



TOUTON

**SUSTAINABILITY  
REPORT**

2022-2023



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An aerial night photograph of a busy port. Several large blue gantry cranes are positioned along the quay, their lights illuminating the area. The water is dark, reflecting the lights from the cranes and the port. In the background, stacks of colorful shipping containers are visible, along with various port infrastructure and vehicles. The overall scene is illuminated by a mix of blue and yellow lights, creating a high-contrast, industrial atmosphere.

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TOUTON  
GROUP

“ IN THE SEARCH FOR  
EFFICIENT SOLUTIONS,  
EACH NEW CHALLENGE PUTS  
TO TEST OUR CAPACITY TO  
ADAPT AND INNOVATE ”



## EDITORIAL

**Patrick de Boussac**  
Chief Executive Officer, Touton

**We are pleased to present our 2022-2023 Sustainability Report and statement of extra-financial performance.**

More than a communication exercise by our group on its activities over the past year, this report highlights the major challenges facing our value chains.

Once again this year, Touton Group had to deal with major challenges while seizing the opportunities of a rapidly changing world.

The war in Ukraine has increased pressure on financial markets and our transport costs. Against a backdrop of rising interest rates and inflation in the countries that consume our products, financial resources are becoming increasingly scarce.

At a time when the European Union is stepping up the pace of value chain regulation, resulting in increasingly stringent contractual requirements, we also have to deal with a historically high market and anticipate the prospect of tighter production levels in the year ahead.

In the search for efficient solutions, each of these challenges puts to test our capacity to adapt and innovate.

To meet and surpass these challenges our Group, true to the values it upholds, has chosen to base its development on three main lines of conduct:

- **Cultivating a daring approach:** by continuing to activate innovation levers to support the resilience of our partner producers in the face of the concrete challenges their businesses face;
- **Increasing our agility:** organisational and functional, by strengthening our field workforce and mobilising skills where they are required, as close as possible to our customers and suppliers, to maintain an excellent level of control of our supply chains;
- **Guaranteeing integrity:** by being ever more transparent about how we conduct our business and by going beyond regulatory requirements to ensure the sustainability of our value chains.

The legislative changes, and the discussions taking place within the sectoral organisations to which we belong, are both intended to make our industry's value chains fairer and more sustainable.

We are not just taking part in this change, we have chosen to be one of the driving forces behind it, and we are committed to being transparent about our successes, as well as the difficulties we encounter.

# TRADE TRUST TOUTON

**WE ARE... PASSIONATE,  
UNIVERSAL, AUTHENTIC,  
TOGETHER.**

## ***Tomorrow will be human***

Since 1848, Touton Group has been sourcing, trading, processing and supplying exceptional tropical agricultural products to food manufacturers all over the world, using an approach that is true to its values: ever more sustainable and profoundly human.

**Acting as a true link** between growers and processors, from the field to the factory, we create responsible supply chains in our areas of expertise: cocoa and its derivatives, green and speciality coffee, vanilla and exotic ingredients.

**As field players**, we are involved at every level of the value chain to deliver unprecedented quality of service in sourcing, trading, logistics and market intelligence.

Our collective approach is driven by a shared conviction: the performance of our long-term business relations depends on our ability to **establish and maintain a bond of shared trust with all our partners**.

**We are Touton Group, an international leader in the trade of tropical commodities for the agri-food industry, a builder of sustainable supply chains that has been putting people at the heart of its value creation for 175 years.**

## ***Our vision: tomorrow will be human***

Human relations have been, are and always will be at the heart of our activity.

Our vision is inspired by the very essence of the word "commerce", from the Latin "cum" (together) and "merx" (merchandise).

We are convinced that our future activity is dependent on keeping the human element at the heart of our businesses. Beyond our digital and organisational transformation, the real foundation for commerce remains in the field, through direct contact and personal relationships. We believe that technology should be a tool serving the men and women who use it.

## ***Our mission: to forge a link***

By developing the global trade of commodities, we strive to strengthen the bond between producers and customers. We do this with passion, with responsibility, with our knowledge of the products and with the trust of the producers.

## ***Our ambition: to perpetuate the Touton style***

Ensuring complete control of the challenges of global, high-quality and sustainable supply. We want to continue to assert our difference to make us the partner of choice. So that Touton's expertise becomes synonymous with excellence for the widest possible audience.



## ***Our promise: building a relationship based on sustainable trust***

Going beyond mutual trust, we promise our customers a relationship built on sustainable trust. Our strongest commitment is to the long term. We create solid links with our customers to build lasting relationships by ensuring a local presence at the source of our products, as close as possible to our producer partners.

## ***Our values:***

**AUDACITY  
EXCELLENCE  
INTEGRITY**

# TOUTON IN FIGURES



**175 YEARS**  
of history and expertise



**5 PLANTS**  
for packaging



**1 PLANT**  
for processing



A direct chain that is  
**90% SUSTAINABLE**  
for supply of cocoa



A solid network of  
**300 SUPPLIERS**  
of first-rate material



**15 CERTIFICATIONS**  
for sustainability and quality



- **72.2%** - Cocoa
- **20.3%** - Coffee
- **6.3%** - Cloves, Ginger, Spices, Tropical products
- **1.2%** - Vanilla



**TOP 3**  
clove traders



**TOP 6**  
cocoa traders



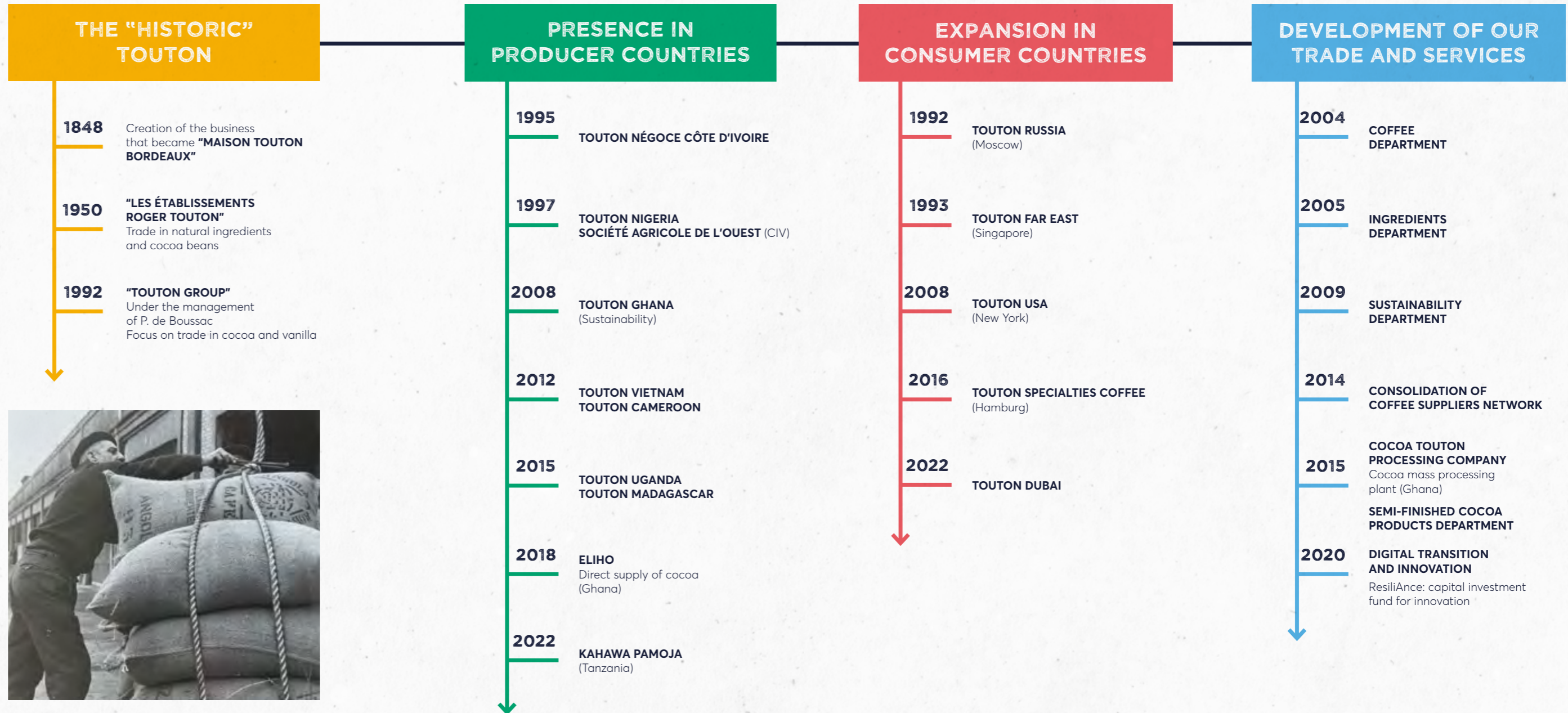
**TOP 10**  
vanilla traders



**TOP 15**  
coffee traders



# 175 YEARS OF EXPERTISE





# STRONG LOCAL ROOTS, SYMBOLIC OF OUR MISSION

*Ensuring a local presence at the production stage,  
as close as possible to our partner planters*

Aware that the quality of our supply chains starts in the field, we make it a priority to be present at source, as close as possible to our partner growers.

By setting up subsidiaries and representative offices in the immediate vicinity of the natural growing and producing areas for the raw materials we buy, **we maintain a direct and daily presence in the field.** This choice means that we can count on intimate knowledge of each product as well as a detailed understanding of the economic, political, human and operational realities linked to its growing and processing.

By building close, human relationships with our network of partner producers, we are laying solid foundations for the creation of reliable, sustainable supply and processing chains. **Our various sites form a structured global network.** They are organised around the main families of products that we sell and are mainly focused on Africa, where all our products have historically been sourced.

We plan to roll out this strategy in the coffee sector, particularly in East Africa, as demonstrated by the opening of two new subsidiaries in Tanzania (one was legally created in March 2023, after the end of the financial year).



## FOCUS ON TANZANIA

*Strengthening our presence in East Africa*

A few years ago, we decided to reduce our footprint in Asia, while maintaining offices in Ho Chi Minh City and Singapore. The Group made the choice to relocate part of its investments to East Africa. This is a growing market in which **we process more than 30,000 Mt of material, making us one of the largest exporters in the region.**

Uganda is a model for the Group's development strategy in East Africa. There, we have developed major sustainability projects based, among other things, on agricultural diversification. **This initiative was rewarded by obtaining Rainforest Alliance certification for 5,000 farmers.**

Touton was already active in Tanzania, purchasing Robusta coffee through an exporters' cooperative. However, only local entities are permitted to bid for Arabica coffee at auction. **Touton, now has an official subsidiary based in Dar es Salaam,** and also storage warehouses, machining capacity, offices, analytical laboratories and purchasing centres in the country (Mbinga, Mbeya).

This presence is strategic for two reasons:

**It strengthens** our presence in producing countries (Tanzania) and our control of operations, but also and above all our ability to trade in coffee of different varieties,

**It gives us** access to new markets and completes our offer with Arabica from Tanzania.

Our targets will be exceeded this year, helped by a late harvest, with more than 1,300 Mt sold out of the 1,000 Mt previously forecast.



**Florian Dumeaux**  
Director of the Coffee  
department



*Setting up in Tanzania is completely in line with our Group DNA, which advocates establishing a presence in the countries where our raw materials are produced to better control the supply chain. We are thus able to implement consistent sustainable development programme. Our presence is essential, especially in light of the new European regulations on imported deforestation: if we're not there at source to ensure product traceability, everything becomes more complex.*

## FOCUS ON CÔTE D'IVOIRE

### Strengthening our vertical integration in Côte d'Ivoire

Touton Group has inaugurated a **new 25,000 m<sup>2</sup> logistics platform in San Pedro**, the second port of Côte d'Ivoire and one of the most important seaports in West Africa due to its key role in the global cocoa trade.

The facilities include 10,000 m<sup>2</sup> of storage space, representing around 10,000 metric tons of cocoa, as well as 8,000 m<sup>2</sup> for loading goods into containers - including a "bulk hopper". This new hub also includes a 5,000 m<sup>2</sup> container storage platform, a weighbridge and offices.

This deeper vertical integration of the supply chain **strengthens our operational agility and risk management**. It improves food preservation and ensures excellent service in the delivery of quality tropical products to our customers, cocoa, coffee and ingredients processors around the world.

A project on this scale required collaboration with a wide range of partners including Banque NSIA, GCCI (*Génie Civil de Côte d'Ivoire*), Bureau Veritas Controller, and local authorities such as the Port Autonome de San Pedro and CEPICI (*Centre de promotion des investissements en Côte d'Ivoire*). With the creation of around ten full-time jobs and a hundred day labourer positions, the platform is also contributing to the economic development of the port of San Pedro.



**Olivier Lieutard**  
Deputy Managing Director  
of Touton Group

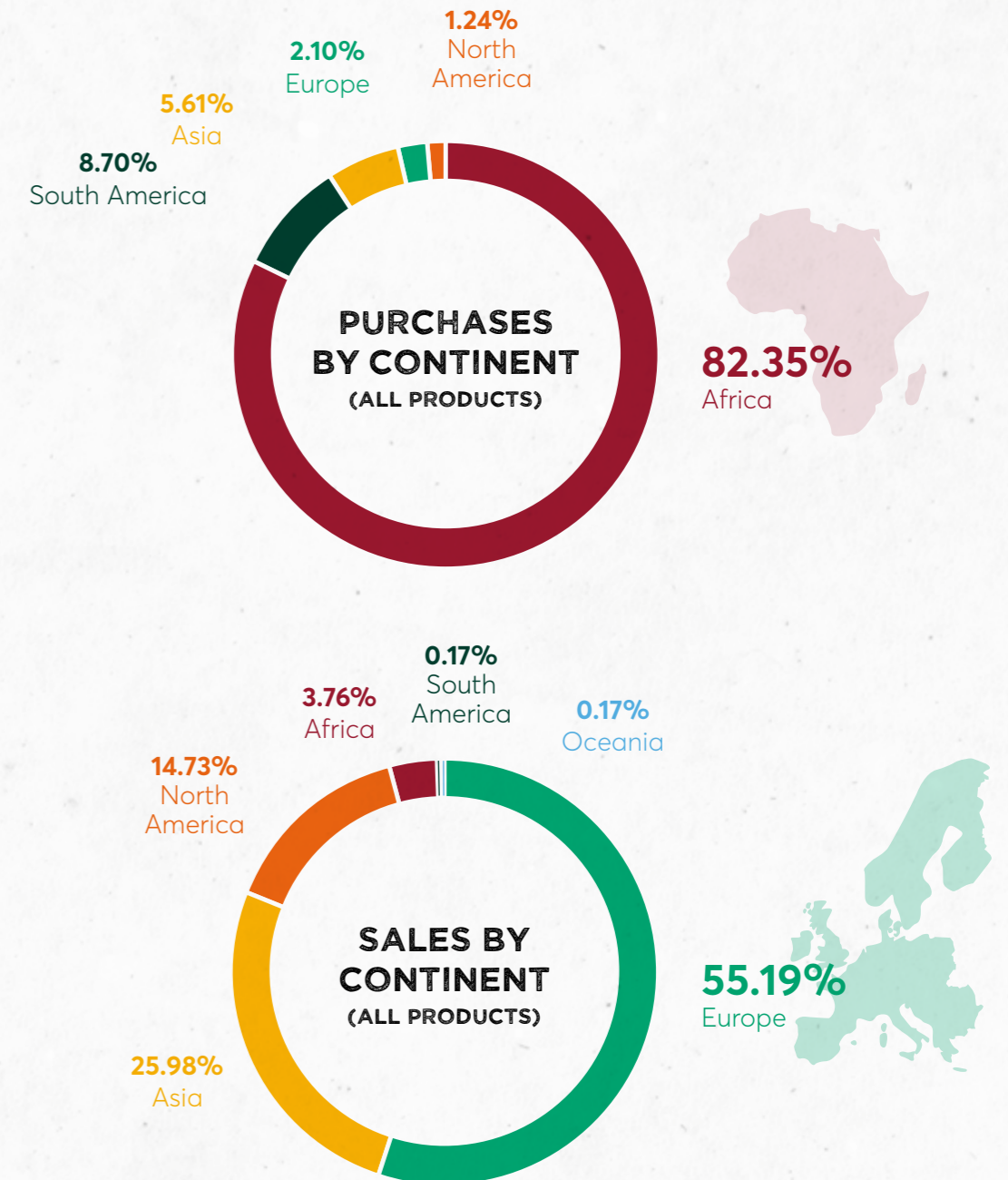
*This new logistics platform strengthens our logistics chain management activities in Côte d'Ivoire and contributes to the development of the port of San Pedro. The 25,000 m<sup>2</sup> facility was built to expand our warehousing and handling capacity, and to improve the flexibility of our Côte d'Ivoire cocoa and coffee supply operations, a real asset in an increasingly uncertain international environment.*





A very large part of our commodity purchases are made on the African continent. This is hardly surprising, given that Africa is home to the world's largest cocoa and vanilla producing countries. As for coffee, supplies are naturally more spread out between South America, Africa and Asia, where the different varieties we supply to our customers are grown.

In contrast, our sales have traditionally been directed towards the European and North American markets, the historic consumers of foodstuffs from tropical countries. It should be noted that Asia has been making a gradual increasing contribution to our sales portfolio for several years now.



### Developing local points of contact, closer to our customers and partners

Aware that the quality of our supply chains is reflected in the relationship of trust we build with all our customers worldwide, we make our quality of service a priority.

And with good reason: our 16 sales and logistics outlets cover 4 continents, employ over 870 people and are strategically located for the major groups we supply.

They are the result of a gradual international expansion from our head office in Bordeaux, at the heart of the European market, which remains the most dynamic continent for the import and consumption of tropical agricultural produce.

These facilities are key points of contact to ensure that we understand our customers' expectations, coordinate operational flows and anticipate changes and specific regional constraints in our different markets. They enable us to manage the risks inherent in the smooth running of our business directly and as quickly as possible.

Locally, they are managed by experts who apply rigour and agility to the trading, storage and transfer of the natural materials we sell. All our employees guarantee customers the same quality of service, in line with our standards and tailored to their specific needs: reliable, efficient, highly secure and sustainable supply.

This local integration, extended throughout the world, makes our Group a leader in the supply of tropical ingredients for agri-food, chocolate and roasting industries worldwide.



