAPE AND PRODUCERS

The 'Climate-resilient cocoa landscape in Madagascar' is implemented by Helvetas in collaboration with the Comité de Gestion du Bassin Versant de Sambirano (COGEBVS), the Centre for Development and Environment (CDE) at the University of Berne, Myclimate. It is supported by key players in the cocoa industry such as Lindt & Sprüngli, the Lindt Cocoa Foundation, Migros-Genossenschafts-Bund, Walter Matter SA, Max Felchlin AG, PRONATEC AG, Villars Maître Chocolatier Groupe Savencia, Touton, and national authorities such as the Conseil National du Cacao (CNC) and Madagascar National Parks (MNP). The project is supported by the Swiss Platform for Sustainable Cocoa (SWISSCO), which is co-financed by the State Secretariat for Economic Affairs (SECO).

JOSEPH LARROSE,
Deputy Managing Director,
TOUTON

"As supply chain managers, our sustainability teams are already working hand-in-hand with producers and communities to build sustainable value chains. Our experience proves that landscape approaches are an effective way of creating healthy ecosystems for growing cocoa, coffee and exotic ingredients. When forests are threatened, the very heart of our business is at stake."



This project focuses on the challenges facing cocoa-producing communities along the Sambirano River: **land degradation, soil erosion and the impacts of climate change**. The watershed is home to around 10,000 cocoa-producing households, whose average farm size varies between 0.5 and 1.5 hectares, and for whom cocoa is a vital source of income in the region.

KEY PROJECT OBJECTIVES

The overall objective is to engage local stakeholders in the development of a sustainable landscape. The specific objectives are:

- **Conservation of ecosystem functions** through on- and off-farm intervention.
- **Reducing deforestation** and improving soil and water retention in priority areas.
- **Improving living conditions** through income diversification and land tenure security for cocoa farmers.
- **Creating incentives for sustainable management** to maintain sustainable cocoa plantations.

By mobilising stakeholders and adopting a coordinated, holistic approach, the project aims to secure a sustainable future for the Sambirano Valley and its communities.



Facilitating access to drinking water in cocoa-growing communities in Ghana

Despite global progress, 2 billion people still have no access to drinking water. In Ghana, this problem persists: 14% of the population has no access to a source of drinking water within a 30-minute walk (*World Bank). Cocoa growers and the communities involved in the industry are particularly hard hit.

As a member of the United Nations Global Compact, Touton is committed to supporting the Sustainable Development Goals (SDGs), in particular SDG 6: Clean Water and Sanitation. Our initiatives in the field aim to meet the basic needs of the cocoa-growing communities we work with, notably by improving access to drinking water through the construction of wells.

For example, until January 2023, the cocoa-growing community of Nso Nyame Ye «B» in the Bogoso district of Ghana had only one source of water: a small body of water located along the main, unpaved road leading to the community. This source, used for all domestic needs, was vulnerable to contamination by dirt, dust and dangerous chemical pollutants, such as the mercury used for gold panning in the illegal mines («galamsey») nearby.

The sustainability programme set up by Touton Ghana-Eliho has enabled the construction of a well in the center of the village, accessible to the 400 members of the community.

Touton Ghana continues to promote sustainable development projects to facilitate access to drinking water in cocoa-growing communities. **The subsidiary plans to build nine additional wells** in the Bogoso, Antoakrom and Agona Swedru regions once priority communities have been identified.



ERNEST DWAMENA,
Director TOUTON Ghana

"Access to clean and safe drinking water is crucial for Ghana's cocoa farming communities, particularly in areas where illegal mining has polluted many water bodies. By prioritising and protecting these vital water resources, communities can safeguard residents' health, support sustainable agricultural practices, and improve overall quality of life. Touton is committed to enhancing resilience and prosperity in these communities by collaborating with experts to install boreholes in carefully selected, low-risk areas, ensuring a reliable and uncontaminated water supply."





Indicator

22,390

Producers having attended one or more training courses on water and waste management*

**in Ghana, Côte d'Ivoire and Uganda*



Viewpoint

"Nso Nyame Ye "B", in the Bogoso district, is part of the supply chain of Eliho, Touton's direct cocoa purchasing company in Ghana. Our sustainability team took the initiative to supervise the construction and installation of a mechanical well providing the community with easily accessible clean drinking water.

Community members shared their impressions of the project. Joyce said: «Before this well was built, we had to fetch water from a spring located outside the village. The water was safe for years, it's the same source our parents and grandparents used, but due to recent illegal mining activities, the water has become unfit for consumption.

The distance we had to travel to fetch water had also become a problem. Our children had to go to the spring to wash in the morning, which sometimes made them late for school. Sometimes, we had to go several times a day to meet our domestic needs. But with the construction of this well, we now benefit from faster access to water.



Transform supply chains

DEVELOPING REGENERATIVE AGRICULTURE

The aim of regenerative agriculture in Touton's supply chains is to sustainably improve yields and increase farmers' resilience to climate change. This can be achieved by restoring soil health, biodiversity, water and air quality.

Increased resilience requires higher incomes for small-scale producers, through profitability and diversification of income sources. The sustainability of producer communities also requires the strengthening of social capital through farmers' organisations, savings and credit groups, or income-generating activities at individual or community level.



ACHILLE KOUAME,
Deputy Managing Director,
TOUTON Négoce Côte d'Ivoire

"Agroforestry systems play a key role in cocoa production in Côte d'Ivoire. Not only do they facilitate higher yields with minimal inputs, protect and enrich soils, and promote biodiversity, but they also strengthen the resilience of farming systems in the face of climatic challenges. Part of our sustainability activities focus on the implementation of these agroforestry systems, across all cocoa-growing regions, according to the specifics of the growers' plantations."



Agroforestry systems cocoa, coffee and spices

Touton has actively developed agroforestry systems in its various sectors, either on its own or with the support of its customers. Based on an assessment and a preliminary plan, **we support farmers with access to training, the distribution of shade tree seedlings, technical assistance and follow-up**. These trees not only provide shade for cocoa, coffee or ingredient plants to protect them from the sun, but also wood, fruit and fodder. In this way, they contribute to income diversification. In the cocoa sector, agroforestry models meet at least the criteria of the Cocoa and Forests Initiative (CFI).

Principles of our agroforestry models:

- **A minimum of 16 multi-purpose trees** are planted per hectare with up to 30-40% shade coverage, including at least 3 different species (other than the trees present on the cocoa plantation) and adapted to the needs of local farmers for better adoption.
- **Technical assistance provided** to ensure that trees are planted in accordance with the chosen and planned design.
- The trees planted must enable producers to meet three objectives, while respecting national recommendations: **productivity, economic resilience and environmental benefits**.

To benefit from the distribution of shade trees, farmers must take part in the "climate-smart agriculture" training module. These training courses enable us to work with our partner farmers to raise awareness of the importance of "climate smart" agriculture and encourage the adoption of these best practices.



Indicator



20,058

Individuals covered by agroforestry projects*

**in Ghana and Côte d'Ivoire*

Scientific collaboration

with CIRAD

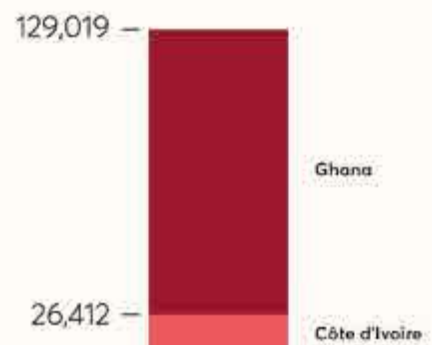
The design of agroforestry models in Côte d'Ivoire is based on empirical data (field observation) and scientific collaboration with CIRAD (Centre de coopération internationale en recherche agronomique pour le développement), several Ivorian universities and institutions, and NGOs, as part of the **Cocoa4Future** (C4F) project (funded by the European Union and the Agence française de développement [AFD]).

An in-depth study of the full range of ecosystem services provided by different cocoa-growing systems in Côte d'Ivoire (from full sun to complex agroforestry systems) has provided the scientific rationale for **co-designing, with growers and other stakeholders in the sector, models of innovative agroforestry systems** that can provide environmental, economic and social benefits, as well as prevent pests and diseases such as swollen shoot.



155 431

Number of multifunctional trees distributed by Touton (own investment) since 2018 in Ghana and Côte d'Ivoire

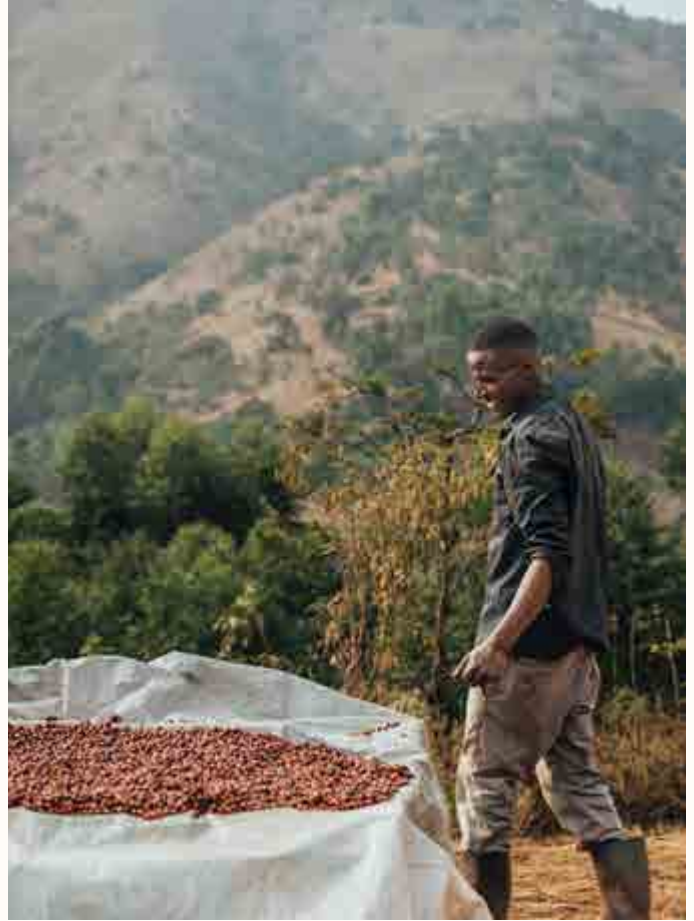


Enabling farmers to reap the benefits of adopting good agroforestry practices in Tanzania

Since 2022, we have been working with several players in the sector to support smallholder farmers in Tanzania in the transition to larger-scale agroforestry.

In addition to the benefits of agroforestry for soil health or the water cycle, the growth of shade trees enables atmospheric carbon to be sequestered, with a beneficial effect on the climate. The level of **annual sequestration in the biomass of these trees can be measured, and in some cases certified in the form of carbon credits** offered to companies wishing to offset their carbon footprint via Nature-based Solutions.

For example, a **multi-stakeholder programme has enabled coffee producers in our supply chain in Tanzania to access a new source of income for environmental services through the acquisition of carbon credits by an international roaster.**



MITIGATING THE ENVIRONMENTAL IMPACT OF ALL OUR OPERATIONS

An essential aspect of our operations is coordinating the transportation of our commodities from their point of production in tropical countries to storage warehouses, and then to the factory gates of our cocoa, coffee and ingredients customers mostly in the northern hemisphere.

Our first carbon assessment in 2021 revealed that 7% of our carbon footprint came from transport, mainly sea and land transport for coffee, cocoa and spices, and a much smaller proportion from air transport, which mainly concerns our vanilla shipments.



In this context, Touton is committed to making tangible changes to reduce its transport-related carbon emissions:

- 1. By offering customers low-carbon shipping options**, accompanied by certificates quantifying the carbon savings, achieved using LNG, methanol or biofuel-powered vessels.
- 2. By partnering with innovative companies to develop sailboat options** for various origin countries.

To this end, a letter of intent has been signed with WINDCOOP to ship our products from Madagascar to Europe via a sailing freighter as early as 2026.



