

CULTIVATE
BETTER™
PROGRESS REPORT
2022



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**CULTIVATE
BETTER™**



**CULTIVATE
BETTER™
COCOA**



**Cocoa &
Forests
Initiative**

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A NOTE FROM GARY GUITTARD

INTRODUCTION

We are excited to share our first combined Cultivate Better, Cultivate Better Cocoa and Cocoa & Forests Initiative report.

What follows is a recap of what we've completed alongside our on-the-ground implementation partners and farmers for the period from October 1st, 2020 to September 30th, 2021 highlighting the importance of collaboration and the ongoing journey to create sustainable impact through learning. Our sustainability efforts are not independent areas of impact or regional components. Rather, they inform each other and integrate across goals and objectives to create a holistic effort that can contribute positively to a more sustainable environment, healthy communities, and more resilient supply chains.

As we transition out of the Covid-19 pandemic, we are excited to get back to working in-person with our origin partners while retaining some of the efficiency of the hybrid world that has evolved. Empowering our local partners, and communicating more effectively with farmers, suppliers, and with our customers enable us to continue to build and strengthen our programs.

We are encouraged by the growth of our sustainable cocoa and chocolate programs through our partnership with Fair Trade USA for our retail products and our Cultivate Better Cocoa program for our professional, Collection Etienne line as well as through bespoke programs for our B2B customers.

During the past year, we brought more focus to our local environmental footprint, completing our first Carbon Footprint assessment allowing us to see our company and activities through a new and increasingly important lens. In 2021 we completed a 1.0 MW solar energy system in our Fairfield facility and the first 750Kw of a 1.4MW Bloom Energy fuel cell at our Burlingame plant.

Outlook ahead to our work in 2022 and beyond, we see ourselves and the cocoa and chocolate industry coalescing around;

Collective Action, while the work within our own supply chain is critically important, partnering with local governments, industry colleagues, donors, and experts are necessary to effect systemic change and address the root causes of the issues of poverty and deforestation in cocoa supply chains.

Traceability has always been a challenge in cocoa with millions of smallholder farmers in remote areas. While the industry and local governments drive toward new traceability standards and systems, through our Cultivate Better Cocoa, Fair Trade, and Rainforest Alliance programs, we are increasing the physical traceability within our supply chains while improving our ability to monitor and communicate the impact of these premium investments.

Accountability, with increased traceability and transparency, we are better able to monitor our own progress and that of our suppliers and producer co-ops. Industry-wide reporting systems along with our own systems provide important information for continual improvement.

We look forward to continuing to work with all of our stakeholders, our employees, suppliers, farmers, and our customers to positively contribute to a more sustainable future.

PART ONE
CULTIVATE
BETTER™

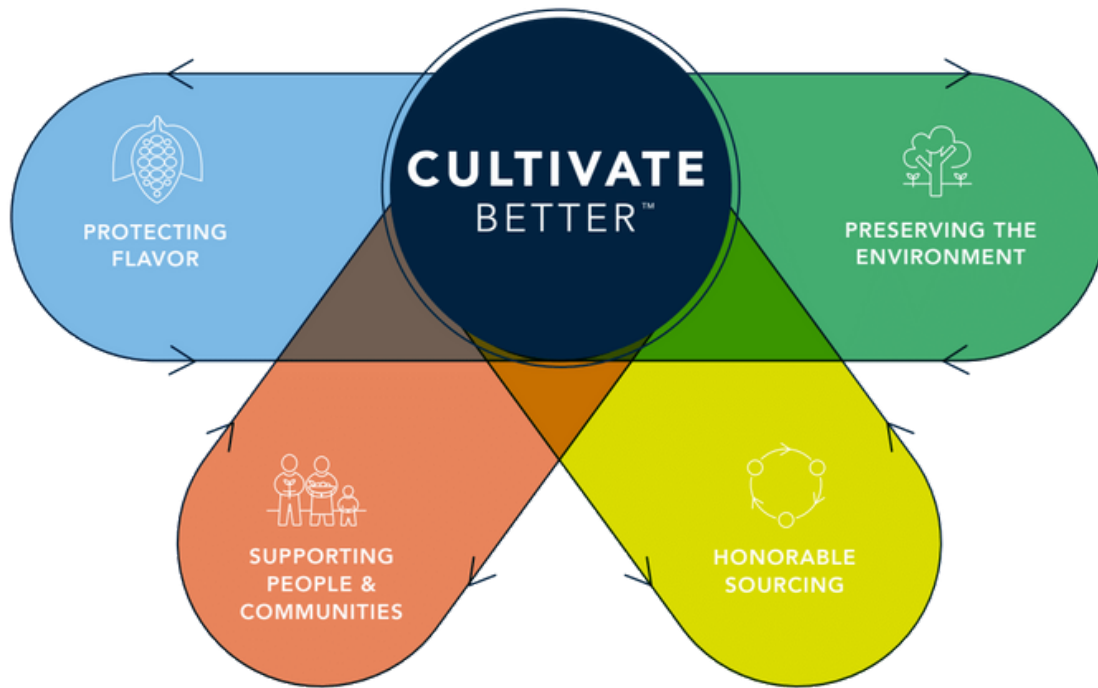


CULTIVATE BETTER™

At Guittard, we're driven not only by what we make and how we make it, but also by the people we work with and the relationships we cultivate with farmers, suppliers, and customers.

Cultivate Better was inspired by this ethos and embodies our continual journey toward sustainability and responsible business practices. Cultivate Better inspires our industry-leading initiatives that strive to not only cultivate and preserve premium flavors responsibly but also protect and support the people, communities, and natural resources and environments that allow them to grow for generations to come.

Our initiatives are interconnected, one part cannot flourish without the other, creating an integrated ecosystem designed for the long-lasting sustainability of the global cocoa and chocolate community.



PROTECTING FLAVOR

- FLAVOR LABS
- GHANA FINE FLAVOR PROJECT
- HEIRLOOM CACAO PRESERVATION FUND
- COCOA OF EXCELLENCE

SUPPORTING PEOPLE & COMMUNITIES

- CHILD PROTECTION
- GENDER EQUALITY
- LOCAL IMPACT

HONORABLE SOURCING

- CULTIVATE BETTER™ COCOA
- CERTIFIED INGREDIENTS

PRESERVING THE ENVIRONMENT

- COCOA & FORESTS INITIATIVE
- RENEWABLE ENERGY
- SUSTAINABLE PACKAGING
- CARBON FOOTPRINT MONITORING
- ZERO WASTE GOALS
- WATER CONSERVATION



Protecting Flavor

We are committed to helping governments in cocoa producing countries and cocoa farmers better understand flavor and quality so they can preserve and protect the traditional, historic flavors as well as the beautiful diversity of cocoa flavor.

In the near term, this means understanding the impacts of harvest and post-harvest practices and their quality, value and access to premium markets. In the longer-term this means understanding and maintaining flavor as a critical breeding parameter.

Through the World Cocoa Foundation (WCF) - USAID Africa Cocoa Initiative (ACI-2) and the Millennium Development Challenge over the years we have helped establish Flavor Labs at cocoa research centers in Ghana (CRIG), in the Ivory Coast (CNRA) and Indonesia (ICCRI). Building on this experience, over the past year ACI-2 was able to continue this work, successfully inaugurating Flavor Labs in Nigeria (CRIN) and Cameroon (IRAD). This was possible thanks to the talented Ivorian consultant and colleague, Dorine Kasi, and the committed support and interest of the CRIN and IRAD teams.

This network of Flavor Labs and sensory teams across the four West African cocoa-producing countries provides these Governments and cocoa farmers the opportunity to protect and develop the deep, rich chocolate flavor that made this the leading cocoa-producing region with over 75% of world production.



PROTECTING FLAVOR

HEIRLOOM CACAO PRESERVATION FUND (HCP)

Guittard has been a founding board member since the HCP's inception 10 years ago. This past year has been one of strong growth for HCP with new board members bringing new energy and ideas and a great, young Executive Director. Working closely with HCP's sister organization, the Fine Chocolate Industry Association (FCIA), we were able to support HCP's inclusion in the TSIRO Alliance, a \$5MM USAID Madagascar development project where HCP will pilot new designation systems to benefit more heirloom farmers, helping them protect the diversity of flavor and reach ultra-premium markets.

COCOA OF EXCELLENCE (COEX)

CoEx celebrates the craftsmanship of cocoa farmers around the world every other year at the Salon du Chocolat in Paris. This past year, Cocoa of Excellence managed a successful virtual program on December 16th recognizing top-quality cocoa producers from Central America & the Caribbean, South America, Africa, and Asia-Pacific. The ceremony was broadcast in more than 70 countries worldwide with 650 people registering. The whole event was translated (live and with subtitles) into Spanish and French. The event was also accessible on the Cocoa of Excellence Facebook live with more than 2,700 views and 34,746 posts. There were also 4,350 Instagram posts and 3,515 Tweets. Guittard has supported the Cocoa of Excellence Programme for over 10 years through its leadership of the Technical Committee, preparation and shipment of cocoa liquor and chocolate samples, and participation in the international sensory panel for the blind selection of the winning samples.

This edition of the Cocoa of Excellence, we were especially excited to see a sample from our Ghana partners at the Offinso Fine Flavor Cooperative selected among the "Best 50" of the 235 samples received from around the world. This global recognition gives these pioneering farmers the confidence to continue to expand the grafting of the higher value, fine flavor varieties.



GHANA FINE FLAVOR FARMERS, WINNERS OF A COEX AWARD. THE CO-OP HAS ESTABLISHED A SERIES OF PRE AND POST-HARVEST PRACTICES TO ENSURE THE QUALITY OF THEIR CACAO IS PRESERVED THROUGH THE CULTIVATION AND PRE/POST HARVESTING PROCESS. PHOTO COURTESY OF THE OFFINSO FINE FLAVOR COOPERATIVE & COCOBOD.



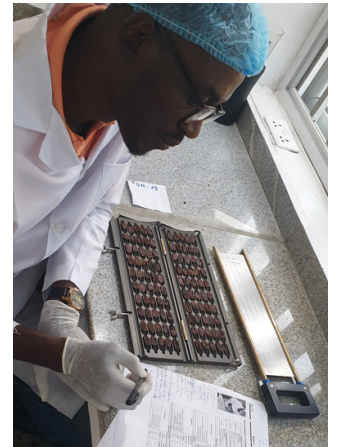
PROTECTING FLAVOR

A MULTI-ORIGIN EFFORT TO PRESERVE, PROTECT AND CELEBRATE THE DIVERSITY OF FLAVOR

Together with the World Cocoa Foundation, USAID, and USDA, we have led the establishment of “flavor labs” at the National Cocoa Research Institutes in Ghana (CRIG), Ivory Coast (CNRA), Nigeria (CRIN), Cameroon (IRAD), and Indonesia (ICCRI), along with a renewed partnership with INIAP in Ecuador and a collaborative research project with CRC in Trinidad.



CRIN FLAVOR TECHNICIANS UNDERGOING A SENSORY ANALYSIS; PHOTO CREDIT: DORINE KASSI



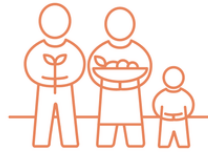
CRIN SCIENTIST COMPLETING A PHYSICAL ANALYSIS (CUT TEST) OF SAMPLE BEANS COMING THROUGH THE LAB; PHOTO CREDIT: DORINE KASSI



SCIENTISTS AT CNRA COMPLETE A WEEKLY TASTING; PHOTO CREDIT: DORINE KASSI

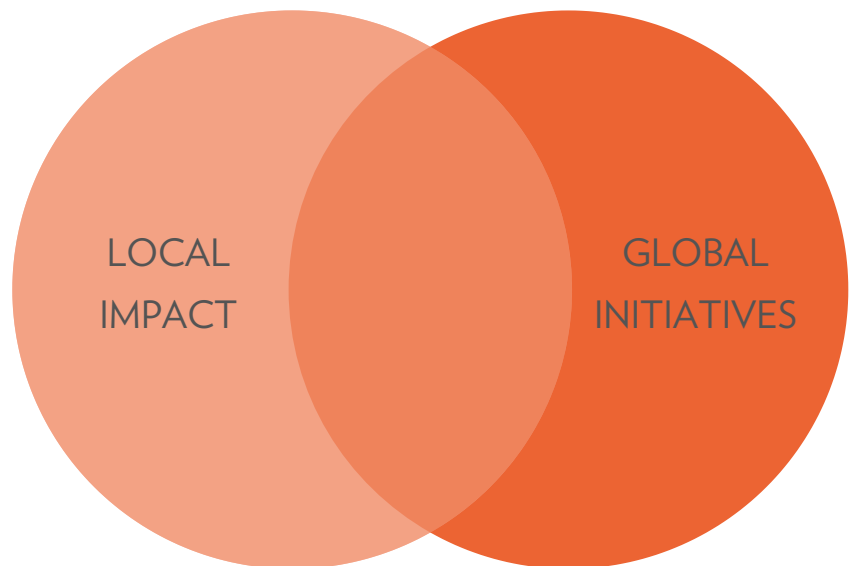


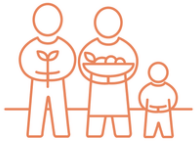
IRAD CLONAL FERMENTATION, CAMEROON; PHOTO CREDIT: DORINE KASSI



Supporting People & Communities

As a family-owned company, we work closely with the communities and families from whom we purchase our beans to identify opportunities to support and sustain the health and vibrancy of the overarching cocoa community. In our local community, we support non-profits that have programs that invest in and provide access to resources for the under-served and disadvantaged.