## ASIA / MIDDLE EAST

20 employees

- 
**TOUTON FAR EAST PTE LTD**  
 Singapore  
 Trade in cocoa, coffee, vanilla and ingredients
- 
**TOUTON VIETNAM**  
 Ho Chi Minh City, Vietnam  
 Sales and logistics support
- 
**TOUTON DUBAI**  
 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

## AFRICA

600 employees

- 
**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 NÉGOCE CÔTE D'IVOIRE SA**  
 Abidjan/San Pedro, Côte d'Ivoire  
 Multi-product purchasing, processing and export


**S.A.O. SA**  
 Soubré, Côte d'Ivoire  
 Planting and harvesting services


**COCOA TOUTON PROCESSING COMPANY GHANA LTD**  
 Accra, Ghana  
 Production and export of semi-processed cocoa products


**KAHAWA PAMOJA TANZANIE LTD**  
 Purchasing, processing and export of coffee

## NORTH AMERICA

2 employees

- 
**TOUTON USA LTD**  
 New York, United States  
 Coffee sales and logistics support

## EUROPE

130 employees

- 
**TOUTON SA (Parent company)**  
 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

# A YEAR'S TRADING: SIGNIFICANT EVENTS



## FOCUS on COCOA:

Antoine Delsart,  
Cocoa Trade Director

### THE RUSSIAN-UKRAINIAN CONFLICT

This is certainly the most sensitive subject we had to deal with at the start of 2022. **We have been supplying the Russian market, where few suppliers are present, for over 20 years.** We know the market well and are aware that it is very complex and risky.

Investing there requires strong financial capacity, a good insurance policy and, above all, extraordinary logistics resources. And with good reason: all the cocoa beans entering Russia are first stored in Tallin, Estonia, and then usually loaded onto goods trains for transport to Russian factories.

**When the conflict broke out, we were directly exposed and had to settle positions we had taken (stocks, contracts) while minimising the risks.** The flow of

money between Russia and France has become very difficult, not only because of regulations and sanctions, of course, but also because of the many logistical problems at the Estonian and Russian borders.

In the end, **we succeeded in securing cash inflows and reducing stocks** through the work of teams from several departments, notably in close collaboration with the Compliance department.

In hindsight, the lessons to be learnt from this unprecedented situation are clear:

- The Touton business model is solid, agile and capable of managing crises of this magnitude;
- With this type of risk becoming frequent, there is a consequential need to adapt our business relations and contracts.

### MARKET INCREASES AND DEFICITS

Since July 2022, the market has seen a 35% increase, a bullish trend that accurately reflects the situation last year. To the initial deficit of 250,000 metric tons of bean production, 2022-2023 has added an additional deficit of 200,000 metric tons. Two major deficits, coming one after another, is a source of concern. This comes at a time when production seems to be levelling out and demand remains strong.

**Added to this is a multitude of other more or less aggravating factors:** a more difficult renewal of cocoa plantations, a drop in production trends in the largest countries, particularly in West Africa, recurrent worries about diseases (such as "witches' broom") affecting production, the impact of new European regulations, and still too little support from other production areas. This will be combined with two (independent) phenomena of varying intensity, but with high impact: the effects of global warming and the very probable arrival of El Niño.

Hence, the main concern is to determine whether these are indeed structural deficits in a context where demand remains strong.



Patrick de Boussac, Chief Executive Officer, Touton  
(In a conversation with Antoine Delsart)

*We are in an unprecedented situation, which is both exciting and thrilling, but which will certainly have many effects on the cocoa market for years to come. We feel like we're on the cusp of something totally new, something we've never experienced before. It's all the market is talking about, and this is a period of history in the making.*

**Faced with such situations, the strength of Touton Group remains the expertise of the women and men who make up our teams.** This is particularly the case in the field of statistics, with forecasting models for harvests and hence prices that have been widely tested and are highly sophisticated. We have been collecting data in the field for decades and have **a team entirely dedicated to predictive analysis.** This is used to develop theoretical prices by combining historical data, weather data, counts and other stock valuations, and exchange rates.



## FOCUS on COFFEE:

Thibaut Procacci,  
Coffee Trade Director

### PRICE VOLATILITY

The market has been extremely volatile this year, much more so than usual. **Unusually, there has been a world deficit in Arabica and Robusta production for two years in a row. Arabica, in particular, was heavily impacted by frost in Brazil.** Then there were the logistical and financial consequences of the war in Ukraine, the Covid crisis and rising interest rates, punctuated by two consecutive years of deficit in Robusta production.

Building a commercial strategy in such an uncertain and fluctuating environment is no easy task, and requires a certain amount of visibility on price trends over the next three to six months. For this reason, **Touton Group strives to estimate the presumed impact of each production with the highest degree of precision, using information provided by its teams in the field.**

In a bullish and volatile market, the main risk is counterparty default and the second is increased margin calls. Naturally, our Group is prepared for this kind of eventuality, through its support functions and its team of statisticians who develop appropriate forecasting models.

### REVERSAL OF CONSUMPTION TRENDS FROM ARABICA TO ROBUSTA

As coffee prices have soared, so have industrial supply costs. On the consumption side, **inflation has reduced consumer interest in premium coffees, out of an obvious wish to save money;** meanwhile, coffee consumption as a whole remains broadly unchanged.

As a result, manufacturers have adapted to this change in demand and adjusted their supplies, resulting in renewed interest in Robusta, which is half the price of Arabica.

### THE WAR IN UKRAINE

In the same way as for cocoa, **our commercial activities with Russia have been impacted, but to a much lesser extent.** We have had to make trade-offs and launch investigations (compliance, logistics, banking, insurance) to be able to honour contracts without risk. In the end, we succeeded in settling positions we had taken, and we have since changed the terms of our contracts.



## FOCUS on INGREDIENTS:

Emmanuel Nee,  
Ingredient department  
director

### A VANILLA MARKET UNDER PRESSURE AND STRONGLY IMPACTED BY LOCAL POLITICAL DECISIONS

Despite being the world's largest market, Madagascar had only exported 300 metric tons of vanilla by the end of February, whereas normally **1,500 metric tons would have left the country over the same period.** At the start of the year, purchases were still at a standstill as a new harvest began, predicted to be good in both quality and volume.

This strong carry-over of stocks has resulted in **intense downward pressure on vanilla prices.** A situation which, if it sets in, could bring back memories of the 2000s.

### AMONG THE WORLD LEADERS IN THE CLOVE TRADE

In contrast to vanilla, the **clove market has seen two years of production deficits while demand has not weakened.** The pressure is so great that Indonesia, both the leading producer and leading consumer of this spice, is now turning to other countries such as Madagascar for its supply. It was in this context that we were able to sign a contract with a major Indonesian manufacturer.

The Touton Group has been active in this very special market since 2005, and once again this year will be one of the key players, due to our long-standing presence in the island nation. The clove sector has enabled us to mitigate the risks associated with the vanilla market and to "stand on our own two feet" to **remain among the top 5 clove traders in the world, and even reaching the top 3 this year.**



*Our strategy remains guided by caution. All the more so as the flavour industry adapts and reformulates its needs. In this respect, our decision to set up in new countries, to diversify the sourcing of our materials, offers excellent prospects for meeting the emerging needs of some 'multi-origin' customers, as in the case of Uganda with its certified vanillas.* //

# TOUTON, DEMONSTRATING AGILITY IN A CHANGING CONTEXT

2022 proved to be an atypical year, in more ways than one. During this past year, **several major macro-economic phenomena have severely tested the solidity of the business models of companies in our sector.**

Starting in the middle of winter 2022, the Russian-Ukrainian conflict caused significant economic upheaval, leading us to adapt our ways of working. Its effects continue to be felt today at several levels: tension on the financial markets, rising interest rates and increased logistical difficulties in managing our flows of goods. **It has taken all the organisational, functional and operational agility of the Group and its employees to get through this period of crisis without incident.**

At the same time, we have seen an increase in regulatory pressure, both with regard to the transparency and sustainability of the sectors and commitments to climate transition. **True to its vision, our Group continues to play a proactive role in these issues.** In this spirit, after performing an in-depth audit of the real impact of our activities, **we have chosen to commit to a low-carbon road map aligned with the Paris Agreement (COP21).**



To ensure that we meet our customers' demanding standards in our sustainable supply chains, **we are continuing with our long-term project to establish a Sustainable Procurement Standard that will be unique and specific to Touton.** This is a comprehensive approach, underpinned by our experience in the field, which we aim to make available to our customers and partners so that we can go beyond simply meeting the regulatory requirements.

Finally, **the problems associated with climate change have considerably increased in number.** The availability of raw materials, and consequently financial market prices, have been directly impacted. By relying on the human factor and innovation, we have been able to analyse these phenomena and share the various projections with all our partners using our forecasting models.

**The resilience shown by our Group in the face of these upheavals confirms our development choices, and determination to accelerate their implementation.**

# ENHANCING GOVERNANCE

## EXCELLENCE / INTEGRITY

Changes in the trading business has led to some **re-organisation of executive functions**. These changes were needed to ensure optimal adaptation to new market requirements. **Trade, the emblematic function of any trading company, can no longer be regarded as the only focus for governance**, as demonstrated by the new challenges summarised in the UN Sustainable Development Goals, which call for the integration of new global challenges into corporate social and environmental responsibility.

For this reason, important changes were made to certain functions this year, notably through new appointments. **The purpose of the new structure is clear: to prepare for the future**, by supporting the changes needed for efficient organisation and by perpetuating the transfer of knowledge between the founders of the Group and the new generation.

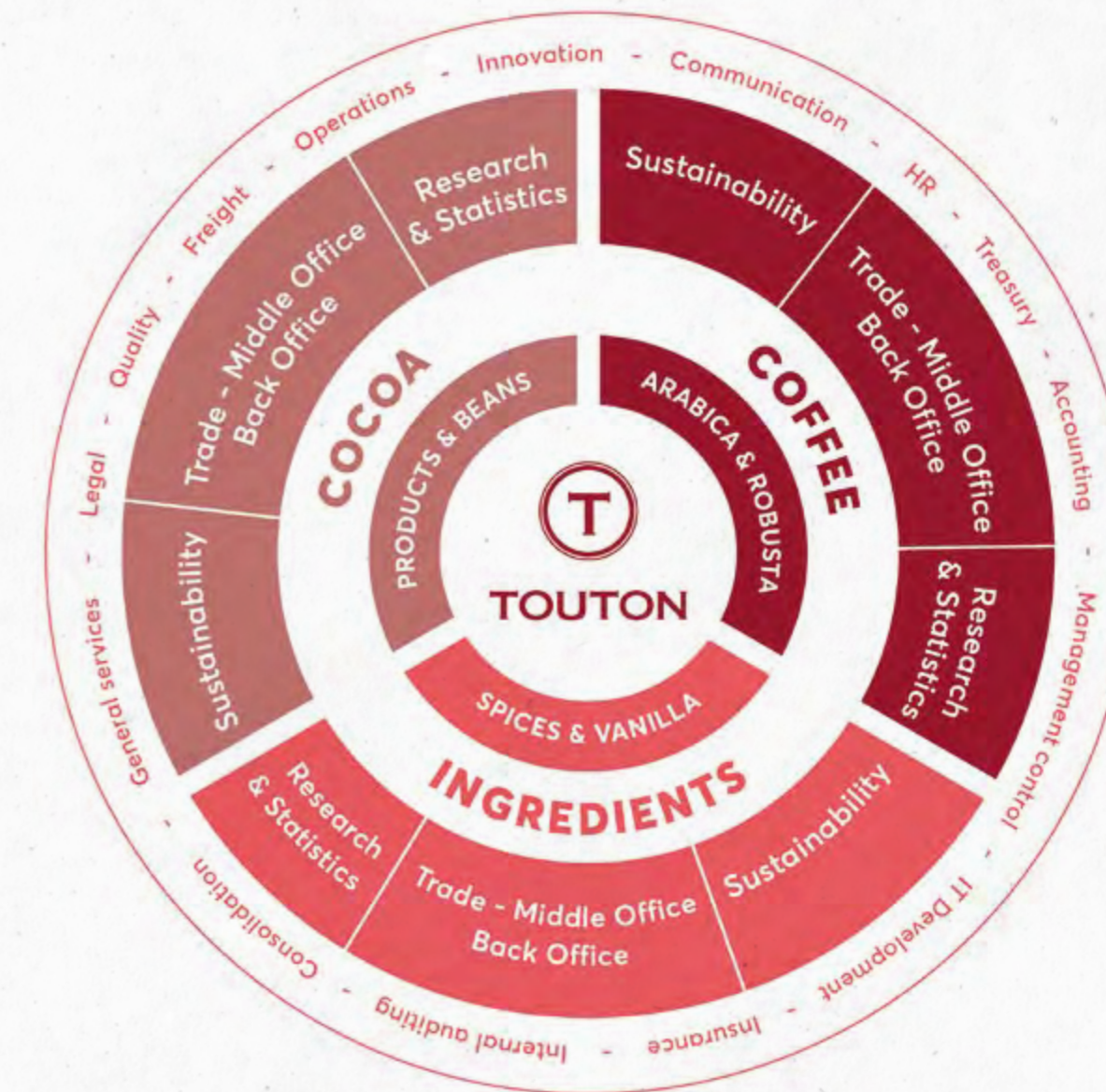


*To prepare the future of the Group and rejuvenate its management team, we carried out a review of our governance and made changes to the organisation chart. Three appointments were made during the financial year: Eric Guimberteau as Deputy Managing Director, Joseph Larrose, as Deputy Managing Director and Antoine Delsart as Cocoa Trade Director. In terms of governance, where we previously had a Chief Executive Officer and a Deputy Chief Executive Officer, there is now extended general management team. We have also created an Executive Committee (COMEX), made up of general management and department directors.*

**Olivier Lieutard**  
Deputy Chief Executive Officer, Touton SA

**Our organisation is structured on departments built around our main business areas:** Cocoa beans, Semi-finished cocoa products, Coffee and Ingredients. Made up of experts in trading, logistics, the futures market and other components of our business, **this organisation allows us to respond precisely to the specific demands of each of the tropical agricultural materials we deal with.**

Our Administration and Finance, Human Resources, IT, Compliance, Logistics and Communication departments provide additional support functions. **A Sustainability department is dedicated to developing and managing the CSR strategy**, which forms an integral part of the Group's overall strategy. The Sustainability department has a cross-functional role in governance, decision-making bodies and more generally in all operations.







**The Board of Directors** is responsible for setting the company's strategic direction and making major decisions. It is made up of experts in our fields of activity, meets at least twice a year, and also deals with extra-financial issues.

**The COMEX:** The Executive Committee is the group of managers that supports the CEO and Deputy CEO in major decision-making concerning Touton Group. The Executive Committee assists general management in the implementation of the company's overall strategy, in particular the commercial strategy and financial and extra-financial performance. It validates on going ahead with key Group projects, monitors them and ensures consistency between them. The COMEX sets the goals for the trading and support departments, in accordance with our

road map, observes their application through an action plan and monitors their implementation.

**The Management Committee (CODIR)** is made up of the group of managers supporting general management and the COMEX in the operational implementation of the Group's strategy and vision as defined in our road map. The CODIR is responsible for the operational performance of the Group, monitors its activities and organises the distribution of roles and tasks. The CODIR allows real communication between and within the various departments for effective sharing of information.

## CONSOLIDATING COMPLIANCE TOOLS

### INTEGRITY / EXCELLENCE

To meet all the new requirements, both contractual and regulatory, we are gradually strengthening our dedicated tools and resources: **management-monitoring of suppliers and a third-party evaluation system** (using the IndueD tool), a **quality management system**, an **anti-corruption management system** and also **strengthening of group and supplier audits** with the update of our supplier's code of conduct and the creation of a quality charter.

One of the first pillars in terms of compliance was the **production of the Group risk map in 2017**. Since then, we have deployed several sub-maps to focus on specific areas of risk: CSR, Corruption, Food Safety and Defence are currently in progress.



**Joseph Larrose**  
Deputy Managing Director  
Touton SA



*Touton is a French company that consolidates all of its activities in France and is thus subject to national regulations. It should also be noted that France was a pioneer in the fields of due diligence and anti-corruption. The European regulatory framework is becoming extremely elaborate, restrictive (without being pejorative) and thus very robust. It has extended the intensity and scope of corporate responsibility, particularly on strategic issues such as imported deforestation, child labour, and taxonomy.*



### Anti-corruption action plan

Analysis and classification of our "at risk" suppliers has led us to **rework our anti-corruption programme**. With the help of a consulting firm, we have established a specific map of corruption risks and defined an associated action plan, which will be deployed over the 2023-2024 financial year.

### Food safety and defence

Recent regulatory developments (European, American) on health safety have tended to lower the tolerance thresholds for certain compounds or residues for some of our agricultural raw materials. As these are at the heart of our business, the Group's overall activity is directly affected.

To best meet future requirements, **our quality departments have stepped up controls, introduced a quality charter (countersigned by suppliers) and, more generally, strengthened the Group's Quality Policy**, in particular by speeding up preparations for IFS Broker and FSSC 22000 certification.

In addition, regulatory monitoring by Touton Group teams, in collaboration with federations or associations such as the European Cocoa Association or the European Coffee Federation, make it possible to obtain the sector-specific details required for cocoa, coffee and ingredients prior to application of regulations, and to report any practical difficulties with their implementation.

**All of this work has resulted in a global sustainable supply strategy and a Food Quality and Safety Policy that are in-line with the new obligations.**



## FOOD QUALITY AND SAFETY POLICY

Already convinced that the management of our supply chains must factor in sustainability, since 2000 we have been deploying a responsible strategy based on shared value creation. **By reducing environmental and societal risks, we adapt agricultural supply models to the United Nations sustainable development goals.**

To this end, we have aligned our practices by incorporating a quality and food safety management system designed to ensure the health and well-being of all.

As a result, **several goals have been set** arising from our corporate policy and the issues and risks associated with it:

**Guarantee** healthy, high-quality products that comply with regulations and customer requirements,

**Maintain** a relationship of trust with our customers by respecting our contractual commitments,

**Maintain** the skills and expertise of our teams to guarantee the authenticity of our products,

**Raise awareness** of all employees and evaluate them on the supply of healthy food,

**Demonstrate** transparency to all stakeholders.

# SETTING A ROAD MAP FOR A LOW CARBON TRANSITION

## AUDACITY

In 2021, Touton Group conducted its first Bilan Carbone®, carbon audit for scopes 1, 2 and 3. The results came as no great surprise, as they showed that 99% of our emissions are in Scope 3, linked to agriculture, and 92% come from land use.

For several years now we have been committed to reducing this footprint, notably through programmes implemented in the field by our sustainability teams for our customers. We have already identified two areas where we can take action:

- By prevention, through engaging in programmes to combat deforestation

and promote agroforestry or regenerative farming practices for cocoa, coffee or clove plants;

- By management, through setting up activities that could reduce and even capture and store the carbon emissions present.