RODERICK STRAUS,
Freight Director,
TOUTON

"Aware of the urgent need to reduce our carbon footprint, we are constantly exploring alternative options for every stage of our transport operations, working with logistics partners throughout the sector's supply chain: the shipping industry is progressively moving towards sustainability, with a growing number of shipping companies investing in solutions such as ships powered by methanol or liquefied natural gas (LNG), or wind propulsion.

The transition to alternative fuels is not without its challenges, not least the cost and infrastructure associated with adopting greener ships. In regions like Africa, where we buy most of our products and where our main shipping routes are located, the transition from conventional to greener vessels is likely to be a gradual process, given the need to build new vessels and the refitting of existing ones.





windcoop
compagnie maritime militante

Windcoop container sailboat
key figures:

A length of

88 m

A capacity of around

150 containers

and 20-foot dry and reefer

30-day

Transit Time

A carbon footprint

60%

smaller than market values

A new shipping model with Windcoop

Every year, Touton transports around 120 TEUs (Twenty Foot Equivalent Units) on the France-Madagascar route. With this in mind, we are committed to adopting a more sustainable shipping model.

By allocating up to 75% of these flows to the green line developed by Windcoop, we are actively supporting the development of greener transport solutions and raising awareness in the shipping industry of the benefits of these sustainable alternatives.

"Windcoop is a committed shipping company co-founded by Zéphyr et Borée, Energcoop and Arcadie. **Innovative and forward-thinking, the company is organised as a cooperative**, integrating all stakeholders as shareholders. Its approach based on shared governance brings together numerous shipowners, making the most of the resulting collective intelligence. Windcoop is proposing a new model for shipping companies, by creating a transport offer that is carbon-free, transparent and ethical. The company's aim is to **develop a fleet of low-carbon ships, powered mainly by wind energy, to meet the challenges of international transport**. Its very first container sailing ship will see the light of day in 2026 to provide a direct service between the port of Marseille and the ports of Tamatave, Diego Suarez and Majunga on the island of Madagascar."



France-Madagascar route

Guarantee product and service quality

CONTROLLING OUR SUPPLY CHAINS

For several years now, in addition to our investments in producer countries, we have been building systems and tools for controlling the supply chain.

The tools for digitising supply chain information are a concrete example of the Touton group's efforts to meet market expectations in terms of reporting and risk management, as well as compliance with new regulatory requirements. These digitisation tools, developed in-house or supplied by service providers, represent a major step forward.



TOUTON
— SPECIALTIES COFFEE —

Process improvement

Touton Coffee Specialties (TSP) is developing a system that will innovate and enhance processes within their organisation, leading them to the next level of digitisation and growth. In the past year the TSP team has been working on developing an agile CRM system to facilitate transactions, stock tracking and overall client experience. The new system to be rolled out in the coming months will not only **enhance the quality of our service to clients but also free up time for the quality, sourcing, sales and sustainability experts at TSP to focus on what they do best:** finding the best cups for roasters all over the world.

GUARANTEE THE RELIABILITY AND CONTINUOUS IMPROVEMENT OF PROCESSES AND DATA SYSTEMS

Touton's Information Systems Department is pursuing its ongoing drive to digitalise existing processes in order to improve the performance of our supply chain and meet the expectations of our customers. **This year, we have reorganised the Monitoring & Evaluation (M&E) teams by attaching them to the IT department. In this context, numerous internal tools and software have been developed to improve the monitoring of our processes and guarantee better traceability,** in line with current and future regulations, notably the EUDR. These initiatives reinforce our ability to manage human resources efficiently and maintain high standards of compliance and operational performance.

ENSURING COMPLIANCE AND FOOD SAFETY

As part of our ongoing commitment to improving our processes and services, **we have undertaken a management certification process for our head office and subsidiary companies**, in accordance with the principles of the Global Food Safety Initiative (GFSI): FSC22000 and IFS Broker.



IFS Broker at headquarters

This certification provides the guarantee for our customers and stakeholders that we have full control over our trading operations. It ensures the quality of our services and products by focusing on two major issues:

- **Commitment to business performance**, through the assurance of resources, control of processes, particularly purchasing, and continuous improvement through the monitoring of non-conformities and the implementation of corrective actions.
- **Commitment to product and service safety** through regulatory monitoring, systemic risk analysis and crisis management procedures.



FSSC 22000 at headquarters and in subsidiaries

Shares a common base with IFS Broker for the management of processes and activities **to guarantee the quality and safety of our products** - particularly of our vanilla. It advocates for **continuous improvement and performance** with a view to satisfying customers and stakeholders and includes the integration of good hygiene and food handling practices.

- FSSC 22000 implemented at Cocoa Touton Processing Company
- HACCP & FSSC 22000 implemented at Touton Uganda
- ISO 9001 - implemented at Touton Négoce Côte d'Ivoire





CAMILLE BOLA,
Quality Coordinator
TOUTON

"We are reaffirming our commitment to a global responsible sourcing strategy through our numerous certifications including our recent initiative to certify our subsidiary in Uganda.

The quality of our products depends on rigorous and reliable management systems right from the start our supply chain.

The involvement of our subsidiaries in quality and food safety issues must serve as an exemplary model for the entire industry as they represent our commitment to impeccable global quality. We count on them to maintain and reflect this high level of requirement to ensure our customers' satisfaction.





At the heart of our entrepreneurial DNA lies a profound conviction: to cultivate and value talent, while guaranteeing safe working environments conducive to professional fulfillment. We maintain our commitment through innovative and collaborative initiatives, to promote the progression of skills and careers, to ensure the safety and well-being of our teams, and to accelerate the development of the producers' communities we partner with.

From innovative training programmes to the promotion of equal opportunities, and our ongoing efforts to ensure sustainability and respect for human rights, Touton is committed to a better future for all.

3.

CULTURE OF TRUST

Introduction	68
KPI/Indicators	70
Engage and grow our talents	72
Providing a safe and healthy working environment	72
Enhancing our tools and improving working conditions	73
Promoting and nurturing talents	75
Guarantee respect, diversity and inclusion	78
Empower producers and communities	80
Championing respect for fundamental human rights	80
Advancing safe and decent working conditions	81
Driving community empowerment	82
Improving living conditions	84
Enable partnerships and collaborative approaches	85
Joining and committing to global and sectoral initiatives	85
Sharing best practices and knowledge transfer	85



KPI/indicators

KPI (Key Performance Indicator):

Measures an action (or its impact) over time and is used for decision making and evaluating actions. It can be audited by a third party.

INDICATOR or Calculation and measurement index:

Monitors and measures an action (or its impact). It remains indicative but can evolve into a KPI if relevant over time.

Touton group employees

Excluding subsidiaries Touton Nigeria and ELIHO

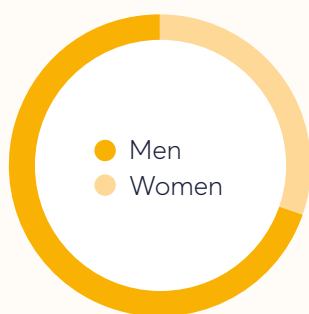


KPI

M.73%
W.27%



Overall gender distribution Europe, Asia, Africa, US



Indicator

5.66 years

Average length of service

Indicator

37 years

Average age

Indicator

0

Serious/fatal workplace accidents (France)

Indicator

4

Commuting accidents (France)

KPI

2.60%

Absenteeism rate

KPI

16.71%

Staff turnover

Indicator

11

departure after less than 2 years of service

Supply chain

KPI



158,167

producers covered by a socio-economic survey (cocoa, coffee)*

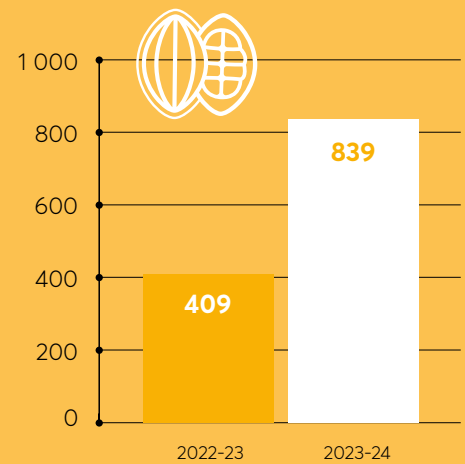
**2023-24, for cocoa & coffee, world*

Indicator



839

Number of agripreneurs trained in Cote d'Ivoire



Indicateur



111,893

Number of producers assessed as part of the child labour risk assessment*

**in Ghana and Côte d'Ivoire*



Indicator



7,503

Members of VSLA**, cumulative*

**before the end of the financial year, which information has been digitised in Ghana and Côte d'Ivoire*

***VSLA = Village Savings and Loan Associations.*

KPI



95,821

Producers trained in good agricultural, social and environmental practices (cocoa, coffee)*

**in Ghana, Côte d'Ivoire and Uganda*



Indicator

303

Number of VSLA** created, cumulative*

**before the end of the financial year, which information has been digitised in Ghana and Côte d'Ivoire*

***VSLA = Village Savings and Loan Associations.*

Engage and grow our talents

Attracting, developing and retaining the best talent is a major challenge for Touton, whose area of expertise sometimes makes recruitment a complex process. We are committed to creating a safe and inspiring working environment, encouraging individual fulfillment and active contribution to our collective success. This year, we have taken significant steps to optimise our human resources processes, notably with the deployment of a digital payroll solution for our African subsidiaries. At the same time, we strengthened our workplace safety measures and our commitment to equal opportunities. These efforts testify to our ongoing commitment to our employees and our vision of an inclusive, high-performance company.

PROVIDING A SAFE AND HEALTHY WORKING ENVIRONMENT

Recording, measuring and analysing Human Resources (HR) data in an efficient and relevant way remains a key objective and progress area for our group. Following the deployment of the Lucca HR solution **this year, we took a significant step forward with the launch of an ambitious project to deploy Payspace, a software**, to optimise payroll payments across all our subsidiaries in Africa. This project, which represents a substantial investment, aims to harmonise and optimise payroll management across all our local entities. By unifying our payroll systems, **we are improving the consistency, transparency and efficiency of our HR processes**, while enhancing our ability to analyse and interpret payroll data more accurately.



PRISCILLA AKONOR,
HR and Administration Manager,
Cocoa Touton Processing Company (CTPC),
Ghana

"Digitalisation is the new normal. In our factory setting with its hustle and bustle, various operational tasks are begging for your attention. HR tools such as Lucca and Payspace have really enhanced our output in terms of timeliness and speed, easy access to data for decision making, or reporting functionalities. More so, we have said goodbye to work confined to the four walls of the factory. Now, all you need is an internet connection to launch a request, approve a request, make an entry, etc. no matter your location or time of the day."



Digitalisation

payspace
by **deel.**

As part of our commitment to **optimising payroll management for our international employees**, we have identified significant opportunities to improve efficiency in our African subsidiaries. This essential task can now be carried out more smoothly and with less time spent by local finance and HR teams, enabling them to concentrate on higher value-added activities.

To remedy this, we decided to **replace obsolete software solutions and complex Excel files with a modern, efficient solution**. After an investigation phase, we selected Payspace, a SaaS solution, which perfectly met our needs.

The solution is compliant with local regulations, 100% web-based, automatically updated by the service provider, and requires no special installation. It also **enables maximum automation of low value-added tasks and offers advanced control and reporting features** accessible from anywhere in the world. The project, contracted in December 2023, progressed rapidly, with **deployment effective from January 2024 in three countries (Ghana, Tanzania, Côte d'Ivoire)** and four subsidiaries in just three months. The gains in terms of efficiency and security of payroll processes were immediate, with very positive feedback from teams, confirming the relevance of our choice.

