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GLOSSARY

- **Farmer:** The owner or manager of a farm, estate, plantation, or ranch used to produce agricultural products.
- **Farmer group:** an association of organized producers that have a shared Internal Management System (IMS). The group of organized producers can be organized in an association, cooperative, district, community organization or managed by a supply chain actor (such as an exporter) or another entity.
- **GAP:** Good Agricultural Practices
- **GHG:** Greenhouse Gas
- **Group member:** a producer that is part of a Farmer group.
- **IMS:** internal management system of a farmer group
- **Large farm:** Large farms do not primarily rely on family or household labour or workforce exchange with other members of the community, but mainly on hired permanent and/or temporary workers. Large farms generally run their own management system.
- **Small farm:** Small farms primarily rely on family or household labour or workforce exchange with other members of the community. They might hire temporary workers for seasonal tasks or even hire (few) permanent workers. Small farmers are usually organized in a group and rely on the Group Management for record development and record keeping.
- **VSLA:** Village Saving and Loans Association
- **Work:** defined as full-time employment, seasonal employment, or piece rate employment.

1. SUSTAINABILITY IS A JOURNEY

OUR SUSTAINABILITY VISION

Acting as a true link between growers and processors, from the field to the factory, the Touton group manages responsible supply chains for cocoa, coffee, vanilla, and spices since 1848. As field players, we are involved at every level of the value chain. We build on our 175 years of experience, local networks and proven understanding of the challenges faced by producers' communities and tropical ecosystems to adopt an ever more sustainable and responsible vision for the future of our agro-industry. We call it the **POSITIVE AGRI CULTURE** by **T**outon.



Positive: In line with our entrepreneurial spirit.

Agri: Because agricultural raw materials are at the heart of what we do.

Culture: The sustainable trust relationship that connects all actors of our value chains, from colleagues to customers, from partner producers to end-consumers.

To deliver upon this collective action plan and create shared value for all, we have developed a new approach to responsible sourcing: **PACT STANDARD**.

WHAT IS PACT STANDARD?

Sustainability is a journey and a human adventure. Its implementation cannot be satisfied with the application of a one-size-fits-all schemes transposed and offered indifferently to all our agricultural sectors and customers. We have therefore designed **PACT STANDARD** to help our Cocoa and Ingredients customers choose and implement sustainability projects that are relevant both to their CSR objectives and to the needs of the supply chain, and our Coffee stakeholders to implement three year activity plans and create access to market for coffee produced by farmers.

1. **PACT STANDARD** creates traceable, transparent, and responsible supply chains for cocoa, coffee, vanilla, and tropical ingredients. Specifically designed to anticipate and proactively address the social, environmental, and economic issues induced by the evolving landscape of the agri-food sector, **PACT STANDARD** generates positive impact on farming communities and consumers on a long-term perspective.
2. **PACT STANDARD** offers a truly customised and flexible approach. Programmes are tailored to the reality of each supply chain to meet both the needs of partner-producers in terms of sustainable development, and the responsible sourcing ambitions of roasters, manufacturers, and processors.
3. **PACT STANDARD** is a high-quality and trustworthy service for farmers up to end-customers. Leveraging upon a solid and verified standard system, compliant with European and international regulatory requirements, it enables agro-industrial customers to implement, monitor and claim responsibly sourced products.



The standard is based on 3 core and 1 cross-cutting pillar, each one divided into areas of interventions to deliver impact at every level. All interventions follow supply chain specific operating procedures and associate with verification points that provide a solid framework for annual audits run by a recognised third-party verification organisation.

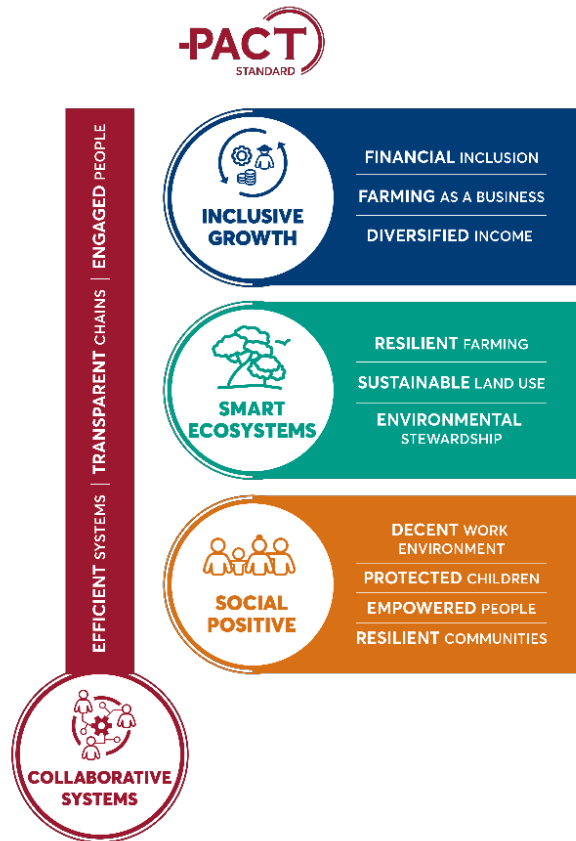


We have developed a 3 year time-bound continuous improvement approach to reach increased sustainability and accountability in sourcing activities. It builds on key fundamentals assessing the risks that fall under compliance but also better informs where and how to invest for more impact. For the more ambitious customers, PACT STANDARD offers a set of compelling additional activities that demonstrate how we can go the extra mile.