SUPPORTING PEOPLE & COMMUNITIES

GLOBAL INITIATIVES

Child Protection

Our active membership in the International Cocoa Initiative (ICI) is an important way we bring the power of collective action, specialized research and advocacy to the issues of child labor or forced labor in cocoa. During 2021, ICI made some significant advances organizationally establishing a member code of conduct and a reporting platform to track the work and progress of its members.

Gender Equality

During 2021, we partnered with Equal Origins to pilot their innovative “Gender Equity Index” with two of our cooperative partners, Oro Verde in Peru and a Fair Trade farmer group in Esmeraldas Ecuador. This diagnostic tool helps farmer organizations to ensure farming women can access and benefit from the services they need to be successful.

- “One of the cooperative objectives is to ensure that both the farmer members and management team acquire fundamental knowledge on Leadership, Self-esteem and Gender Equity. The training with Equal Origins’ Gender Equity Index allowed us to establish tools to advance gender equity throughout our organization.” -Susan Fiorella Guerra Yalta, Commercial Manager, Oro Verde Cooperative, Lamas, Peru

CLEF Partnership

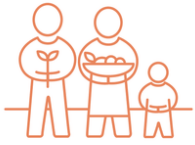
In the area of collective action, last year we committed significant funding over 5 years to CLEF “Child Learning and Education Facility” - a CHF 110MM (US\$118MM) partnership - that will improve access to quality of education for children in the Ivory Coast. CLEF focuses on education as one essential tool for promoting children’s rights and fighting child labor in Ivory Coast. By 2030, CLEF aims to provide quality education for 5 million children and affect the behavior of 10 million parents. To achieve this goal, CLEF is expected to bring effective learning to up to 10,000 primary schools in cocoa-growing areas and beyond, and to construct 2,500 classrooms and other education infrastructures such as bridge classes, community schools, school canteens, and preschool classrooms.



ASUNAFO, GHANA



NKAWIE COCOA FARMERS, GHANA



SUPPORTING PEOPLE & COMMUNITIES

LOCAL IMPACT

The Guittard team actively supports The Boys and Girls Club of America and the Careers in Culinary Arts program (C-Cap), helping future generations access the training and opportunity they need to achieve success. We also support the Good Food Foundation, which celebrates the art and craft of the sustainable food movement and the Creative Growth Art Center, a nonprofit that serves artists with disabilities.

The Boys & Girls Clubs of San Francisco

The Boys & Girls Clubs of San Francisco inspires and enables all young people, especially those from disadvantaged circumstances, to realize their full potential as productive, responsible, and caring citizens.

Careers Through Culinary Arts Program (C-CAP)

C-CAP is a workforce development nonprofit that provides underserved teens a pathway to success.

Good Food Foundation

Good Food Foundation brings recognition and support to over 600 mission-driven food businesses through innovative projects including the Good Food Fund, which was created to get projects off the ground that fortify an independent food system.

Creative Growth Art Center

Creative Growth serves artists with disabilities by providing a professional studio environment for artistic development, gallery exhibition, and Representation.

GUITTARD AND C-CAP - A 20+ YEAR LONG RELATIONSHIP

Guittard has been a supporter of Careers Through Culinary Arts Program (C-CAP) for over 20 years – providing products and services to the students and the instructors. C-CAP is a workforce development nonprofit that provides underserved teens with a pathway to success. As the COVID-19 pandemic closed many schools and shut down opportunities for the students to access the same resources to continue their program, Donald Wressell, Executive Pastry Chef at Guittard Chocolate, and Josh Johnson, Pastry Chef at Guittard Chocolate, stepped up their involvement, increasing our support of the continuation of the program through volunteer efforts like culinary demos, training, and mentoring of both students and instructors. Guittard Pastry Chefs were also pivotal in providing dessert for their annual, in-person fundraiser. Through our efforts, Guittard was able to support C-CAP in serving the over 20,000 students across 7 regions who take advantage of their program. 95% of all C-CAP students are hired for a paid internship.



Honorable Sourcing

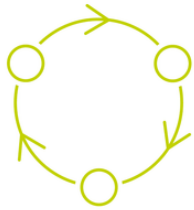
Partnering with stakeholders within our supply chain is key to sourcing sustainable ingredients, obtaining impactful certifications, and developing our Cultivate Better Cocoa program. Diving deep into the relationships and practices within our supply chain is an ongoing journey and one that we continue to develop and foster over time through crucial partnerships and new collaborations.

Through our growing sustainability initiatives and increasing traceability and transparency, we are extending our long-term supplier relationships to long-term relationships with exporters, producer co-ops, and farmers. These relationships bring us closer to our cocoa producer partners as well as our dairy, sugar, vanilla, and other core ingredient suppliers.

Third-party certifications have been integral to our commitment to Honorable Sourcing. We began our partnership with Fair Trade USA over 12 years ago with the launch of our Akoma chocolate chips. Since then, our offering of fair trade products has extended to cover all of our chocolate chips, baking wafers, and baking bars. We also provide Fair Trade Certified couverture for B2B customers.

With this growth in our fair trade program, we initiated last year a significant on-the-ground program in the Ivory Coast that will build the physical and impact traceability that will help grow this program, support these farmers, their communities, and the environment.

We have also worked with the Rainforest Alliance for many years whose merger 2 years ago with the more European-based Utz certification has given rise to a stronger standard with greater impact and premium transparency. Throughout the past year, we have been working with our supply partners on the implementation of these new standards in ways that will benefit the farmers and our customers.



Honorable Sourcing

CULTIVATE BETTER COCOA - PARTNER PROGRAM

Cultivate Better Cocoa (CBC) is our premium-based program designed to create a positive impact at the supply chain level, benefiting the farmers and communities we work with. Through CBC, we engage with cooperatives and development partners to create innovative, comprehensive programs that drive positive change for farmers, communities, and the environment.

SEE NEXT SECTION FOR THE COMPLETE 2022 CBC REPORT.

INGREDIENT SOURCING

Certifiers play a crucial role in ensuring essential practices on the farm level. They also hold implementers and coops accountable for efforts being made while setting industry standards for training in good agricultural practices, cooperative governance, and community engagement. Cocoa from our Cultivate Better Cocoa programs come from farms, coops, or farmer organizations that are UTZ/Rainforest Alliance and/or Fair Trade Certified. Our commitment to certification goes beyond just third-party certification; in addition to our retail product line carrying Fair Trade USA certification, we also offer UTZ/Rainforest Alliance and Fair Trade certifications for our customers that feel certification is the right sustainability approach for their business. Our Fair Trade program is one that we've developed since 2007 when we introduced our first Fair Trade Certified product; since then, we've continued a robust and committed relationship with the organization and their farmer groups through our Beneficiary Coop Model.

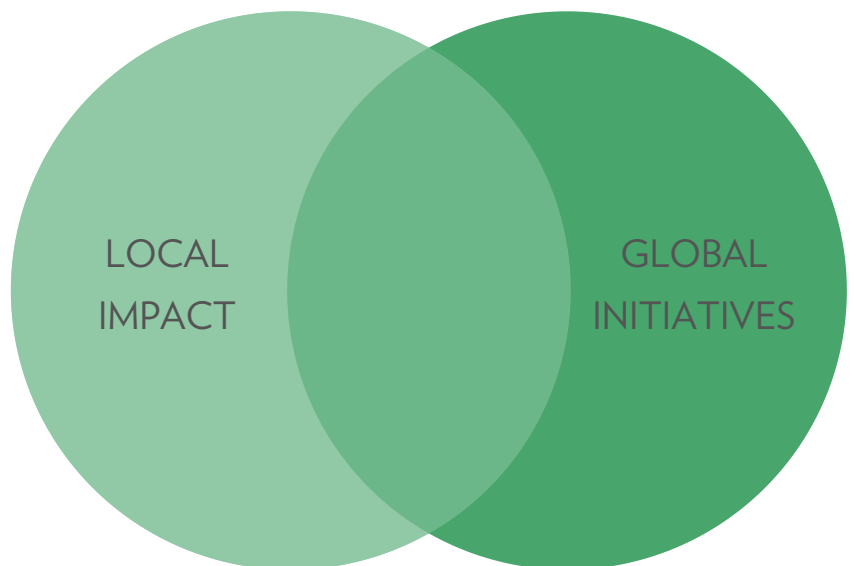
OTHER INGREDIENTS

<p>RBGH FREE DAIRY</p> 	<p>NON GMO SUGAR</p> 	<p>SUNFLOWER LECITHIN</p> 	<p>SUSTAINABLE PALM OIL</p> 
<p>We're fortunate to work with dairy suppliers who are committed to sustainable agriculture and dairy production and who don't use growth hormones such as rBGH.</p>	<p>Our domestic and overseas sugar farmers and suppliers use sustainable agricultural practices, enabling them to reduce the environmental footprint of growing and refining sugar without growing GMO crops.</p>	<p>We use sunflower lecithin in all of our chocolate and chocolate products. While lecithin itself is a minor ingredient in our final product, sunflower lecithin provides an added health and wellness benefit.</p>	<p>In 2017 Guittard joined as a member of the Round Table on Sustainable Palm Oil (RSPO), the leading organization dedicated to addressing the challenges around palm oil production.</p>



PRESERVING THE ENVIRONMENT

Reducing our environmental footprint at home while supporting farmers abroad are cornerstones to Cultivate Better. Providing cocoa farmers with resilience to climate change is essential to the long-term sustainability of the cocoa sector. It's equally important to continue our efforts toward reducing our carbon emissions in our crafting and production process. It's an ongoing journey that requires innovative thinking to create long-term sustainable solutions.





PRESERVING THE ENVIRONMENT

GLOBAL INITIATIVES

We've joined forces with other industry members to address cocoa-related deforestation and ensure the protection and restoration of forests for a thriving cocoa community. Providing cocoa farmers with resilience to climate change is important to the long-term sustainability of the cocoa sector. Our participation in the Cocoa & Forests Initiative represents our commitment to forest conservation and the promotion of climate smart agricultural practices like crop diversification, agroforestry, composting, and soil health.

SEE SECTION THREE FOR OUR COMPLETE COCOA & FORESTS INITIATIVE 2021 REPORT.



**Cocoa &
Forests
Initiative**





PRESERVING THE ENVIRONMENT

LOCAL IMPACT

Locally, our initiatives have been focused on investing in and utilizing renewable sources of energy, mapping and reducing our carbon footprint, reducing waste to landfill, water saving efforts and transitioning to more responsible material choices and less resource-intensive processes.