ENHANCING OUR TOOLS AND IMPROVING WORKING CONDITIONS

Safety at head office

Although 95% of head office activities are service-related and present a low risk of accident, we remain vigilant regarding the risks identified in our annual Risk Assessment Document, produced and validated by *Bureau Veritas*. We place particular emphasis on three major aspects:

- This year, we **renegotiated our travel insurance contract to strengthen our guarantees** now including coverage for the "ransom" risk. This ensures better coverage for treatment and repatriation.
- For the **safety of expatriates, we have stepped up our efforts to raise awareness of road risks and have taken additional measures in the event of increased local risk**, notably in Uganda, by deploying dedicated security personnel.
- The performance indicators show **positive results, with no workplace accidents recorded during the year**. There were only a few commuting accidents, mainly bicycle falls on the way to head office.

We have recorded an increase in the absenteeism rate, mainly from head office with three cases of long-term illness and several parental leaves. These situations, although isolated and sometimes unfortunate, are not directly linked to our business and are not considered to be cause for concern.



ACTION PLAN

Training plays a crucial role in our risk prevention approach. **We take great care to ensure that our first aid-trained workforce keeps pace with our growing workforce.** A new training session is planned to match the new repartition of staff in the head office after the refurbishment of our premises. In addition, we are renewing our training courses for using forklift trucks and handling machines, covering 50% of our user workforce this year.

Beyond these positive indicators, we are pursuing our efforts with major actions for the coming year:

- **Creation and updating of a "Traveler's Booklet"**, bringing together all practices, precautions and instructions relating to business travel.
- **Infrastructure modernisation:** building works at head office will improve personal safety by optimising traffic flow and modernising workspaces, while considering the risks associated with musculoskeletal disorders.
- **The installation of new water fountains** to reduce our usage of plastic water bottles is also a move towards improving the quality of a more sustainable workplace.



FABIEN LAMEYRE,
Human Resources Director,
TOUTON

"By 2024, we have committed to no longer using plastic water bottles. We consume 29,000 liters of water a year. Thanks to the installation of two new fountains and the distribution of 150 water bottles to our employees, we will no longer be buying plastic bottles."



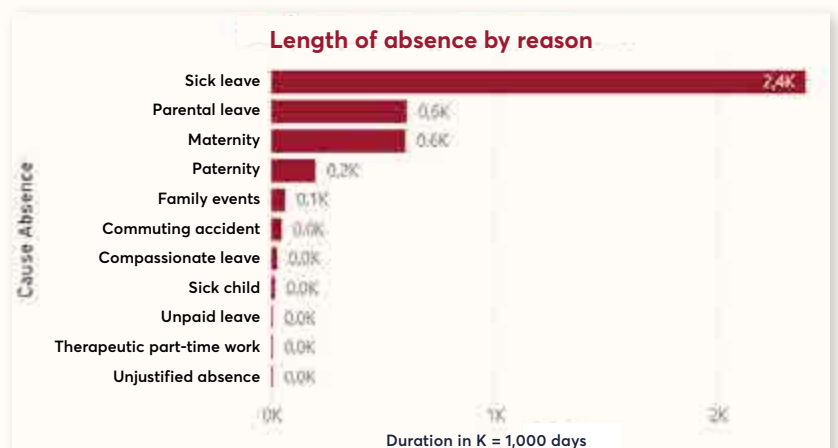
THE EXPECTED IMPACT OF NEW EMPLOYEE REPRESENTATION

The renewal of our Social and Economic Committee (CSE) in Bordeaux's headquarters was a success. Almost all mandates were filled meaning that we now count with dedicated health and safety representatives. **Two pairs of representatives have been appointed: one for health and safety in general, the other for harassment issues.** They will ensure relevant monitoring of these concerns and contribute to guarantee a safe and healthy working environment for all our employees.

TOUTON GROUP INDICATORS

For the Touton group as a whole (excluding our subsidiaries Eliho and Touton Nigeria, which are not yet included in the scope of our HR measurement tool), the below indicators remain overall very positive, with no work-related accidents recorded this year.

Staff turnover rose significantly on the previous year, mainly due to the adjustment of our workforce at the CTPC factory to address cocoa supply issues faced by the sector. **Despite the reduction of our workforce, most of the employees concerned were reassigned to a subcontractor, under a tripartite agreement, thereby maintaining their employment contracts.** The measure of turnover takes into account not only departures, but also new hires, and we maintained active recruitment throughout the year.



PROMOTING AND NURTURING TALENT

Touton carries a deep-rooted culture of developing up-and-coming talents. The group is proud to highlight progress and show how it materialises through tangible stories and data.

France's talent development mechanisms

At Touton, several mechanisms are in place to develop talent:

- **Internal and external training:** New employees benefit from intensive training, especially those in support or logistics functions, who often come from other sectors.
- **Internal mobility:** We have created bridges between the different professions and departments at head office. Information systems and management tools are standardised to enable employees to progress no matter their mastery of certain business aspects.
- **Career development programmes:** Teams across all our entities are kept informed of job opportunities via our careers page, social networks and our *Welcome to the Jungle* recruitment site dedicated page. One of our young employees was recruited on a professionalisation contract at head office first and was then offered to go to New York on a "International Volunteers in Business" (VIE) placement. Several employees hold management positions after having successfully performed in various starters positions across our different offices.
- **Use of recruitment agencies:** To make up for shortages of certain profiles, particularly financial ones, we occasionally call on recruitment agencies and have created a *Welcome to the Jungle* page to attract more talent.



ANAÏS MESIONA,
Logistics Coordinator / Trading Assistant,
TOUTON USA

"After completing my master's degree with Touton in Bordeaux, I had the exceptional opportunity to expand my skills in coffee trading with Touton USA in New York on a VIE basis! It's so stimulating to discover a new facet of import and logistics on the other side of the Atlantic in a small, dynamic team where there's still a lot to develop!"



KPI

16.71%

Staff turnover

Indicator

11

departure after less than 2 years of service

Indicator

5.66 years

Average length of service



YOANN MARTINEZ,
Deputy Country Manager,
TOUTON Uganda

"Just after graduating in business, I was able to go on a VIE placement with Touton Ghana. The direct immersion in the reality of cocoa supply chains so early in my career was formative and decisive, both professionally and personally. It has given me a solid foundation to continue the adventure today as Deputy Country Manager, still with Touton, but this time in Uganda, and in the world of coffee and ingredients!"



Sport as development and integration tool

As part of our efforts to promote sport and physical activity, we have renewed our partnership with the Fédération Ivoirienne de Rugby (FIR) to help build the capacity of rugby schools in Côte d'Ivoire.

Developing proper sports centers is a priority for the FIR to combat school drop-out and promote gender equality. The Ivorian rugby federation has also been able to set up a new school championship in all regions of the country. As a sponsor for this project, the Touton group is not only contributing to its success, it also bridges these sporting activities with its core business, by engaging the farming communities that Touton works with.

In addition to its commitments in Côte d'Ivoire, the group has integrated into its head office's renovation plans, **the complete refurbishment of the sports hall and changing rooms, that will be completed by the end of 2025.**



GUARANTEE RESPECT, DIVERSITY AND INCLUSION



De facto multiculturalism

Most of our teams are spread over four continents, with a major presence in Africa, creating a de facto multicultural environment within our company.

We welcome applicants from all over the world - particularly for high-tech projects such as the development of a trading robot - illustrating our openness and ability to integrate diverse talents.

Touton's international and multicultural activities naturally lead the group to welcome employees from different parts of the world, and to provide them with equal opportunities and treatment.

Key figures for equal opportunities

of the 133 employees at head office:

23

are not French nationals, representing

16

different nationalities.

Moreover,

13

of our employees have French residency and work permits.

We also encourage mobility and growth opportunities for our employees within the group, across subsidiary offices and head office, thus promoting the diversity of our talent.

Gender equality in line with expected standards

Every year, companies with more than 50 employees must calculate and publish the Gender Equality Index, comprising 4 indicators:

- The gender pay gap
- The individual increase distribution gap
- The number of employees returning from maternity leave with a raise
- Parity among the 10 highest earners



At Touton's head office in Bordeaux, we achieved a score of

87 out of 100

for the year 2023, a good result in the international commodities trading sector, demonstrating our commitment to gender equality, one of the pillars of our human resources policy.



A stronger link between nation and army

With our active participation since 2023 in the "ProMilés" project aimed at fostering and encouraging direct links between our company and military units at a local or regional level, we contribute to the development of national cohesion.

By committing to this project, Touton:

- **Recognises the value of the commitment** of the men and women of the armed forces, who perform an essential role in the country,
- **Acknowledges the special implications** for employees and the company, to serve the country.

Empower producers and communities

CHAMPIONING RESPECT FOR FUNDAMENTAL HUMAN RIGHTS

At Touton, we are firmly committed to respecting and championing fundamental human rights in all our operations and activities.

We are gearing up to meet the heightened human rights due diligence requirements set out in the forthcoming European Union's Deforestation Regulation (EUDR) as well as in the Corporate Social Due Diligence Directive (CS3D).

Our enhanced due diligence is a thorough risk assessment process for the procurement of agricultural commodities. It is designed to ensure that products imported into the European Union do not contribute to serious human rights abuses. By assessing potential risks and taking steps to mitigate them, **Touton ensures that its sustainability initiatives truly contribute to the well-being of local populations**, in line with international human rights standards.

KPI

158,167

producers covered by a cumulative socio-economic survey (cocoa, coffee)*

**during 2023-24, in the world*



Indicateur

111,893

Number of producers assessed as part of the child labour risk assessment*

**in Ghana and Côte d'Ivoire*



Safety at a CTPC cocoa processing plant

In Ghana, our Cocoa Touton Processing Company (CTPC) employs 125 people in a highly controlled environment, to ensure both food and personal safety.

Through various initiatives, **the company strives to ensure a safe working environment and to raise awareness of the importance of physical and mental health.** Activities include health debates to sensitise colleagues about wellness issues, mandatory annual medical examinations for all food handlers as well as breast cancer awareness programmes which are part of the company's annual health and wellness calendar. Other actions include blood donation campaigns in partnership with the local hospital.

These efforts demonstrate Touton CTPC's commitment to employee well-being and to creating a safe and healthy working environment.



ADVANCING SAFE AND DECENT WORKING CONDITIONS

We ensure safety in order preparation and handling: **we regularly renew safety equipment** such as safety shoes, gloves and cutters for our vanilla and spice operations. We also offer **training in the safe use of pesticides and other agricultural products.** This approach aims to protect the health and well-being of farmers while optimising crop yields in a sustainable manner.

DRIVING COMMUNITY EMPOWERMENT

To help empower cocoa-growing communities, we support the implementation of a range of activities, all adapted and relevant to local needs and the reality of each supply chain.

For example, we support the establishment of **Farmer Protection Committees (FPCs) and Cocoa Cooperative Protection Committees (CCPCs)**, which enable farmers to make collective decisions and defend their common interests. We encourage the emergence of groups of agripreneurs within these communities, providing them with the skills, resources and support they need to build and develop successful sustainable farming businesses.

By implementing these initiatives, we strive to **create an environment conducive to the socio-economic development of cocoa, coffee and ingredients producing communities** while reinforcing our commitment to sustainability and social responsibility.

The landscape approach programmes in which we participate (refer to part 2, Committing to climate transition) are also based on the creation of local organisation which ensure that communities are the ones driving action on the ground.



Viewpoint

CHARLES KOUASSI,
Young "graduate" agripreneur, 27 years old

"I joined the agripreneur programme to help my community of farmers improve their yields. I was curious to see the benefits of this approach. I lead a brigade of 5 cocoatechs and I like working as a team, it makes the work easier and allows us to respond to all requests (...) Our services as agripreneurs allow us to take care of ourselves, while at the same time helping our farming parents. I have built up enough savings to reinvest in a fish shop. I have also gained further respect and credibility in my community and from my business clients."



Indicator

303

Number of VSLA** created, cumulative*

**before the end of the financial year, which information has been digitised in Ghana and Côte d'Ivoire
**VSLA = Village Savings and Loan Associations.*



Indicator

7 503

Members of VSLA**, cumulative*

**before the end of the financial year, which information has been digitised in Ghana and Côte d'Ivoire
**VSLA = Village Savings and Loan Associations.*



Agripreneurs programme

With financial support from Mars, Touton has launched the Cocoa Agripreneurs programme.