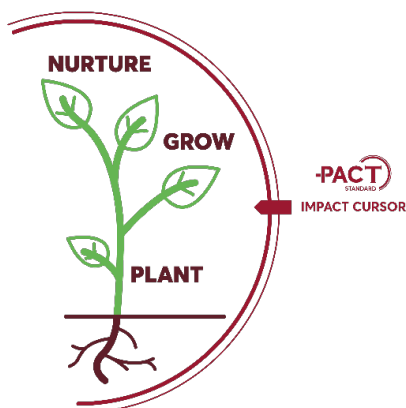
PACT STANDARD offers the opportunity to co-design programs tailored to each customer’s sustainable sourcing strategies, considering their ambitions and investment levels in agro-tropical commodities by using a range of environmental, social, and economic building blocks.

Each client is supported by Touton’s sustainability team to design the most appropriate programme. Located both in Bordeaux’s headquarters or across our subsidiary companies in producing countries, Touton counts with over 200 experts that provide not only a global understanding of sustainability and trading challenges across the commodities world, but also a wide array of competencies, including agronomy, community development or data science.

Together, they bring their insights into the social and environmental issues inherent to supply chains, and provide advice on the correct activities, scale, and pace to build the most appropriate sustainable sourcing strategies over the medium and long term, in line with each client’s CSR ambitions.



Based on the combination of maturity of the supply chain locally and customer’s requirements, activities selected will determine the intensity and impact level of the programme labelled as Plant, Grow and Nurture. This three year time-bound gradual feature allows customers to position the impact cursor where it makes most sense for their own strategy:



PLANT is the essential first level, to be implemented from the start of any Project. It provides the basic threshold for meeting regulatory and due diligence expectations and lays the foundations for an in-depth understanding of supply chains.

Other activities are there to make the program **GROW**, in year two, and can be adapted in terms of speed or outreach of interventions.

The remaining set of activities are to take place in year two or three, but no later than at the Project’s third anniversary, and **NURTURE** the relationship with farming communities and their environment.

2. COLLABORATIVE SYSTEMS (P)

2.1. Efficient systems (P)

2.1.1. Management system (P)

All farmer groups have an effective internal management system following the requirements of the Internal management systems guidelines specific to country and crop and must sign **Touton's Supplier code of conduct** and contract indicating the obligations of both parties.

Touton's Supplier code of conduct provides that all suppliers must comply with applicable laws and regulations including related to employment, discrimination, environment, land rights, and health and safety, data privacy as well as relevant international and industry standards.

As described in this Supplier code of conduct, Touton expects that all farmers group must operate in an ethical way, in compliance with competition and antitrust laws and regulations, and must not engage in bribery, extortion, corruption, money laundering or other fraudulent practices.

Where local laws or regulations do not govern property rights, traditional or customary rules must apply. All third parties are also encouraged to use the [grievance system](#) to report any existing claims relating to land use rights.

The Supplier code of conduct provides that the rights of indigenous communities and the local populations in the places where it operates as well as in its supply chain must be respected and refers to the UN-principle of free, prior and informed consent (FPIC).

All farmers groups must also respect the **Touton Quality Charter**. As regards to food safety and quality, our policy provides that all products must be compliant with quality and food safety regulations and describes the major obligations as regards the maximum residue limits (MRL), pesticides, contaminants, mineral oil, allergen control, GMOs.

Group members are required to sign a contract with the farmer groups which stipulates the obligations of the Farmer group and the group member.

Farmer groups and farmers are informed of the program and accept being subject to internal and external verification.

2.1.2. Registration of farmers (P)

Farmer groups can register new group members every year and up to 3 months after starting the crop season. New members need to be informed of the objectives and scope of the standard.

The registration of farmers and workers is documented with the minimum requirements as described in the Internal management systems guidelines of the farmer group.

2.2. Transparent chains (P)

2.2.1. The starting point: Registration of farmers and mapping (P)

Touton has developed a GPS mapping program that uses web and mobile platforms to capture the profiles of farmers and their farms through a socio-economic survey and exact mapping of the farm's location (GPS or polygon).

2.2.2. Traceability procedures (P)

Standard Operating Procedures (SOP) are in place to document the flow of products from farmers to warehouses. At farmer and farmer group level, receipts are issued for any purchase of products as required by local regulatory authorities and the standard.

When transporting the product from the farmer to buying stations, documentation is maintained to prove the origin of the product and maintain segregation until the next supply chain point.

Data (both in physical and/or digital formats) is also maintained at supplier level to document the product flow of products from each farmer organisation to final storage warehouse for minimum 3 years. Regular checks are made by Touton's staff to ensure accuracy and consistency of the data traceability throughout the supply chain.

2.2.3. Continuous traceability inspections (P)

Quarterly inspections are conducted at farmer group level by the country head office staff or any appointed staff from Touton. In parallel, all digitised traceability information is checked for any inconsistency of information by our Monitoring and Evaluation team. Farmer internal inspections are conducted yearly.

2.2.4. Levels of traceability (P)

Traceability can start at 3 supply chain point levels:

1. Farm
2. Farmer
3. Farmer group

Traceability can be preserved at 3 level:

- Mass balance level
- Segregated level
- Identity preserved level

2.2.5. Transparency of premiums (P)

Premiums to farmers and farmer groups are based on volumes and quality of agricultural product supplied and the amount agreed upon and documented between the farmer group and Touton.