Last year we took the step to measure our carbon footprint taking into account our emissions through Scopes 1, 2 & 3 with pre-pandemic 2019 as our baseline. This was an incredibly important exercise providing a new lens through which to view and retool our business for the future. We are working internally and with external advisors to help establish medium and long-term goals and effective actions we can take at home and with our supply chain partners. Some of the steps we have taken this last year include



Energy

- 1MW of solar energy completed in Fairfield facility providing 50% of our electricity needs. The new rooftop solar system includes 2,992 solar panels expected to generate 1.7 Million kWh of power per year, offsetting 50% of the facility's demand. Significantly reducing the company's environmental footprint, the solar energy captured is estimated to save 1,217 metric tons of CO₂ emissions per year, equivalent to removing 263 cars from the road.
- On December 31st 2021 we went live with the first 750kw of a 1.4MW Bloom Energy fuel cell in the Burlingame facility. This state-of-the-art technology provides resilient, predictable, sustainable energy to support the baseload electricity to power our facility.
- The balance of our Burlingame electrical needs come from Peninsula Clean Energy providing carbon-free energy from 50% renewable sources.
- We now have charging stations available at no cost to our Burlingame and Fairfield employees with electric or plug-in vehicles. We will continue to add charging stations as an incentive to employees to "go electric" and reduce carbon emissions associated with commuting.



Water

We have set a goal to reduce our water consumption by 30% by 2025. This commitment saves energy, as well as water as almost all of the water we use at Guittard, is either heated or cooled. Last year, we took a significant first step toward this goal, initiating the installation of a new water chiller system that will reduce both our water consumption and the energy needed to heat and cool that water.



Waste

Reducing waste to landfills is important for many reasons including reducing greenhouse gas emissions. Our cocoa beans come from around the world in burlap bags. Last year we partnered with local manufacturers that can use these bags to protect their products during shipments reducing our waste to landfills by up to 30%.



Packaging

All of the paper used for our corrugated materials come from "Sustainable Forest Initiative (SFI) Allocated Paper", meaning that is made at mills that are Sustainable Forestry Initiative certified and most importantly, come from SFI certified tree farms.



PRESERVING THE ENVIRONMENT



Chocolate Made with Sun

While driving energy conservation, Guittard installed 1 Megawatt of solar panels at our Fairfield facility, reducing our carbon footprint by 1,217MT, equivalent to 206 homes or removing 263 cars from the road. This amount of annual carbon emissions would require 20,120 forest seedlings grown for 10 years, or 1,589 acres of US forests.



GUITTARD CHOCOLATE FAIRFIELD FACILITY, VIEW OF SOLAR PANELS

ALL FLEXIBLE FILM NOW CONTAINS 24% PCR MATERIALS



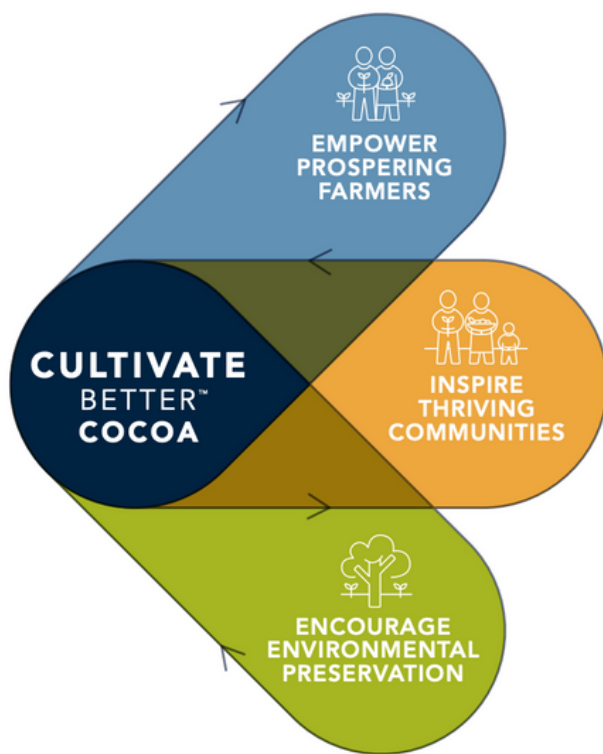
As part of our ongoing efforts to transition to more sustainable packaging, we are moving all of our flexible film to a 24% post-consumer recycled (PCR) composition. This material will allow us to maintain product integrity and shelf life while also minimizing our environmental footprint. The PCR solution reduces our material consumption and lowers our CO₂ footprint across the board.

PART TWO
CULTIVATE
BETTER™
COCOA



Cultivate Better Cocoa is our customer-driven, flagship program designed for maximum impact and innovation.

Through Cultivate Better Cocoa, we engage with cooperatives and development partners to create comprehensive programs that boost primary income streams by collaborating with farmers to improve and protect the unique flavor profiles of their cocoa. The premiums we receive are directly allocated to supporting farm-level quality and flavor investments, gender equality, income diversification, health, nutrition, and agroforestry initiatives.



EMPOWER PROSPERING FARMERS:
Creating value through flavor quality

Cocoa is the primary source of income in many of the communities we work with. By educating farmers on flavor preservation through the use of better planting material as well as soil health, crop diversification, and good agricultural practices, they are able to create a more valuable product. And by recognizing the value of flavor, farmers can access premium markets and build long-term relationships that improve the financial prosperity of their farms.

INSPIRE THRIVING COMMUNITIES:
Uplifting communities through innovation & education

Poverty is a key contributor to many of the social challenges experienced throughout the cocoa supply chain. By partnering with local organizations to implement programs focused on women’s empowerment, income diversification, child protection, education, health, and nutrition, we are able to have a positive impact on the farming communities we source our ingredients from.

ENCOURAGE ENVIRONMENTAL PRESERVATION:
Helping farmers protect their farms & the planet

Providing cocoa farmers with resilience to climate change is key to the long-term sustainability of the cocoa sector. By promoting climate-smart agricultural practices like crop diversification, agroforestry, composting, and the conservation of forests for shade and soil health, we help farmers to create the conditions needed to grow high-quality cocoa, ultimately improving farmers’ incomes and the long-term sustainability of their farms.

DRIVING POSITIVE IMPACT THROUGH SUPPLY CHAIN INNOVATION -A THREE PILLAR APPROACH



CREATING VALUE THROUGH FLAVOR QUALITY

With cocoa as the primary income source for cocoa farmers, supporting investments in quality supports consistent, long-term buying relationships that drive this work and in turn contribute to consistent premiums and farmer incomes.

Across all origins, we take a teach by tasting approach; this hands-on learning creates a greater awareness that can be adopted throughout the entire cocoa value chain. These quality trainings are designed to teach best harvest and post-harvest practices. It is through these practices that farmers can generate premium prices for high quality cocoa. Training farmers on pruning, shade management, soil health, diversification and farm management are critical to improving yields and farmer incomes.

Farm mapping informs training and farm development plans as a way to improve farmer incomes, as well as support traceability, data collection and overarching sustainability goals

UPLIFTING COMMUNITIES THROUGH INNOVATION & EDUCATION

Cultivate Better Cocoa's community work focuses on gender equity through the development of secondary income streams such as women-run community greenhouse – vegetable gardens that provide much needed family income as well as food staples. Community work extends to health and nutrition programming where cooking classes are organized to improve family nutrition as well as support community health and school attendance.

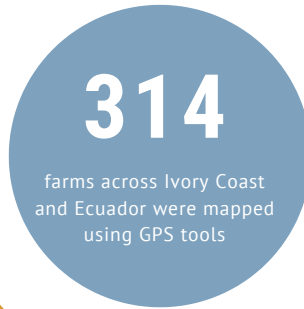
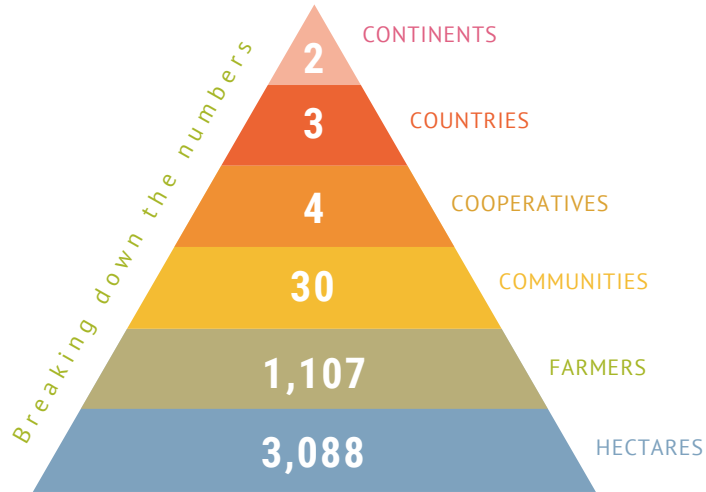
Child Labor Monitoring & Remediation Systems and Community Child Protection Systems are in place to help assure children are in school and have the childhood they deserve.

PROTECTING FARMS & THE PLANET

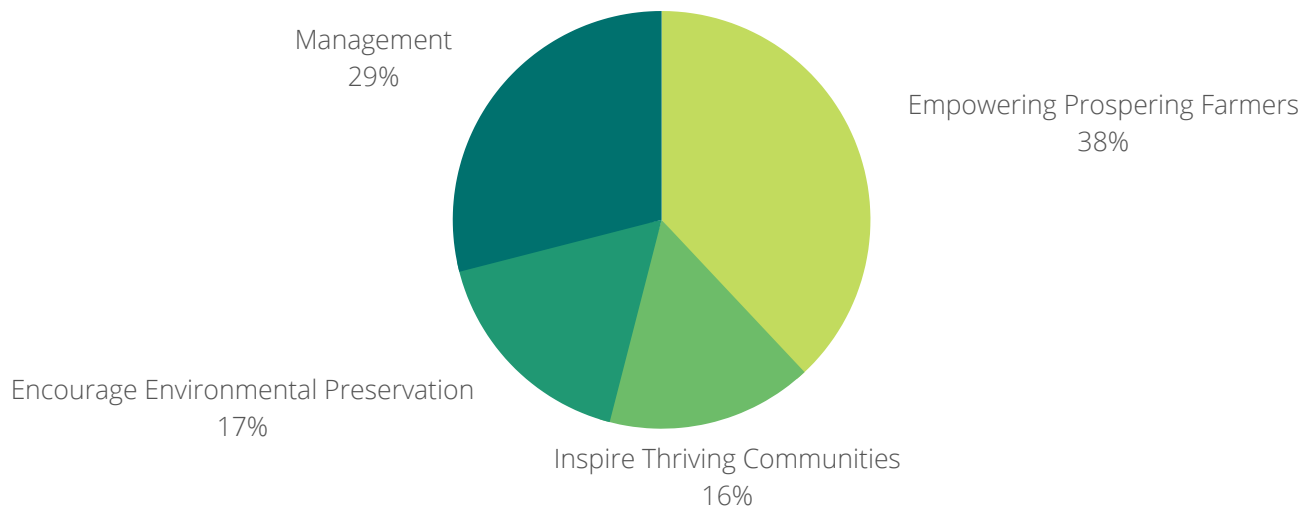
Protecting fragile ecosystems and developing resilience to climate change are the guiding principles for Cultivate Better Cocoa's environmental approach. Establishing diverse agroforestry systems, improving soil health and protecting water sources provide cocoa farmers better incomes today while improving and preserving the environment for future generations.

GPS mapping of farms, together with satellite maps accurately locate farms relative to government boundaries for national parks and protected forests. This assists in mitigating against forest degradation and deforestation.

IMPACT AND RESULTS



PROGRAM INVESTMENT BREAKDOWN BY CATEGORY



ECUADOR



WHERE WE WORKED IN 2021-2022

IVORY COAST

GHANA



Cultivate Better Cocoa partners directly with local and international organizations in three origins - Ivory Coast, Ghana and Ecuador, to empower cocoa farmers to improve their livelihoods, inspire better social conditions within local communities, and encourage environmental preservation. All of these efforts are centered around protecting the rich, unique, and diverse flavors of the cocoa itself. Women’s empowerment is a focal point across every initiative as women are key drivers of change and development in rural communities, and much of a program’s success relies on their active involvement.

A Journey Toward Traceability

Establishing and building on long-term relationships, trust, and mutual goals are the foundation for our work. Getting to know the farmers, their families, their communities, and their cooperative is the first step toward traceable, sustainable cocoa. Cultivate Better Cocoa programs establish traceability from the farm level, through the supply chain to our factory. Through mapping, we can gain a better understanding of farm location as well as cocoa yields per hectare. As we strive toward improved quality alongside increased income, digital platforms record our cocoa bean sources. This allows us to better manage our ongoing relationships so that commitments to quality and sustainability can be fully realized in the ongoing commercial relationships with our farming partners.