Working in partnership with local cocoa cooperatives, Touton's sustainability team recruits and trains young volunteers to form a brigade of independent agripreneurs who provide agricultural services to cocoa farmers, such as pruning, weeding, and distributing shade trees.

As well as creating paid employment for youth and reducing the rural exodus, this programme is supporting crop yields, improving producers' incomes and discouraging the expansion of plantations in forest areas, while reducing the use of child labour.

This agripreneur programme has been a success, not only the professionalisation of agricultural services, which improves the living conditions of producers by increasing the yields of cocoa plots, but also by offering younger generations in rural areas a new future by diversifying their income, whether as cocoa producers or not, and reinvesting their profits in different activities such as livestock farming or trading.

Viewpoint

DANIEL YOBOUE,
Jeune "graduate" agripreneur,
30 years old



" During the training, we learned many things, including the importance of pruning cocoa trees: best to be done during the rainy season and according to their age and the plot. We were also provided with saws and secateurs to get started. Today, I manage a brigade of 10 agripreneurs who have been servicing more than 1000 cocoa producers over the past 3 years!

The growers are happy and ask for our services year after year, especially for pruning, weeding, phytosanitary treatments, and farming advice. Thanks to this new income source, I see a lot of improvement in my living conditions. I have built two houses, set up a pig farm and reinvested in my cocoa plantation. But above all, with this new role, I gained more respect in my village, and beyond. I believe the programme can develop and grow further. For example we could learn how to better manage the profits we generate, especially to acquire more working equipment.



Indicator



839

Number of agripreneurs trained in Côte d'Ivoire

IMPROVING LIVING CONDITIONS

As part of our sustainability programmes, we support the implementation of numerous community involvement solutions to act on the three pillars of improving economic, social and environmental living conditions.

Within cocoa supply chains in Ghana, we support **Community Forest Protection Committees (CFPCs)**, which work closely with **Community Child Protection Committees (CCPCs)**. These initiatives enable communities to carry out awareness-raising, prevention and remedial actions adapted to their local realities.

We continue to support access to financing and banking services, notably through the creation of **Village Savings and Credit Associations**. These associations strengthen the role of women in communities and encourage collective reflection on the activities to be financed and developed to improve individual and collective living conditions.

In Ghana's rural communities, young girls find it difficult to access suitable menstrual hygiene products, leading to increased school absenteeism and health risks. Tooton Ghana's sustainability team decided to run a pilot programme in the locality of Asarekwaa to address this issue. After identifying widespread use of inadequate and polluting menstrual protection, **the project, run in partnership with the NGOs Days for Girls and GAIA, distributed sustainable solutions such as menstrual kits and menstrual cups.**



Viewpoint

DORIS,
14, student at Agona East District, Ghana

"I did not receive any education about menstruation, so when it happened, I felt scared, embarrassed, and I had to tear part of my skirt to use for protection on my way back home. I then had to use my pocket money to buy toilet roll. As this was not a very efficient protection, I was compelled to stay at home during my menstruation to avoid embarrassment. The menstrual health education has helped me a lot, I can now better and safely manage my period every month and understand the pollution caused by disposable pads. The more sustainable alternatives we have been given also allow savings for me and my family. I can now spend my pocket money to buy more food and fruits which is good to replenish my energy levels."



Over 100 girls and young women have received locally made, sustainable kits, **reducing their cost and carbon footprint, with the positive impact of improving school attendance** and girls' involvement in extra-curricular activities. The programme also reduces the stigma attached to menstruation. Furthermore, young people receive a women's health training course which is complemented by an introduction to agroforestry.

This enables them to **link solutions to improve community well-being, from planting trees to improving nutrition and menstrual health.**

Enable partnerships and collaborative approaches

Key figures Knowledge transfer

Since 2022, Touton head office has welcomed

12

young people via academic schemes

4

internships or work-study programmes are still in progress

6 internships,

75%

resulted in new hires:

- 1 long-term fixed-term contract,
- 4 open-ended contracts,
- 1 VIE (Volontariat International en Entreprise) in the USA

We are proud of these results, which testify to our commitment to passing on the company's know-how and values, as well as our ability to renew generations of employees. We will continue this path, keeping a close eye on the development of our current students and planning to take on new ones in the coming year.

JOINING AND COMMITTING TO GLOBAL AND SECTORAL INITIATIVES

More than ever, our contribution and commitment to collaborative and collective initiatives are needed. **Regulatory issues and the challenges of transforming our business models require us to set up common frameworks with actors in our sector, for sharing information, acting collectively and being accountable.**

We strengthened our involvement in the United Nations Global Compact (UNGC) France movement with a visit to Côte d'Ivoire by the UNGC teams. They were able to meet with our teams to get more specific feedback about the challenges and management of human rights in the local supply chains.

Our long-standing involvement with the major industry organisations in our sectors (ECA, WCF, IFCD, SVI, ECF, ICCO consultative board) was reinforced this year, with intense collective work on EUDR issues. Our position as a board member of the World Cocoa Foundation and the European Cocoa Association enables us to contribute at the heart of strategic discussions within the sector.

SHARING BEST PRACTICES AND KNOWLEDGE TRANSFER

In the field of commodities trading, particularly tropical commodities, a variety of academic paths are relevant for training future employees. Institutions such as Université Paris Dauphine, Kedge Business School and IAE Bordeaux, with their Master's degrees in Banking, Finance and International Trading, provide a solid foundation of knowledge.

Touton provides financial support for these training courses through its annual contribution to the French apprenticeship tax. **Several Touton managers also regularly intervene in these university courses** with dedicated masterclasses, notably on finance, trading and CSR subjects.

The group offers opportunities to students by hosting interns or work-study students at its head office, in collaboration with these schools and universities. Students can put their academic knowledge into practice alongside experienced tutors, encouraging the transmission of know-how. **Many of these internships subsequently lead to employment contracts,** confirming the relevance of the initial training and the success of the integration and skills development process.





Firmly anchored in the group's sustainability strategy, the concept of positive growth aims to promote holistic, balanced economic development that respects the environment and benefits all actors in the value chain.

For the Touton group, this commitment means supporting the development of all stakeholders by facilitating access to financial services, as well as promoting the circular economy and numerous solidarity initiatives.

Investment in innovation is an essential pillar of this policy, as it stimulates entrepreneurship and encourages the search for creative solutions. It also enables the creation of innovative services and business models.

Finally, our efforts to ensure transparency and responsible practices in our business and supply chain continue, both through the work of our teams in the field and by strengthening our management and audit systems.

4.

ENCOURAGE POSITIVE GROWTH

Introduction	86
KPI/Indicators	88
Contribute to economic development	89
Providing access to financial services	89
Promoting the circular economy	92
Investing in local infrastructure and jobs	96
Foster innovation	100
Promoting entrepreneurship and creative solutions	100
Deploying innovative services and business models	102
Ensure the integrity of our practices	103
Upholding ethical and responsible business practices	103
Implementing risk prevention and control	106
Ensuring transparency in our operations	109



KPI/indicators

KPI (Key Performance Indicator):
Measures an action (or its impact) over time and is used for decision making and evaluating actions. It can be audited by a third party.

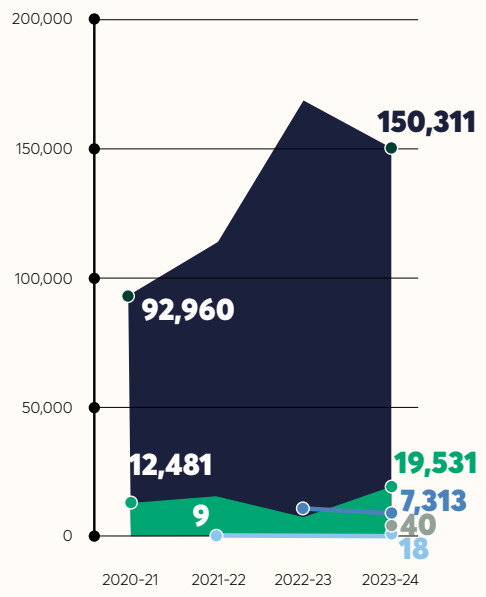
INDICATOR or Calculation and measurement index:
Monitors and measures an action (or its impact). It remains indicative but can evolve into a KPI if relevant over time.



KPI
Increase in tonnage of sustainable products sold (certified or part of a sustainability programme)*

- Cocoa beans
- Cocoa products
- Coffee
- Vanilla
- Spices

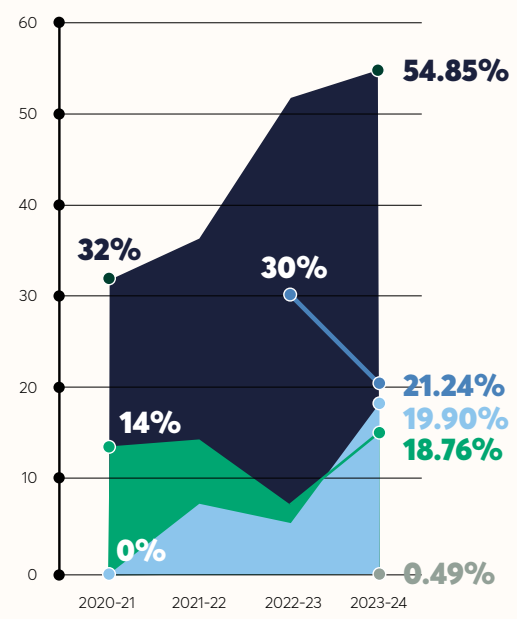
**cocoa beans, cocoa products, coffee, vanilla, spices*



KPI
Proportion of tonnage of sustainable products sold (certified or part of a sustainability programme) of total quantity sold*

- Cocoa beans
- Cocoa products
- Coffee
- Vanilla
- Spices

**cocoa beans, cocoa products, coffee, vanilla, spices*



KPI

91%

Proportion of suppliers having signed the supplier code of conduct*

**in term of tonnage applied over financial year 2023-24*

KPI

89%

Proportion of suppliers included in the third-party monitoring tool*

**n term of tonnage applied over financial year 2023-24*

Indicator

38,787

Number of female producers

Year	Number of Female Producers
2022-23	32,609
2023-24	38,787

Contribute to economic development



FLORENCE STRAINOVIC,
Chief Financial Officer,
TOUTON

PROVIDING ACCESS TO FINANCIAL SERVICES

The financial stakes

This year's financial challenges in the cocoa market were marked by significant price rises in a short space of time. **To support its operations, the group quickly obtained additional lines of financing and explored new forms of financing for the crop season.** Touton benefits from a long-standing relationship of mutual trust with a group of long-established banks. Such relationships facilitated the development of temporary - or definitive - increases across its banking facilities, particularly for the financing of margin calls.

"On the treasury side, we decided to adopt a proactive approach by strengthening collaboration with the sales department to manage volatility and liquidity constraints. We introduced more frequent reporting with our banks (weekly) while seeking out new financial partners. This teamwork enabled us to secure ongoing support throughout the cocoa campaign, particularly for the financing of our margin calls.

Together with the efficiency of our teams in the field, the close relationship with our banks supported our capacity to secure our supplies, right up to the delivery to our customers, by swiftly offering appropriate solutions for financing.

One of the particularities of our group is based on what we call the «intuitu personae» (or "in person contract") relationship, where the banks can engage and talk directly to shareholders, as well as to their operational counterparts. In a turbulent market, the resulting confidence becomes a real asset.



@Mikhail Nilou - pexels.com

Financial inclusion and empowerment with VSLAs and beyond

The recent European Union's regulations translate into increased **requirements for community consultation through participatory processes** which are already integrated into landscape approaches.

For many years, Touton has been supporting the financial independence of cocoa and coffee-growing communities, by promoting access to financial resources and loans through the creation of Village Savings and Credit Associations (VSLAs).

By joining these VSLAs, farmers can save money during the peak cocoa or coffee production period, and then access loans at affordable rates during the slower production period. This newly acquired credit capacity encourages producers and/or communities to set up alternative activities, such as trading or market gardening, to generate additional income and improve their livelihoods.