Touton pays both farmer and farmer group premiums to the farmer groups as per the premium payment procedure of each country and crop.

Farmer groups are responsible for the full payment of the premium to farmers and must maintain payment records for 5 years.

2.2.6. Transparency of price (P)

Touton supports farmer groups to provide transparent information about price of agricultural product supplied. As referred to in section 4.3.3 living income surveys are implemented in order for farmers to know and address the gap between their income and living income benchmark. Farmer groups should be transparent to their members regarding price mechanisms and local market prices.

2.3. Engaged people (P)

2.3.1. Commitment and organisation roles (P)

The farmer group with the support of Touton needs to assess its organisation capacity and establish a yearly management plan to meet the requirements of the standard and show progress. The farmer group will have to include the assessment of social and environmental risks (including water source). The yearly management plan will act as periodic review of progress towards improved sustainability.

Farmer groups need to plan and carry out communications towards its members on the standard.

Farmer groups must have a referee, or a committee that will handle all grievances of workers, communities including whistle-blowers to raise the complaints of any business activity being affected negatively.

Farmer groups commit to promoting gender equality and the participation of young persons in farming and management activities.

All health and safety procedures for the staff are documented in the IMS manual of the farmer groups.

Farmer groups should share information related to farming, market information and weather from independent sources if available.

2.3.2. Capacity building and training (P)

To set up and manage Internal Management Systems, Touton has developed bottom-up modules based on farmer group needs and maturity levels.

Master trainers provide annual training for all the staff on how to use the needed tools and put in place the right processes (health and safety, accounting, grievance mechanism of staff...).

Annual training also includes training tools for farmers to inform them on key environmental and social compliance requirements. Touton's country and regional staff is there to provide accessible and regular support throughout the year.

3. SMART ECOSYSTEMS (P, G, N)

3.1. Sustainable land-use (P, N)

3.1.1. Deforestation risk assessment (P)

a. Ensuring our products are not coming from forests.

Deforestation and forest degradation are prohibited. Following the mapping exercise, Touton establishes a compliance map overlaying farm polygon and/or 'GPS' coordinate information with the updated boundaries of forest. All farms must comply with this non deforestation and non-forest degradation requirement.

For avoidance of doubt, "deforestation" means conversion of forest to agricultural use, whether human-induced or not and "forest degradation" means structural changes to forest cover, taking the form of the conversion of:

- primary forests or naturally regenerating forests into plantation forests or into other wooded land
- or primary forests into planted forests.

The term "forest" refers to land spanning more than 0,5 hectares with trees higher than 5 metres and a canopy cover of more than 10 %, or trees able to reach those thresholds in situ, excluding land that is predominantly under agricultural or urban land use unless otherwise defined as per local legislations or regulations.

In the event of any deforestation or forest degradation being confirmed by Touton, Touton will decide to suspend buying from this plot.

Would deforestation be detected on a farm pertaining to a farmer owning multiple plots all efforts to work on mitigation measures for the remaining plots of the defaulting farmer will be implemented. with the defaulting farmer if other plots are owned or used by this farmer.

Cut-off dates for deforestation are:

2014 for Coffee.

2020 for Cocoa and Ingredients, or other to be set on a case by case basis with customers.

b. Prioritising areas of interventions

An annual deforestation risk assessment map is established. This map combines different geospatial data, socio-economic and auxiliary data to predict or give an indication of areas that poses threat.

It will allow, together with the compliance map, to help prioritise areas and types of interventions.

c. Accountability for deforestation

Depending on the crop, country, and the entry date of the supply chain actors we have defined two dates for which the boundaries of forest and protected areas can be considered: 2014 in line with other standards and 2020 in line with the European Union legislation.

3.1.2. Agrochemical management by farmer groups (P)

All farmer groups have a procedure in place and documented in their IMS manual for the good use and management of chemicals and have signed the quality charter of Touton.

3.1.3. Preserving wildlife and biodiversity (P)

Touton ensures that farmer groups are trained on wildlife and biodiversity and have training modules to cascade down to farmers. Farmer groups respect the laws of wildlife by signing the farmer group contract with Touton. Threatened and endangered species in the production area shall be identified and communicated to the member producers who commit to protect them.

3.1.4. Conservation/enhancement of natural ecosystems, vegetation, riparian buffers, and aquatic ecosystems (P)

As described in 2.3.1, farmer groups document their environmental and climate risks and include actions to mitigate risk and improve natural ecosystems, vegetation, riparian buffers, and aquatic ecosystems. These actions are incorporated in the yearly management plan of the farmer group as described in their IMS manual. Adoption of such practices is to take place in accordance with each country's applicable GAP national programs or standards.

3.1.5. Water and energy management (P)

As described in 2.3.1, farmer groups have documented their environmental risks, including identification of water sources (bodies, rivers, sources), the uses (irrigation and process) and actions to mitigate the risk. The IMS demonstrates an understanding of local water conditions or stress factors.

a. Water

WATER BODIES

Farmer groups have documented the bodies present inside their farm/plots and thus improve the water bodies conservation by creating a buffer zone around at least 5 meters in width excluding all cultivation and are composed of native vegetation.

Farmers are aware about the risk of pollution by agrochemicals; therefore, this risk is stated in the environmental risk assessment and specify that no agrochemicals should be apply at less than 5 meters of the water body. Farmers are to be encouraged at Group level to engage with local environmental authorities and other stakeholder to protect and rehabilitate endangered or contaminated water bodies, where applicable. As applicable by local laws in each country (e.g. in the case of Uganda: National Water Policy 1999, Page 11-chapter V).