Our approach is part of a wide-ranging movement initiated not only by our customers and regulatory bodies but also by their stakeholders, aimed at tackling climate challenges and meeting the COP21 goals: **stepping up efforts to reduce emissions, increasing carbon storage capacity in the value chain, contributing to offsetting to eventually achieve neutrality by 2050.**



In addition to studies, programmes and initiatives, we believe that a general policy is needed to provide direction for our teams and their managers, who can then set goals and implement actions appropriate to their areas of responsibility. **Following the carbon audit carried out previously, we have decided to pursue the ACT (Assessing Low-Carbon Transition) Step by Step approach, with the help of consulting firm Utopies.**

This initiative, led by the French Agency for ecological transition (Ademe) and the Carbon Disclosure Project (CDP), helps companies to set out a low-carbon climate trajectory in line with the Paris Agreement.

During 2022, we formulated our vision and took the essential first step in the process. From 2023 and over the coming years, we are committed to gradually rolling out this approach across all our operations, with a view to achieving carbon neutrality in line with the Paris Agreement.

To this end, **we have appointed an employee dedicated to environmental issues and called on the expertise of specialists who will support our teams** to ensure successful adoption of the methodology within the Group. At the same time, these key players will be available to answer any questions relating to the operational implementation of our projects.



**Isabelle Adam**  
Institutional Relations and Partnerships Manager Touton SA



*By definition, our business is closely linked to agricultural raw materials, which are themselves dependent on the climate, soil fertility and the maintenance of biodiversity. Our supply chains are thus particularly vulnerable to the problem of reaching global limits. Our partner growers are more exposed to the impact of climate change and the loss of biodiversity than most of the population. It is clear that we have a role to play both at group level and for the sectors as a whole.*

**ACT** ASSESSING LOW CARBON TRANSITION



**UTOPIES**



**Fabien Lameyre**  
Managing Director of RésiliAnce



*As investors, our message for start-ups is simple: beyond the funds invested, we provide you with daily support. What we can do is to connect you to our supply chains and provide you with our knowledge, our expertise, our network and our availability to cooperate on a day-to-day basis. We are convinced that to build a viable solution, it must be studied in the concrete working environment of supply chains, in the very ecosystem in which our raw materials are produced. Providing direct access to it is the real strength of the Touton Group.*



## FUNDING INNOVATIVE SERVICES FOR THE BENEFIT OF ALL

### AUDACITY

Convinced that we must continue to activate the lever of innovation, Touton Group, through its RésiliAnce investment fund, continues to seek out innovative start-ups/companies offering solutions "in and around its business areas".

**RésiliAnce is a private equity fund dedicated to accelerating the digital, economic and sustainable transformation of agri-food value chains.** Over the years, we have sought to make our portfolio coherent and complementary by favouring "Positive Impact Projects".

We fund solutions that revolutionise usage and/or technology to build resilient systems that benefit everyone. Through our networks and expertise in risk management, particularly in tropical countries, we provide capital and advice to the most determined entrepreneurs, helping to propel seed-stage start-ups to the next level.



This year, after studying **52 applications, 2 investments** have been made: Inarix, Regeneration

### WHY PROMOTE THE INARIX SOLUTION?



**Inarix is a tool for measuring the quality of crops, currently cereals.** By simply taking a photo using a smartphone and saving it in a proprietary application, it can run data science and machine learning tools to detect, for example, the protein content (wheat and barley), the Hagberg falling number, or the cereal composition, in near real time.

By comparing the biometric signature of the grains with its database, it can trace their production zone to within 20 km.

The tool is an alternative to infra-red or laboratory measurements, providing comparable results and with competitive, operational and environmental advantages.

As part of the One Forest Summit organised by France and Gabon, a proof of concept (POC) of the ability to identify the geographical origin of coffee beans was implemented in collaboration with Touton. It shows great promise, particularly in terms of the challenge of identifying whether beans come from deforested or non-deforested areas.

### WHY SUPPORT RÉGÉNÉRATION?



**Régénération aims to promote the agroecological transition of farms towards regenerative agriculture through a novel process:**

**Funding** the transitional loss of income for farmers by issuing a financial bond.

**Supporting** the transition over 10 years and measuring its impact on the reduction of CO<sub>2</sub> emissions and the available water content (among others).

**Validating** the transition by issuing a certificate that includes a carbon credit to remunerate the start-up itself, the farmer and the subscriber to the bond.

# INITIATING TOUTON'S UNIQUE STANDARD FOR SUSTAINABLE SUPPLY

## SUSTAINABILITY AT TOUTON

The Group's Corporate Social and Environmental Responsibility (CSR) policy, approved by the Board of Directors, is implemented by the Sustainability department. Created in the mid-2000s and formalised in 2008, the department consists of a team of 8 people at head office and almost 170 dedicated employees in our supply subsidiaries. **Some structures, such as Touton Ghana for cocoa, are exclusively dedicated to managing programmes in producer countries.**



## AUDACITY / INTEGRITY / EXCELLENCE

At Touton, **we deploy a sustainability strategy based on shared value creation.** By reducing environmental and social risks, we sustainably transform agricultural supply models, in line with the United Nations Sustainable Development Goals.

Our sustainability programmes already provide answers to the main CSR issues. **We strive to constantly adapt and improve their performance, to go faster and further in the sustainable conversion of value chains.** Because the needs of our partner producers and our customers are constantly changing, and because certifications are by definition limited to their own specifications and do not necessarily match these needs, we decided to formalise our own standard.



**Audrey Lagauche**  
Group Cocoa Sustainability  
Manager Touton SA



*Our standard is based on our experience of sustainable supply chains and our understanding of customer needs and market requirements. We have reached sufficient maturity to combine all this experience into a single (and inalienable) asset, unique to our group: this standard is OUR EXPERTISE.* "



At Touton, we are aware that our own resilience depends on a value proposition that takes into account and responds to today's challenges and the related needs and expectations of our customers. The creation and implementation of our Standard are part of this dynamic. This tool will provide an internal framework and vision for our teams by explaining what sustainability means for us.

It is also aimed at our external stakeholders, who need to understand how we think about and define sustainability.

Our standard is based on 4 pillars:

- Economic and social development,
- Climate resilience and environmental protection,
- Protection of basic rights,
- Management and transparency of the supply chain.

and at several intervention levels:

- A minimum level of compliance that covers the common core,
- A sliding scale of intensity,
- A broad spectrum allowing for the standardisation of actions ranging from simple risk analysis to the implementation of a corrective programme over several years.

From the same common core of mandatory compliance, this standard enables us to establish a tailor-made assessment programme for our supply chains. A pilot test phase was successfully carried out for cocoa this year in Côte d'Ivoire with one of our customers.



# BUSINESS MODEL

## NATURAL AND INDUSTRIAL RESOURCES

Annual volume of products processed



**350,000**  
tonnes of cocoa



**105,000**  
tonnes of coffee



**13,500**  
tonnes of spices



**87**  
tonnes of vanilla

more than  
**80 WAREHOUSES**  
under management



**1 PLANT**  
for processing



**5 PLANTS**  
for packaging

# RESOURCE BUSINESS MODEL



## FINANCIAL RESOURCES

Consolidated turnover by product (in €)



**1,083**  
million  
(cocoa)



**304**  
million  
(coffee)



**92**  
million  
(spices)



**18**  
million  
(vanilla)

**OTHER**

**2.1**  
million

## FINANCIAL PARTNERS



more than  
**30 BANKS**  
and partner financial  
institutions

## HUMAN RESOURCES



more than  
**800 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 ACADEMIC PARTNERSHIPS**  
that help anchor our actions in knowledge


**FOR THE ENVIRONMENT**



 more than **15 CERTIFICATIONS**  
 sustainability, quality or standards  
 obtained at Group level

**Sustainable volume**


  
**52.21%**  
 cocoa


  
**7.7%**  
 coffee



  
**30.34%**  
 spices


  
**5.6%**  
 vanilla

**FOR OUR EMPLOYEES**


  
**2,450 HOURS**  
 training for head office  
 employees (training hours +  
 work-study)


  
**7.67 YEARS**  
 average length of service  
 (loyalty of our employees)


  
**39 YEARS**  
 average age  
 (78% M. / 22% F.)

**VALUE BUSINESS MODEL**

**FOR OUR SUPPLIERS**

more than **13.6 MILLION €**  
 in sustainability bonuses  
 paid to producers in Côte  
 d'Ivoire and Ghana


  
 more than **130,000 PRODUCERS**  
 of cocoa, coffee and/or ingredients  
 have benefited from at least one  
 sustainability intervention (Côte  
 d'Ivoire, Ghana, Kenya,  
 Madagascar, Nigeria, Uganda)

**FOR OUR CUSTOMERS AND END CONSUMERS**


  
**100%**  
 of contracts  
 honoured "0 defaults!"


  
**100%**  
 of CTPC products  
 certified ISO 22000



# OUR SUSTAINABILITY APPROACH

Our CSR approach is broken down into 3 priority areas.

The primary objective is to build compliant supply chains that create shared value, and contribute to the United Nations Sustainable Development Goals (SDGs).

**EXCELLENCE** "Offer sustainable products"

**AUDACITY** "Working side by side with our producer partners"

**INTEGRITY** "Ensure the integrity of our operations"

Each of these areas includes several issues intrinsically linked to our activities, both upstream and downstream: from working with our producer partners, to the quality of our products, to the protection of our partners and employees.

By ensuring that each of these issues is addressed, we meet regulatory requirements, and the expectations of our stakeholders, and also contribute to 12 of the Sustainable Development Goals.

Through the United Nations Global Compact, we are committed to supporting its principles in the areas of human rights, labour, the environment and combating corruption.



# MAP OF PARTNERS

## COCOA

### Implementation & research partnerships



### Sectoral/ international initiatives



### Certification



### Ratings and standards / corporate



+ 4/4 Smeta

## COFFEE

### Implementation & research partnerships



### Sectoral/ international initiatives



### Certification



### Ratings and standards / corporate



## INGREDIENTS

### Implementation & research partnerships



### Sectoral/ international initiatives



### Certification



## OTHER

### Implementation & research partnerships



### Sectoral/ international initiatives



# 2

## STRENGTHENING OUR ACTIONS IN THE CLIMATE TRANSITION AND REDUCING ENVIRONMENTAL IMPACTS

The performance of our company and its social acceptability is closely linked to our ability to reduce the environmental impacts of our activities. Our goal is to preserve local communities and the ecosystems around us more effectively in the face of climate challenge.

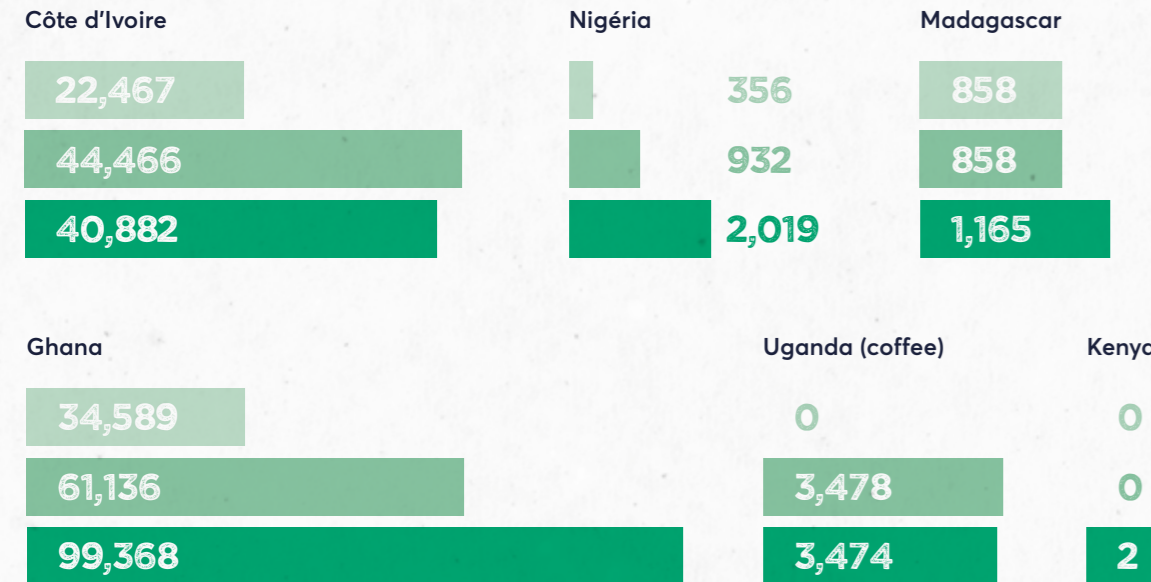
While agriculture plays an essential role in the global economy, it is also at the heart of our business and will be one of the sectors worst affected by climate change. Our role is not only to support local communities in this transition towards sustainable and regenerative ecosystems, but also to provide solutions for reducing greenhouse gas (GHG) emissions and capturing carbon through innovative and remunerative mechanisms.

In a global context marked by the urgency of climate change, Touton is resolutely committed to this fight and to meeting these social and environmental challenges. We are continuing our sectoral initiatives and stepping up our efforts in terms of innovation.

# ENVIRONMENTAL KPIs / INDICATORS

## INDICATOR NUMBER OF PLANTATIONS MAPPED AND VERIFIED (CUMULATIVE)\*

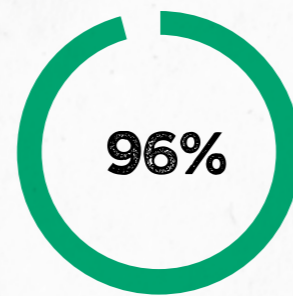
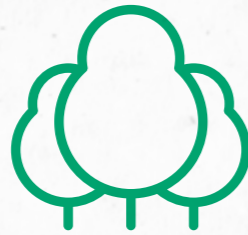
● 20-21 ● 21-22 ● 22-23



\*BEFORE THE END OF THE FINANCIAL YEAR

**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.



## INDICATOR KPI PROPORTION OF COCOA PLANTATIONS MAPPED BY SUPPLIER RISK\*

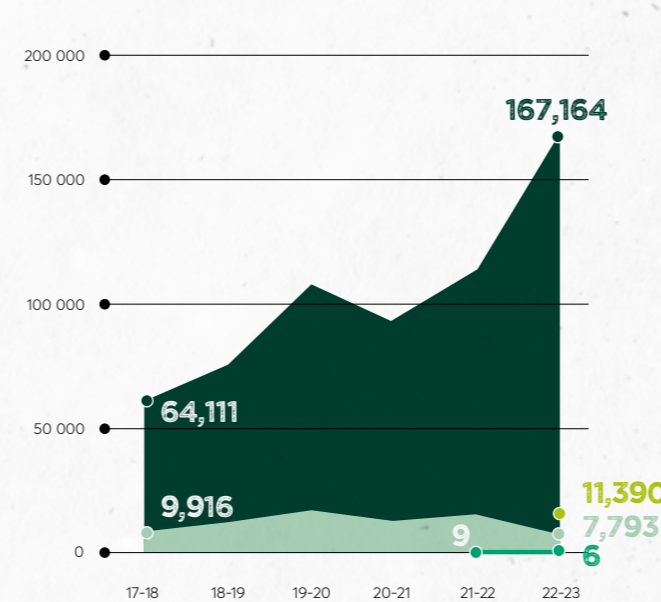
\*DURING 2022-2023 IN GHANA AND CÔTE D'IVOIRE

## INDICATOR KPI 140,464 PLANTATIONS HAVING UNDERGONE A DEFORESTATION RISK ASSESSMENT (DRA)\*

\*DURING 2022-2023 IN GHANA AND CÔTE D'IVOIRE

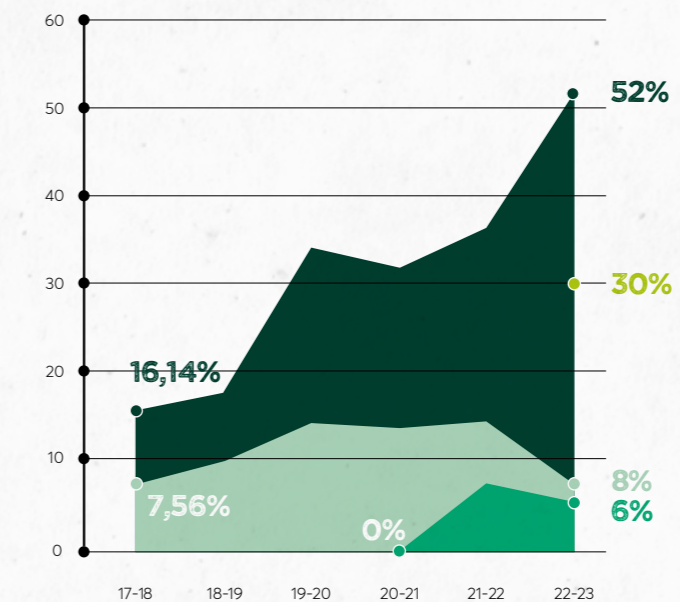
## INDICATOR KPI INCREASE IN TONNAGE OF SUSTAINABLE PRODUCTS SOLD

- Cocoa beans
- Cocoa semi-finished products
- Coffee
- Vanilla



## INDICATOR KPI PROPORTION OF TONNAGE OF SUSTAINABLE PRODUCTS SOLD OUT OF TOTAL QUANTITY SOLD

- Cocoa beans
- Cocoa semi-finished products
- Coffee
- Vanilla



## INDICATOR 32,216 PRODUCERS HAVING ATTENDED ONE OR MORE TRAINING COURSES ON WATER AND WASTE MANAGEMENT\*

\*IN GHANA, CÔTE D'IVOIRE AND UGANDA

## INDICATOR KPI 89,675 PRODUCERS TRAINED IN GOOD AGRICULTURAL, SOCIAL AND ENVIRONMENTAL PRACTICES\*

\*(COCOA, COFFEE) IN GHANA, CÔTE D'IVOIRE AND UGANDA

## INDICATOR 12,569 INDIVIDUALS COVERED BY AGROFORESTRY PROJECTS\*

\*IN GHANA AND CÔTE D'IVOIRE

# COMBATING GLOBAL WARMING AND DEFORESTATION

## SETTING A LOW-CARBON TRAJECTORY

Touton Group promotes responsible practices in all activities carried out within its supply chains, both upstream and downstream. Given the changes in European regulations on deforestation, we are currently reviewing our policies and objectives, starting with an analysis

of our social and environmental risks. Reviewed annually, it informs all our stakeholders of our commitments and Group policy, as well as the priorities established to strengthen our management systems.