Our sustainable development teams continue to innovate in the field with a range of solutions tailored to the issues faced by each community:

- **The Child Ambassadors programme** aims to involve young people in community change by raising their awareness of issues such as climate change and child labour. Through concrete actions such as planting fruit trees at school, children become agents of change, naturally raising awareness among adults. The programme has been very successful and will be extended.
- **Villages Savings & Loans Associations (VSLAs) are often accompanied by the creation of new local businesses, both collective and individual.** Soap-making, palm oil processing, snail rearing, chicken or catfish farming, or renting tents for local ceremonies are all examples of entrepreneurial ambitions being realised in cocoa and coffee-growing communities, as a complement to agricultural commodities production.
- **The majority of VSLAs members are women.** They are deeply involved in the management of the associations such as key holders or treasurers. VSLAs and other innovative programmes help to strengthen gender equity and provide opportunities for young girls. For example, one of our pilot programmes in Ghana tackles menstrual health issues by providing reusable menstrual kits, helping to reduce waste while encouraging girls to attend school.



Viewpoint

HANNAH DANSO,
Cocoa producer and VSLA member,
Ghana

Hannah DANSO lives in the Twifo Praso District of Ghana in a cocoa-producing community. Married and a mother of 7 children, Hannah explains why she joined a Village Savings and Loans Association (VSLA) and how it has benefited her and other producers. Thanks to the savings collected, they were able to join forces and compensate for the loss of income due to the drop in cocoa production this past crop season:

"Because of climate change, prolonged rains were causing the cocoa to rot and extreme heat from the sun was making cocoa too dry. My household income was affected by poor yields. The quantities I used to harvest were drastically reduced

This is why, I joined the VSLA and at the end of the cocoa season, we collectively decided to use our VSLA savings to purchase a two-room canopy tent to rent out in our community and generate more income for our group.

We saw this opportunity because people in our community used to travel all the way to a nearby village, Twifo Praso, to rent canopies for hosting their events. This took time and was costly, so we decided to meet that need with our tent rental business.

The VSLA has done a lot for us. Now, we can save. We used to depend on other intermediaries to borrow money. Now, thanks to the VSLA, we have our own savings, and we can access loans. We can cater to our children's education, pay medical bills, and invest in petty trading.

As part of the VSLA programme, we also received okra, pepper and cabbage seeds to cultivate and support us further.



PROMOTING THE CIRCULAR ECONOMY

Composting cocoa pods: a winning solution for the environment and economic resilience

As part of our climate transition and sustainable sourcing strategy, **we recently launched a project in partnership with LONO - an Ivorian engineering company** specialising in the recovery of agricultural waste and by-products- and the SOCAET2 cooperative, which counts with 2,000 producer members in the Nawa region of Côte d'Ivoire.

The goal of this pilot project, which runs from 2023-24, is to reduce greenhouse gas (GHG) emissions linked to cocoa production, while contributing to the economic and climate resilience of local communities.

The project looks at transforming cocoa pods into organic fertiliser to reduce the greenhouse gas emissions associated with their production. It also aims to contribute to the economic and climatic resilience of local communities, notably by targeting the methane generated by the fermentation of cocoa pod heaps, usually left to degrade on the plots.

A 100 m2 composting unit is currently under construction on the cooperative's site. It is designed to produce between 4 and 6 tonnes of compost per month. This facility will be dedicated to the fermentation of pods using an aerobic process, by ensuring a continuous supply of oxygen. This process will considerably reduce methane emissions compared with those produced by the anaerobic process currently used on plantations.

At the same time, SOCAET2 teams are being trained to supervise compost production. They will receive daily support to ensure the quality of the compost and will participate in the establishment of five demonstration plots to train cocoa farmers. **The use of this compost by farmers to fertilise their cocoa plantations will be a key factor in the project's success.** This approach will not only enable farmers to cut costs by reducing their dependence on imported mineral fertilisers, but also to improve soil composition and cocoa yields by using locally produced compost.

Viewpoint

M. YACOUBA OUEDRAOGO

Mr. Yacouba OUEDRAOGO is a cocoa farmer with a decade of experience. A member of SOCAET2 cooperative, he has benefited from the long-standing collaboration between Touton and the cooperative.

He has recently undergone training in good agricultural, social and environmental practices, and will be one of the first to try out the compost generated by the new platform. He explains why and how he has already adopted more environmentally friendly practices, as well as his expectations of the new project:

"Climate change is having a negative impact on cocoa growing. It's difficult for us to follow the seasons accurately and establish a proper cultivation schedule. In response, I started composting and gave up using chemicals. Today, I use manual cleaning and pruning methods to reduce the incidence of insect pests. Organic fertilisers are cheaper than chemical ones and they are non-toxic.

As a result, compost will improve living conditions in our community because it will be cheaper, natural and accessible to all. The composting project is warmly welcomed in our cooperative.





LEA JENIN,
Environment and Climate
Manager, TOUTON

"Biomass composting is part of Touton's climate strategy. We will study the impact of composting on greenhouse gas (GHG) emissions while monitoring soil carbon content. In this way, the project will generate knowledge for action, covering technical and economic aspects as well as environmental impacts.

We look forward to the first results and recommendations arising from these analyses. Combined with the rate of adoption of compost by growers, we will be able to assess the viability of expanding this project on a larger scale.

Once the model has been validated, the Touton group will be ready to rapidly set up other collective composting units, in collaboration with its partner cooperatives in Côte d'Ivoire and beyond.





@BicyCompost

A second life for IT equipment

Touton's Information Systems Department is firmly committed to digital eco-responsibility. Favoring the reuse of existing hardware rather than systematically opting for the purchase of new equipment, Touton thus extends the lifespan of its IT resources.

When replacement becomes inevitable, Touton works with Paprec, a French company specialising in the collection and recycling of industrial and domestic waste. **In 2024, for example, 500 kg of equipment were recycled thanks to this partnership.**



A partnership with Bicycompost for organic waste

Over 130 employees work at our head office, the majority of whom use our services and catering facilities. This is a modest number, but we wanted to make an immediate impact on the management of the waste generated by these daily meals.

Touton's head office decided to set up a partnership with BicyCompost to collect organic waste:

- BicyCompost provides **composters** for us to pour our biowaste into.
- Every week, the service provider collects them using **100% electric vehicles**.
- Waste is recycled in the form of **high-quality compost**.
- This compost is then **distributed to local market gardeners** to promote local agriculture.

In February and March 2024 alone, 89 kilos of biowaste were recycled, saving 40.8 kilos of CO2.

Recycling office waste with Elise



Accommodating 130 people in a workspace generates a lot of waste: cardboard, plastic, paper, etc. **We chose to call on ELISE to equip our head office with sorting bins for each type of waste.**

Founded in Lille in 1997, ELISE, *Entreprise Locale d'Initiative au Service de l'Environnement*, recycles office paper and creates jobs for people who find it difficult to enter the jobs market, in particular disabled people. Today, ELISE is the French expert in the collection and recycling of office waste, with 47 sites and 16 types of waste recovered, including paper, cardboard, plastics, glass, cans, batteries, wood and office furniture, as well as compostable waste.

WHAT COMMITMENTS?

ELISE is committed to protecting the environment by reducing atmospheric pollution and preserving natural resources through recycling, thus avoiding incineration. It is also a **social initiative, employing mainly people with disabilities or integration difficulties**. ELISE works with various organisations for recruitment and offers a comprehensive training programme for its employees.



Recycling key figures

One Elise **paper** garbage saves:

4.5
kg of Co₂

345
liters of water

One Elise **plastic** garbage is equivalent to:

2.3
kg of Co₂

0.7
liters of petrol
saved

One Elise **cardboard** garbage is equivalent to saving:

40
g of Co₂

48
liters of water

1,400
people

sorting with ELISE create jobs for the disabled

INVESTING IN LOCAL INFRASTRUCTURE AND JOBS

Our vanilla diversification project in Uganda

Touton teams have implemented a crop diversification project in Uganda's Kasese district, close to the border with the Democratic Republic of Congo, encompassing nearly 6,000 producers and offering coffee, vanilla and bird eye chilly.

Based on a partnership approach, these supply chains are 100% traceable and Rain Forest Alliance certified (UEBT Standar). **They guarantee new sources of income for partner producers, fostering empowerment and entrepreneurship.** Our teams are constantly on the ground, listening to their needs, to support, train and encourage them to adopt the regenerative farming practices that are at the heart of our supply strategy.

Through this collaboration, we are enabling farming communities **to respond to environmental and climate challenges, and to contribute to their economic and social development.**

After four vanilla seasons completed at Kasese, we are proud to claim that our fifth harvest has seen an increase in volumes of almost 170%, with all purchases benefiting from Rainforest Alliance (RFA) certification, opening the way to new markets with strong commercial potential.



THOMAS LEVESQUE,
Director TOUTON Uganda
and East Africa Region

"Thanks to the characteristics of Uganda's tropical climate – including good rainfall rates everywhere in the country – we were able to work hand in hand with our network of partner producers on a smart product diversification strategy, which would have been more difficult to establish elsewhere.

The technical support provided by our field teams to producers, coupled with the existing expertise in the Rwenzori region, particularly in coffee vanilla, carry the guarantee of the quality and traceability of the products that we source.

The producers we work with are Uganda's entrepreneurs of tomorrow. We move forward to launch new produce and maintain a balance, while promoting the economic viability of the value chain, from producer to consumer. In short, we follow our motto: "Tukulakulanire Wamu», or «Growing together".



Key figures and yearly progress Kasese Vanilla project

6,051

**registered and certified
producers**

compared with 3,229 in 2022

Organic certification (EOS) obtained for coffee
and vanilla in addition to RFA

316

tonnes of green coffee

doubly certified RFA and Organic,
supplied by 1/3 of our growers

152

**producer
organisations**

up from 110 in 2022

3

tonnes of prepared vanilla

double RFA and Organic certified,
supplied by 286 producers

Rainforest Alliance (RFA)
certification obtained

1,000

**tonnes of RFA-certified
green coffee**

multiplied by 2 compared
with 2022 (474 tonnes)

6,000+

partner producers

answering the living
income survey

28

**tonnes of RFA-certified
prepared vanilla**

multiplied by 5 + compared with 2022
(5 tonnes)

10,000

shade trees

distributed to registered
producers

Twende Shamba Tanzania Ltd: a new coffee supply subsidiary

In 2023, we set up a new subsidiary to source Arabica coffee and diversify our sourcing for green coffee from Tanzania. To achieve this, we have established direct supply relationships with coffee growers and coffee communities through commercial and sustainable support.

Our teams were thus able to implement several actions in the field:

- **Pre-financing the harvest** to build producers' loyalty;
- **Pre-financing of agricultural inputs** to boost yields;
- **Set up tree nurseries: 35,000 coffee seedlings and 10,000 shade trees have been distributed** to Kibanga and Mpapa, which are two producers' associations (called AMCOS in Tanzania). The trees are distributed first and foremost to young producers, to give them a sense of responsibility and ensure their participation in the development of the coffee sector;
- **Obtained Rainforest Alliance (RFA) certification:** 2 AMCOS have obtained RFA certification in order to develop our sustainable supply chains;
- **Built an empowerment programme to foster gender equity and strengthen women capacities** in the sector. As a result, we have recorded a doubling in the number of women producers, up to 60 people, who have produced 30 tonnes of parchment coffee;
- **Initiated a project to set up beehives** to produce beeswax and diversify income.



AMINA MKONDERA
Director TOUTON Tanzania

"Farmers are at the heart of Twende Shamba Tanzania sustainability programmes."





Local factory partnerships

Against a backdrop of a shortage of cocoa beans, the Touton group was able to rely on its strong partnerships with local factories based in key producing countries including Nigeria, Côte d'Ivoire or Ecuador, **to provide alternative markets and reduce supply risks for cocoa products.**



Foster innovation

Our group stands out for its innovative investment fund, ResiliAnce, whose mission is to identify and support promising startups from the very beginning of their journey (seed stage). In a context marked by climate challenges and rapid changes in the business environment, Touton intends to be a key player in the major transformations to come. ResiliAnce targets startups capable of innovating along the entire value chain, from producer to consumer. The fund supports these companies as they grow, seeking synergies with Touton's activities to deliver innovations to customers, suppliers and other stakeholders. ResiliAnce has established itself as an essential lever for meeting environmental and social challenges.