WATER SOURCE

Farmer groups have documented and identify the water sources. If the water source is considered to be in a critical state or overused, proper actions to mitigate risks and improve water source conservation are planned and stated on the IMS. When applicable farmers shall be encouraged to save rainwater through trenches or collection systems in order to be able to use said water on their farms.

IRRIGATION

Irrigation is described in the IMS. If it has been identified as a risk, therefore farmers are aware and trained on water reduction and irrigation efficiency.

PROCESS

Farmer and/ or centralised washing station are aware and trained on water consumption and water reduction.

Processing wastes are managed in such a way as to not contaminate the local environment as describe in 3.1.6- b).

Touton supports farmer groups to reduce water use, by providing support and/or training in efficient irrigation and processing where applicable.

b. Energy

Farmer groups have identified the main uses and assessed the risk of energy in farming and have included actions to improve the energy efficiency and reduction. This includes measurement and

documentation of energy used. Eco-friendly and / or renewable energy shall be promoted, e.g. Briquette instead of firewood as an example.

3.1.6. Waste Management (P)

a. Waste management procedures

Touton ensures that farmer groups have a waste management policy or procedure in place and documented in their IMS manual which focusses on prevention and reduction and ensures all waste (wastewater, farm and processing by-products, fossil fuels) at key locations in the supply chain is identified, stored, treated and disposed of in ways that do not pose risk to people or the environment. Waste should not be burned except with appropriate machinery. Organic and non-organic waste shall be separated and disposed appropriately depending on their nature. Organic waste can be composted and re-used in the farms. Non-organic waste shall be handled and disposed according to the environmental protection national authorities' recommendations applicable and to specific sites where relevant.

The types of waste are identified and a specific plan for their prevention and reduction is included in the risk assessment and IMS plan. Farmers are aware about the risk of pollution by farm waste or garbage and thus specific sites are identify and located.

When there is a water body or source, farmers are aware of the risk of pollution and actions are stipulated in the IMS to avoid risk of water contamination.

b. Wastewater management

For centralised washing stations, an internal management plan of waste and wastewater is documented.

Wastewater from pulping and washing is managed in a way that does not contaminate the environment, including water bodies and sources and meet the local legal wastewater quality parameters before being released in the environment.

The total volume of water used for pulping, washing, and sorting for processing operations is tracked and recorded, (and when it is possible documenting the annual total water used and volume per Kg product processed).

3.1.7. Bringing communities to protect the forest (N)

a. Forest protection committees

Touton will set up and strengthen community committees that will act in terms of prevention of deforestation with community sensitisation and support local reforestation program. The aim is to contribute annually with trees to local reforestation program with the support of the committees. Communities can also choose to support tree replanting based on other priorities (in terms of soil erosion, prevention of water pollution, reforestation or any other community need such as on school grounds). To support these committees, it is important to help them with events that will generate traction and implication of all members of the community. For that we have typically two events that have proven to create a lot of mobilisation which are the children ambassadorship event, and the football awareness events.

b. Children ambassadorship events to promote off farm planting to preserve natural boundaries

Promotion for tree planting is done on school grounds, engaging and empowering children as key actors of change. We see them as actors in relaying the importance of agroforestry and protecting the forest. They play a key role in 'educating' the older generation!

3.2. Resilient farming (P, G)

3.2.1. Regenerative agriculture (P, G)

a. Agroforestry systems

SHADE TREE NURSERIES (P)

Touton's team includes experienced agronomists that set up shade tree nurseries or can partner with local nurserymen and supervise. Tree species are chosen depending on the local needs of farmers for a better adoption. It is about finding out the right combination between environmental and climate benefits of the tree and the socio- economic benefits needed by the farmer.

CHOOSING YOUR AGROFORESTRY MODEL (P)

Based on the needs identified locally, a farmer list is established with the different models of agroforestry validated. When the shade trees are ready, they are handed out to them. One key criterion for being a beneficiary of the trees is the participation on the group training module on Climate Smart modules.

SHADE TREE MONITORING (G)

On a sample basis, Touton's team monitors the survival rate of the shade trees over a period of 1 year at least. This is key in terms of learnings to improve a better adoption and maintenance of shade trees by farmers.

AGROFORESTRY INDIVIDUAL COACHING (G)

To ensure proper maintenance and management of shade trees and the agroforestry systems it is important to accompany farmers with individual coaching sessions to avoid a high mortality rate.

SOIL QUALITY AND EROSION (G)

Farm practices that prevent soil erosion shall be encouraged on farms and adapted to local conditions and crops. Soil quality improvement techniques are to be promoted, such as use of compost, introduction of nitrogen fixing crops or other techniques commonly practiced and where applicable.

ANALYSIS (G)

On a crop need basis (always applicable to coffee), soil and leaf analysis may be conducted, results of such are to serve for farm improvement. Farmers are to keep written records of their tests.

FERTILISER USE (P)

Following agronomic recommendation cautious fertiliser use and application shall be practiced where the needs of the crops are taken into account as well as to maintain and enhance soil fertility. Farmers shall be encouraged to minimise their use of fertilisers over time where permitted by local conditions. Farmers are to keep written records of their tests.

b. Climate Smart farmer training (G)

As part of the documented environmental and climate risks, farmer groups will identify and implement measures to adapt to climate change, one such measure will be Climate Smart Farming. Touton trains their field staff to deliver training to farmers on the Climate Smart production integrating all modules on good agricultural and environmental practices.