IVORY COAST

Scoopsbad, or Scoobad, formed in 2012, is a smaller cooperative in Ivorian terms with an annual production of 2,540 metric tons. Based in Agboville in the South Eastern cocoa-producing area, Scobad is about 2 ½ hours North of the capital, Abidjan. Our implementing partner in the Ivory Coast, FarmStrong Foundation, helped us select Scoobad for their leadership, experience, historic quality and significant presence of older “Cacao Francais” and “Cacao Ghana” varieties.

COOPERATIVE
SCOOPSBAD

LOCATION
AGOBIVILLE, AGNÉBI PROVINCE

FARMERS (F/M)
210 (8/202)

TOTAL HECTARES
760

COMMUNITIES
6

CERTIFICATIONS
UTZ/RA, STARBUCKS COCOA PRACTICES

IMPLEMENTING PARTNER: FARMSTRONG

GHANA

Our relationship with the Offinso Fine Flavor Cooperative goes back almost 10 years when the “Ghana Fine Flavor Project” was launched with 40 acres of grafted fine flavor cocoa. The farmer association gained Fair Trade certification in 2014 and has grown its membership and traditional cocoa production. The cooperative has matured building its management and ability to deliver services to its members. In 2018, Ms. Augustina Tete formed the Akyemansa Fine Flavor Farmer Association with a keen interest and strong commitment to introduce Ghana Fine Flavor cocoa to her community and fellow farmers. Through their own initiative and program support, these farmers quickly coppiced and grafted 24 acres of fine flavor cocoa. The farmer association was Utz certified in 2019, has grown its membership and is now a registered cooperative. The organization’s leadership, good farmers and growing conditions show excellent potential.

COOPERATIVE

**OFFINSO FINE FLAVOR
COOPERATIVE**

LOCATION

OFFINSO, ASHANTI REGION

FARMERS (F/M)

540 (227/313)

TOTAL HECTARES

1,430

COMMUNITIES

17

CERTIFICATIONS

UTZ/RA, FAIR TRADE INTERNATIONAL

IMPLEMENTING PARTNER: OPTIMAL CHANGE PARTNERSHIP AND TRANSROYAL

COOPERATIVE

**AKYEMANSA FINE FLAVOR
COOPERATIVE**

LOCATION

AKYEMANSA, EASTERN REGION

FARMERS (F/M)

277 (177/100)

TOTAL HECTARES

554 (ESTIMATED AS OF 2020)

COMMUNITIES

6

CERTIFICATIONS

UTZ/RA

IMPLEMENTING PARTNER: OPTIMAL CHANGE PARTNERSHIP AND TRANSROYAL

ECUADOR

Our implementing partner, Olam Ecuador, helped form the Valle del Sade Farmer Association in a pristine area of the northern province of Esmeraldas, known for its quality and the genetic diversity of its Nacional cocoa. Olam's technical and commercial capabilities together with their experience delivering hands-on training offers important new opportunities for these farmers.

COOPERATIVE

**VALLE DEL SADE
FARMER ASSOCIATION**

LOCATION

VALLE DEL SADE, ESMERALDAS

FARMERS (F/M)

80 (14/66)

TOTAL HECTARES

438

COMMUNITIES

1

CERTIFICATIONS

UTZ/RA

IMPLEMENTING PARTNER: OLAM ECUADOR

Cultivate Better Cocoa Internal Control Systems

To ensure verification, we worked with third-party organization SCS Global Services who conducted an independent evaluation against robust requirements of our internal control systems for our purchase and usage of Cultivate Better Cocoa "CBC" Cocoa Beans and cocoa butter as well as the sale of Cultivate Better Cocoa finish goods. SCS has deep experience in this area having helped Starbucks establish its C.A.F.E Practices and Cocoa Practices programs as well as serving as an auditor for Fair Trade USA, RSPO, Utz, the Non-GMO Project, among others.

SCS Global Services completes an annual audit of our Cultivate Better Cocoa purchases and sales through a Mass Balance Traceability Checklist and Letter of Attestation as referenced in the appendix.

EMPOWERING PROSPERING FARMERS

CREATING VALUE THROUGH
FLAVOR QUALITY

We believe that flavor has value. By focusing on flavor and quality in our sustainability programs we aim to bring greater value to cocoa farmers and create the basis for long-term relationships

- QUALITY & FLAVOR
- GOOD AGRICULTURAL PRACTICES (GAP)



GHANA FINE FLAVOR COCOA FARMERS REMOVING PULP FROM RECENTLY HARVESTED PODS; PHOTO COURTESY OF DAN O'DOHERTY, CACAO SERVICES

QUALITY & FLAVOR

Selecting cacao varieties for flavor is the first step. From there, we work with farmers to help them understand the importance of harvest and post-harvest practices on the quality and value of their product.



OFFINSO FINE FLAVOR COCOA FARMERS; PHOTO COURTESY OF DAN O'DOHERTY, CACAO SERVICES

IVORY COAST

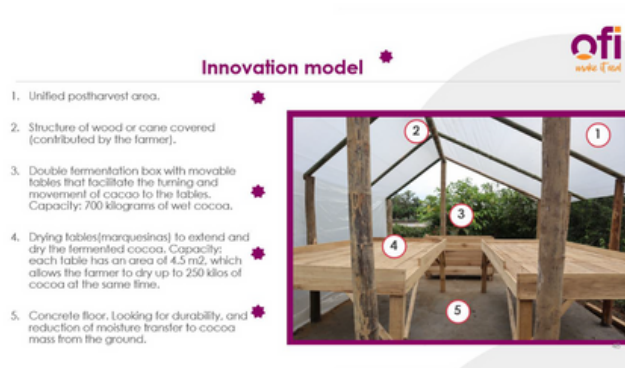
128 farmers in our FarmStrong Foundation program with the Scobad cooperative in Agboville were trained during the reporting period on the importance of harvesting ripe, healthy cocoa pods, segregating diseased pods, proper fermentation, and drying. This past season a special training module was added. Cocoa beans with different types of quality defects were transformed into chocolate by the CNRA (Centre National de Recherche Agricole) Flavor Lab in Bingerville for tasting sessions with the cocoa producers. During these trainings, farmers taste cocoa liquor and chocolate made with examples of specific poor practices and best practices. As we all learn experientially this “Learning by Tasting” method has been very successful. On initial samples for this past season, approvals by our Quality Control department were up 42% over the previous year for cocoa from this program.

GHANA

Our “Learning by Tasting” training began in Ghana a number of years ago and continues today. During 2020/2021, the Offinso and Akyemansa Fine Flavor Cooperatives took the important step to ferment and dry their cocoa collectively. While the reception of wet cocoa and collective fermentation in larger boxes is a common best practice in Latin America and elsewhere, this was completely new in Ghana and it took some time for the farmers to trust the method. The cooperative also continued the practice of co-op field agents harvesting the fine flavor cacao. These significant steps led to the co-ops making the “50 Best” in the 2021 edition of the Cocoa of Excellence.

ECUADOR

At our program in Valle del Sade, our partner, Olam Ecuador, has established two new community-based post-harvest centers. By delivering well fermented, well dried high-quality cocoa, farmers receive more net income than before when they would deliver wet cocoa, often with impurities.



GOOD AGRICULTURAL PRACTICES

Training farmers on pruning, shade management, soil health, and integrated pest management can be low-cost methods of significantly increasing yields and income from cocoa.



IVORY COAST

In the second year of our program together, FarmStrong Foundation and the Scobad cooperative have built a strong farmer training program. A total of 36 GAP training sessions were carried out covering 198 farmers, including 7 women. The modules covered are as follows: 1. Weeding and mulching, 2. Structural and sanitary pruning, 3. Soil-health management, 4. Harvest and post-harvest practices, 5. Agroforestry and shade management

As a fruit tree, cocoa trees respond very well to pruning, increasing pod production and adding light and airflow to the farm, reducing losses to fungal diseases and pests. FarmStrong and Scobad have focused on pruning with 5 teams of 2 trained pruners. The pruning teams work under the supervision of the FarmStrong technician and that of the cooperative. This past year, 2021, these teams have pruned the farms of 41 members (61.55ha) which is about 20% of the total group. A good start and the results will make the expansion significant.



EXAMPLES OF FARMS PRUNED BY SCOBAD - FARMSTRONG PRUNING TEAMS

GHANA

Through the underlying Utz/Rainforest Alliance certification farmers in both of our partner cooperatives receive training on “GAP” practices. Additionally, a unique aspect of our program here is the use of grafting to assure the propagation of specific fine flavor varieties. In Akyemansa, a significant effort was made so that all of the fine flavor farms were complete with successful grafts to assure good yields and good flavor. During the reporting period, 4,100 trees were re-grafted by the trained farmer-grafters. In Offinso, re-grafting of failed grafts was done on 18 farms and 2 new fine flavor farms were established.

To bring this work into a sustainable, ongoing structure, our implementing partner, OCP, worked with the cooperatives to establish Service Centers run by the co-ops to provide paid services to their members. With trained staff equipped with the right tools, these service centers will be able to provide higher-quality, efficient services at costs competitive with hired day laborers. This was a new concept for the co-ops that we have been promoting for some time are finally taking hold, providing timely services when labor is hard to come by in both locations. Critical tasks provided by the Service Center include; weeding, harvesting, pruning, composting, and the application of fertilizers or crop protection.



PRUNING FINE FLAVOR COCOA, AKYEMANSA, EASTERN REGION



INCOME DIVERSIFICATION IN ACTION

One of the joys of this work is seeing farmers or staff growing with the program. We see a lot of this but Amoako Owusu of the Offinso Fine Flavor Cooperative is a great example. Amoako began as a Fine Flavor farmer, became a Farmer Grafter trained by CRIG, and now leads the co-op’s extension services team. Here, Amoako is harvesting papaya on his farm where he has a high-yielding / high-quality papaya production providing significant additional income for his family outside of cocoa harvesting time. The co-op has used Amoako’s papaya production as a training site as an example for income diversification.

ECUADOR

Increasing income from cocoa is a central focus of our Cultivate Better Cocoa program with the farmers in Valle del Sade. Olam Ecuador has a strong team of agronomists that provide clear recommendations for improving yields based on soil analysis and inputs. The appendix offers some examples of the technical material that is shared with farmers during training as well as digitally via smartphones.

Our Cultivate Better Cocoa program delivered 32 MT of organic fertilizer Bioabor (compost) and 18 MT of silicam Mg (mineral source of nutrients), improving the biological, physical, and chemical condition of the soils. In terms of pest and diseases management, 80% of the farmers reported the application of some supplies to handle these pathogens. In 96% of those cases, only the organic agro-inputs delivered by the program were used with 4% reporting the use of chemical products.

During the previous reporting period, a lead farmer's farm was adopted as a 'model farm', where techniques could be demonstrated during training and the results seen directly by the farmers over time.

Through a baseline and annual farmer survey, Olam is tracking multiple aspects of the program including the adoption of Good Agricultural Practices among other farm and farmer data. At the start of our program in 2020, the average GAP adoption and farm conditions were rated 3 out of 6. While field training with farmers opened up during the reporting period, the rural Ecuadorian economy and farmer incomes continue to be affected by the impacts of the ongoing Covid-19 pandemic. Availability and the cost of employing laborers or direct labor by farmers were significantly affected with a resulting decline in farm conditions to a 2 out of 6 score. Change in the priorities of use of family incomes due to the return of relatives to the rural areas, Covid-related medical necessities, and other factors impacted the ability of the farmers to maintain the activities and investments required. This year, as we come out of the pandemic and farmers see the positive impact of the work done on the model farm as well as their own farms, we expect farm conditions, yields, and farmer incomes to improve.



CACAO FARMER IN ECUADOR OVERSEEING HIS CACAO; SOLAR DRYERS ARE PREFERRED METHODS FOR MAINTAINING FLAVOR INTEGRITY DURING THE DRYING PHASE

INSPIRE THRIVING COMMUNITIES

UPLIFTING COMMUNITIES
THROUGH INNOVATION &
EDUCATION

Poverty is a key contributor to many of the social challenges experienced throughout the cocoa supply chain. By partnering with local organizations to implement programs focused on women's empowerment, income diversification, child protection, education, health, and nutrition, we are able to have a positive impact on the farming communities we source our ingredients from.

- CHILD PROTECTION
- GENDER EQUITY
- SECONDARY INCOME STREAMS
- NUTRITION



NKAWIE, GHANA

IVORY COAST

FarmStrong Foundation has done pioneering work in understanding the social contexts, community needs and root causes that need to be addressed. Having built relationships of trust with the farmers and their communities, FarmStrong uses household surveys to establish child labor and forced labor risks, needs assessments, and community action plans. This work was initiated in the previous reporting period with 83% of farmer households now profiled, representing 372 children, including 177 girls.