**ACT** ASSESSING LOW  
CARBON TRANSITION

//

*The aim of the road map that we are building within Touton Group is to supplement the CSR pillars that have already been formalised and to identify any gaps surrounding carbon issues. Through our road map, we will be able to imagine and project Touton beyond the realities of today's business.*

*This forward-looking exercise will enable us to allocate the resources we need now to stay on the course we have set. It takes account of the climate risks that our Group will have to face, seizes existing and future opportunities and offers a positioning that sets the Group apart from its competitors.*

// **Olivier Lieutard**  
Deputy Chief Executive Officer,  
Touton SA



Initiated in 2022 and continued in 2023, Touton Group's climate strategy is aligned with the **Assessing Low-Carbon Transition (ACT) initiative, developed by ADEME and the Carbon Disclosure Project, CDP**. This approach provides a set of methods and tools for assessing the consistency of a company's strategy in relation to a decarbonisation trajectory tailored to its activities and taking account of its sector.

Carried out in collaboration with consultancy firm Utopies, **this assessment will lead to the establishment of a truly low-carbon strategy, aligned with the Paris Agreement** with the aim of achieving a Net Zero footprint by 2050. This is an ambitious project, given the significant impact of land use in the Group's Bilan Carbone® (92% for 5 million metric tons linked to scope 3).

The initial results highlight the **need to change the way we look at tropical raw materials** by developing new farming models that regenerate biodiversity and are capable of adapting to the

challenges posed by climate change, while helping our customers to achieve their own decarbonisation. To this end, **we aim to commit to an SBTi** (Science Based Targets initiative) reduction trajectory **and are already committed to Zero Deforestation in the value chain by 2025**.

This road map, currently still under study, is structured around 3 main pillars:

- **A focus on upstream agriculture (scope 3):** to enhance and strengthen the capacity for adaptation and the storage and reduction potential of upstream agriculture.
- **A focus on downstream customers (scope 3):** to guarantee impact and offer a service that goes beyond simply supplying raw materials.
- **A direct operational focus (scopes 1 & 2):** with the aim of transforming our activities in all our business areas (plants, freight, offices, etc.).

# SUPPORTING THE FIGHT AGAINST DEFORESTATION



KPI

140,464

PLANTATIONS HAVING UNDERGONE A DEFORESTATION RISK ASSESSMENT (DRA)\*

KPI

96%

PROPORTION OF COCOA PLANTATIONS MAPPED BY SUPPLIER RISK\*

\*DURING 2022-2023 IN GHANA AND CÔTE D'IVOIRE

As part of the French Initiative on Sustainable Cocoa (FRISCO) and in response to regulations on imported deforestation, we have set up direct supply chain mapping (analysis using GPS or polygon mapping) for our coffee and cocoa sectors. **Each year, we map the areas where farmers grow their crops** to ensure that the raw materials do not come from classified forests or protected areas and are not the result of deforestation.

As well as guaranteeing traceability, this mapping, which has been carried out for several years with our customers in the cocoa sector, makes it possible to **verify the proximity of protected areas subject to the risk of deforestation and hence to consider preventive action plans**. It now covers almost all suppliers for our direct supply chains in this sector.

In practical terms, we have chosen to use the services developed by Satelligence to analyse the risk of deforestation in the areas inventoried. The analysis based on satellite images is supplemented by more in-depth field checks when a risk of deforestation is identified.

To mitigate these problems, it is essential to promote sustainable agricultural practices, such as agroecology and soil conservation.

**We have two ways of ensuring that the products we source do not come from forested areas:**

**Mapping** our entire direct supply chain (subsidiaries, cooperatives of contract growers and affiliated producers) for our cocoa and coffee sectors;

**Assessing the risks** of deforestation: starting in 2020, and every year since then, we have been carrying out a "deforestation risk assessment" (DRA) in our cocoa supply chain, which we plan to extend very soon to ingredients and coffee.

At present, our cooperatives and partner producer groups have procedures to follow concerning the measures to be taken in the event of deforestation. **We insist on coordination of these activities with the local authorities.**

## GOALS OF THE DEFORESTATION RISK ASSESSMENT

The main goals of this assessment are to establish:

- **How many and which cocoa farms are at high/low risk?**
- **Which farmers produce in the high-risk areas?**
- **Where is deforestation associated with cocoa production and how has it changed over time: has it increased, stabilised or decreased?**



Launched in October 2021, the French Initiative for Sustainable Cocoa (FRISCO) forms part of the National Strategy to Combat Imported Deforestation (SNDI). It brings together the State, industry companies, retail chains, civil society organisations, and research institutes working in the cocoa and chocolate sector in France.

**FRISCO aims to make the cocoa sector more sustainable by 2030. To this end, it promotes social, economic and environmental goals:**

**Increasing** remuneration for cocoa farmers and their families, so that they can achieve a decent income by no later than 2030, in collaboration with producer countries;

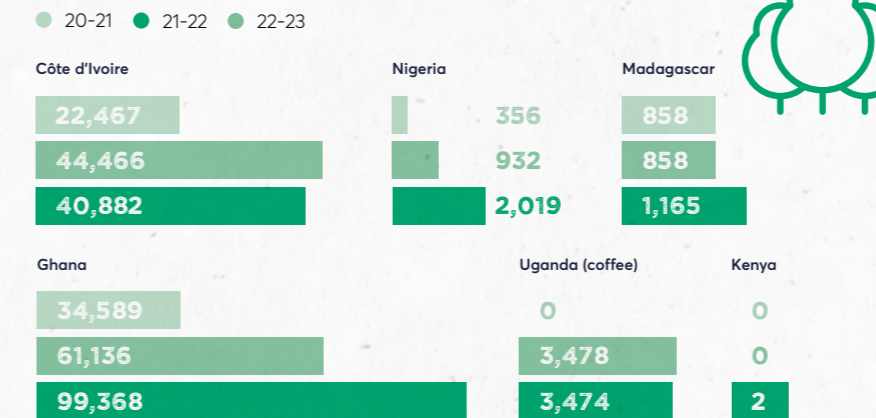
**Phasing out**, by 2025, supplies to the French cocoa industry and its partners from areas deforested after 1 January 2020, combating forest degradation and preserving forest massifs and areas of high environmental value;

**Taking the necessary measures** to combat forced labour and child labour in cocoa-producing regions by 2025, while helping to promote the rights of children and their access to education and the emancipation of women within the cocoa industry.



INDICATOR

NUMBER OF PLANTATIONS MAPPED AND VERIFIED (CUMULATIVE)\*



\*BEFORE THE END OF THE FINANCIAL YEAR

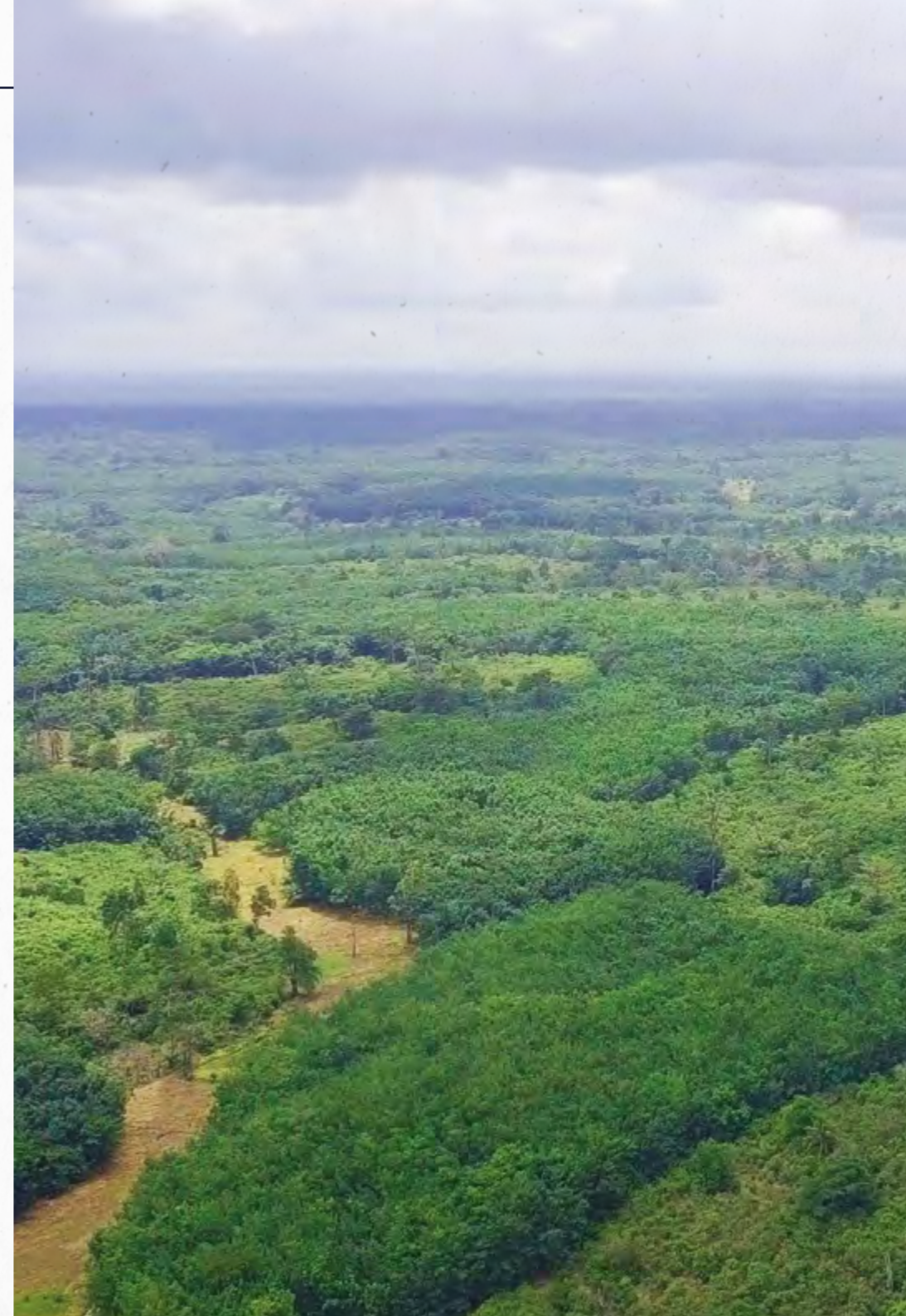
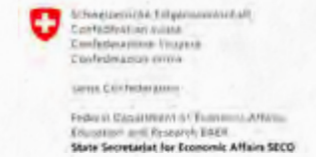
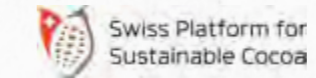
# COMMITTING TO PRESERVATION OF FOREST RESERVES: THE CAVALLY LANDSCAPE PROJECT

The Cavally Landscape Project is an initiative that brings together key stakeholders committed to preserving the Cavally forest reserve in Côte d'Ivoire. **The actions taken are designed to help strengthen the resilience of farmers in this region and improve the transparency of the cocoa and rubber supply chain.**

The first phase of the project, implemented from 2020 to mid-2023 with funding from Nestlé, showed that the most modest cocoa and rubber farmers, located on the outskirts of the forest reserve and looking for fertile soil, might be tempted to encroach on the protected area to establish plantations. By working with

stakeholders in the cocoa and rubber sectors, the aim is to combat poverty sustainably and prevent deforestation, so that the problems identified are not simply transferred from one sector to another.

The second phase of the project, which will be implemented over three years from June 2023 to June 2026, plans to strengthen the activities already carried out and extend them to rubber growers. During the course of the project, the partners involved will seek to include other players, in particular companies from the rubber industry.

TOUTON



## CAVALLY LANDSCAPE PROJECT PARTNERS

"Initiated by the Côte d'Ivoire government, Earthworm Foundation and Nestlé in 2020, the Cavally forest reforestation and protection project today welcomes new partners to increase its impact: the Swiss federal administration (SECO) via the Swiss sustainable cocoa platform (SWISSCO), along with the companies Touton and Cocosource, which work directly with cocoa and rubber cooperatives in the area concerned."

Many other local organisations, including government authorities, are involved in the project, including the Ministry of Water and Forests (MINEF), SODEFOR, cocoa and rubber cooperatives, STBC, the Swiss Centre for Scientific Research in Côte d'Ivoire and the International Cocoa Initiative (ICI).

Touton is contributing €750,000 over 3 years.

The main aim of the project is to protect the Cavally forest reserve while helping the surrounding communities to become more resilient and participate in efforts to conserve and restore biodiversity. As such, the project is structured around four complementary objectives, each with specific targeted results.

## 1 Prevent deforestation and regenerate the ecosystem in the Cavally forest reserve

- Remove illegally planted cocoa trees on **17,450 ha** within the forest reserve;
- Establish new plantations on **3,000 ha** of vacant land in collaboration with **1,300** members of the nursery/grower community;
- Set up mixed patrols to deter intrusion and stimulate natural regeneration of the environment on **3,357 ha**;
- Renew the development plan for the Cavally classified forest.

## 2 Increase the resilience of farmers

- Participate in the rehabilitation of **1,800 ha** of cocoa plantations in order to support **750 farmers** in improving the profitability of their crops;
- Promote income diversification through crop diversification among **1,160 farmers**;
- Facilitate access to funding for **1,200 members** of the community - and in particular women - by creating **30** Village Saving and Loan Associations (VSLAs) while maintaining the **10 VSLAs** created during the first phase;
- Support the implementation of climate-smart agricultural (CSA) practices on **3,600 ha** of plantations managed by **1,200 farmers**;
- Allow **420 farmers** to benefit from agroforestry systems on their plantations over an area of **1,070 ha**.

## 3 Combat child labour:

- Carry out campaigns to raise awareness and monitor child labour among **5,000** farming families;
- Allow **10,000 children** to benefit from easier access to education by issuing the necessary documents - such as birth certificates.

## 4 Build a transparent and traceable supply chain for cocoa and rubber:

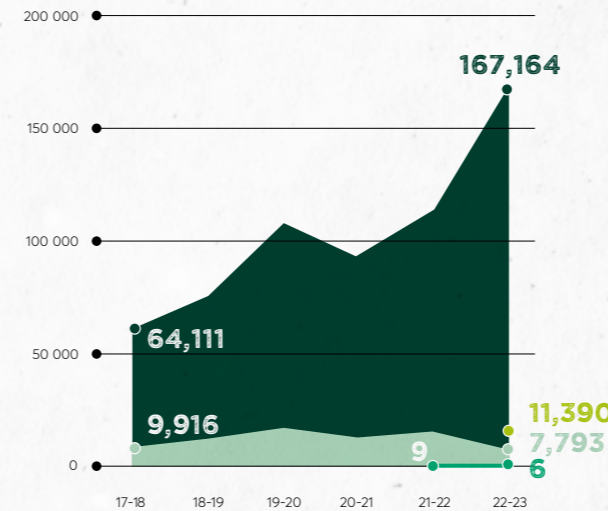
- Identify **high carbon stock (HCS)** or **high conservation value (HCV)** areas in the landscape and provide continuous satellite monitoring;
- Allow **full traceability** of all raw materials sold that have a direct link with the project;
- Ensure that farmers have access to **price transparency** and incentive measures;
- Establish **communication channels** and a grievance procedure among stakeholders.



### KPI

#### INCREASE IN TONNAGE OF SUSTAINABLE PRODUCTS SOLD

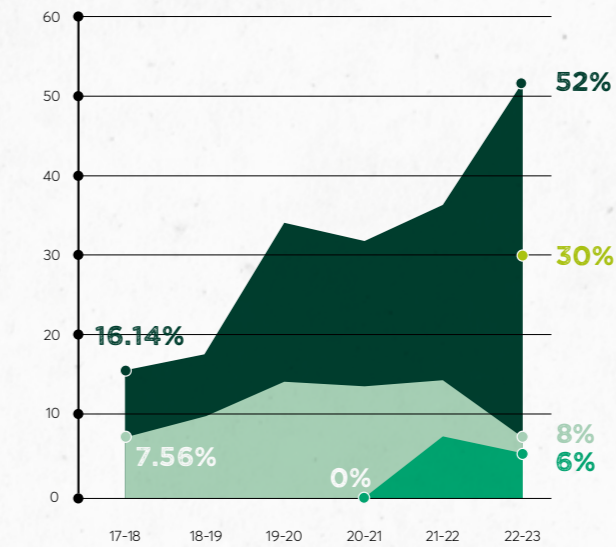
- Cocoa beans
- Cocoa semi-finished products
- Coffee
- Vanilla



### KPI

#### PROPORTION OF TONNAGE OF SUSTAINABLE PRODUCTS SOLD OUT OF TOTAL QUANTITY SOLD

- Cocoa beans
- Cocoa semi-finished products
- Coffee
- Vanilla



With a deliberately global and shared approach, **this project aims to achieve lasting effects on both people and nature**, by relying on strengthening the pooled skills of farmers, communities and all stakeholders in the sector in terms of economic resilience, access to finance, environmental protection and sustainable farming practices.



# PRESERVING NATURAL RESOURCES BY REDUCING THE IMPACT OF OUR ACTIVITIES

## PROMOTING AGRICULTURAL PRACTICES WITH LOW CARBON EMISSIONS

### 4C initiative: For the production of climate friendly Robusta coffee in Tanzania

In Tanzania and Côte d'Ivoire, we manage our operations according to the principles of the **4C Code of Conduct** (*Common Code for the Coffee Community*), part of the **Global Coffee Platform**. Compliance with this standard guarantees that the cultivation of coffee does not harm primary forests and also commits producers to preserving biodiversity, soil and water quality through the rational use of inputs.

The project is funded by the develoPPP programme of the German Federal Ministry for Economic Cooperation and Development (BMZ), implemented by DEG Impulse and with funding from JDE Peet's.

*Implementation partners: Touton S.A., Karagwe District Cooperative Union, 4C Services, Meo Carbon Solutions and GRAS Global Risk Assessment Services.*



The main goals of this project concern the **reduction of greenhouse gas emissions from the production of Robusta coffee**. In Tanzania, more than 7,000 small farmers and processors in the supply chain are involved in the programme, which is divided into 5 main actions:

#### Measurement and assessment

of the carbon footprint resulting from coffee production;

#### Identification

the main impact factors and opportunities for improvement;

#### Implementation

of mitigation strategies (including offsetting greenhouse gas emissions);

#### Support

for market adoption of environmentally friendly coffees;

#### Creation

of positive socio-environmental benefits for farmers and local communities in the coffee sector in Tanzania and beyond.



To this end, **more than 2,470 farmers have attended training programmes** on farming practices and techniques during the preparation of 44 demonstration plots located in 20 AMCOS (or agricultural cooperatives). These include techniques for clearing old coffee trees, preparing the soil for fertilisation and applying mulches made from manure.

This pilot project is proving particularly promising in that it is helping to identify sustainable solutions for reducing the carbon footprint of our partner producers. **The approach is simple to set up and has a dual benefit**, as it also enables farmers to generate additional income by increasing their production yields.