3.3. Environmental stewardship (P, G)

3.3.1. Carbon mapping and measurement (G)

a. Baseline measurements

Touton collects information on a sample basis for scope 3 of carbon emissions. The methodology is reviewed and updated on a yearly basis and documented.

b. Identifying drivers

Touton ensures that farmer groups are trained on identifying drivers of GHG emissions and have the necessary training modules to cascade down this to farmers so that they can make self-assessment at farm level.

c. Reduction plans

Touton supports farmer groups in elaborating carbon and GHG reduction plans after identifying drivers.

3.3.2. Integrated Pest Management (P)

Touton is committed to minimising the use of pesticides. Touton provides locally relevant guidance on integrated pest, weed and disease management strategies. Touton ensures that farmer groups are trained on integrated pest management (IPM) and that the techniques and measures are being implemented. The use of pesticides should also be recorded for tracking and reduction target setting.

4. SOCIAL POSITIVE (P, G, N)

4.1. Decent work environment (P)

Workers' protection and their rights in the scope of this standard fall under the ILO 29, ILO 87, ILO 98, ILO 100, ILO 105, ILO 111, ILO 138 and ILO 182 conventions or under National laws, whichever of the two is most protective to workers.

4.1.1. Working & housing conditions

As described in 2.3.1, farmer groups must make an assessment of social risks in order to establish a yearly management plan to mitigate the risks. More specifically, farmer groups sign the Supplier code of conduct with Touton and must display their commitments on assessing and addressing child labor, forced labour, discrimination, workplace violence and harassment. They also have in place either a referee or committee for referral of any complaints.

As described in 2.3.2, Touton provides training to the farmer groups, committee, or referee on child labour, forced labour, discrimination and workplace violence and harassment so that it can be cascaded down to all group members (small farms), or workers (large farms).

All health and safety measures are documented in the IMS manual and addressed in the yearly management established after risk assessment.

Touton ensures farmer groups are trained and have the modules to train group members on potable water treatments and the prevention of water contamination. Farmer groups should provide access to potable water as well as clean toilet and clean handwashing facilities for hired labor.

In the event of housing services provided by Touton as part of a further development of PACT Standard in regions or countries where housing is provided, adequate housing will be considered as human rights meaning that Touton will implement measures to support:

1. Safe and habitable housing
2. Secure tenure meaning protection of farmers against forced eviction or demolition of houses
3. Respect of freedom of movement
4. Equal and non-discriminatory access to housing

4.1.2. Workers' rights & safety (P)

Farmers and workers are informed about their rights, duties, and benefits. Work is defined as full-time employment, seasonal employment, or piece rate employment.

Work must be conducted on a voluntary basis:

1. Under no circumstances is forced labour used. This includes trafficked labour, prison labour, bonded labour or other forms of forced labour.
2. The use of violence, threats of violence, punishment, confinement, or any methods of intimidation, to coerce workers is strictly prohibited.
3. Workers have freedom of movement and are not confined to the workplace premises; they have the right to leave the work premises after completing the working day
4. Workers have the right to freely leave their living quarters
5. Workers have the right to resign, provided they comply with the legal prior notice
6. No worker pays recruitment fees or related costs. If workers have paid any fees, these must be reimbursed by the employer.
7. Retention of workers' personal documents (e.g., passport, identity card, birth certificate, work or residence permit or other travel documents) is prohibited. Where presentation of these documents is required by law, they are returned as soon as possible to the worker.

Farmer groups have a written policy adapted to local language and inform their workers of the freedom of association and collective bargaining as per the ILO convention, Freedom of Association and Protection of the Right to Organize Convention, 1948 (No.87). The policy is displayed and visible in the workplace.

This written policy or IMS should at least indicate:

- Workers and sharecroppers have the right to establish and/ or join an organisation of their choice and the group will not interfere or block the effective functioning of such organisation.
- Executives of unionised members will not be subject to any form of discrimination or adverse actions taken against them and should be allowed to access to their members in the workplace/group.
- The farmer group will facilitate consultation with workers representatives on an annual basis and will keep records of the minutes of the meeting and decisions.

Worker's wages and duties are described in the contract between the farmer group and the worker. Farmer groups have documented in the IMS manual on how they monitor working hours and ensure that working conditions are respected.

The IMS should at least indicate :

- Regular working hours of workers and employees which should comply with national law and should not exceed 48 hours per week.
- Work overtime shall be paid according to national law.
- Rules regarding free day, public holidays and annual leave that should comply with national law and should at least indicate that workers enjoy at least one free day following six consecutive days worked as well as public holidays and annual leave.

ILO Convention, Hours of Work (Industry) Convention, 1919 (no 1); ILO Convention, Hours of Work (Commerce and Offices) Convention, 1930 (no.30) apply.

All health and safety procedures for the staff are documented in the IMS manual of the farmer groups as described in 2.3.1.

4.1.3. Supporting communities (P)

Touton collects information on land ownership per farmer with the support of the farmer group. In case of dispute, this information can be made available to the parties, but it is customary law that is in charge of tackling any issues concerning land ownership'.

4.2. Protected children (P)

Children protection and their rights in the scope of this standard fall under the ILO 29, ILO 105, ILO 138 and ILO 182 conventions or under National laws, whichever of the two is most protective to children.