The main point of vulnerability is the relatively low rate of birth declarations, with 14% of children without a birth certificate, including 48 children allowed to attend school without this critical document. FarmStrong and the Scobad cooperative are working with these parents and local authorities to formally register these children to assure their continued education and access to health care.

Community Child Protection Committees (CCPC's) were also set up in all 6 program communities. To date, these committees have mobilized 72 members (including 26 women) who have been trained and enabled to:

- Carry out community training and sensitization on child rights and protection.
- Conduct advocacy with families and within the communities
- Monitoring and remediation in case of child labor situations in the community



FARMSTRONG FOUNDATION TRAINING OF THE COMMUNITY CHILD PROTECTION COMMITTEE MEMBERS IN LOAGUIÉ, SCOBAD COOPERATIVE, IVORY COAST

Last year we were excited to report the establishment of a women-run community greenhouse in the Ores Krobou village that could provide nutritious foods for the families as well as additional income from produce sales. After the success of two production cycles, which were well attended by the women, the greenhouse structure was damaged in April 2021 due to the violent winds that accompanied the rains.

The plants were destroyed, and much of the infrastructure was damaged, leaving the members of the women's association in disarray. It was also noted that the women found it hard to take advantage of higher off-season prices, rarely increasing the produce prices charged to the other community members, most likely for solidarity reasons. This however prevents them from maximizing profits and building financial reserves.

After considerable efforts to make this system work in these conditions, this innovation was more than the community could manage. In the next season, more integrated and varied activities will be developed and tested. To further build financial skills and economic resiliency, two Village Savings and Loan Associations (VSLA's) were established in Ores Krobou to support 63 women and their families. Having started in August, with only two months in the reporting period, share purchases (savings) in the VSLA's were CFA 962,864 (US\$ 1,597) with 4 loans made totaling CFA 415,028 (US\$ 688). These are very encouraging initial results



LAST YEAR'S FARMERS FROM SCOOBAD AFTER HARVESTING VEGETABLES FROM THEIR VEGETABLE GARDEN



ABENASI, GHANA; FEMALE COCOA FARMERS MEETING

GHANA

Our local partner, Optimal Change Partnership (OCP) has a strong background in community development with the founder, Dr. Theophilus Nkansah, having a long career with CARE International among other organizations. OCP has worked closely with both the Offinso and Akyemansa Fine Flavor cooperatives establishing Village Savings & Loan Associations (VSLAs) and Community Child Protection Committees (CCPCs).

In Akyemansa, four VSLAs were established in four communities with 91 members with 52 women (57%) and 39 men. A total share capital (Savings) was raised of 57,837 Ghana Cedis (US\$7,518) and a total amount loaned of 8,500 Ghana Cedis (US\$1,105).

In Offinso four VSLAs were formed in three communities where the cooperative has its members, and the executives and Board Members of the Cooperative also constituted a VSLA. Total VSLA membership was 110 with 58 women (53%) and 52 men. A total share capital (Savings) was raised of 72,187 Ghana Cedis (US\$9,384) and a total amount loaned of 51,800 Ghana Cedis (US\$6,734).

These are very significant sums that are making real differences for these farmers and communities. We are working with OCP and the co-ops to track the activity of the VSLAs including financial indicators, such as numbers of loans and loans to share capital, in order to provide support for their continued success and impact. Below are some testimonials examples from our partner highlighting the impact for VLSA members (names have been changed for privacy):

- Chris, a member of the Agyeimprah VSLA group needed just fifty Ghana Cedis (US\$8) to buy chemicals to spray his conventional cocoa farm. He took a loan from the VSLA's social fund and was thus able to spray his farm on time.
- A member of the Offinso Board VSLA took an amount of Five Thousand Ghana Cedis (US\$800) to buy land. She also took additional Three Thousand Ghana Cedis (US\$480) to expand her business which helped her to be able to pay the loans.

In the area of child protection, our work was focused in Akyemansa as the Offinso Fine Flavor Cooperative has been Fair Trade Certified for more than 5 years with Child Labor Committees in each of their sections. During the reporting period, OCP formed six Community Child Protection Committees (CCPCs) in the seven communities the co-op works in with 7 to 9 members each, 48 members total with 33 men and 15 women. The composition of the CCPCs in each community includes representatives of chiefs and elders, School Management Committee (SMC), Parent-Teacher Association (PTA), Regional Unit Committee, religious organizations, women in the community, youth, and a child less than 18 years.

“

Since we started the VSLA, I have been buying five shares every week, amounting to 100 cedis (\$14). After 36 weeks when we shared out, I got more than 3,829 Ghana Cedis (US \$536.06). I got interest from the loans that members took, as the accumulated interest pushed up the unit share price from 20 Ghana Cedis (US\$2.8) to 22.30 Ghana cedis (US \$3.12). Prior to share-out, I took loans from the VSLA totaling Five Thousand Ghana Cedis (US\$800) to invest in my building project. I used the money I got at share-out to buy cement and iron rods to use on my building project. I would not have been able to do this if I had not joined the VSLA.

-Eric, Offinso Cooperative Executives VSLA

“

From the work I do, I see money every day. However, I was not able to save money. Since I joined the VSLA, purchasing the 25 Ghana Cedis (US\$3.5) worth of shares every week. I know that at the end of 52 weeks, I will have about 1,300 Ghana Cedis (US\$182). I could not have done this if I had not joined the VSLA. I give thanks to the Cooperative and Guittard who brought OCP to us.

- Rashid, Mallam VSLA (Akyemansa)

With the CCPCs established, it is expected that cases of child labor, or the rare case of forced labor, will go down.

Initial briefings from the committees include the following examples:

- In the Gyaha community, a CCPC member spotted two children carrying fuelwood that was too heavy for their age. She asked the children to put down the fuelwood but they were afraid of what their mother would say to them if they went home without the fuelwood. The CCPC member carried the fuelwood herself to the home of the children and had an engagement with the mother. After an initial argument from the mother, she agreed that what the CCPC member was saying was right and was in the interest of the health and development of the children. She agreed not to let the children do any work that is not appropriate for their age. The mother then asked the CCPC member to talk to her daughter who did not like going to school. With the advice and encouragement of the CCPC member, the girl now goes to school regularly.
- In the Mallam community, after the training, the CCPCs members noticed that children in the community were not studying at night. They would play outside till late at night. Knowing that this would affect the academic performance of the children in school, they made a rule that after 8:00PM no child should be seen playing outside. A young man in the community, who is a member of the CCPC, has volunteered to teach the children in the evenings to help improve their academic performance.

The CCPCs will keep records of identified cases of child labor or forced labor and share the records with the local Department of Social Welfare and OCP on monthly bases. As in the above examples, they will also remediate cases of identified that are within their power to do so, and refer cases that they cannot remediate to the Department of Social Welfare.

At the end of the training CCPCs were asked to work with their community leaders to develop bye-laws for child protection, a code of conduct of CCPC members, child-focused Community Action Plans (CAPs), as well as organize fund-raising events to get some funds to remediate child labor cases, and also to use in providing the needed infrastructure for child development.

ECUADOR

While the social context in Ecuador is very different than that of West Africa, during farmer trainings on Good Social Practices (GSP) the subjects of child labor, forced labor and legal working conditions in Ecuador are covered and a Risk Assessment is being established.

To support our commitment to better nutrition, a communal vegetable garden of a little over 2 acres was established in the Valle del Sade community of Los Laureles with 11 farmer members. Annual production of 225 kilograms of vegetables is estimated. The market value of these vegetables was estimated at \$410 USD. While this will represent savings to the families, the improved nutrition from readily available fresh vegetables could be more important. Further, we will look to the possible outcome of members replicating these larger, more agronomical gardens on their own properties.



LOS LAURELES COMMUNITY VEGETABLE GARDEN, VALLE DEL SADE, ECUADOR

ENCOURAGE ENVIRONMENTAL PRESERVATION

BUILDING CAPACITY FOR FARMERS TO PROTECT THEIR FARMS & THE PLANET

Providing cocoa farmers with resilience to climate change is key to the long-term sustainability of the cocoa sector. By promoting climate-smart agricultural practices like crop diversification, agroforestry, composting, and the conservation of forests for shade and soil health, we help farmers to create the conditions needed to grow high-quality cocoa, ultimately improving farmers' incomes and the long-term sustainability of their farms

- COCOA & FORESTS INITIATIVE
- FARM MAPPING & DEFORESTATION RISK
- AGROFORESTRY & WATER RESOURCES



DIVERSE CANOPY COVER; OFFINSO, ASHANTI REGION, GHANA. PHOTO COURTESY OF DAN O'DOHERTY, CACAO SERVICES



Cocoa & Forests Initiative

Our commitment to agroforestry and climate resilience is highlighted in our participation in the World Cocoa Foundation Cocoa & Forests Initiative (CFI). Deforestation is a major issue in Côte d'Ivoire and Ghana, which together produce nearly two-thirds of the world's supply of cocoa. Côte d'Ivoire and Ghana respectively lost 25% and 8% of their primary forest between 2002-2019, with a significant portion of deforestation due to the expansion of cocoa farming during this period and during the prior decades.



While planting shade trees and developing agroforestry systems within cocoa farming areas is central to our CFI work, there are other less obvious dynamics involved. Training farmers to improve yields through Good Agricultural Practices helps farmers produce more cocoa on less land, reducing the pressure to expand cocoa production to protected forests or national parks. Supporting farming families and their communities with Village Savings & Loan Associations contribute to the financial resilience that also helps reduce pressures to expand cocoa farms into forested areas.

CFI has been a unique program where industry has partnered with the producing country governments of the Ivory Coast and Ghana to jointly address deforestation and focus on reforestation and agroforestry systems. During the 2020/21 reporting period, important progress has been made by the producing country governments to advance national traceability systems as well as collective action in the development of Deforestation Risk Assessment tools, resource mobilization and the implementation of a satellite monitoring system.

Why CFI?

Guittard's commitments to the Cocoa & Forests Initiative are based on the values of our 5th generation, family-owned business established in San Francisco in 1868. Our viewpoint is one of longevity, value creation, and relationships.

We believe that CFI is a critically important initiative as an example of a public – private approach, something that we have focused on working with Ghanaian and Ivorian authorities protecting flavor and building market opportunities for the Ghanaian and Ivorian cocoa farmers.

As this program evolves, we are excited to find ways to expand CFI-related activities to other origins where we work.



**CULTIVATE
BETTER™**



**Cocoa &
Forests
Initiative**

BOLD PUBLIC-PRIVATE ACTION: THE COCOA & FORESTS INITIATIVE

The governments of Côte d'Ivoire and Ghana and the world's leading cocoa and chocolate companies signed landmark agreements in November 2017 to end deforestation and promote forest restoration and protection in the cocoa supply chain.

This new public-private partnership – called the Cocoa & Forests Initiative (CFI) – has been organized by the World Cocoa Foundation (WCF), IDH - the Sustainable Trade Initiative, and The Prince of Wales's International Sustainability Unit (ISU). The Prince of Wales launched CFI in March 2017 in London.

The Frameworks for Action for Côte d'Ivoire and Ghana define core commitments, verifiable actions, and timebound targets required for a deforestation-free and forest-positive supply chain.

The Governments of Côte d'Ivoire and Ghana play a critical leadership role in establishing the national strategy, enabling policy environment, and governance structure for CFI implementation. They ensure that CFI is linked to similar initiatives with other commodities, and fully aligned with the national REDD+ Strategy and other relevant national strategies and plans. They provide key operational guidance, and baseline economic, environmental, and social data, to help companies identify and plan the most effective and efficient private investment activities for CFI.

The Governments have prepared comprehensive national implementation plans (Côte d'Ivoire, Ghana) that outline key public sector priorities, actions and timelines, following extensive consultation with all stakeholders. During the first year of CFI, the Governments have launched work on the key building blocks for successful CFI implementation, including important revisions to the legal framework for sustainable forest management, preparation of up-to-date boundary maps of protected areas, and collection of socio-economic and land use data for the priority investment areas.