# OPTIMISING ENERGY USE

Our sustainable initiatives are intended to be adapted to the activities specifically carried out within each of our sectors. As such, **we have carried out field studies on the production conditions of our clove leaf essential oil in Madagascar.** These studies show that the clove and leaf distillation market is highly fragmented, with farmers, collectors and bush distillers sharing the market.

The lack of structure in this supply chain encourages the emergence of several issues with high environmental impact, including:

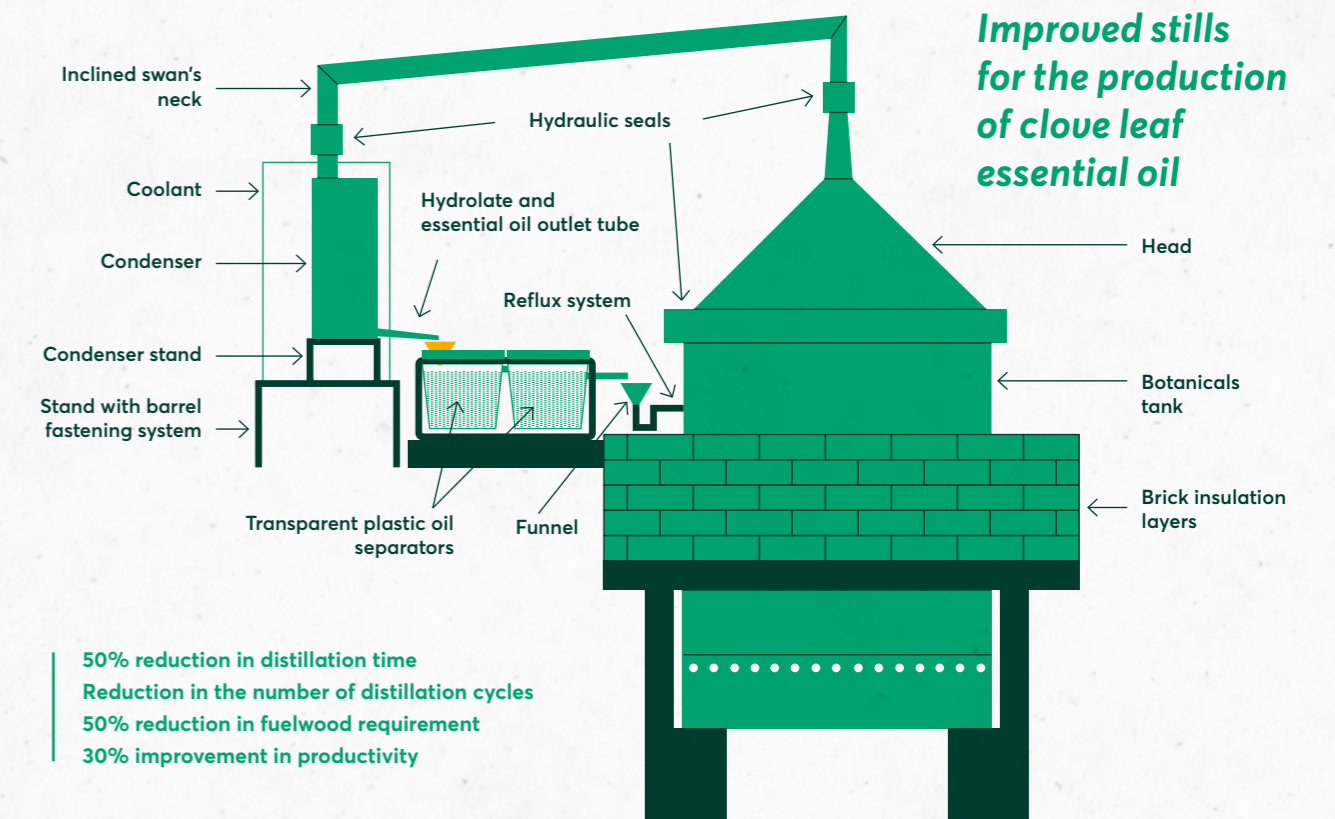


- A general trend** towards deforestation and over-farming,
- Proliferation** of illegal harvesting with no legal framework for the protection of resources,
- Lack** of agricultural training for producers,
- Use** of traditional distillation facilities with high energy consumption,
- Lack** of traceability and access to quality oils.



Based on these findings, our Group decided to initiate a pilot project in collaboration with the Tamatave Horticultural Technical Centre (CTHT), **focusing primarily on reducing the energy consumption** generated by processing activities. This initiative involves the **introduction of more economical technological tools, with stills that consume less energy,** as well

as training processors in optimised processes: better consumption of resources in terms of both the quantity of leaves used and the use of fuelwood, as well as reducing distillation cycles and times. At the same time, this set of practices provides a clear increase in yields for producers.



# RAISING AWARENESS OF RATIONAL WATER USE

While combating global warming is one of the major challenges of the coming decades, the United Nations Water Conference - the first to be devoted to this issue - held at the UN headquarters in New York last March, provided a timely reminder that **water resource management is also a major challenge for current and future generations.**

The figures bear witness to this reality: 70% of deaths due to natural disasters are linked to water. And while 1.2 billion people live in areas at risk of flooding and almost a thousand children die every day from drinking unsafe water, **scientists agree that 5 billion people will be living with water stress by 2050.**

## KEY CONCERNS

The high water consumption associated with the production of some raw materials can have significant environmental consequences, particularly in water-stressed regions. Some key concerns include:

- **Water shortages:** excessive use of water in production can deplete local water resources, leading to a shortage of water for other agricultural or domestic uses.
- **Water pollution:** improper application of agrochemicals and wastewater from coffee processing can contaminate local water sources, posing risks to ecosystems, wildlife and human health.
- **Habitat degradation:** excessive water extraction from rivers and other natural water sources can lead to habitat degradation and negatively impact aquatic ecosystems.



### INDICATOR

# 32,216

**PRODUCERS HAVING ATTENDED ONE OR MORE TRAINING COURSES ON WATER AND WASTE MANAGEMENT\***

**\*IN GHANA, CÔTE D'IVOIRE AND UGANDA**

Raising awareness of the need to manage water resources wisely has been an integral part of Touton Group's CSR approach for several years now. It is reflected in the **deployment of field training of farming communities in optimising the use of water and the treatment of waste from their activities.** Progress with these actions is monitored using a dedicated indicator.

Hence, more than 32,000 farmers in Ghana, Côte d'Ivoire and Uganda have received training that includes modules on water and waste management, water consumption and water treatment techniques.

**These training courses take place every two weeks at demonstration farms or learning centres for Touton's farmers.** The training is delivered by Touton agronomists and field staff, and also by lead farmers and agricultural entrepreneurs. Specific training is also on offer in water management, prevention of soil erosion, mulching, rainwater harvesting, and water trenches and basins.

# SUPPORTING RESILIENT AND REGENERATIVE AGRICULTURE

## NURTURING CERTIFIED SUSTAINABLE SUPPLY CHAINS

### The multi-sector Rainforest Alliance Uganda initiative

Touton Group's supply chain sustainability programmes are partly based on **certification standards that provide a guarantee of environmentally friendly practices by our suppliers**. These voluntary certification programmes, which include Rainforest Alliance, Fairtrade and Agriculture Biologique, are the main tools used by the agricultural industry to meet sustainability needs.

**Touton Uganda, the Group's main green coffee export subsidiary, is the first organisation in Eastern and Southern Africa to be awarded Rainforest Alliance (RA) certification under the new 2020 standard.** Now the country's 4<sup>th</sup> largest coffee exporter, the Group

continues to expand and diversify its offering to include other crops, transforming Touton Uganda into a coffee and vanilla exporter.

Our presence in Kasese aims to **strengthen our direct and sustainable supply chains** for the coffee, cocoa, vanilla and ingredients sectors. Encouraged by the results obtained following the certification of its coffee supply chain **the Touton Uganda teams extended the project to Rwenzori vanilla**, a raw material widely grown alongside coffee and chilli peppers. This initiative has been recognised with a second Rainforest Alliance certification for the sector.

Tropical food production and farmers' livelihoods are increasingly affected by a variety of factors, ranging from low productivity and post-harvest losses to droughts and heavy rainfall induced by climate change.

**We are convinced that certification is a key element in contributing to the economic resilience of our partner producers.**

And as is the case with this initiative, **by encouraging mixed farming**, thus diversifying sources of income, farmers tend to be better able to overcome crises.



3,229 farmers

2,271 vanilla producers

2,651 producers trained in regenerative agriculture

2,594 producers trained in agroforestry practices applied to vanilla



KPI **89,675**

**PRODUCERS TRAINED IN GOOD AGRICULTURAL, SOCIAL AND ENVIRONMENTAL PRACTICES\***

\*(COCOA, COFFEE) IN GHANA, CÔTE D'IVOIRE AND UGANDA

6

villages covered by the Village Savings and Loan Association (VSLA) programme

1

processing and refining centre in Kasese and a warehouse

110

village organisations

1 nursery

40,000 shade tree seedlings

50,000 cocoa tree seedlings

50,000 coffee plants

This new RA-certified supply chain **promotes best practice to move towards climate-friendly** production and landscape protection, in particular by:

- **Facilitating** the adoption of smart agricultural practices for resilience to climate shocks
- **Supporting** the planting of shade trees
- **Supporting** the preservation of biodiversity, water resources and soils (soil erosion, carbon fixation, organic matter, preservation of microorganisms, etc.)
- **Encouraging** agroforestry for its positive effects on carbon emissions and involving the farmers and communities in planting trees
- **Measuring** greenhouse gas emissions in the supply chain to better target actions.

Rainforest Alliance certification helps combat child labour and protect forests. **Producers undertake to conserve shade trees, plant native species, maintain biological corridors for wildlife and replace pesticides with environmentally friendly alternatives.** They are also trained in responsible purchasing and are audited annually by Rainforest Alliance.

# INVESTING IN LONG-TERM CROPPING MODELS RESEARCH

*Investing in research on cocoa agroforestry models The Cocoa4Future Project.*



In September 2020, discussions were initiated between various stakeholders - including the European Union, Côte d'Ivoire, Ghana, the European Parliament as well as players from the private sector and civil society - following the Sustainable Cocoa Initiative led by the EU in Brussels. The aim of these discussions was to **identify ways to improve the protection and restoration of forests in cocoa-producing areas, as well as ensuring a living wage for cocoa farmers and eliminating child labour and trafficking from the supply chain.**

Cocoa4Future, a finalised research project, is one of the initiatives resulting from these debates. It forms an integral part of the EU support programme for sustainable cocoa, which includes the allocation of a budget of €25 million shared between three countries (Côte d'Ivoire, Ghana and Cameroon) and funding for a range of actions to achieve the targeted goals.

In line with its commitment to agricultural resilience, Touton Group is a partner in the Cocoa4Future project, coordinated by CIRAD and designed to support research into cocoa farming and the promotion of agroforestry. One of the aims of this project, carried out by ESA/INP-HB, UFHB (botany laboratory and Wascal) and UNA (LEDD), is to identify and assess cocoa farming systems that meet the needs of cocoa farmers while providing ecosystem services that contribute to their sustainability.

Currently under way, the assessment of ecosystem services includes:

- **The productivity** of cocoa trees,
- **The supply** of lumber wood as a source of energy,
- Non-timber **forest products**,
- **Plant** biodiversity and carbon storage,
- Soil **quality**.



## INDICATOR

**12,569**

**INDIVIDUALS COVERED BY AGROFORESTRY PROJECTS\***

**\*IN GHANA AND CÔTE D'IVOIRE**



# CONTINUING TO ACTIVATE INNOVATION LEVERS

Touton is proud to encourage innovation. The Group engages with **that try to find solutions to social and environmental challenges in agricultural value chain ecosystems**. These start-ups cover activities as varied as insurance for farmers or weather forecasting against climatic hazards (OKO, HD Rain), the production of biochar from agricultural waste (NetZero) and the traceability of cocoa and coffee based on its physical and chemical characteristics (Inarix). In addition to its financial support (funding of

pilots and prototypes), the special feature of Touton Group's partnerships with the start-ups in its network lies in its ability to connect them to its value chains. **We are convinced that by giving them direct access to a full-scale field of study and experimentation, innovation players will be able to provide faster, more targeted responses to climate issues.**

## THE START-UP UNIVERSE



**Inarix:** which invents quality analysis and traceability solutions using photographic recognition and deep learning;

**NetZero:** which pyrolyses tropical biomass in Cameroon and Brazil to generate biochar, which is re-injected into the soil to sequester carbon and generate high-quality credits;

**HD Rain:** which uses revolutionary weather sensors to provide high-precision rainfall data and covers 20% of the cocoa-growing area in Côte d'Ivoire;

**OKO:** which provides local farmers with agricultural insurance against the risk of flooding or drought.



*On 1 and 2 March 2023, Touton Group was invited to the One Forest Summit to present its innovation approach to sustainability and, more specifically, deforestation. This approach can be summed up as follows: the key to moving from an idea to taking action lies in execution/activation.*

*With this in mind, over the past three years Touton Group has added to its commitment to sustainable projects by significantly stepping up its investment in innovation. By forging solid partnerships with agile start-ups with a high capacity for execution, and by bringing certain technological skills in-house, the Group has been able to deploy its own satellite data collection and GPS mapping system for monitoring plantations.*

**Fabien Lameyre**  
HR Director and  
Résilience Director

# 3

## ENGAGING WITH COMMUNITIES ACROSS OUR VALUE CHAIN



Touton Group pays particular attention to living and working conditions, including in its target areas for progress. This attention concerns all our partners and all sectors, including the producers, employees working at head office and all our stakeholders. While progress has been made through the projects already under way, our commitment and actions continue unabated.

Those working in production areas for cocoa, coffee and ingredients face many challenges, not only in terms of agricultural work, but also in infrastructure and access to healthcare and education. Child labour remains a critical issue in our agricultural production chains, and Touton Group is already taking action through a range of programmes targeting families and communities.

Material and financial assistance is an initial response, but it is not enough on its own. To ensure long-term support, we rely on education and training programmes that directly involve local players. The need for training also applies to all Group employees. We work with them to build a comprehensive approach, so that everyone can progress according to their needs and responsibilities.

We want these actions to help convey our values and support the sustainable growth of Touton.

# SOCIAL KPIS / 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**

**126,603**

PRODUCERS COVERED BY A CUMULATIVE SOCIO-ECONOMIC SURVEY (COCOA, COFFEE)\*

\*FOR THE 2022-2023 FINANCIAL YEAR, IN THE WORLD



**INDICATOR**

**106,634**

NUMBER OF PRODUCERS ASSESSED AS PART OF THE CHILD LABOUR RISK ASSESSMENT\*

\*IN GHANA AND CÔTE D'IVOIRE



**INDICATOR**

**180**

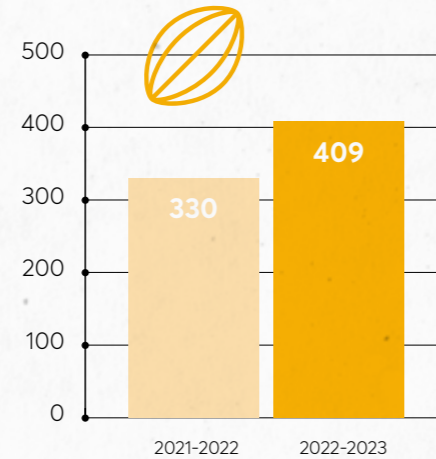
VILLAGE SAVINGS AND LOAN ASSOCIATIONS (VSLAS) CREATED, CUMULATIVE\*

\*BEFORE THE END OF THE FINANCIAL YEAR, FOR WHICH INFORMATION HAS BEEN DIGITISED IN GHANA AND CÔTE D'IVOIRE



**INDICATOR**

NUMBER OF AGRIPRENEURS TRAINED IN CÔTE D'IVOIRE



**INDICATOR**

**4,367**

MEMBERS OF VILLAGE SAVINGS AND LOAN ASSOCIATIONS (VSLAS), CUMULATIVE\*

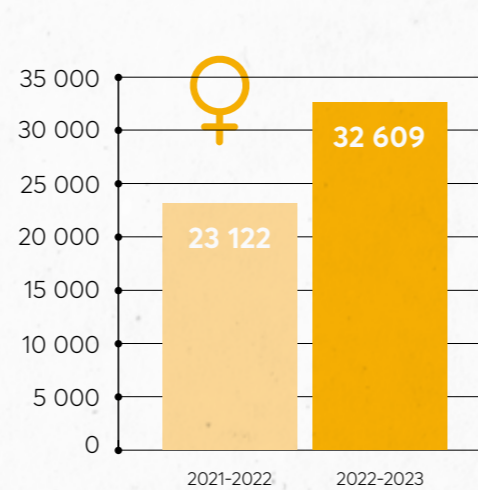
\*BEFORE THE END OF THE FINANCIAL YEAR, FOR WHICH INFORMATION HAS BEEN DIGITISED IN GHANA AND CÔTE D'IVOIRE