4.2.1. Assessing risk at farmer level (P)

Children below the age of 15 (or legal school age if below) are not allowed to work on farms during school hours.

No child must carry out hazardous work or other worst forms of child labour. Children protection and their rights in the scope of this standard fall under the ILO 138 and ILO 182 conventions or under National laws, whichever of the two is most protective to children. For the avoidance of doubt, "worst forms of child labour" include all forms of slavery, trafficking, debt bondage, and other types of forced labour, the use of a child for prostitution, or for production of pornography or pornography performances, and the use of a child for illicit activities such as begging or selling narcotics.

Communities at higher risk are prioritised with socio-economic profiling surveys that are administered amongst farmers we source from. Data points focus specifically on household composition and potential

risks factors for child labour practices. The results of the data collection serve as basis for the identification of children in situation of child labour (including worst forms and hazardous works) and child protection issues for further root-cause analysis and remediation actions to be taken.

Light work for children between 13 and 15 years old is permitted if not prohibited by local laws or regulations. Light work is defined as work that is not harmful and that does not interfere with children's schooling, training programmes or their ability to benefit from the instruction received.

4.2.2. Assessing risk at community level (P)

Community based information is gathered in the sourcing communities we operate in to prioritise communities where there is a higher risk of child labour. Main factors contributing to the risk can be, but are not limited to:

- Absence of primary schools in the communities
- Absence of scholarships
- Absence of mobile network
- No Electricity in the community
- No or low availability of temporary adult labour
- The size of the household

4.2.3. Prevention (P)

Awareness-raising about the physical and physiological consequences of work conducted by children is a keystone of child labour prevention interventions in our crop- growing communities. Hence, child-labour specific modules are embedded in the basic training curriculum that farmers receive through Touton's sustainable sourcing programmes in the so-called "Good Social Practices" modules.

4.2.4. Referral systems, grievance mechanisms (P)

Committees or referee are trained on child labour and are in place as described in 2.3.1. The grievance mechanisms are documented in the Farmer group IMS manual.

4.2.5. Remediation (P)

Touton addresses identified cases of child labour through a combination of supply- chain and community-based interventions such as (but not limited to):

- Support to primary education structures (direct investment and support to School Management Committee structures).
- Women social and economic empowerment through additional livelihoods opportunities
- Quick remediation actions through direct financial support (uniforms, textbooks, school fees, etc.)
- Set-up of professional youth service providers for farm maintenance services as an alternative to family labour
- Set-up of Child Rights Clubs to offer a platform for discussion around child protection issues in the schools
- Set-up of mobile libraries for primary schools' students ...

4.3. Empowered people (P)

4.3.1. Gender empowerment (P)

Farmer groups commit to promoting gender equality and the participation of young persons in farming and management activities as described in 2.3.1.

Touton ensures Farmer groups are trained on gender equality and that an analysis is included in the risk assessment tool of the Farmer group and in their yearly management plan. It will include but is not limited to the needs, participation rates, access to resources and development, decision-making powers

and ownership of assets for women, youths and marginalized groups. Activities as described in 7.1.1 can be typically promoted by the Farmer group and included in the management plan.

4.3.2. Youth empowerment (P)

Touton ensures Farmer groups include the topic of youth in the risk assessment (2.3.1) tool of the Farmer group and in their yearly management plan. Activities as described in 4.3.2 can be typically promoted by the Farmer group and included in the management plan.

4.3.3. Living Income (G)

Touton has developed a living income survey to assess farmer income on a yearly basis in order to assess gap with living income benchmark and assess potential crop diversification or income generating activities to implement.

4.4. Resilient communities (N)

4.4.1. Food Security & Improved Nutrition (N)

Sensitisation

A key step in improving the dietary diversity in communities is to sensitize them on the importance of aiming for greater dietary diversity and basic hygiene such as handwashing before cooking meals.

a. Initial training

Farmers are encouraged to set-up small garden plots with a variety of vegetables for own consumption. They also have the option to choose among activities to enhance access to Animal Protein. Three options are proposed to farmers in respect to animal rearing: grasscutter, guinea fowls and snails.

Touton provides assistance on growing practices/animal rearing and facilitates access to seeds/animals. Our field staff is not only trained on nutrition, vegetable production, animal rearing techniques but as well on behavioural change to make the uptake of the activity successful.

b. Coaching

Based on learnings it is important not only to support farmers with initial set-up costs but to offer them coaching to follow up on the activity and provide them with access to additional information for the good continuity of their activity.

5. INCLUSIVE GROWTH (P, G, N)

5.1. Financial inclusion (N)

5.1.1. Village savings and loan associations (VSLA) (P)

a. Forming Saving groups

Touton's community development team accompanies the process of group formation, ensuring that the group is set up on self-selection with a democratic governance, transparent and inclusive decision-making process with procedures in place (egg: value of share, frequency of meetings, election of leaders, maximum amount, and frequency of loans for an individual...)

b. Follow up and advisory

Touton's team provides continuous support ensuring that the democratic governance is in place, and that record keeping, and meetings are organised as planned. They will provide coaching and technical advice to the groups and monitor the amount of savings, loans, and type of loans by members.

5.1.2. Financial literacy (N)

Touton offers financial education through training and tools in order to provide producers with the knowledge and skills to better manage their money. Training includes, but is not limited to financial goals and planning, understanding income, expenses and budgeting, savings and borrowing.