Thirty-three companies^[1], accounting for about 85% of global cocoa usage, have now joined CFI. Each company has agreed to prepare a detailed individual action plan that spells out the specific actions it will take in 2018-2022 to deliver the commitments set out in the Framework. Each company will decide for itself how to best support the achievement of the Framework objectives, based on their role in the supply chain, their corporate strategic priorities, and their cocoa sustainability goals.

Almost all companies have now completed initial action plans. These initial plans will be updated and finalized in 2019 after the governments have completed the ongoing legal and operational policy changes, the mapping of protected areas, baseline data collection, and other building blocks needed for full investment programming.^[2] CFI has been supported by several global development partners, including the United Kingdom's Department for International Development, the Dutch Ministry of Foreign Affairs, the German Federal Ministry of Economic Cooperation and Development, the World Bank, the International Finance Corporation, the Global Environment Facility, and the Green Commodities Program of the United Nations Development Program.

CFI is coordinated closely with a wide range of global and local environmental organizations and partnerships, including the Tropical Forest Alliance 2020, Amsterdam Declaration Partnership, Partnerships for Forests, the Rainforest Alliance, and World Resources Institute.

THE KEY COMMITMENTS IN CFI

The Frameworks are structured around three critical themes of (1) forest protection and restoration, (2) sustainable production and farmers' livelihoods, and (3) community engagement and social inclusion.

The first priority is the protection and restoration of forests that have been degraded. To this end, the governments and companies have pledged no further conversion of forest land for cocoa production, and have committed to the phased elimination of illegal cocoa production and sourcing in protected areas.

Both countries are introducing a differentiated approach for improved management of forest reserves, based on the level of degradation of forests. Up-to-date maps on forest cover and land-use, socio-economic data on cocoa farmers, and detailed operational guidelines covering forest management and land-use are being developed and will be publicly disclosed.

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

The next critical priority is sustainable agricultural production and increased farmer incomes. These are essential pre-requisites for reducing pressure for agricultural encroachment into forests and strengthening the resilience of cocoa farmers to climate change.

The governments and companies have agreed to accelerate investment in long-term productivity of cocoa in order to grow "more cocoa on less land." Key actions include: provision of improved planting materials, training in good agricultural practices, soil fertility, land tenure reform, and capacity building of farmers' organizations. Sustainable livelihoods and income diversification for cocoa farmers will be accelerated through food crop diversification, agricultural inter-cropping, and development of mixed agro-forestry systems and shade-grown cocoa.

The final area of focus is strong community engagement and social inclusion, with a particular focus on women and youth. The governments and companies have committed to full and effective consultation and participation of cocoa farmers in the design and implementation of key actions, and promotion of community-based management models for forest protection and restoration. The governments will assess and mitigate the social impacts and risks of any proposed land-use changes on affected communities.

The set of public-private actions represent unprecedented commitments on forest protection and restoration, and sustainable cocoa production and farmer livelihoods. These combined actions, which are aligned with the Paris Climate Agreement, will play a crucial role in sequestering carbon stocks and thereby addressing global and local climate change.

IVORY COAST

During the 2020-21 reporting period, our partners, FarmStrong Foundation and the Scobad cooperative produced 7,000 forest and fruit tree seedlings according to the needs expressed by the farmers. At the close of the reporting period, 5,050 of these tree seedlings were distributed with 1,950 in the nursery. The shade tree nursery was set up and maintained by a farmer and his family, generating revenues and involving the communities in reforestation and agroforestry approaches. A team, led by the FarmStrong supervisor in Agboville, has been responsible for distributing and planting trees in and around the plantations to create a vegetative barrier.

GPS coordinates with supporting images of each seedling planted are taken using the "GPS Shade Trees" form installed on tablets in order to locate the planting position and ensure that the seedlings distributed have been planted. This will allow for future monitoring of canopy cover and the biomass created for carbon sequestration.



ZONE	No of plants	Plants distributed	In nurseries	beneficiaries	No. of plants/species				
					Fraké	Framiré	Akpi	Acajou	Niangon
OFFOMPO	3'300	3'300	0	18		400	300		1'100
LAOGUIE	1'750	1'750	0	18	250			400	1'100
LOVIGUIE	450	0	450	8					
OTTOPE	500	0	500	7					
DINGBE	500	0	500	10					
ORESS-KROBOU	500	0	500	10					
Totaux	7'000	5'050	1'950	71	250	400	300	400	2'200

GHANA

A total of 4,913 economic shade trees that can provide medium or long-term revenue were provided to the Offinso and Akyemansa cooperatives for distribution to their members. Out of this number, 2,513 trees went to the Offinso cooperative and 2,400 to the Akyemansa Cooperative. The project purchased locally the 2,513 shade trees for the Offinso cooperative. In Akyemansa, the Ghana Forestry Commission provided 2,000 shade trees and 400 shade trees were added by the Assembly Member of the area, Bernard Asante, who is also the secretary to the Akyemansa Fine Flavor Cocoa Cooperative.



OCP PROJECT MANAGER, RITA ADDAI, AKYEMANSA CO-OP AG. MANAGER, TUFFOUR GIDEON, AND DEPARTMENT OF FORESTRY STAFF SORTING ECONOMIC TREE SEEDLINGS FOR DISTRIBUTION TO AKYEMANSA FINE FLAVOR COOPERATIVE MEMBERS

ECUADOR

Ecuadorian cocoa farmers have a long tradition of agroforestry planting throughout the farm different income-generating trees, often citrus, mango, and avocado as well as smaller plants like banana and plantains or papaya.

Through the use of the model farm, Olam Ecuador has been promoting the planting of larger, longer-term revenue-producing trees. This past year, 125 timber and fruit trees were planted along with new, high-yielding varieties of Nacional cocoa.

Olam Ecuador also provided training to all 80 Cultivate Better Cocoa farmers on protecting forests and reforestation, protecting water sources, and not burning fields for planting. Part of the training on protecting water sources was on the use of “dry beds” to promote the proper handling of animal waste on the farm with three objectives 1) Reduce waste or runoff waters and its polluting effects, 2) Transform the manure and urine from the animals into compost, 3) Reduce CO2 emissions on the small farm level.



MODEL FARM DEMONSTRATION OF ECONOMIC SHADE TREES PLANTED ALONGSIDE NEW COCOA SEEDLINGS



LOOKING AHEAD TO 2023

Completing the second year of our Cultivate Better Cocoa programs in Ivory Coast, Ghana and Ecuador, we are excited about the initial progress and the impact that we are starting to see. With the support of our customers, our implementing partners, cooperatives or farmer organizations and suppliers, we are making a positive difference for cocoa farmers, their communities and the environment.

As is implied in 'Cultivate Better,' our approach to a sustainable supply chain is a journey with efforts balanced against learnings and giving ourselves the space to reflect on how we can be a better business, adjusting our efforts in collaboration with our partners and farming communities so that our work is collaborative and visionary with an eye toward long-term sustainability of not only the cocoa sector but our own business. This approach combined with the years of experience of our partners and the co-ops themselves has yielded initial results that are encouraging. We also realize there is still a long way to go.

Not being able to travel to work in person, on the ground with our partners has been challenging and we miss the personal engagement and time together. Digital tools like Zoom, Microsoft Teams, Google Meet, and WhatsApp have allowed us to stay close to our projects, provide support and learn to work together in new ways. We have also learned how fortunate we are to have very professional partners that are more than capable of getting the work done. As the world opens up, we look forward to traveling again to see our friends and partners while continuing to use the digital tools that allow us to keep more budget going to sustainability efforts in the cocoa-producing countries.

In 2022 we continue to challenge ourselves and our partners to focus on a few, meaningful metrics to track the progress and impact of our sustainability investments at home and in cocoa-producing countries.

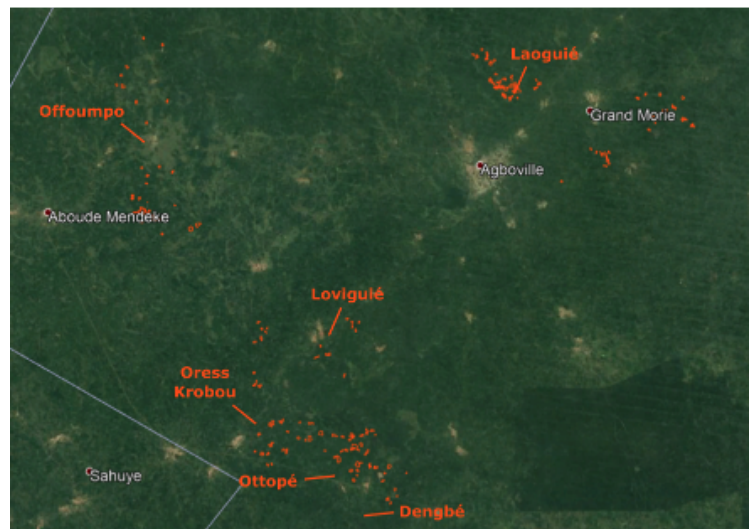
Addressing the increasing urgency for all of us to reduce greenhouse gas emissions, we are looking at new opportunities to engage locally as well as within our supply chains.

We are fortunate to be able to do this work and are grateful to our customers, implementing partners, cooperatives and suppliers for their support.

APPENDIX 1 - PROGRAM LOCATIONS AND MAPS

GPS MAPPING AND POLYGON MAPPING

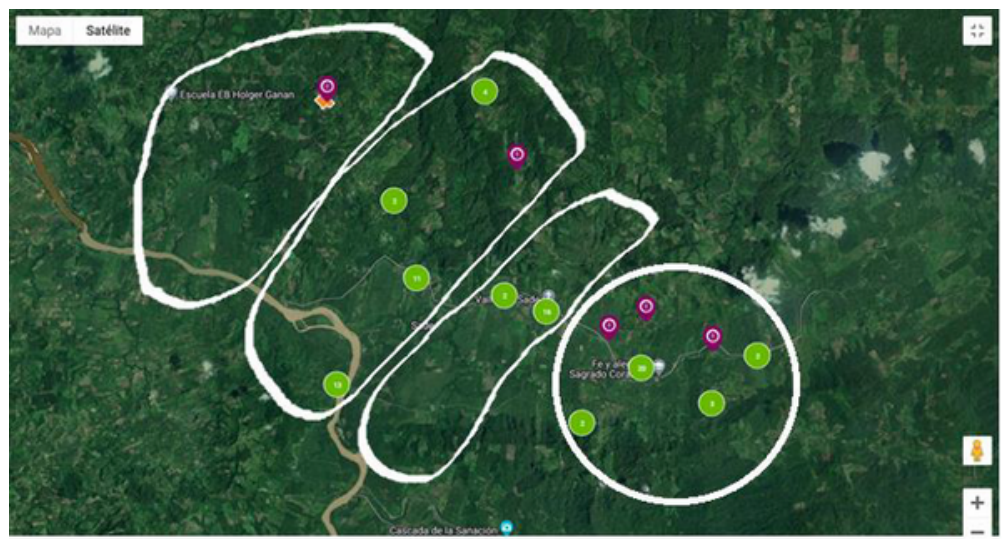
Mapping of program areas - Ivory Coast



Mapping of program areas - Ghana



Mapping of program areas - Ecuador



Cultivate Better Cocoa 2020/21 Investment Distribution

	Ivory Coast	Ghana	Ecuador	Total
Program Component	%	%	%	%
Empowering Prospering Farmers Creating value through flavor quality	38%	34%	43%	38%
Inspire Thriving Communities Uplifting communities through innovation & education	24%	11%	15%	16%
Encourage Environmental Preservation Helping farmers protect their farms & the planet	23%	14%	15%	17%
On The Ground Program Operations & Management	14%	40%	27%	29%
Total Investment	100%	100%	100%	100%

* Note: In the case of Ghana, the community component is understated given the allocation to Program Operations and Management of partner time and travel costs associated with direct implementation of community components

Program Summary

	2019/2020	2020/2021	Change	% Change
Continents	2	2	0	0%
Countries	3	3	0	0%
Cooperatives	4	4	0	0%
Communities	30	30	0	0%
Farmers	865	1107	242	28%
Female	335	512	177	53%
Male	530	595	65	12%
Hectares	2,069	3,088	1,019	49%

GENDER EQUITY REFERENCE STUDY

[1] HILL, R.V., AND M. VIGNERI. 2014. "MAINSTREAMING GENDER SENSITIVITY IN CASH CROP MARKET SUPPLY CHAINS." IN A. QUISUMBING, R. MEINZEN-DICK, T. RANEY, A. CROPPENSTEDT, J. A. BEHRMAN, AND A. PETERMAN (EDS.) GENDER IN AGRICULTURE AND FOOD SECURITY: CLOSING THE KNOWLEDGE GAP. SPRINGER.