## Supply chain

**INDICATOR**

NUMBER OF FEMALE PRODUCERS, IN THE WORLD



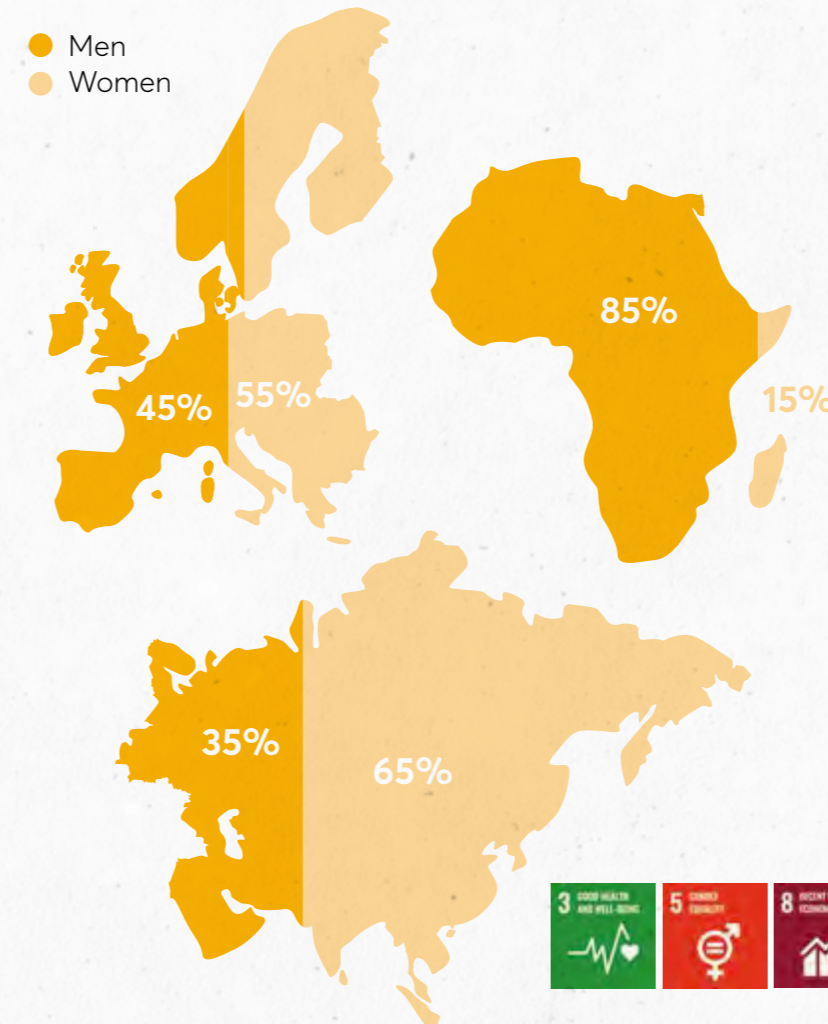
## Touton Group employees

**KPI**

**M.78% / W.22%**

OVERALL GENDER DISTRIBUTION

● Men  
● Women



**INDICATORS**

**2**

COMMUTING ACCIDENTS

WORKPLACE ACCIDENTS

FREQUENCY RATE / SEVERITY RATE

SERIOUS/FATAL WORKPLACE ACCIDENTS

**0**

**INDICATOR**

**7.67 YEARS**

AVERAGE LENGTH OF SERVICE

**INDICATOR**

**39 YEARS**

AVERAGE AGE

**INDICATOR**

**9**

DEPARTURES AFTER LESS THAN 2 YEARS OF SERVICE

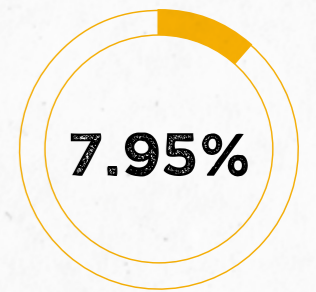
**KPI**

ABSENTEEISM RATE



**KPI**

STAFF TURNOVER



# PURSUE OUR COMMITMENT TO CHAMPION HUMAN RIGHTS



@Jacobs Foundation



*We are conscious of the vulnerability of young children, especially in rural areas, in many tropical food-producing countries.*

*In early childhood, this vulnerability is reflected in uncertain access to good nutrition or local health and hygiene services, which can lead to stunted growth. Later, there are inequalities in access to education in the most remote areas. While both countries have made great strides in terms of school enrolment, the quality and supply of education, as well as the availability of qualified teachers, remain challenging, especially after primary school.*

*Côte d'Ivoire and Ghana are the world's largest producers and exporters of cocoa beans for chocolate production. In these countries, several investigations (including the study carried out in 2019 by the Walk Free Foundation, Tony's Chocolonely and Tulane University) have reported cases of dangerous work being carried out by children in cocoa-growing communities. While these cases are almost exclusively within the family, they are detrimental to child well-being and development.*

*For this reason, we undertake a wide range of activities aimed at protecting and strengthening the rights of children and youth.*

*In addition, more and more partnerships are being forged between various public and private players, and the governments of Côte d'Ivoire and Ghana, with the aim of helping to combat child labour and guaranteeing access to quality education, both of which help to give children a good start in life.*

**Isabelle Adam**  
Institutional Relations and Partnerships Manager  
Touton SA



@Jacobs Foundation



## JOINING LEADING INITIATIVES

We are aware of the impact of these phenomena on future generations and we are **keen to make our contribution to improving the living conditions of West African cocoa producers and their children**. Hence, Touton Group is continuing its involvement in a number of programmes, notably in collaboration with the Jacobs Foundation:

- **FMD (Families Make the Difference)**, a project we joined in 2017 as part of the TRECC (Transforming Education in Cocoa Communities) programme, has delivered on its promise, as proved by an independent impact assessment by Professor Karen Macours of the Paris School of Economics. The project has had a positive and significant impact on parental knowledge and practices, as well as on the cognitive, physical and socio-emotional development of children aged between zero and three;

- **The CLEF (Child Learning and Education Facility)** public-private partnership, which Touton joined on its launch in December 2021 under the direction of the government of Côte d'Ivoire, is also starting to produce results. 145,000 children in 1,015 primary schools in the Loh-Djiboua and Nawa regions have improved their reading and numeracy skills, thus reducing the risk of dropping out of school. This was made possible by training more than 6,000 teachers



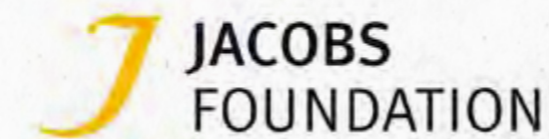
in evidence-based teaching techniques. In addition to the Côte d'Ivoire government and the Jacobs Foundation, the CLEF initiative (<https://www.clefpartnership.com/>) includes other foundations and education stakeholders, as well as several companies active in the cocoa sector;

- **Touton Group is also involved in the ELAN (Early Learning and Nutrition)** initiative, which aims to strengthen the protection and nutrition of young children in the cocoa-growing areas of Côte d'Ivoire.

- **CLMRS (Child Labour Monitoring and Remediation Systems)** have been developed by the **International Cocoa Initiative (ICI)** for the prevention and risk management of child labour directly within communities. Trained agents are deployed in the field to monitor and identify potential cases of child labour. Where children are identified to be at risk of or in child labour, they are registered with the system so that appropriate support can be provided to them, their families and communities. ICI is also developing tools to prevent and identify forced labour within cocoa-growing communities.

In Ghana, Touton Group opted for a supply-chain approach, carried out with ICI and its CLMRS system, coupled with a community approach implemented by **Child Rights International (CRI)**.

All these programmes support the Côte d'Ivoire government's efforts to tackle the root causes of child labour and accelerate the development of human capital. They are part of the National Action Plan to combat child labour, the national strategy for the education sector and the national multi-sectoral plan for nutrition and early childhood development.



The Jacobs Foundation is dedicated to supporting learning systems to provide young people with the knowledge, skills, attitudes, tools and equal opportunities to achieve their learning potential and flourish together. The focus is on understanding early transitions between learning environments and taking into account the variability of learning between the ages of 2 and 12.

<https://jacobsfoundation.org/all-projects/>





## DEVELOPING TARGETED PROGRAMMES

In addition to existing initiatives, Touton Group wanted to get more involved by developing **its own support programme: Child Ambassadorship. The programme aims to encourage young people to become real agents of change** in the face of the social, environmental and climate issues affecting their region.

For several years now, we have thus been organising **participative consultation sessions with cocoa-growing communities on the effects of climate change and deforestation.** We believe that this debate is essential if people in these communities are to take ownership of the risks associated with forestry issues from an early age, and generate positive changes directly in the field, in particular by adapting their behaviour and farming methods.



//

*I joined the child ambassadors group in 2020. The aim of the group is to express our point of view as children and act as ambassadors on the issues of climate change and child labour in the Nkrakrom community. We plant trees in schools and in our community and encourage our parents to do the same on their farmland. We have planted more than 100 trees with the support of Touton and its partners, both shade trees and fruit trees in our school garden. Among the fruit trees we have planted are mango, orange and guava trees, which will supply us with fresh fruit to eat. Joining the group gave me a*

*sense of responsibility and broadened my knowledge about planting and caring for trees.*

*Since the creation of the group, I have planted a tree every year, on my birthday, which I then take care of. All ambassadors are involved in the same way, to give back to nature what it has given them. I also raise awareness among my friends and family of the importance of planting other types of trees on their farms. As they have seen me planting trees, they are ready to listen to my advice.*

*Through the training I received, I have learnt a lot about child labour, which gives me the confidence to educate my family members about the hazardous work that children*

*are not supposed to do on cocoa farms. We also talk to our parents about the fact that children should not be on farms when they are supposed to be at school. They should not get children to do work that is beyond their strength, for harvesting cocoa or breaking cocoa pods with sharp tools. //*

**Benso Margaret**  
14 years old, Nkrankrom Junior Child Ambassador  
Bone East Region high school

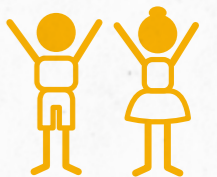


INDICATOR

**106,634**

**NUMBER OF PRODUCERS ASSESSED AS PART OF THE CHILD LABOUR RISK ASSESSMENT\***

\*IN GHANA AND CÔTE D'IVOIRE



# SUPPORTING THE IMPLEMENTATION OF SUSTAINABLE SOLUTIONS FOR PRODUCER PARTNERS

In Ghana, the second largest cocoa producer along with private and public stakeholders have made considerable **efforts to improve the sustainability of the cocoa supply chain in recent decades**. However, their initiatives have had limited impact on the income of small farmers.

Small independent producers face a number of problems in the field:

- The first is **plot fertility, depleted by the deforestation and cocoa monoculture** that has been practised in recent years to meet rapidly growing global demand, without adequate compensation in terms of soil nutrition.

- The second concerns the **age of the trees** - 30% of cocoa trees in the project area are over 35 years old - **and the inherent risk of disease**, in particular the Cocoa Swollen-Shoot Virus (CSSV) which ravages the cocoa trees. Replanting the oldest plots is thus essential to ensure renewed production on traditional farms, which are currently unable to operate solely according to sustainable agricultural practices. Finally, in terms of human resources, production capacity, especially for smaller farms, is hampered by the scarcity of affordable skilled labour.

## HELPING WITH FARM RESTORATION AND LIVING INCOME

Based on these findings, Touton, accompanied by Mars Incorporated, is supporting a new initiative led by the Livelihoods Fund for Family Farming to help small farms. **The aim of the three-year project is to identify ways to support the sustainable restoration of cocoa plots and improve income for producers.**

The project has a particular focus on women, who make up 30% of farmers concerned, with plans to adapt it further so they can benefit fully from it. An analysis will be carried out to identify the specific difficulties they face and to devise solutions tailored to their needs.

This "Test and Learn" initiative will highlight realistic pathways to a decent agricultural income for farmers and, eventually, to resilient, diversified, profitable farms that do not contribute to deforestation or unsustainable cropping practices.

It should answer a number of key questions:

- **How much does intensive coaching affect the adoption rate for good agricultural practices?**
- **Are farmers willing to pay for agricultural services (labour, inputs)?**
- **Is there an attractive model for establishing more service providers?**

- **What short-term financing solutions would stimulate the adoption of sustainable agricultural practices?**
- **Will long-term loans make a difference to engagement in replanting?**
- **What type of compensation would stimulate replanting?**

If it proves effective at the end of the trial, the plan will be rolled out in cocoa supply chains across West Africa in collaboration with a coalition of key cocoa suppliers (private sector, non-governmental organisations, financial institutions, etc.).





The Livelihoods Fund was born out of the realisation that **the fight against climate change and for the preservation of natural resources is inseparable from the fight for the dignity of the men and women who tend the land and make a living from it.**

Livelihoods Funds are impact investment funds designed to support the efforts of farming and rural communities to live in sustainable natural ecosystems that form the basis of their food security and provide the resources for their livelihoods.

The Livelihoods Fund for Family Farming (L3F) is a private investment vehicle that brings together world-renowned players including Mars, Danone, Firmenich and Veolia. It was designed in 2015 to improve the livelihoods of small farmers in collaboration with partners tasked with helping them to transform their supply chains. L3F has already launched long-term projects in the coconut, vanilla, palm oil and shea sectors, and also in the preservation of watersheds.



INDICATOR

**180**

**VILLAGE SAVINGS AND LOAN ASSOCIATIONS (VSLAS) CREATED, CUMULATIVE\***

INDICATOR

**4,367**

**MEMBERS OF VILLAGE SAVING AND LOAN ASSOCIATIONS (VSLAS), CUMULATIVE\***



KPI

**126,603**

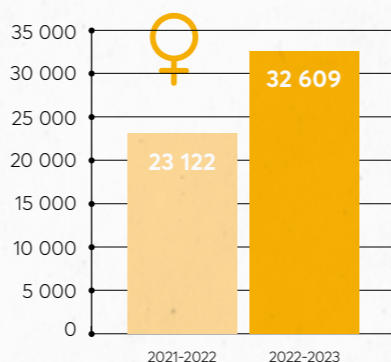
**PRODUCERS COVERED BY A CUMULATIVE SOCIO-ECONOMIC SURVEY (COCOA, COFFEE)\***

**\*FOR THE 2022-2023 FINANCIAL YEAR, IN THE WORLD**



INDICATOR

**NUMBER OF FEMALE PRODUCERS, IN THE WORLD**



**\*BEFORE THE END OF THE FINANCIAL YEAR, FOR WHICH INFORMATION HAS BEEN DIGITISED IN GHANA AND CÔTE D'IVOIRE**



**To go further, Touton Group offers community-managed microfinance solutions.**

Microfinance institutions (MFIs) have high interest rates and are not currently suited to low-income rural communities. Studies by FinScope in Africa show that the majority of loans are used to meet current needs and for crisis mitigation. However, generally speaking, for borrowers in a precarious situation, taking out more loans increases their long-term debt. **For the typical rural farmer, a savings approach can thus help to improve the management of household cash flow and dealing with loans.**

Touton's community development team is working to increase the economic resilience of farmers through technical and financial support for the implementation of diversification activities, the creation of Village Savings and Loan Associations (VSLAs) and the facilitation of payments for ecosystem services.

It supports the process of forming the groups, ensuring that they are formed by self-selection based on a democratic principle, a transparent and inclusive decision-making process and set procedures - value of shares, frequency of meetings, election of leaders, maximum amount and frequency of loans for an individual, etc. On a day-to-day basis, it provides technical guidance and advice, while ensuring that governance remains democratic and record-keeping and meetings are organised as planned.



## BOOSTING ECONOMIC DEVELOPMENT WITH AGRIPRENEURS

In West Africa, the future of the forests is linked to cocoa farming and the economic development of communities in the producing regions. To support the sustainable transition of supply chains, Touton, with the financial support of various customers, has rolled out the "cocoa agripreneurs" or "cocoatechs" programme.

This sustainability programme aims to **create a new professional category, cocoatechs, who are capable of providing agricultural services to cocoa producers**. It was developed specifically to address the economic, social and environmental issues facing the extensive and fragmented supply networks in Ghana and Côte d'Ivoire.

In the field, Touton's local sustainability team is working closely with cocoa cooperatives to identify young volunteers to **create a "brigade"**

**able to offer cooperative farmers a range of agricultural services** such as tree pruning, weeding, crop spraying, advice on good farming practices or the distribution of shade trees.

Trained and equipped in this way, young entrepreneurs are given new skills and paid work in their communities, opening up future prospects and reducing the rural exodus. In return, producers benefit from qualified and competent workers, reducing the need to use child labour. In addition, agricultural services applied to cocoa trees **increase plot yields and help improve incomes, while reducing the temptation to extend plantations into forest areas**.

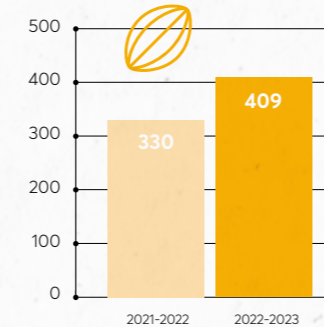
The "cocoatech" training programme also includes information and awareness-raising sessions on the consequences of climate change and

deforestation. Among their responsibilities is the distribution of shade tree seedlings. These trees **promote reforestation, and also the growth of the cocoa trees**, which benefit from symbiosis with other species and protection from the sun by the canopy.

Through the work of the *cocoatechs*, professional development of agricultural services is helping to improve the living conditions of producers, whose plots are gradually beginning to produce more pods per tree. It also provides an opportunity for young rural people, whether cocoa farmers or not, to diversify their income by offering useful *cocoatech* services and investing their earnings in new activities such as livestock farming or trade.



**INDICATOR**  
**NUMBER OF COCOA AGRIPRENEURS TRAINED IN CÔTE D'IVOIRE**



## PARTNERING TO OFFER AGRICULTURAL TECHNICAL ASSISTANCE

Created in 2007, the Fahem farm is located in the Oromia region of Ethiopia, in the heart of one of the finest areas of primary forest in the country. The coffee plantation is managed with great care to maintain the natural ecosystem. It contains **more than 15 different** shade tree species. **80 employees** work full time on the plantation. They are joined by nearly **7,200 seasonal workers** during the harvest. To supplement its bean supply, the farm has also entered into contracts with small producers located around its plantation. The coffee thus comes from both Fahem plots and from the gardens of nearby residents.



As part of the partnership between Fahem, Lobodis and Touton, a project has been launched on the theme of "Conservation of old varieties by improving pruning methods". It involves **559 small coffee producers**, in the kebeles of Cheka, Kura-Lebu, Atnago and Merkuz and has four goals:

**Supplying** farmers with good-quality pruning tools;

**Training them** in pruning techniques;

**Training** them in the use and maintenance of the tools;

**Raising awareness** about maintaining certain old varieties in their plots (the coffee gene bank).

Training, based on an explanation of the pruning concept and accompanied by practical work in the field, was delivered to small groups by agricultural engineers from the Fahem farm, to make the training process easier to understand and manage. A demonstration on how to prune young and mature coffee trees and how to handle and maintain pruning tools was also given to reinforce the explanations.

**One of the aims of this project is to increase coffee productivity to a significant level, and hence income.**

# CAPITALISING ON OUR INTERNAL RESOURCES

The know-how of our employees is the greatest asset for a company such as ours. **Our goal is to promote their professional development while providing them with a safe and healthy working environment.** Our Human Resources Policy is based on the following guidelines, which apply from the recruitment stage and throughout the career of each employee within the company:

- Develop** the professional skills of employees;
- Promote** our ability to attract and support talented individuals;
- Guarantee** good working conditions to improve employee engagement;
- Encourage** workplace diversity at and gender equality.