5.2. Farming as a business (P, G)

5.2.1. Training and coaching (P, G)

Capacity building of farmer groups and training of farmers

a. Training (P)

Touton has dedicated trainers concerning all good practices in agriculture, post-harvest practices, governance, and business. They will train all key staff of farmer groups or local structures who will onwards provide training to farmers. Touton has set aside core modules for which the participation is mandatory. Trainings can happen either in model farms or in demo plots* with a group of farmers. All farmer trainings are to take place in accordance with each country's national laws, regulations, and applicable GAP national programs or standards.

b. Graduation (G)

All registered farmers must go through the basic training curricula and/or pass the knowledge annual test to be considered as trained. Farmers that have graduated are considered as advanced and can access different trainings or be selected for coaching for example.

c. Demonstration plots (G)

Demonstration plots are used as learning tools and encourage learning to be applied by showcasing a range of farming technique – including composting, pruning, fertiliser use and crop protection, as well as rehabilitation and crop diversification. These plots are instrumental in demonstrating the benefits of these techniques to the farmers and encouraging them to implement new and effective practices.

d. Individual coaching (G)

For training to be an effective investment, our central aim is not simply knowledge delivery, but importantly the promotion of adoption rates. To address this challenge, coaching – i.e., one-on-one

training and follow-up with farmers - will be implemented to improve adoption rates by delivering tailored training to farmers who will have been identified as ready to receive and implement the knowledge.

5.2.2. Farmer business plan (P)

The process starts with a diagnostic and planning phase, which produces a multi-year farm development plan for each farmer. The plan specifies the requirements for training and other services including inputs, pesticide application equipment, and pruning tools. Each requirement is determined according to farm size, level of farm expertise, and investment decisions developed through decision-making tools. Coaching visits are then key to ensure a good implementation of the plan and provide advice. These plans are to be reviewed on at minima a yearly basis, progress is recorded either manually or on the Touton software in order to show areas of improvement and track good results.

5.2.3. Farmer record keeping and record books (P)

Touton supports producers to maintain good records of farming activities for planning and decision-making purposes as well as budgeting and expenditure. Farmer records can also play a key role in data collection and management for GHG measurement and monitoring. Farmer records should at least record yields, main costs (expenditure) and income from farming activities. Record books can be provided to facilitate.

In the case where farmers are not able to maintain records, Touton will make available data regarding yields.

5.3. Diversified income (N)

5.3.1. Income generating activities (N)

a. Initial training

Income generating activities consists of small businesses managed by a group of people or individuals. Training modules on setting up and managing businesses are provided by Touton or our network of technical partners. Participants then submit their proposal on the activity chosen to generate income.

b. Review of the business

Advisory support is provided to participants and access to finance evaluated to start the activity.

c. Starter kits

To support these initiatives, kick off grants (e.g. savings from VSLA, program fund...) or in kind 'starter-kits' (e.g. vegetable seeds, water cans....) are provided to boost the business at the initial stage. Individuals or groups need to have some direct investment of their own to encourage the ownership and make the business sustainable.

d. Coaching

We continually support entrepreneurs during the design, implementation and monitoring to ensure the businesses are working and keep working. With group IGA it is also important to follow up on the good group governance.

5.3.2. Agri-preneurs (N)

Farmers' and farmer groups' geographic location can make it difficult for certain farmers to fully benefit from services. To bridge this gap, Touton has experience in establishing and training a network of young micro-entrepreneurs called "Agri-preneurs" to expand the reach of services down to the farmer's doorstep going from pruning, to crop protection application.... These youths, aged 18-34, are from the growing communities and are linked up with market opportunities to reach out to surrounding farming communities around their own. In doing so, we ensure quality and professional services to the farmers



we work with, while creating economic opportunities for the youth in the farming communities and surroundings.

For all the above we partner with professional equipment brands to train these agripreneurs on the use of the equipment.

In doing so, we envision a more attractive economic environment to retain youth in rural communities, generate Agri-services employment, while mitigating risks of child labour that higher farm productivity could potentially create.

6. PACT STANDARD DECISION-MAKING PROCESSES

Touton may update and revise the content of the standard (including the Internal Management System, the verification manual, the assurance report) from time to time as part of its continuous improvement approach.

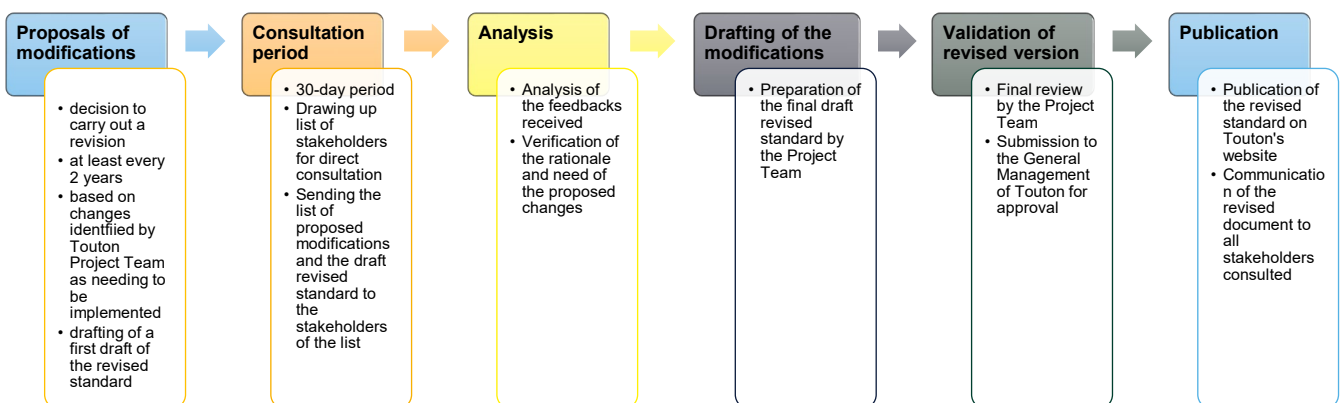
The PACT standard will be revised by Touton Project Team at least every 2 years. There are several reasons why the standard may need to be revised:

- New knowledge and/or new practices
- Evolution of the legal framework
- Feedbacks from stakeholders (including through the Appeal process) or Touton Project Team
- Benchmark with other standards
- Auditing results

Touton supports the implementation of a transparent and public consultation process to drive the revisions of the standard. For this reason, the consultation of stakeholders is essential to Touton. Any stakeholder is free to provide inputs and makes suggestions to Touton. Proposals for revisions or clarifications to the standard can be submitted at any time by stakeholders via email at sustainability-bx@touton.com.

As part of the periodic revision process of the standard, the following stakeholders will be consulted by Touton Project Team:

- Certifications bodies
- Clients having subscribed to the standard
- Suppliers having adhered to the standard
- Any other types of stakeholders that are directly affected by the standard
- The revision process is described below:



For sake of clarification, Touton Project Team is composed of:

- 2 members of the Sustainability Departments
- 1 member of the Legal Department
- 1 member of the Environmental Manager
- 1 Quality Coordinator

The missions of the Touton Project Team are:

- Developing the standard and all related documents for its application,
- Analysing the implementation of the standard on a periodic basis, issues and challenges,
- Providing advice to Touton's teams based on their collective expertise,
- Facilitating sharing of best practices and recommendations,
- Ensuring the standard aligns with industry standards and regulatory requirements,
- Ensuring the revision process described above is properly conducted.
- Analysing, documenting and answering exceptions requests

7. COMPLAINT & APPEAL MECHANISM FOR PACT STANDARD

This section aims to describe the mechanisms available for third parties and stakeholders involved in Pact Standard to submit grievances and appeals.

Appeal process:

Any stakeholders of Pact Standard are entitled to issue complaints about decisions made by the implementation teams of Touton or about the IMS, mitigations actions, corrective decisions and verification results, consistency of decisions/actions taken with objectives of Pact Standard (“Appeals”).

The Appeal process can be raised orally or in writing:

- via this email address: sustainability-bx@touton.com
- indirectly via Touton Group’s field staff or farmers’ representatives. In this case, the Appeal must be escalated to the Appeal Committee via the address mentioned above.

An Appeal Committee of three (3) persons will be designated by Touton Group’s sustainability teams amongst the sustainability and compliance teams.

Any member of those teams involved in the decisions/actions that have been subject to the Appeal cannot be part of the Appeal Committee.

The Appeal Committee will carry out the following missions:

- checking the admissibility of the Appeal. If the Appeal does not fall under the scope of this process, the Appeal will be rejected and the informant will be notified about the rationale of this decision
- issuing a final decision to address the Appeal and find corrective actions when necessary
- keeping records of the Appeal process and protecting the integrity and the confidentiality of its content.

Grievance process:

Any stakeholders of Pact Standard and third parties are entitled to raise complaints against the implementation of Pact Standard (“Grievances”) or about critical non-conformities or violations such as, but not limited to, violations of social or human rights, violations of environment protection, unfair or unethical behaviors within Pact Standard supply chain.

The Grievance process can be raised orally or in writing:

- via this form accessible online: <https://touton.com/grievance>
- indirectly via the farmer group Grievance Committee (if any) or through the compliance officer of Touton.

This Grievance will be then subject to the process summarized on Touton website.

8. COMMUNICATION & LOGO USE AND CLAIMS



PACT standard logo, name and/or claim can be used by all partners – from clients to suppliers, farmer groups or farmers who adhere to the PACT standard requirements.

- The use of the logo, name and/or claim by suppliers, farmer groups or farmers is subject to the successful completion of the annual third-party audit.
- The use of the logo, name and claim by clients is subject to the purchase of goods under the PACT standard framework as stipulated in the contract.

Any company wishing to use the PACT standard logo, name and/or claim on product packaging designs, promotional materials (e.g., website, brochure, etc.) or any publicly available communication must obtain the prior written approval from Touton SA via email.

- Any references to PACT standard must be limited to statements related to products eligible – covered by the standard activities.
- The logo can also be used by suppliers and farmers on cocoa or coffee bags or packaging if they obtain the prior express permission from Touton SA and meet with all requirements of the standard.

Requests must be sent via email to: sustainability-bx@touton.com. Partners are asked to provide details about the aim of their intended publication or communication with specific statements they intend to use.

As materials are reviewed in their entirety during the approval process, all aspects of the material should be included in the approval request.

Examples for the claims/statements:

For Touton's clients :

- “[Client’s name] works with Touton through the independently verified PACT standard”
- “By buying [product’s name] with Touton PACT Standard logo, you help contribute to better farming practices, climate plan, conservation of our forests, protection of the human rights of farmers.”

For Touton's suppliers:

- “Responsible sourcing is important to us. We are now a PACT standard verified supplier.”

Claims may relate to the goals of the standard, its requirements but also to its effects.