PROMOTING ENTREPRENEURSHIP AND CREATIVE SOLUTIONS

REGENERATION, to finance regenerative agriculture

This startup is pursuing its goal of financing regenerative agriculture, one of the key solutions to fight global warming. The young company's value proposition is becoming clearer, its technological assets are growing, and its impact is increasing.

REGENERATION'S certified methodology means they can now issue so-called "triple C" climate contribution credits that go well beyond the carbon issue alone, since they include indicators linked to water resources and biodiversity.

Today, more than 80 farms have been supported in their transition to regenerative agriculture, with 15,000 hectares under contract.

These achievements have earned them the "Grand Prix Impact", an award delivered to the most promising innovations that can accelerate the sustainable environmental transition. They won the Sustainable Finance category in 2023.





@Regeneration

DIONYMER, towards a green revolution with biodegradable polymers

Dionymer's solution perfectly matches the ambition for lasting positive environmental impact promoted by the Touton group. **Dionymer aims focuses on overcoming the world's dependence on plastic by drawing inspiration from biological processes.**

To achieve this goal, Dionymer transforms organic waste into biodegradable polymer materials (pHA), offering low-carbon alternatives to petroleum-derived plastics. Thanks to a natural, patented process, biowaste is converted into pHA through fermentation and digestion by bacteria.

This circular chemistry concept enables biowaste producers such as winegrowers, farmers and the food industry to recycle their organic waste, while enabling industries in sectors such as medicine, cosmetics and textiles to substitute petroleum-based polymers with biopolymers.



Sustainability innovation made in Bordeaux

Dionymer was founded in Bordeaux (home to Touton's head office since 1848) late 2021 by three chemical engineers. The startup converts organic waste into biodegradable polymer materials thanks to its biomimetic "PHARM" technology. The company targets to reduce the environmental impact of businesses by replacing petrochemical polymers.

Aiming to become an industry leader in France and Europe by 2030, Dionymer plans to make rapid progress from proof-of-concept to industrialisation. The winner of prestigious competitions such as I-Lab 2023 and Techinnov 2023, Dionymer is already attracting the attention and support of many industry players.

DEPLOYING INNOVATIVE SERVICES AND BUSINESS MODELS

Driven by the ambition to develop digital services for supply chain management, Touton has strengthened its partnerships with innovative players in the cocoa and coffee sectors. These collaborations are aimed at digitising our sourcing operations and controlling environmental risks, in response to the European regulation on imported deforestation (EUDR).

Our partners include:

- **Satelligence** : service provider for the development of our Deforestation Risk Assessment (DRA).
- **Meridia** : service provider focusing on the verification and quality of our EUDR related data
- **Enveritas** : geospatial data verification system for the coffee sector.
- **ICE Commodity Traceability (ICE CoT)** : Touton is a member of ICE CoT's Advisory and Monitoring Committee (IBA). We are partaking into the platform's pilot project for the standardisation and verification of traceability data (geospatial, producers, physical flows) for cocoa and coffee EUDR compliance.

These partnerships illustrate our commitment to integrating innovative solutions to meet current environmental challenges.



MERIDIA

Enveritas



EXAMPLE OF SATELLITE MAPPING OF FORESTS, PLANTATIONS AND WATERWAYS



Ensure the integrity of our practices

UPHOLDING ETHICAL AND RESPONSIBLE BUSINESS PRACTICES



Anti-corruption

As a tropical commodities trader, the **Touton group works with suppliers based in countries where corruption is perceived to be high, according to Transparency International's annual index.**

We are constantly strengthening our capacity and processes to effectively prevent, detect and manage risks of corruption. **We have established a zero-tolerance policy towards corruption and all illegal practices.** The policy applies to both our staff and business partners, in line with French legal requirements, including *Sapin II law* as well as foreign standards such as the *US Foreign Corrupt Practices Act* and the *Bribery Act* in the UK.

Our control environment is based on the principles set out in our Code of Conduct, to which our commodities' suppliers adhere. They commit to:

- **preventing and combating** acts of corruption and money laundering,
- **respecting human rights**, including the rights of indigenous peoples, and applying the principle of free, prior and informed consent as set out in the United Nations declaration,
- **complying with labor laws**, particularly regarding child labor and the prohibition of forced labor,
- **complying with applicable laws and regulations** on environmental protection, biodiversity and the fight against deforestation and forest degradation.

To reinforce our standards, we have put in place a «Know Your Supplier» (KYS) and «Know Your Customer» (KYC) procedure to govern the introduction of new contractual partners.

Our Compliance department verifies the integrity of third parties, covering both the entity and its managers or shareholders. This third-party approval procedure must be systematically followed by Touton's head office employees and has been included in the procurement and sales process for commodities. It also applies to the services we provide. Further to this approval procedure, **commodities suppliers are also subject to reinforced vigilance as they are expected to sign and apply the rules listed in our Supplier Code of Conduct.**

The Legal & Compliance department is looking to guarantee ethical conduct in corporate governance by sharing a declaration on conflict of interest to all members of the group's management team, directors and shareholders. **All shareholders, officers and directors have also undertaken to:**

- **declare the existence** of any links that may conflict with those of Touton's,
- **exercise their mandates** or functions in such a way as to avoid any conflict of interest,
- **are not subject to any specific sanctions** prohibiting them from exercising their functions or mandates.

Finally, the control environment for corruption risks is based on a detailed assessment of anti-corruption audit controls in the group's internal audit plan.

This plan is based on the analysis of the risks which are specific to our activities, but also on the best practices recommended by the French Institute for Audit and Internal Control (IFACI) and by the French Agency for Anticorruption (AFA). Our Internal Audit department verifies the implementation and effectiveness of these practices through regular audits, giving rise to formal reports and by submitting to our top management all areas for improvement.

Supplier management

To ensure ethical business conduct, we pay particular attention to our suppliers.

Our company is directly exposed to reputational, financial and legal risks if a supplier fails to comply with applicable laws and regulations, particularly in terms of social and environmental responsibility (CSR).

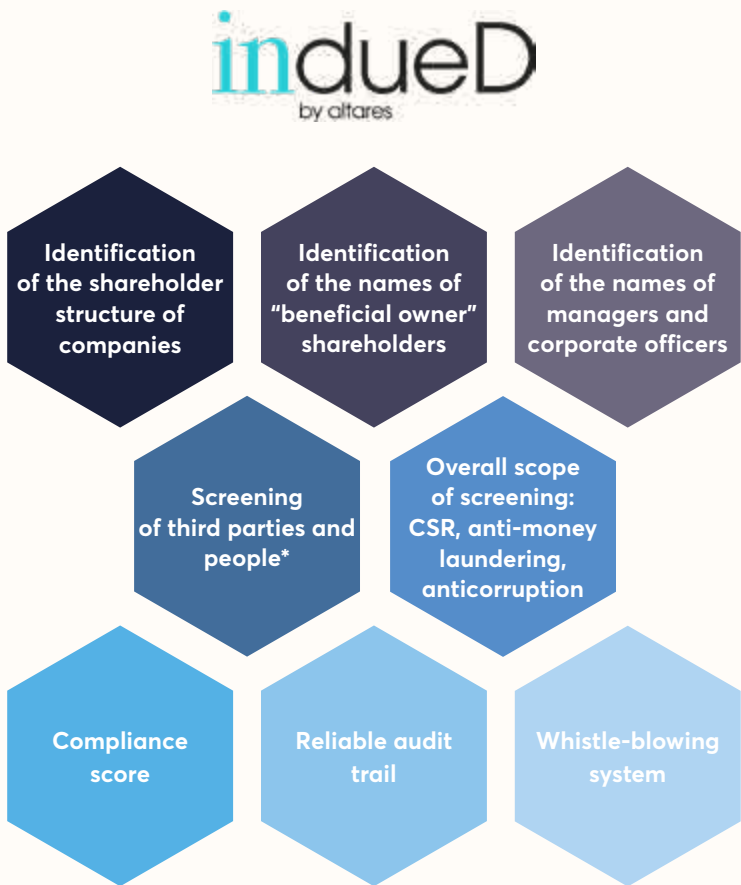
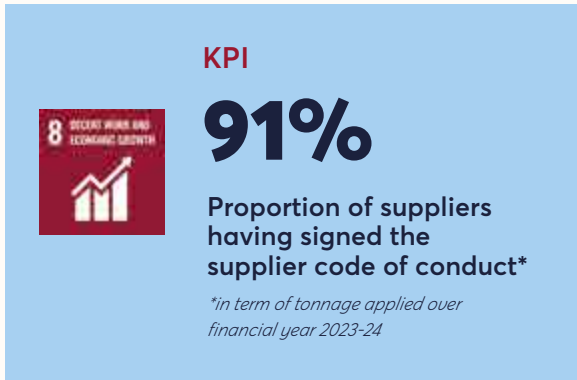
Risk management is therefore reliant and focused on the quality of our supply chain management, notably through the assessment of all active suppliers in our portfolio.

In terms of ethics and CSR, **our Legal department uses the IndueD compliance tool which automatically tracks any sanctions affecting direct suppliers.** By «sanction» we mean any economic sanctions or restrictive measures issued by a state, national authority (such as OFAC or the Treasury), federal authority or the European Union, including asset freezes and embargoes that may affect entities directly or the individuals who run or own them.

We have recently revised our **Supplier Assessment Questionnaire to improve our knowledge of the supply chain**, particularly regarding CSR and food safety aspects. This revision aims to understand the standards used by our suppliers, the verification and control actions they implement, and the internal and external audits carried out. It will also allow us to analyse their practices in terms of traceability, environmental management and protection, and geolocation of production plots.

The evaluation campaign also covers food safety issues. **A Touton Quality Charter reminds suppliers of the main commitments to be respected, particularly in terms of pesticide management and contamination.**

Supplier management must also be backed up by a grievance management systems. **Touton has strengthened its reporting and grievance mechanism to make it accessible to all stakeholders** and to handle complaints relating to non-compliance and violations of the rules and principles set out in our Supplier Code of Conduct. These alerts are handled independently and confidentially by the Compliance department.



*sanctions, blacklists (child labour, blacklist, asset freezes, embargoes, etc.), politically exposed persons (PEPs), negative news coverage

MARION RAVELONANDRO
Compliance Director,
TOUTON



"The work carried out on suppliers' management not only meets Touton's objective of responsible sourcing, but also the requirements arising from the principles, laws and regulations applicable to our business. These include the United Nations Guiding Principles (UNGP), the International Labour Organisation (ILO) conventions on human rights and fundamental rights at work, the EUDR, the CSRD (Corporate Sustainability Reporting Directive) and the European directive on duty of care regarding human rights and environmental protection.

Our key challenge is to scale our control and risk mitigation measures to ensure the compliance of the products we supply. We seek to engage our suppliers in the supply chain assessment, particularly to ensure the successful completion of products' imports into the European market. Our teams are working hard to raise awareness among our suppliers and get them to sign up to this process of gathering information and assessing human rights, social rights and environmental protection at every level of the value chain.

For example, in the case of coffee and cocoa, our supplier assessment work must enable us to justify that we have sufficient reliable information, and that all the necessary due diligence was carried out to ensure that the products supplied by Touton comply with local regulations and legislation in terms of human rights - including the rights of indigenous peoples, the right to use agricultural land, combating child labor and forced labor - as well as environmental protection, biodiversity and the fight against deforestation and forest degradation.

This is a complex task: the risk analysis needs to be carried out at the level of production plots which is a challenge due to the diversity of plantations and the specific features of each producing country.