Total CBC Program Coverage	2019-20		2020-21		Change from Prior Period	
	Number	%	Number	%	Number	%
Farms mapped	301	35%	314	28%	13	4%
Farmers receiving quality training	750	87%	1095	99%	345	46%
Farmers receiving agronomic training*	229	26%	1095	99%	866	378%
Farmers receiving environmental training	830	96%	1107	100%	277	33%
Shade & fruit trees planted	7,300	NA	10,088	NA	2,788	38%
Communities with Child Protection Committees	27	90%	29	97%	2	7%

* 2019-20 figures included the Nkawie cooperative that is not currently active. The above figures reflect the change without Nkawie, while the summary on page 20 shows the change from the previous year including Nkawie

Ivory Coast

Program Component	2019-20	2020-21	Change	% change
Farms mapped	221	234	13	6%
Farmers receiving quality training	159	198	39	25%
Farmers receiving agronomic training	159	198	39	25%
Farmers receiving environmental training	159	210	51	32%
Shade trees planted*	7,000	5,050	-1,950	-28%
Communities with Child Protection Committees	4	6	2	50%

* 1,950 shade trees in the nursery at Sep 30, 21 bringing total seedlings produced in 2020-21 to 7,000

Ghana

Program Component	2019-20	2020-21	Change	% change
Farms mapped*	0	0	0	0%
Farmers receiving quality training	591	817	226	38%
Farmers receiving agronomic training	70	817	747	1067%
Farmers receiving environmental training	591	817	226	38%
Shade trees planted	300	4,913	4,613	1538%
Communities with Child Protection Committees	23	23	0	0%

* All CBC farms in Ghana are single point, GPS mapped. To meet the new RA 2020 standard & CFI requirements, GPS polygon mapping began in November of 2021

Ecuador

Program Component	2019-20	2020-21	Change	% change
Farms mapped	80	80	0	0
Farmers receiving quality training	0	80	80	0
Farmers receiving agronomic training	0	80	80	0
Farmers receiving environmental training	80	80	0	0
Shade & fruit trees planted	0	125	125	125%
Communities with Child Protection Committees	NA	NA	NA	NA

APPENDIX 4 - OLAM ECUADOR ENVIRONMENTAL PRESERVATION COMMUNITY MESSAGING

Manejo y protección de fuentes hídricas

¿qué es una CUENCA?

La **cuenca** es un espacio físico de un territorio en el que se drena el agua que va a formar un caudal. En este proceso de flujo se suman los elementos del medio ambiente. Desde aquí influyen la presencia humana y los demás factores que nos afectan en nuestras fincas y en la vida diaria.

En palabras sencillas, una **cuenca** es un lugar donde se combinan:

- las áreas donde se produce agua, (1) montañas, laderas, ríos, etc.
- las áreas por donde se drena agua a los ríos, (2) quebradas, arroyos, manglares, etc.
- las áreas en donde corren y se desarrollan como sociedad, (3) viviendas, parques, etc.
- las áreas donde producimos alimentos, consumimos los productos, (4) fincas.

¿cuáles son las partes de una CUENCA?

Cuenca alta
Corresponde generalmente a las áreas de montañas o colinas de las zonas.

Cuenca media
Donde se juntan las aguas recogidas en las partes altas y en donde el río principal mantiene un curso definido.

Cuenca baja
Donde el río desemboca a las zonas bajas tales como arroyos y humedales.

Olam Cocoa

¿Cómo cuidar una CUENCA?

Desde la finca usted puede aportar a cuidar las cuencas y las fuentes hídricas empezando por:

- Identificar las fuentes de agua de su finca
- Definir el área cercana para protegerla
- Definir que la fauna y aguas contaminadas lleguen directamente a las fuentes de agua

Recuerda que con estas actividades usted logra:

- Proteger fuentes de agua dulces.
- Emplear ecosistemas importantes en su finca.
- Generar y conectar las fincas a corredores de biodiversidad.

¿Cuál es su compromiso para cuidar el agua?

- Define vegetación protectora, tallos por especies nativas, árboles, cañas y palmas, según la zona.

Olam Cocoa

Las quemadas nos afectan a todos...

¡NO A LAS QUEMAS!

En nuestras huertas aumenta la erosión, reduce la capacidad de recuperación y fertilidad del suelo

Emiten gases contaminantes al aire

Genera problemas cardio-respiratorios hasta cáncer

Destruye la casa de animales y plantas

Ecuador ha perdido hasta 27.000 ha por quemadas en el último año

Por tu salud, la de tu huerta y del planeta dile: ¡NO A LAS QUEMAS!

Olam Cocoa

REFORESTAR Y NO DEFORESTAR

¿QUÉ ES DEFORESTAR?

Se habla de **DEFORESTACIÓN** cuando:

- Se elimina el bosque para convertirlo a un uso no forestal, (1) taler árboles para construir casas.
- Se cambia la cobertura y sucesión natural o otro tipo de sistema o actividades, (2) eliminar el bosque para establecer ganado.
- Las actividades del ser humano son la principal causa de la deforestación:
 - Tala selectiva de árboles.
 - Aprovechamiento de madera con fines industriales y comerciales.
 - Avance de la ganadería en áreas rurales.
 - Construcción de infraestructuras.
 - Desmonte de zonas silvestres.
- Existen causas naturales para la deforestación también:
 - Incendios forestales.
 - Plagas y enfermedades de los bosques.

¿QUÉ ES REFORESTAR?

Se habla de **REFORESTACIÓN** cuando:

- Se realizan actividades de siembra de árboles para:
 - Recuperar áreas afectadas por deforestación causada por el hombre o por causas naturales.
 - Enriquecer y regular zonas en las que se han disminuido la población, natural de árboles por diversos razones.
- La reforestación tiene como objetivo:
 - Reemplazar áreas sembradas.
 - Producir de madera, celulosa, fibra, fibras o biomasa.
 - Proteger el suelo de la erosión y mejorar la estructura del suelo.
 - Formar zonas de protección contra la acción del viento y así resguardar las fincas.
 - Tener un fuente de madera para producir sin dañar el ambiente.
 - Construir espacios de ocio.

Olam Cocoa

Siembra de árboles y diferentes especies
profundizar cerca a los cuerpos de agua que hayo en la finca, para así crear o mejorar los BOSQUES DE GALERIA, que son franjas verdes que rodean a los ríos, arroyos, lagunas.

Siembra de árboles y diferentes especies
en las laderas de la finca, para reducir o evitar las BARRERAS VIVAS O ROMPEVENTOS, creando así medidas de biodiversidad para la fauna y flora local, además de proteger la finca de amenazas futuras.

Establecer SISTEMAS AGROFORESTALES
variando además del cacao, a especies ornamentales perennes como árboles frutales y frutas, además de especies de ciclo corto.

Siembra de ARBOLIS DISPERSOS en la finca, mínimo 25 árboles de 5 especies diferentes, para diversificar las especies, mejorar el clima al cacao y crear más áreas de vida para la fauna y flora.

Un beneficio adicional de la siembra de árboles es el incremento del valor de su finca y la sostenibilidad alimentaria de su familia.

Aquí le cuento que puede hacer desde la finca para promover la REFORESTACIÓN!

Olam Cocoa

**APPENDIX 5 - COCOA & FORESTS INITIATIVE
DATA SETS**

CFI Data Tables | Ivory Coast - Cross Cutting Results

Cross-Cutting KPI's							
			Ghana		Côte d'Ivoire		
Indicator ID	Indicator	Unit	Value	Additional Data	Value	Additional Data	Notes
CC-01	Company has established procurement policies that operationalize sustainable cocoa supply chain commitments, and adequately address social and environmental risks in the supply chain	yes/no	select yes/ no		yes		
CC-02	Company assesses their coca supply for compliance or risk of non-compliance to sustainability commitments, applicable law, and internationally-recognized agreements	yes/no	select yes/ no		yes		
CC-03	Cocoa Communities in the direct supply chain (use formal nationally recognized administrative units from guidance)	number(#)	insert value here		6		
CC-04	Households in the direct supply chain (ICI related data point)	number(#)	insert value here		241		
CC-05	Farmer-based organizations in the direct supply chain	number(#)	insert value here		1		
CC-06	Farmers in the full supply chain	number(#)	insert # of farmers in the direct supply chain here	insert MALE count	210	202	
				insert FEMALE count		8	
			insert # farmers in the indirect supply chain here		0		
CC-07	Individuals benefitting from member sustainability programs	number(#)	insert value here	insert MALE count	31	0	
				insert FEMALE count		31	
CC-08	Volume of cocoa beans equivalent sourced from the direct supply chain	metric tonnes(mt)	insert volume here		300		
CC-09	Volume of cocoa beans equivalent sourced from the indirect supply chain	metric tonnes(mt)	insert volume here		0		
CC-10	Volume of cocoa beans equivalent sourced that is verified by 3rd party against a standard	metric tonnes(mt)	insert volume here		300		

APPENDIX 5 - CFI DATA SETS

CFI Data Tables | Ivory Coast - Prosperous Farmers

Industry KPI's							
			Ghana	Côte d'Ivoire			
Indicator ID	Indicator	Unit	Value	Additional Data	Value	Additional Data	Notes
PF-IND-01	Farmers reached by GAP training programs	number(#)	insert value here	insert MALE count	198	191	these are the members actually trained. 12 skipped the training for various reasons.
				insert FEMALE count		7	
PF-IND-02	Improved cocoa seedlings distributed in Ghana	number(#)	insert value here				
PF-IND-03	Individuals participating in Income Generating Activities (IGAs)	number(#)	insert value here	insert MALE count	31	0	participating
				insert FEMALE count		31	
Member Sustainability Indicators							
			Ghana	Côte d'Ivoire			
Indicator ID	Indicator	Unit	Value	Additional Data	Value	Additional Data	Notes
PF-01	Individuals participating in training that promotes IGAs	number (#)	insert value here	insert MALE count	186	178	
				insert FEMALE count		8	
PF-02	Farmers with up-to-date/valid FDPs developed and agreed by farmers	number (#)	insert value here	insert MALE count	0	0	
				insert FEMALE count		0	
PF-03	Individuals in the current reporting year enrolled in formal financial products and services with support from company	number (#)	insert value here	insert MALE count	0	0	
				insert FEMALE count		0	
PF-04	Farmer-based organizations with a capacity assessment and business management plan completed	number (#)	insert total active here		0		
			insert new recipients during reporting year here		0		
PF-05	Farmer-based organizations receiving capacity building support based on business management plan	number (#)	insert total active here		0		
			insert new recipients during reporting year here		0		
PF-06	Farmers trained on harvest and post-harvest practices that impact flavor and quality	number (#)	insert value here	insert MALE count	198	191	
				insert FEMALE count		7	
PF-07	Farmers with land tenure agreements/documentation obtained via company support	number (#)	insert value here	insert MALE count	0	0	
				insert FEMALE count		0	

APPENDIX 5 - CFI DATA SETS

CFI Data Tables | Ivory Coast - Empowered Communities

Industry KPI's			Ghana		Côte d'Ivoire		
Indicator ID	Indicator	Unit	Value	Additional Data	Value	Additional Data	Notes
EC-IND-01	Households in the direct cocoa supply chain covered by effective & sustainable child protection/HRDD systems that assess and address child labor	number(#)	insert value here		210		
EC-IND-02	Women in cocoa-growing communities that are members of VSLA groups	number(#)	insert value here		63		
Member Sustainability Indicators							
			Ghana		Côte d'Ivoire		
Indicator ID	Indicator	Unit	Value	Additional Data	Value	Additional Data	Notes
EC-01	Communities covered by CNA & CAP for community development activities	number (#)	insert value here		6		
EC-02	Classrooms built/renovated through member sustainability programs	number (#)	insert value here		0		
EC-03	School facilities built/renovated through member sustainability programs	number (#)	insert value here		0		
EC-04	At-risk households covered by HRDD measures that assess and address forced labor risks	number (#)	insert value here		210		
		percentage (%)	insert % here		100%		
EC-05	Members of VSLA groups in the current year	number (#)	insert value here	insert MALE count	63	0	
				insert FEMALE count		63	
EC-06	VSLA groups in the current year	number (#)	insert value here		1		
EC-07	Individuals participating in youth focused projects and activities (15 - 35 years old)	number (#)	insert value here	insert MALE count	63	27	
				insert FEMALE count		36	
EC-08	Individuals participating in women's empowerment projects and activities	number (#)	insert value here	insert MALE count	330	45	
				insert FEMALE count		285	