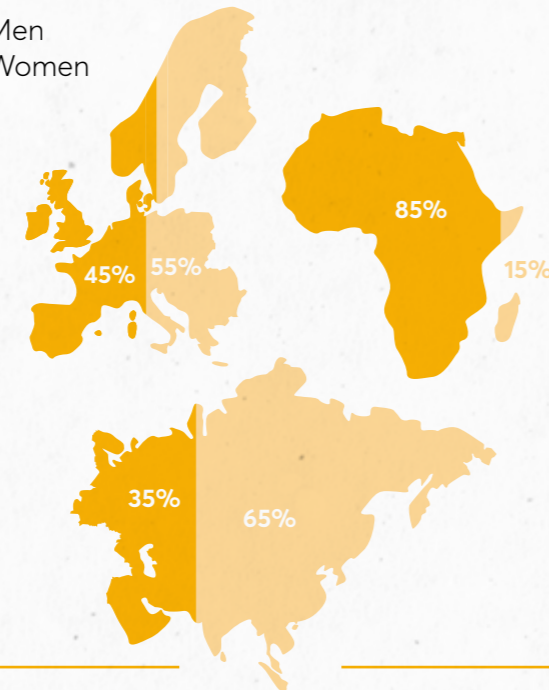
## Touton Group employees



KPI

**M.78% / W.22%**  
OVERALL GENDER DISTRIBUTION

- Men
- Women



KPI

**1.31%**  
ABSENTEEISM RATE

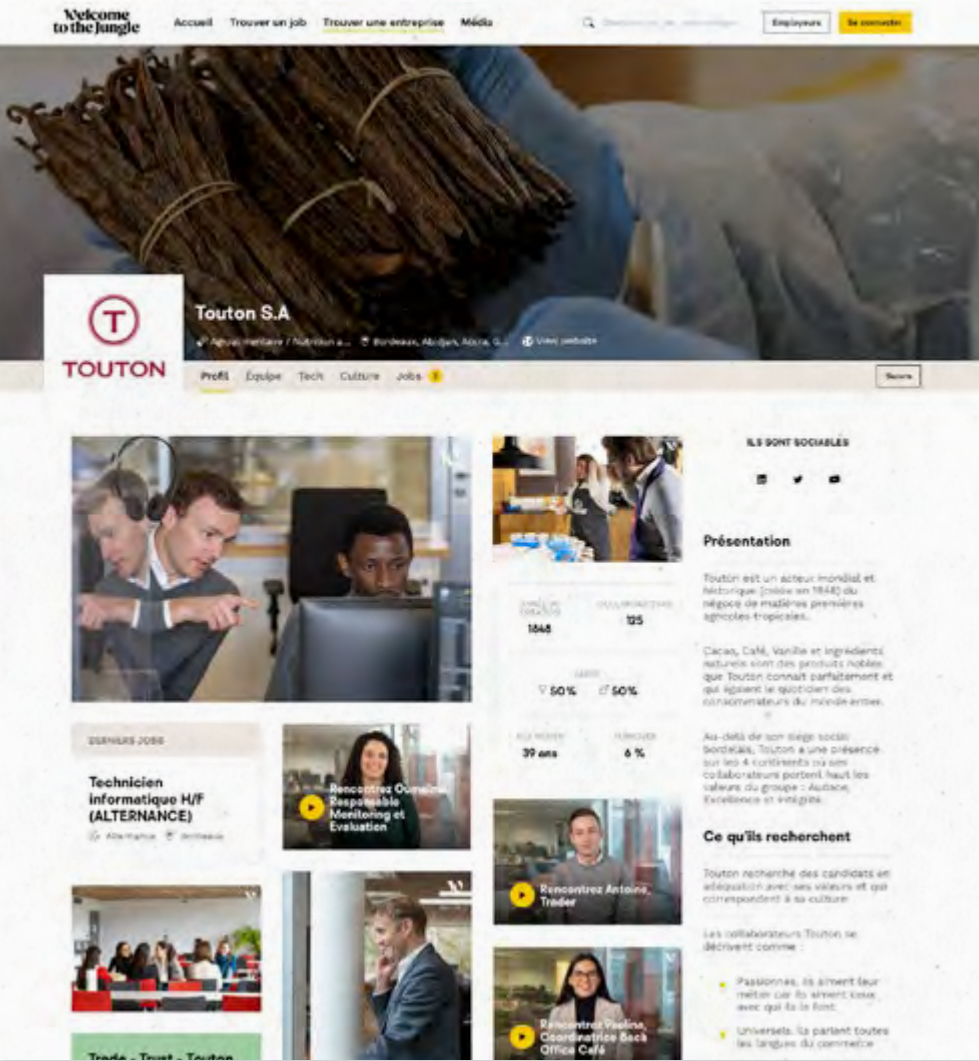


# SUCCESSFUL TRIAL OF IN-SERVICE TRAINING WITH OPENCLASSROOMS

We always aim to **train and support the progress of our employees throughout their careers within Touton Group.** In addition to traditional training systems, last year we launched a trial with our partner OpenClassrooms offering e-learning modules that can be taken as and when required, on a wide range of subjects.

The trial proved to be a success, and we have prioritised employees in our subsidiaries for the allocation of new licences, with the catalogue of English-language courses growing very steadily.

By adopting this approach, we provided **448 hours of training to 34 active employees** during the past financial year. 47 employees have access to the platform and there are currently 83 courses in progress. We will continue with this approach as we are convinced of the benefits it offers, as are our learners.



## ATTRACTING TALENT WITH **Welcome to the Jungle**

While our HR indicators show good performance in retaining employees once they have been integrated and assimilated into our corporate culture, **we cannot deny that, like all French companies, we are affected by the recruitment difficulties associated with the return of almost full employment post-Covid.**

We had to respond to this by introducing our business, our professions and our commitments to the widest possible audience. To this end, we chose to step up our partnership with "Welcome to the Jungle", which already provided our Applicant Tracking System (ATS).

We thus posted the Touton page online, featuring a photo report and video stories showcasing both our professions and our culture.

**The online launch was immediately followed by two recruitment campaigns for roles where there is a shortage of applicants (data developer and data analyst).** We received high-quality applications and were able to appoint people to these roles quite easily.

<https://www.welcometothejungle.com/fr/companies/touton-sa>

## REASSURING PARENTS WITH **"WEPARTUM"**

The impact of becoming a parent on working relationships and finding work-life balance is undeniable.

**There are many repercussions, and we have chosen to address the one that we think has most impact: childcare provision.**

Uncertainty about the type of childcare, the associated costs and coordination with going back to work generates stress and a mental burden, which can affect the date of return from maternity or paternity leave.

Sometimes parental leave decisions are made at the last minute, due to difficulty finding a childcare solution, which is completely understandable. However, this causes stress for everyone and impacts the organisation of the parent's team.

Our answer? A partnership with Wepartum to offer our future mums and dads structured assistance, including an information session on the different types of childcare, the financial aspects, the aid available and the legal aspects of hiring a child-minder.

If the choice is for a child-minder, Wepartum finds potential candidates matching the required geographical, calendar and budget criteria and presents a selection to the employees. **Since the partnership was set up, 100% of our future parents have benefited from this support, financed entirely by Touton, and have expressed their great satisfaction with it.**



## INCLUSIVITY

### BY PROVIDING AND MAINTAINING ACCESS TO JOBS FOR DISABLED WORKERS AT HEAD OFFICE

The layout of our premises and the type of jobs we do, mean that we can **offer jobs to disabled workers at Group head office**. We currently have one disabled worker on the Touton SA workforce. We aim to welcome two more within three years. In addition, planned and approved work in 2024 will create 13 workstations on the ground floor that will be accessible to people with disabilities, to help achieve this target.

**At the same time, we have entered into a three-year service agreement with a vocational centre for disabled workers (ESAT).**

## SPORT AND SPORTING ACTIVITY

### ACCESS AND PROMOTION



Sport and the practice of a physical activity are important components of our workplace well-being and health and safety policies.

**We provide our employees in Bordeaux, and in several of our subsidiaries, with a freely accessible gym**, so that our employees can easily practise a sporting activity.

In addition, **we sponsor rugby** in the Bordeaux region through our support for the Union Bègles Bordeaux rugby club, and also in Côte d'Ivoire through a partnership with the national federation for the development of rugby schools.



## RESPONSIBLE, FAIR AND SUSTAINABLE FOOD BY COMBATING FOOD WASTE

At the Bordeaux head office, we have partnered with Foodchéri, which delivers meals to employees (if they choose) every lunchtime. Foodchéri was selected because it **favours short supply chains and seasonal products, it has a 50% vegetarian menu, and portions are sized to avoid waste**. The company also has an ongoing commitment to reducing its carbon footprint, from delivery through to packaging.

*To see Foodchéri's commitments in detail: FoodChéri - Nos engagements (foodcheri.com).*

To encourage employees in this healthy and sustainable approach to food, **Touton SA subsidises each order placed by €5.50 per day and per employee**.

# FoodChéri.





# 4



## ACTING ETHICALLY AND RESPONSIBLY

When trading in agricultural raw materials, it is essential to be able to demonstrate ethical and responsible business practices, and to ensure that our partners and suppliers meet the same standards. Our Group's approach is based on the Organisation for Economic Cooperation and Development (OECD) guidelines on responsible business conduct. It plays a crucial role in enabling us to ensure regulatory compliance and manage legal risks.

We encourage and support responsible practices in our business and in our downstream and upstream supply chains. We analyse our environmental and social risks, with an annual review. This helps us to clarify our commitments and Group policies, as well as our priorities for strengthening our management systems.

It leads us to implement mitigation and remediation measures, which we monitor and assess through our mastery of data collection and analysis, and also to support innovation around our activities.

# GOVERNANCE KPIs / INDICATORS

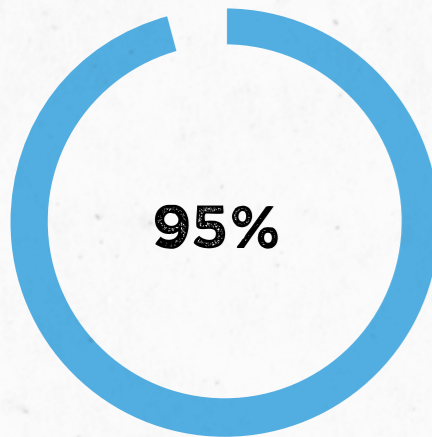
**KPI (Key Performance Indicator):** Measures an action (or its impact) over time and is used for decision making and evaluating actions. It can be audited by a third party.

**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**

**PROPORTION OF SUPPLIERS HAVING SIGNED THE SUPPLIER CODE OF CONDUCT\***

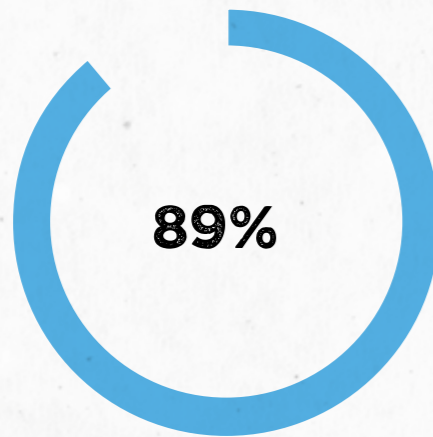


\*IN TERMS OF TONNAGE APPLIED OVER FINANCIAL YEAR 2022-2023



**KPI**

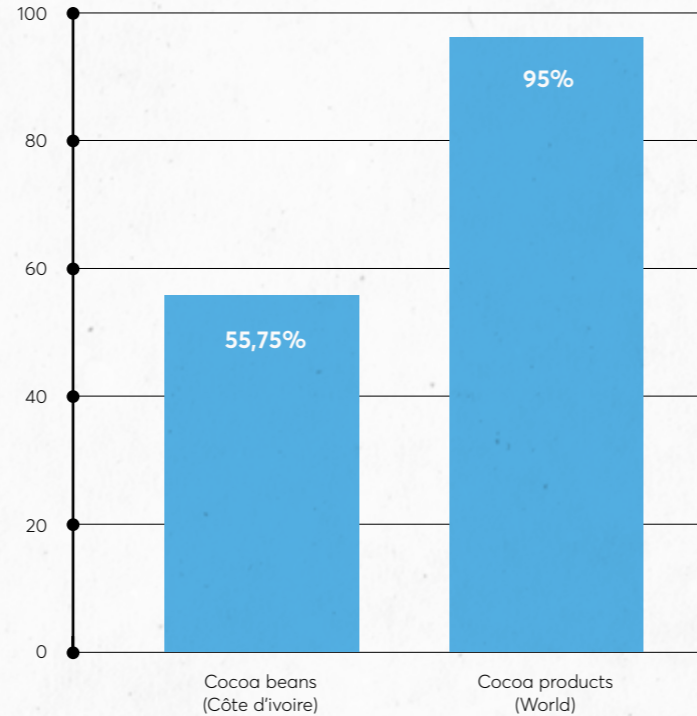
**PROPORTION OF SUPPLIERS INCLUDED IN THE THIRD-PARTY MONITORING TOOL\***



\*IN TERMS OF TONNAGE APPLIED OVER THE FINANCIAL YEAR

**KPI**

**PROPORTION OF PRODUCTS (COCOA BEANS, COCOA DERIVATIVES) COVERED BY A QUALITY STANDARD\***



\*ISO9001, FSSC22000, FOR FINANCIAL YEAR 2022-2023



## OUR POLICY

**Touton complies with all French laws (Sapin II, PACTE) and international laws relating to ethical practice.**

Our Code of Ethics presents all the measures put in place against tax evasion, corruption and anti-competitive practices:

- Compliance** with the regulations on conflicts of interest;
- Protection** of the integrity of the Group's assets;
- Recording** of all financial transactions in the accounts;
- Internal control/audit** of the Group and its subsidiaries;
- Political neutrality** of the Group and its subsidiaries;
- Fair and open** competition;
- Absence** of active or passive corruption and presence of a whistle-blowing system.

The Code of Ethics is shared and made available to all our employees.

Our Supplier Code of Conduct also sets out our requirements for our suppliers in terms of anti-corruption, ethics and compliance. It covers protection of the personal data of our stakeholders. By signing this document, our suppliers undertake to comply with ethical business practice and to ensure that their own suppliers do the same.

# TOUTON, DEALING WITH RISKS ON A DAILY BASIS



*We have always been committed to complying with, and even anticipating, recommendations for combating major operational and financial risks, including those from the Financial Action Task Force (FATF). Over the last few years we have built up a multi-disciplinary team and deployed preventive procedures to minimise the risks associated with non-compliance with regulations. These regulations are both geographically diverse and multi-sectoral, they evolve rapidly and are becoming much stricter.*

Olivier Lieutard  
Deputy Chief Executive Officer

## A solid model

Over the years, Touton has invested considerably in strengthening its teams dedicated to compliance, monitoring and assessment, both at Group level and within its national subsidiaries. **These efforts have led to the development of specific tools for collecting, analysing and verifying the data and analyses that we use internally and that inform our external decision-making and services on a daily basis.**

The teams pay particular attention to detecting risks at an early stage to avoid any behaviour that runs counter to Touton's values and the applicable laws and regulations.

The Compliance team works continuously to harmonise and coordinate compliance programmes across the Group, to implement and monitor action plans and control measures, and to prevent or reduce ethical, environmental and social risks.

All these activities enable us to cover the essential risks and requirements in terms of the traceability and control of our supply chains.

# THIRD-PARTY ASSESSMENT, A MODEL TESTED BY CURRENT EVENTS

## "Know Your Customer" / "Know Your Supplier" approach

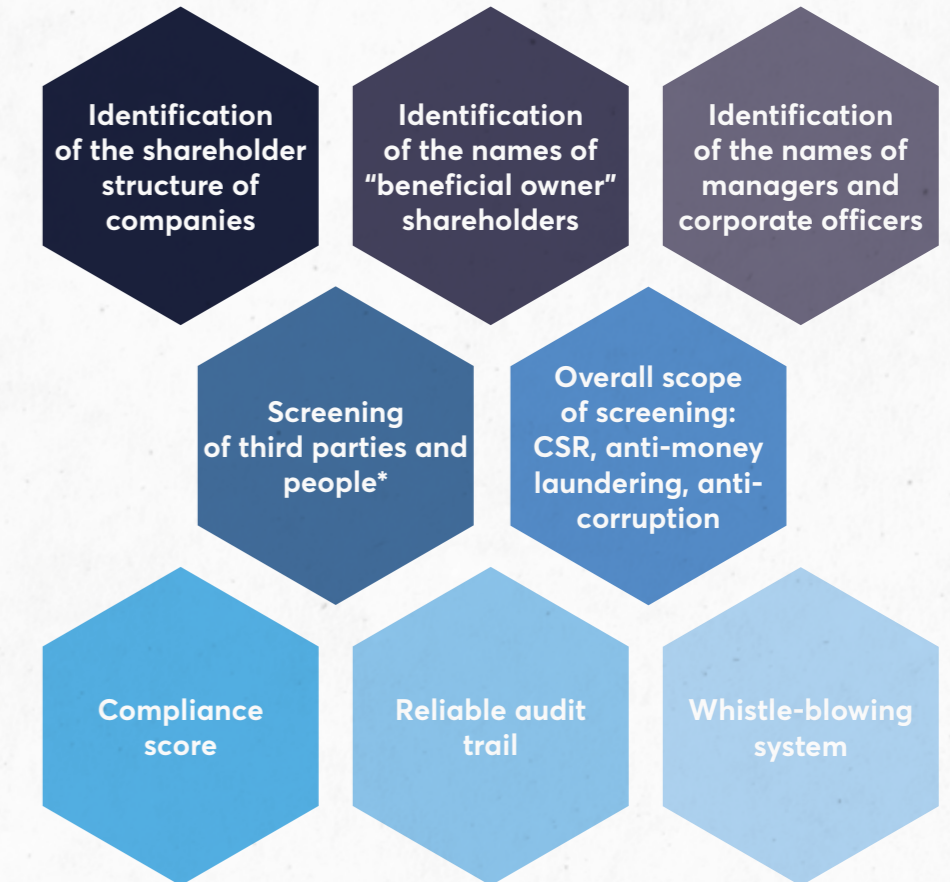
Our internal third-party assessment systems have been strengthened by the contributions of the IndueD tool, a **solution that delivers the "due diligence" information essential**



**to implementing a rigorous and effective compliance process.** This tool enables the Compliance department to inform the teams about third parties - at their request during the prospecting phase - but above all when the commercial relationship is set up and throughout its duration, in particular by ensuring daily monitoring of sanctions and negative press concerning third parties. This tool is also used for **permanent monitoring of the supplier portfolio**, so that Touton can react quickly if new risks arise.

Coupled with internal systems, the IndueD third-party risk analysis tool has been extremely useful in steering operations, and also in assessing counterparties, particularly in the case of the war in Ukraine or at times of extreme market tension.

## The IndueD tool to know our partners better



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



### Continued supplier evaluation and signature of codes of conduct

Following on from the introduction of monitoring procedures, **significant progress has been made in the supplier assessment process**, as shown by the increase in the number of signatories to the Supplier Code of Conduct, which represents 95% of our volumes for the 2022/2023 financial year.

This proves the seriousness and commitment of all our teams throughout the supply chain.