First and foremost, we work closely with our first-tier suppliers. They are our initial negotiating leverage and they must pass on our requirements to their suppliers and subcontractors. We also rely on our subsidiaries or representative offices in the main production regions. Their role is essential in adapting and implementing our risk control and mitigation measures locally.

Our key mission is to develop EUDR compliance tools and practices that will not hinder our commercial operations in the future.





@Tima Miroshnichenko - pexels.com

IMPLEMENTING RISK PREVENTION AND CONTROL

Our actions on cybersecurity

Aware of the growing risks in terms of IT security, particularly considering the current cyber security context, we have strengthened protection within our group. We have called on experts and supervision centers to guarantee adequate protection for all our tools (e-mail, applications) and IT infrastructure (networks, servers).

We have also tightened access rules to our resources through network restrictions, automatic backups, application updates, VPN implementation and the generalisation of double authentication.

These measures are regularly audited to better prepare us for possible cyber-attacks and are accompanied by internal communication on good IT practices for our users.



The EUDR risk matrix: a new chapter for Touton supply chains

Touton, as a major player in the cocoa and coffee trade, is firmly committed to supporting the implementation of the EUDR and continuing its efforts towards the goal of zero deforestation. This regulation requires careful risk assessment and the adaptation of mitigation and control measures to ensure negligible risk of non-compliance, and thus access to the European market for our goods.

The implementation of EUDR represents a turning point for Touton, improving its systems and supply chain management. By aligning its practices with this new regulation, Touton not only meets legal requirements, but also reinforces its commitment to sustainable development and forest protection. **This transition is perfectly aligned with the Sustainable Development Goals (SDGs) and the company's new PACT Sustainability strategy (Refer to Chapter 1), contributing to a more responsible future.**



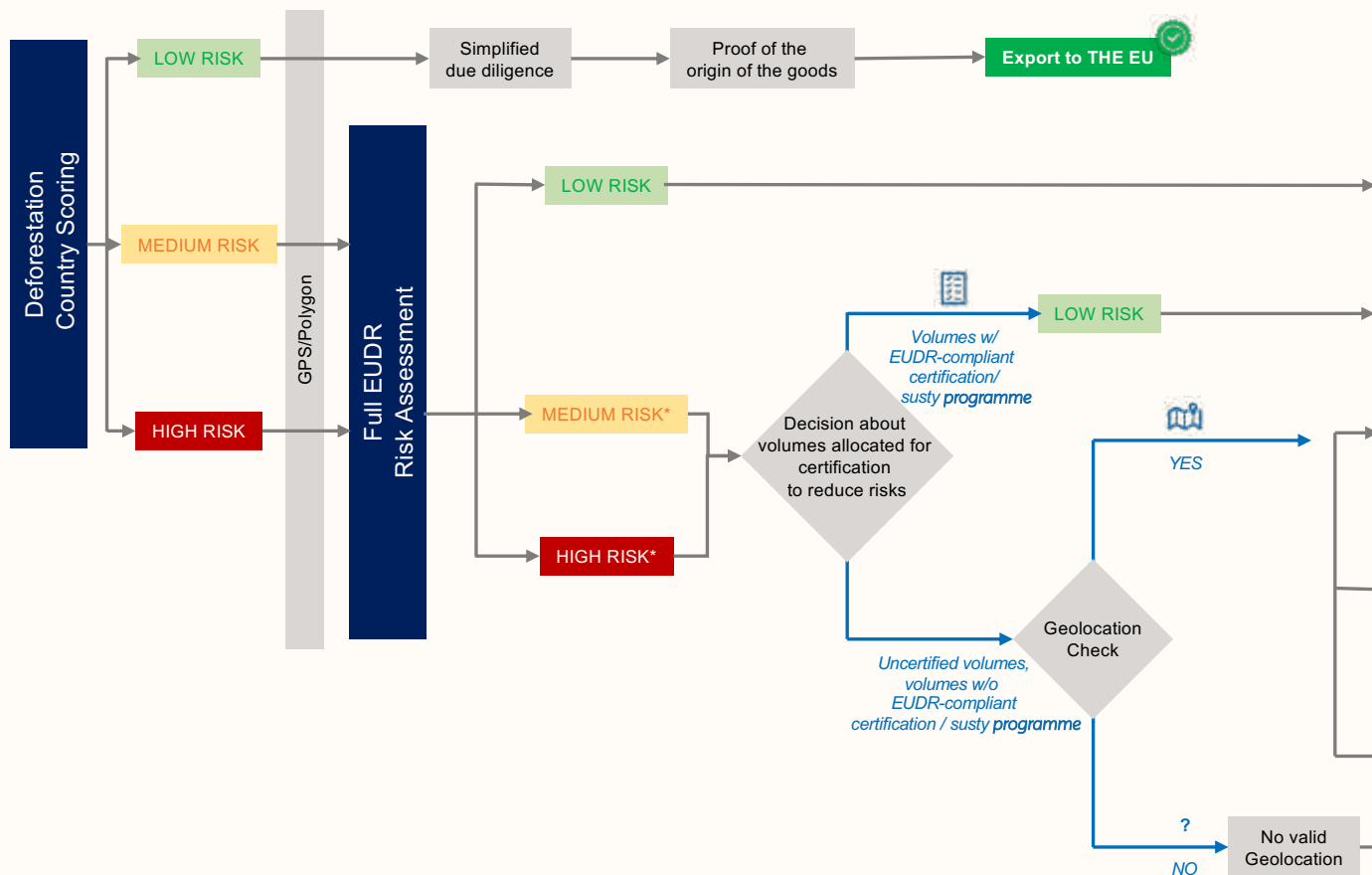
We are actively preparing for this implementation, which will have a direct impact on our day-to-day operations:

- **By creating a cross-functional working group** to ensure compliance with the EUDR. This group brings together experts from different departments (IT, back-office, sustainable development, legal and compliance, audit) both at headquarters and in the producing countries. Roles and responsibilities are clearly defined to ensure effective implementation of requirements.
- **By developing a reliable and verifiable internal methodology** focusing on three themes: traceability, deforestation and legality. Preliminary supply chain audits were carried out to assess EUDR readiness, define priorities and analyse gaps between current practices and regulatory obligations.
- **Selecting specialist service providers** to improve deforestation monitoring and supply chain mapping. Major efforts have been made to clean up and qualify the geographical database, train internal teams, and reinforce policies on responsible sourcing, sustainability, human rights, the environment and quality.
- **By developing a grievance mechanism** to report potential deforestation incidents before they take root. A toolkit for suppliers has been developed to ensure they are fully aware of Touton's requirements and to support them in data collection and responsible sourcing. Touton also facilitates engagement with other stakeholders throughout the supply chain, adopting a collaborative approach.

Innovation and Automation

Touton has invested in workflow automation to ensure accuracy and efficiency, right down to the submission or facilitation of due diligence declarations (DDS) to our customers. **We have developed an in-house tool to track and trace goods, store supporting information, and verify data quality.** A robust system ensures a reliable audit trail, the integrity and confidentiality of information, and the retention of documentation relating to each DDS for at least five years.

A platform has been set up for internal users, with a dashboard for monitoring the progress of our EUDR risk analyses. In a second phase, this platform will also be accessible to our external partners, notably our commodities suppliers. New standard operating procedures have been defined to align operations with EUDR requirements.





ENSURING TRANSPARENCY IN OUR OPERATIONS

Our business is intrinsically linked to environmental, social and quality risks.

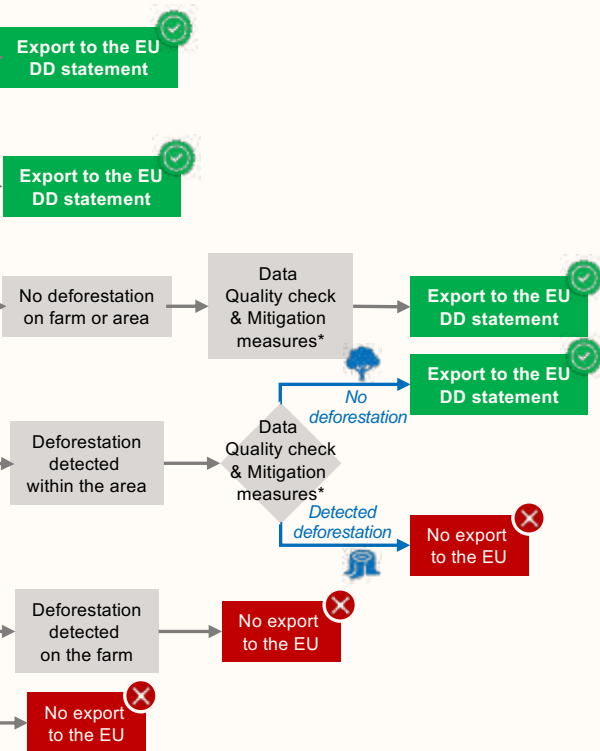
Each year, we publish a rigorously audited sustainability report, constantly adapted to meet international reporting standards such as the CSRD.

Our adherence to the principles of the **United Nations Global Compact (UNGC)** underlines our commitment to strengthening our stakeholders' trust in our work ethic.

Our new corporate social responsibility policy, **Positive Agri Culture (PACT) strategy**, guarantees that everyone is aware and aligned regarding the transparency of our operations.

In addition, to ensure the robustness and credibility of the data we publish, we undergo numerous checks and verifications on an ongoing basis: **internal audits, audits by our customers and counterparties, and audits by third parties.**

Through these initiatives, we aim not only to manage the risks associated with our business, but also to reinforce the trust and credibility of our company.



** The higher the risk, the stronger the mitigation measures*





APPENDICES



I DEFINITION

The reporting period is based on our financial year, 1 April 2023 to 31 March 2024. Given the nature of our activities, the issue of animal welfare has not been defined as a relevant or priority issue for our group and is therefore not covered in our statement of extra-financial performance.

The non-financial performance indicators presented in this report are taken from the 2023-2024 Non-Financial Performance Declaration of the Touton group. They have been audited and validated by Dauge Fideliante in its capacity as an independent third-party body accredited by french COFRAC.

INTRODUCTION

This chapter is devoted to indicators linked to sustainable development and Touton group's CSR. It has been prepared by internal audit, in collaboration with the relevant support functions and group subsidiaries.

REPORTING PRINCIPLES

All reported data (indicators) comes from different internal reporting systems. Definition of SEFP indicators

- HR: HR IT system
- Sustainability: Monitoring and Evaluation IT systems
- Tonnage statistics / financial data: management and accounting tools

REPORTING SCOPE

The statement of extra-financial performance relates exclusively to companies in which the group holds more than 90% of the capital. Some indicators are not applicable to a complete scope, and this is specified where appropriate.

DATA COLLECTION

Each department is responsible for the information produced. This document is based on several types of data:

- Social indicators managed and collected by the human resources department,
- Societal indicators, which are monitored directly by the departments concerned and then forwarded for the report,
- Environmental information, which is monitored directly by the departments concerned and then forwarded for the report,
- Financial information, monitored by the finance department.

*key performance indicator (KPI)

RESILIENT AGRI-INDUSTRY - That ensures quality while regenerating ecosystem

Indicators	Definition	Scope	22-23 data	23-24 data	GRI
Number of plantations having undergone a Deforestation Risk Assessment (DRA) during the year	Deforestation Risk Assessment (DRA) is an analysis based on mapped plantation data. The number of plantations covered by a DRA is thus equal to the number of plantations mapped (for cocoa only) and integrated into the system, as the analysis has been industrialised.	Côte d'Ivoire Ghana	140,464	195,708	GRI 304
Number of individuals covered by agroforestry projects*	Number of individuals identified by a uniquely generated key who received shade trees during the financial year.	Côte d'Ivoire Ghana	12,569	20,058	GRI 304-2
Proportion of products covered by a quality standard*	Source: management tools. Calculation method: proportion of purchases from our subsidiaries / total purchases for Côte d'Ivoire Proportion of cocoa product suppliers with a certified factory / total product purchases in the Group.	Côte d'Ivoire Group	Cocoa beans: 55.75% Cocoa derivatives: 95%	Cocoa beans: 46% Cocoa derivatives: 99%	GRI 416-1
Number of plantations mapped and verified (cumulative) before the end of the financial year*	Supply chain plantations are mapped by contracted teams in the field. As the collection tools have changed over the years, and the data comes from different players, the data sources are different: Mergedata, Garmin (polygons sent individually by the cooperatives) 3D, polygons sent by external partners.	World	Groupe: 146 910 Côte d'Ivoire: 40 882 Ghana: 99 368 Nigeria: 2 019 Kenya: 2 Madagascar: 1 165 Uganda-coffee: 3 474	Groupe: 207 536 Côte d'Ivoire: 77 499 Ghana: 118 209 Cameroun: 784 Nigeria: 1 022 Kenya: 2 Madagascar: 1 794 Uganda-coffee: 7 693 Tanzania-coffee: 533	GRI 304
Proportion of cocoa plantations mapped by supplier risk (as part of the DRA)	Calculation method: plantations having undergone a DRA / total number of mapped plantations.	Côte d'Ivoire Ghana	96%	100%	GRI 304
Number of producers having attended one or more training courses on water and waste management	This is the cumulative number of producers having attended one or more training courses on water and waste management before the end of the financial year.	Ghana Côte d'Ivoire Uganda	32,216	22,390	GRI 303-1 and GRI 306-2

*key performance indicator (KPI)

CULTURE OF TRUST - That unites and inspires commitment

Indicators	Definition	Scope	22-23 data	23-24 data	GRI
Cumulative number of producers covered by a socio-economic survey*	Producers in the supply chain are visited by enumerators and answer a questionnaire on their socio-economic characteristics and farming practices. The collection tool used in 2022-23 and 2023-24 was Survey Solution.	Group	Cocoa & Coffee - in number: 126,603 Cocoa & Coffee - as a %: 86%	Cocoa & Coffee - in number: 158,167 Cocoa & Coffee - as a %: 87%	
Number of producers assessed as part of the child labour risk assessment	<p>This is the cumulative number of producers having been assessed for child labour risk before the end of the financial year. This assessment takes place in Côte d'Ivoire and Ghana, and the methodologies used are different:</p> <ul style="list-style-type: none"> In Côte d'Ivoire, risk analysis is carried out at producer level using a Machine Learning model. In simplified terms, the model recovers socio-economic information from the producer and calculates an index of the risk that a given producer uses child labour. The risk level is a continuous variable between 0 and 1. In Ghana, risk analysis is done at community level. Hence, a risk analysis is performed for the community. If a community is at risk then all producers in the associated community are at risk. There are 3 classes of risk in this case (Class 1 being the lowest risk and Class 3 the highest). 	Côte d'Ivoire Ghana	106,634	111,893	GRI 408-1
Producers trained in good agricultural, social and environmental practices (cocoa, coffee)*	This is the number of individuals who have attended at least one training course on good agricultural, social and environmental practices. The data has been digitised via the 3D interface.	Ghana Uganda Côte d'Ivoire	89,675	95,821	GRI 404-1
Number of agripreneurs trained		Côte d'Ivoire	409	839	GRI 401-1
Staff turnover*	Source: Lucca HRIS. Calculation method: legal formula. $[(\text{Number In} + \text{Number Out}) / 2]$ Average workforce.	Group excluding: Eliho and Touton Nigeria and SAO (sale) (seasonal workers excluded)	7.95%	16.71%	GRI 401-1
Average length of service	Source: Lucca HRIS. Calculation method: average length of service at the end of the financial year.	Group excluding: Eliho and Touton Nigeria and SAO (sale) (seasonal workers excluded)	7.67 years	5.66 years	GRI 401-1
Number of departures after less than 2 years of service	Source: Lucca HRIS. Calculation method: number of departures according to this criterion.	Group excluding: Eliho and Touton Nigeria and SAO (sale) (seasonal workers excluded)	9	11	GRI 401-1

Indicators	Definition	Scope	22-23 data	23-24 data	GRI
Overall gender distribution Europe, Asia, Africa, US*	Source: Lucca HRIS & Excel staff register for subsidiaries not equipped with Lucca. Calculation method: number of employees of each gender.	World (seasonal workers excluded)	H.78% / F.22%	H.73% / F.27%	GRI 405-1
Average age	Source: Lucca HRIS & Excel staff register for subsidiaries not equipped with Lucca. Calculation method: average age as of 31/03/24.	World (seasonal workers excluded)	39	37	GRI 401-1
Number of workplace / commuting accidents	Source: Lucca HRIS. Calculation method: data tracking.	France	2	4	GRI 403-9
Frequency rate / severity rate	Source: Lucca HRIS. Calculation method: data tracking.	France	0	0	GRI 403-9
Number of serious/fatal workplace accidents	Source: Lucca HRIS. Calculation method: data tracking.	France	0	0	GRI 403-9
Absenteeism rate*	Source: Lucca HRIS. Calculation method: Formula: number of days of absenteeism (excluding leave and training) / number of working days. Parameters configured directly in the HRIS, accessible for audit.	Group excluding: Eliho and Touton Nigeria and SAO (sale) (seasonal workers excluded)	1.31%	2.60%	GRI 403-9
Cumulative number of active Village Saving and Loan Associations created before the end of the financial year, for which information has been digitised	This is the cumulative number of Village Savings and Loan Associations that have been digitised, and which were created before the end of the financial year. This data was collected in the field via Survey Solutions.	Ghana Côte d'Ivoire	180	303	GRI 207-1
Cumulative number of members of Village Savings and Loan Associations created before the end of the financial year, for which information has been digitised	This is the cumulative number of members of Village Saving and Loan Associations that have been digitised, and which were created before the end of the financial year. This data was collected in the field via Survey Solutions.	Ghana Côte d'Ivoire	4,367	7,503	GRI 207-1

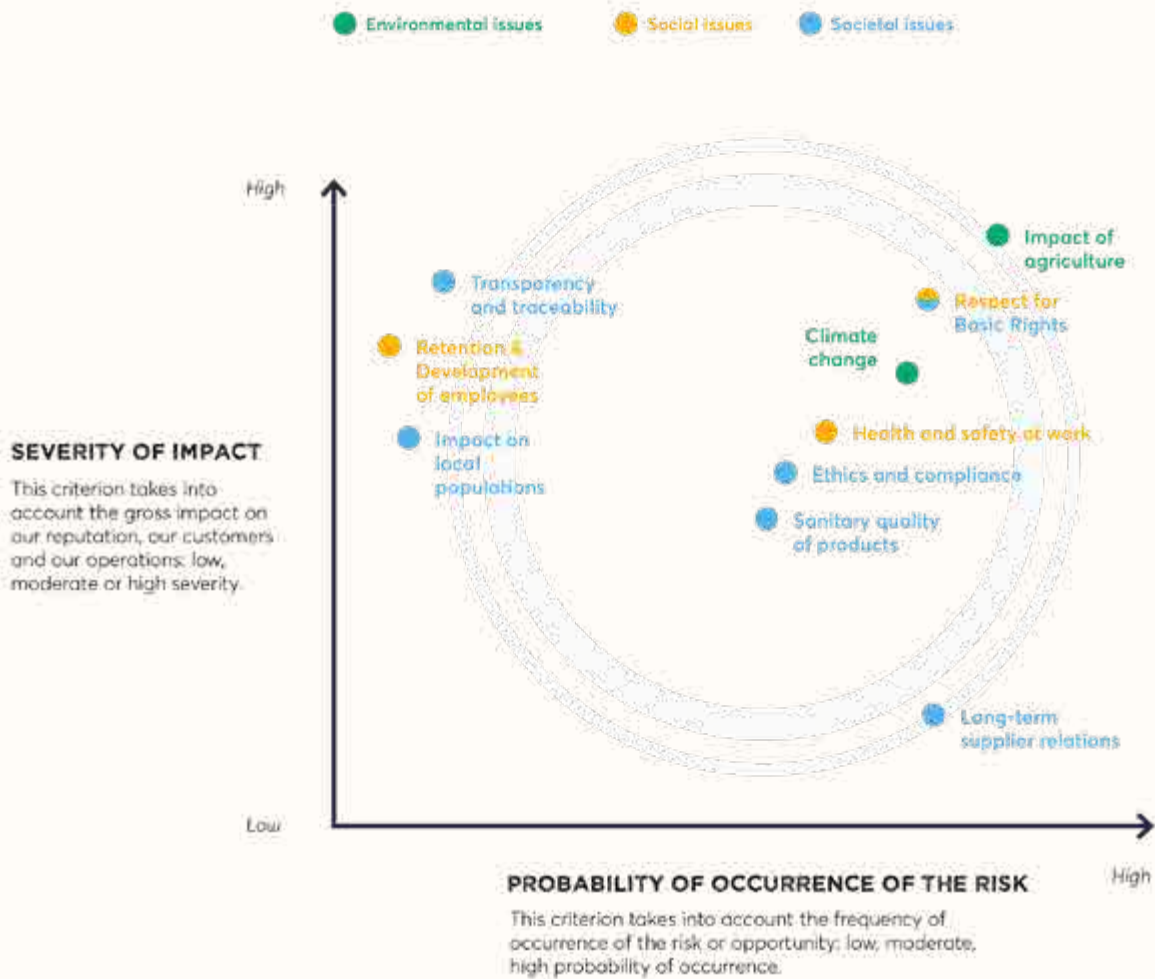
*key performance indicator (KPI)

POSITIVE GROWTH - That generates opportunities & inclusive growth

Indicators	Definition	Scope	22-23 data	23-24 data	GRI
Increase in tonnage of sustainable products sold (Sustainable products: certified or part of a sustainability programme)*	Source: management tools. Calculation method: Change in tonnage of sustainable products sold from one year to the next.	Group	Cocoa beans: 167,164 Coffee: 7,793 Cocoa derivatives: 11,390 Ingredients: 6	Cocoa beans: 150,311 Coffee: 19,531 Cocoa derivatives: 7,313 Vanilla: 18 Spices: 40	GRI 417-1
Proportion of tonnage of sustainable products sold (Sustainable products: certified or part of a sustainability programme) in %*	Source: management tools. Calculation method: sustainable products sales / total sales.	Group	Cocoa beans: 52% Coffee: 8% Cocoa derivatives: 30% Ingredients: 6%	Cocoa beans: 54.85% Coffee: 18.76% Cocoa derivatives: 21.24% Vanilla: 19.9% Spices: 0.49%	GRI 417-1
Number of female producers, in the world	Data on gender in the registers integrated into CubeD. This is the gender declared by the producer on registration at the start of the season. This data is then confirmed or refuted by the socio-economic questionnaire. The data was collected via Excel files submitted and audited by the certification bodies. This data was verified and cleaned by the local and global M&E team, then restructured for integration on the CubeD platform.	Group	Cocoa & Coffee - in number: 32,609 Cocoa & Coffee - as a %: 21%	Cocoa & Coffee - in number: 38,787 Cocoa & Coffee - as a %: 20,5%	GRI 405-1
Proportion of suppliers having signed the Supplier Code of Conduct (in terms of tonnage applied over the financial year)*	Source: list of suppliers considered active (accounting movements in the last financial year or considered active by the trade). Calculation method: proportion of volumes processed over the financial year from suppliers having signed the code / total volume processed (excluding volumes processed by State structures).	France	95%	91%	GRI 414-2
Proportion of suppliers included in the thirdparty monitoring tool (in term of tonnage applied over financial year 2023-24)*	Source: list of suppliers considered active (accounting movements in the last financial year or considered active by the trade). Calculation method: proportion of monitored suppliers / number of active suppliers. Also calculated as a proportion of volumes processed during the financial year.	France	89%	89%	GRI 414-2

MAJOR RISKS MAP

Having identified our risks and opportunities, we assessed them and ranked them according to two criteria: their severity and their probability of occurrence. Following this mapping exercise, the 10 main risks and opportunities selected are those with the highest level of severity and probability of occurrence.





1, rue René Magne
33083 Bordeaux Cedex
FRANCE
www.touton.com