KPI

**95%**  
PROPORTION OF SUPPLIERS HAVING SIGNED THE SUPPLIER CODE OF CONDUCT\*

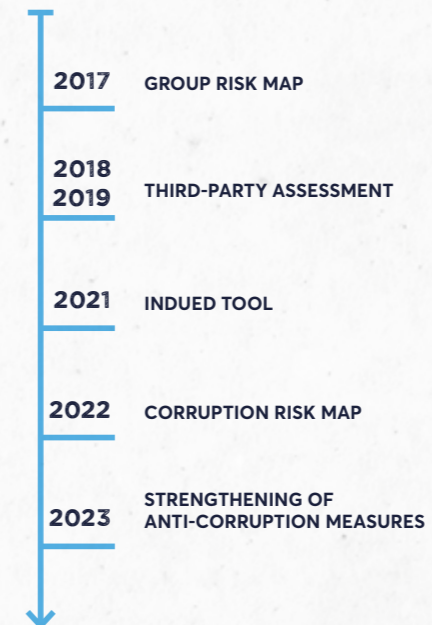
\*IN TERMS OF TONNAGE APPLIED OVER FINANCIAL YEAR 2022-2023

# RISK MANAGEMENT AND STRENGTHENING THE ANTI-CORRUPTION PROGRAMME

Touton carried out its first Group risk mapping exercise in 2017. Based on more than 20 interviews, **it highlighted 27 risks covering a variety of areas such as finance, economics, politics, and also in the social and environmental sphere.** Significant changes to the mapping were made in annual reviews in 2020 and again this year in 2023. The result is a revised version that now includes 26 risks, 9 of which have been identified as priorities.

This mapping has been drawn up according to the principles of a **conventional methodology based on scales of frequency**, with definition of the probability of the risk occurring - the scope of impact - financial, operational, human resources, communication, responsibility - and the level of control of each risk.

Risk mapping is regularly monitored and updated through internal audits, **thus ensuring its relevance and validity over time.**



Following the ranking of third parties with regard to the corruption risk, the Group Compliance department mapped corruption risks in 2022 in collaboration with Ernst & Young. Initiated in response to the Sapin II Act on transparency, anti-corruption and the modernisation of economic life, the aim of this stage was to **establish a summary of the processes at risk of corruption, through interviews with exposed employees, so as to be able to identify them at the earliest stage.** This risk analysis identified the need to strengthen the anti-corruption plan already in place through an action plan to be implemented during financial year 2023-2024.

It is based mainly on the following pillars/objectives:

- Communication** of Touton's expectations to its supply chain,
- New training sessions** for exposed staff
- Strengthening** of accounting control and audit processes
- Update** of Touton's whistle-blowing mechanism
- Strengthening** of third-party assessment based on commercial, environmental, social and ethical issues.

# ENSURING PRODUCT COMPLIANCE AND SAFETY

## OUR GLOBAL QUALITY AND FOOD SAFETY POLICY

As a world leader in trade in tropical agricultural raw materials for the agri-food industry, our mission is to **assure the link between producers and our customers by controlling risks throughout the supply chain and maintaining excellent service.**

Already convinced that the management of our supply chains must take sustainability into account, since 2000 we have been deploying a responsible strategy based on shared value creation.

By reducing environmental and societal risks, we transform agricultural supply models so that they meet the United Nations sustainable development goals.

To this end, we have aligned our practices by incorporating a quality and food safety management system designed to ensure the health and well-being of all. **As a result, we are committed to the pursuit of the goals set out in our corporate policy and the associated challenges and risks:**

- Guarantee** healthy, high-quality products that comply with regulations and customer requirements,
- Maintain a relationship of trust** with our customers by respecting our contractual commitments,
- Maintain the skills and expertise** of our teams to guarantee the authenticity of our products,
- Raise awareness** of all employees and evaluate them on the supply of healthy food,
- Demonstrate transparency** to all stakeholders.

Obtaining IFS Broker certification for the supply of cocoa, coffee and ingredients, and FSSC 22 000 certification for the vanilla packaging activity, are flagship examples of our approach.



## QUALITY MANAGEMENT AND PROCESS MAPPING

We believe that the implementation of a quality management system is essential to **build long-term relations, and establish a lasting relationship of trust with our partners.** The main objective of the "Management by Quality" approach is to satisfy all stakeholders. It is thus essential to have a clear vision of the organisation's structure and the flows that drive it, to understand the points of interaction between and with each of the stakeholders.

Process mapping thus provides an overview of the main components of our business:

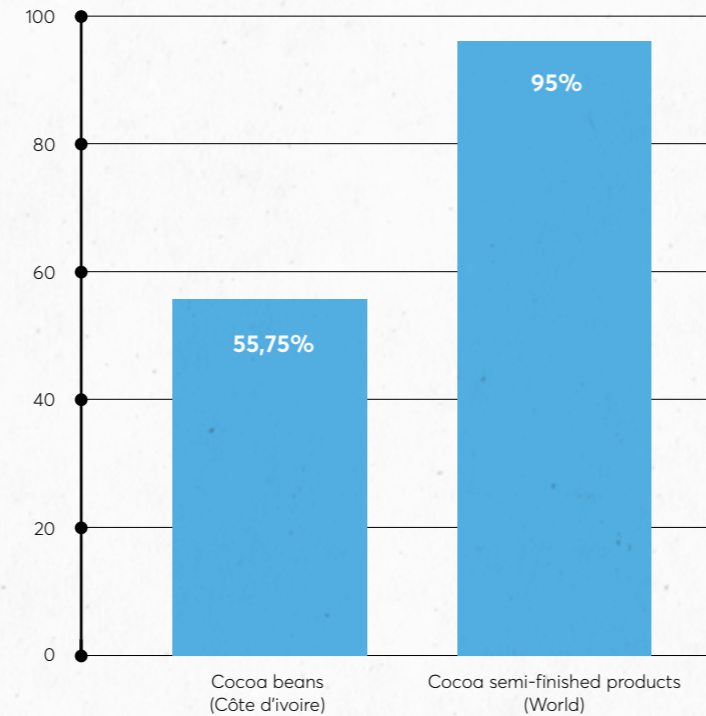
- **by describing the interactions between each process;**
- **by defining roles, responsibilities and activities within each process;**
- **by determining indicators and objectives to monitor and evaluate performance.**

Such a tool will help us understand how our Group's activities relate to each other, and also to what extent they contribute to stakeholder satisfaction. It also makes it possible to **detect any inconsistencies in these interactions, duplications, or tensions that could hinder smooth operation or value creation.**



A few months ago, the Quality department, in collaboration with a consultant and auditor specialising in management systems, resumed the exercise of formalising our processes, which had been started as part of the previous ISO9001 certification. The necessary information has been collected and a series of interviews has been held on the missions and activities of each person, with the aim of producing a process map for Touton SA.

To ensure compliance with the management by quality approach, a concrete action plan will be drawn up for each process, **with priority given to documentary and non-compliance management.**

**KPI**
**PROPORTION OF PRODUCTS (COCOA BEANS, COCOA DERIVATIVES) COVERED BY A QUALITY STANDARD\***


\*ISO9001, FSSC22000, FOR FINANCIAL YEAR 2022-2023

# REINFORCING CONTROL AND ANALYSIS PROCESSES

In response to new developments in health and safety regulations, particularly those concerning pesticides in both the European Union and the United States, **the Quality Department is strengthening its control processes.**

Particular attention is also paid to any standards relating to the risk of contamination by hydrocarbons of mineral origin. While the European agency has launched a public consultation on the draft opinion updating the risk assessment of mineral oil hydrocarbons in food, our teams are being vigilant and have stepped up their monitoring of packaging, in particular by increasing the number of ink migration tests on dry packaging.

Convinced that quality control in the supply chain is an essential element of customer satisfaction, we wanted to **harmonise all procedures for all products handled by the Group.** To this end, we have introduced control and analysis plans for our coffee and cocoa sectors, based on those successfully implemented for vanilla.



5

ANNEXES



# DEFINITION

The reporting period is based on our financial year, 1 April 2022 to 31 March 2023. 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.

## 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.

## STRENGTHENING OUR ACTIONS IN THE CLIMATE TRANSITION

Indicator	Definition	Scope	2021-22 data	2022-23 data	GRI
<b>Number of plantations having undergone a Deforestation Risk Assessment (DRA) during the year</b>	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	105,602	140,464	GRI 304
<b>Number of individuals covered by agroforestry projects*</b>	Number of individuals identified by a uniquely generated key who received shade trees during the financial year.	Côte d'Ivoire Ghana	15,525	12,569	GRI 304-2
<b>Increase in tonnage of sustainable products sold (Sustainable products: certified or part of a sustainability programme)*</b>	<b>Source:</b> management tools. <b>Calculation method:</b> Change in tonnage of sustainable products sold from one year to the next.	Group	Cocoa beans: 119,277 Coffee: 15,442 Ingredients: 9	Cocoa beans: 167,164 Coffee: 7,793 Cocoa: 11,390 Ingredients: 6	GRI 417-1
<b>Proportion of tonnage of sustainable products sold (Sustainable products: certified or part of a sustainability programme) in % *</b>	<b>Source:</b> management tools. <b>Calculation method:</b> sustainable products sales / total sales.	Group	Cocoa beans: 37% Coffee: 15% Ingredients: 8%	Cocoa beans: 52% Coffee: 8% Cocoa: 30% Ingredients: 6%	GRI 417-1
<b>Number of plantations mapped and verified (cumulative) before the end of the financial year*</b>	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.	Group Côte d'Ivoire Ghana Nigeria Kenya Madagascar Uganda - Coffee	110,870 44,466 61,136 932 858 3,478	146,910 40,882 99,368 2,019 2 1,165 3,474	GRI 304
<b>Proportion of cocoa plantations mapped by supplier risk (as part of the DRA)</b>	<b>Calculation method:</b> plantations having undergone a DRA / total number of mapped plantations.	Côte d'Ivoire Ghana	95%	96%	GRI 304
<b>Number of producers trained in good agricultural, social and environmental practices*</b>	This is the number of individuals who have attended at least one training course on good agricultural, social and environmental practices. The collection processes differ between origins: for coffee, in Uganda and Kenya, the data has been digitised via the 3D interface and is available on the CubeD platform. For Ghana (Cocoa), the data was digitised via an Excel mask. For CIV (Cocoa), the data was digitised via Mergedata.	Ghana Uganda Côte d'Ivoire	64,971	89,675	GRI 404-1
<b>Number of agripreneurs trained</b>		Côte d'Ivoire	330	409	GRI 404-1
<b>Number of producers having attended one or more training courses on water and waste management</b>	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	GRI 303-1 and GRI 306-2



**ENGAGING WITH COMMUNAUTES ACROSS OUR VALUE CHAIN**

Indicator	Definition	Scope	2021-22 data	2022-23 data	GRI
<b>Cumulative number of producers covered by a socio-economic survey*</b>	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 2021-22 and 2022-23 was Survey Solution.	Group	Cocoa & Coffee - in number: 86,511 Cocoa & Coffee - as a %: 78%	Cocoa & Coffee - in number: 126,603 Cocoa & Coffee - as a %: 86%	
<b>Number of producers declared as female in the register</b>	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: 23,122 Cocoa & Coffee - as a %: 21%	Cocoa & Coffee - in number: 32,609 Cocoa & Coffee - as a %: 21%	GRI 405-1
<b>Number of producers assessed as part of the child labour risk assessment</b>	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: - 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	554	106,634	GRI 408-1
<b>Staff turnover*</b>	<b>Source:</b> Lucca HRIS. <b>Calculation method:</b> legal formula. [(Number In + Number Out) /2] Average workforce.	Group excluding: Eliho and Touton Nigeria (seasonal workers excluded)	11.40%	7.95%	GRI 401-1
<b>Average length of service</b>	<b>Source:</b> Lucca HRIS. <b>Calculation method:</b> average length of service at the end of the financial year.	Group excluding: Eliho and Touton Nigeria (seasonal workers excluded)	8.48 years	7.67 years	GRI 401-1
<b>Number of departures after less than 2 years of service</b>	<b>Source:</b> Lucca HRIS. <b>Calculation method:</b> number of departures according to this criterion.	Group excluding: Eliho and Touton Nigeria (seasonal workers excluded)	5	9	GRI 401-1

\*key performance indicator (KPI)

Indicator	Definition	Scope	2021-22 data	2022-23 data	GRI
<b>Gender distribution by continent*</b>	<b>Source:</b> Lucca HRIS & Excel staff register for subsidiaries not equipped with Lucca. <b>Calculation method:</b> number of employees of each gender.	Group (seasonal workers excluded)	See pie charts	See pie charts	GRI 405-1
<b>Average age</b>	<b>Source:</b> Lucca HRIS & Excel staff register for subsidiaries not equipped with Lucca. <b>Calculation method:</b> average age as of 31/03/23.	Group (seasonal workers excluded)	40	39	GRI 401-1
<b>Number of workplace / commuting accidents</b>	<b>Source:</b> Lucca HRIS. <b>Calculation method:</b> data tracking.	France	0	2	GRI 403-9
<b>Frequency rate / severity rate</b>	<b>Source:</b> Lucca HRIS. <b>Calculation method:</b> data tracking.	France	0	0	GRI 403-9
<b>Number of serious/fatal workplace accidents</b>	<b>Source:</b> Lucca HRIS. <b>Calculation method:</b> data tracking.	France	0	0	GRI 403-9
<b>Absenteeism rate*</b>	<b>Source:</b> Lucca HRIS. <b>Calculation method:</b> 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 (seasonal workers excluded)	1.32	1.31	GRI 403-9
<b>Cumulative number of active Village Saving and Loan Associations created before the end of the financial year, for which information has been digitised</b>	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	GRI 207-1
<b>Cumulative number of members of Village Savings and Loan Associations created before the end of the financial year, for which information has been digitised</b>	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	GRI 207-1

\*key performance indicator (KPI)

### ACTING ETHICALLY AND RESPONSIBLY

Indicator	Definition	Scope	2021-22 data	2022-23 data	GRI
<b>Proportion of products covered by a quality standard*</b>	<b>Source:</b> management tools. <b>Calculation method:</b> 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: 63.70% Cocoa derivatives: 92.70%	Cocoa beans: 55.75% Cocoa derivatives: 95.00%	GRI 416-1
<b>Proportion of suppliers having signed the Supplier Code of Conduct (in terms of tonnage applied over the financial year)*</b>	<b>Source:</b> list of suppliers considered active (accounting movements in the last financial year or considered active by the trade). <b>Calculation method:</b> proportion of volumes processed over the financial year from suppliers having signed the code / total volume processed (excluding volumes processed by State structures).	France	73%	95%	GRI 414-2
<b>Proportion of suppliers included in the third-party monitoring tool (in terms of tonnage applied over the financial year)*</b>	<b>Source:</b> list of suppliers considered active (accounting movements in the last financial year or considered active by the trade). <b>Calculation method:</b> proportion of monitored suppliers / number of active suppliers. Also calculated as a proportion of volumes processed during the financial year.	France	87%	89%	GRI 414-2

\*key performance indicator (KPI)

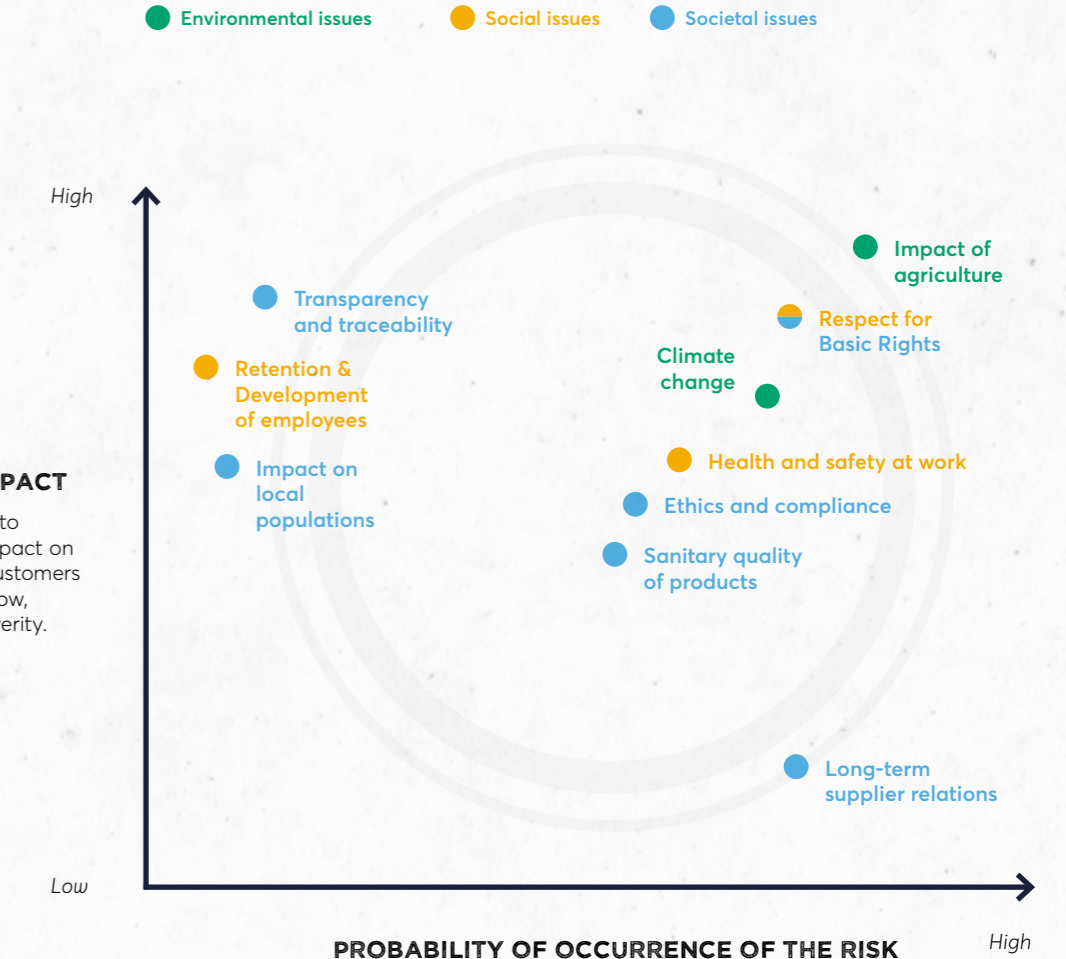
# MAJOR RISKS

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.

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.

### SEVERITY OF IMPACT

This criterion takes into account the gross impact on our reputation, our customers and our operations: low, moderate or high severity.



### PROBABILITY OF OCCURRENCE OF THE RISK

This criterion takes into account the frequency of occurrence of the risk or opportunity: low, moderate, high probability of occurrence.



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