APPENDIX 5 - CFI DATA SETS

CFI Data Tables | Ivory Coast - Healthy Planet

Industry KPI's							
			Ghana		Côte d'Ivoire		
Indicator ID	Indicator	Unit	Value	Additional Data	Value	Additional Data	Notes
HP-IND-01	Cocoa related deforestation in the direct supply chain	hectares(ha)	TBD (pending decision on centrally reported satellite monitoring data source)		0		
HP-IND-02	Directly sourced cocoa traceable from the farm to first point of purchase	metric tonnes(mt)	insert value here		300		
HP-IND-03	Farms mapped within direct supply chain	number(#)	insert value here		210		
HP-IND-04	Cocoa agroforestry in development	hectares(ha)	insert value here		51		
Member Sustainability Indicators							
			Ghana		Côte d'Ivoire		
Indicator ID	Indicator	Unit	Value	Additional Data	Value	Additional Data	Notes
HP-01	Cocoa plots mapped in the direct supply chain	number (#)	insert value here		254		
HP-02	Area within the direct supply chain with DRAs completed	hectares (ha)	insert value here		1404		
HP-03	Cocoa communities with active forest restoration and protection programs (CBNRM)	number (#)	insert value here		0		
HP-04	Area under CBNRM	hectares (ha)	insert value here		0		
HP-05	Farmers receiving PES	number (#)	insert total active here	insert MALE count	0	0	
				insert FEMALE count		0	
			insert new recipients during reporting period here	insert MALE count	0	0	
				insert FEMALE count		0	
HP-06	Farmers applying agroforestry	number (#)	insert value here		51		
HP-07	Forest area restored	hectares (ha)	insert value here (Category 2 Forest Reserve)		0		
			insert value here (Forest area restored off-reserve)		0		
HP-08	Farmers trained in CSC best practices	number (#)	insert value here		210		
HP-09	Trees distributed for off-farm planting	number (#)	insert value here		0		
HP-10	Multi-purpose trees distributed for on-farm planting	number (#)	insert value here		5050		
HP-11	Farmers informed, trained, and / or consulted on the new Forest Code, law enforcement, forest protection, and restoration (CDI) or Farmers informed, trained, and / or consulted on forest policy/law enforcement, forest protection, and restoration (GH)	number (#)	insert value here		210		

APPENDIX 5 - CFI DATA SETS

CFI Data Tables | Ghana - Cross Cutting Results

Cross-Cutting KPI's							
			Ghana		Côte d'Ivoire		
Indicator ID	Indicator	Unit	Value	Additional Data	Value	Additional Data	Notes
CC-01	Company has established procurement policies that operationalize sustainable cocoa supply chain commitments, and adequately address social and environmental risks in the supply chain	yes/no	yes		select yes/ no		
CC-02	Company assesses their coca supply for compliance or risk of non-compliance to sustainability commitments, applicable law, and internationally-recognized agreements	yes/no	yes		select yes/ no		
CC-03	Cocoa Communities in the direct supply chain (use formal nationally recognized administrative units from guidance)	number(#)	23		insert value here		
CC-04	Households in the direct supply chain (ICI related data point)	number(#)	817		insert value here		
CC-05	Farmer-based organizations in the direct supply chain	number(#)	2		insert value here		
CC-06	Farmers in the full supply chain	number(#)	817	413	insert # of farmers in the direct supply chain here	insert MALE count	
				404		insert FEMALE count	
			0		insert # farmers in the indirect supply chain here		
CC-07	Individuals benefitting from member sustainability programs	number(#)	817	413	insert value here	insert MALE count	
				404		insert FEMALE count	
CC-08	Volume of cocoa beans equivalent sourced from the direct supply chain	metric tonnes(mt)	300		insert volume here		
CC-09	Volume of cocoa beans equivalent sourced from the indirect supply chain	metric tonnes(mt)	0		insert volume here		
CC-10	Volume of cocoa beans equivalent sourced that is verified by 3rd party against a standard	metric tonnes(mt)	300		insert volume here		

APPENDIX 5 - CFI DATA SETS

CFI Data Tables | Ghana - Prosperous Farmers

Member Sustainability Indicators							
			Ghana		Côte d'Ivoire		
Indicator ID	Indicator	Unit	Value	Additional Data	Value	Additional Data	Notes
PF-01	Individuals participating in training that promotes IGAs	number (#)	0	0	insert value here	insert MALE count	
				0		insert FEMALE count	
PF-02	Farmers with up-to-date/valid FDPs developed and agreed by farmers	number (#)	0	0	insert value here	insert MALE count	
				0		insert FEMALE count	
PF-03	Individuals in the current reporting year enrolled in formal financial products and services with support from company	number (#)	0	0	insert value here	insert MALE count	
				0		insert FEMALE count	
PF-04	Farmer-based organizations with a capacity assessment and business management plan completed	number (#)	0		insert total active here		
			0		insert new recipients during reporting year here		
PF-05	Farmer-based organizations receiving capacity building support based on business management plan	number (#)	1		insert total active here		
			0		insert new recipients during reporting year here		
PF-06	Farmers trained on harvest and post-harvest practices that impact flavor and quality	number (#)	817	413	insert value here	insert MALE count	
				404		insert FEMALE count	
PF-07	Farmers with land tenure agreements/documentation obtained via company support	number (#)	0	0	insert value here	insert MALE count	
				0		insert FEMALE count	

APPENDIX 5 - CFI DATA SETS

CFI Data Tables | Ghana - Empowered Communities

Member Sustainability Indicators							
			Ghana		Côte d'Ivoire		
Indicator ID	Indicator	Unit	Value	Additional Data	Value	Additional Data	Notes
EC-01	Communities covered by CNA & CAP for community development activities	number (#)	0		insert value here		
EC-02	Classrooms built/renovated through member sustainability programs	number (#)	0		insert value here		
EC-03	School facilities built/renovated through member sustainability programs	number (#)	0		insert value here		
EC-04	At-risk households covered by HRDD measures that assess and address forced labor risks	number (#)	550		insert value here		
		percentage (%)	67%		insert % here		
EC-05	Members of VSLA groups in the current year	number (#)	201	91	insert value here	insert MALE count	
				110		insert FEMALE count	
EC-06	VSLA groups in the current year	number (#)	8		insert value here		
EC-07	Individuals participating in youth focused projects and activities (15 - 35 years old)	number (#)	65	58	insert value here	insert MALE count	
				7		insert FEMALE count	
EC-08	Individuals participating in women's empowerment projects and activities	number (#)	0	0	insert value here	insert MALE count	
				0		insert FEMALE count	

APPENDIX 5 - CFI DATA SETS

CFI Data Tables | Ghana - Healthy Planet

Industry KPI's							
			Ghana		Côte d'Ivoire		
Indicator ID	Indicator	Unit	Value	Additional Data	Value	Additional Data	Notes
HP-IND-01	Cocoa related deforestation in the direct supply chain	hectares(ha)	TBD (pending decision on centrally reported satellite monitoring data source)		TBD (pending decision on centrally reported satellite monitoring data source)		
HP-IND-02	Directly sourced cocoa traceable from the farm to first point of purchase	metric tonnes(mt)	0		insert value here		
HP-IND-03	Farms mapped within direct supply chain	number(#)	0		insert value here		
HP-IND-04	Cocoa agroforestry in development	hectares(ha)	245		insert value here		We will monitor the distributed economic trees so we start counting when they survived.
Member Sustainability Indicators							
			Ghana		Côte d'Ivoire		
Indicator ID	Indicator	Unit	Value	Additional Data	Value	Additional Data	Notes
HP-01	Cocoa plots mapped in the direct supply chain	number (#)	0		insert value here		
HP-02	Area within the direct supply chain with DRAs completed	hectares (ha)	0		insert value here		
HP-03	Cocoa communities with active forest restoration and protection programs (CBNRM)	number (#)	0		insert value here		
HP-04	Area under CBNRM	hectares (ha)	0		insert value here		
HP-05	Farmers receiving PES	number (#)	0	0	insert total active here	insert MALE count	
				0		insert FEMALE count	
			0	0	insert new recipients during reporting period here	insert MALE count	
				0		insert FEMALE count	
HP-06	Farmers applying agroforestry	number (#)	662		insert value here		We will monitor the distributed economic trees so we start counting when they survived.
HP-07	Forest area restored	hectares (ha)	0		insert value here (Forest area restored in Forêts Classées)		
			0		insert value here (Forest area restored in rural zone)		
HP-08	Farmers trained in CSC best practices	number (#)	817		insert value here		
HP-09	Trees distributed for off-farm planting	number (#)	40		insert value here		
HP-10	Multi-purpose trees distributed for on-farm planting	number (#)	4913		insert value here		Yes. OCP distributed 2000 economic trees to Akyemansa Co-op in the reporting year. Bernard Asante too gave the Co-op 400 trees to the Co-op.
HP-11	Farmers informed, trained, and / or consulted on the new Forest Code, law enforcement, forest protection, and restoration (CDI) or Farmers informed, trained, and / or consulted on forest policy/law enforcement, forest protection, and restoration (GH)	number (#)	817		insert value here		

APPENDIX 5 - CFI DATA SETS

Data Sets - CBC and CFI Communities - Program Overview

Ivory Coast				
Scoopsbad, Agobiville, Agnébi Province	2019/2020	2020/2021	Change	% Change
Farmers	194	210	16	8%
Female	4	8	4	0%
Male	190	202	12	0%
% Female		4%	4%	0%
Farms	221	234	13	6%
Total hectares	543	760	217	40%
Communities	4	6	2	50%
Certifications	RA, Utz, Starbucks Cocoa Practices	Same		
Ghana				
Offinso Fine Flavor Cooperative, Ashanti Region	2019/2020	2020/2021	Change	% Change
Farmers	314	540	226	72%
Female	140	313	173	124%
Male	174	227	53	30%
% Female	45%	58%	13%	13%
Total hectares	628 (estimated)	1430	802 TBD	128%
Communities	17	17	0	0%
Certification	Fair Trade International			
Akymansa Fine Flavor Cooperative, Eastern Region				
2019/2020	2020/2021	Change	% Change	
Farmers	277	277	0	0%
Female	177	177	0	0%
Male	100	100	0	0%
% Female	36%	36%	0	0%
Total hectares	554 (estimated)	554 (estimated)	0	0%
Communities	6	6	0	0%
Certification	Utz	Utz		
Ecuador				
Valle del Sade Farmer Association, Esmeraldas Province	2019/2020	2020/2021	Change	% Change
Farmers	80	80	0	0%
Female	14	14	0	0%
Male	66	66	0	0%
% Female	18%	18%	0	0%
Total hectares	344	344	0	0%
Communities	1	1	0	0%
Certification	Utz	Utz	0	

SCS MASS BALANCE AUDIT CHECKLIST



Mass Balance Traceability		
Record Keeping		
1	Updated supply chain maps or flow charts are kept, outlining purchase flows for cocoa products from CBC: - Subcontractors must be identifiable - Suppliers and distributors must be identifiable - Activities per link must be identifiable - Products per link must be identifiable	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA <i>Comments (if applicable):</i>
2	Records from the past 3 years of CBC cocoa products are kept. Examples: - Purchase records (invoices, BOLs, work orders, contracts, etc.) - Sustainability/Social Responsibility Certificates of suppliers (FTUSA, RA, UTZ, etc.) - Receiving records	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA <i>Comments (if applicable):</i>
Transformation		
3	Records effectively demonstrate that the quantity of each CBC inbound ingredient(s) is sufficient to substantiate the quantity of CBC product(s) the ingredient was allocated.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA <i>Comments (if applicable):</i>
4	The calculations of conversion rates used within each processing facility are indicated in the documentation relating to the transformation of the product, and kept up-to-date.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA <i>Comments (if applicable):</i>
5	For CBC designated products, purchase/sales documents must reference "CBC" and Lot Number	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA <i>Comments (if applicable):</i>
Internal Quality Management		
6	A procedure on mass balance traceability for CBC has been developed.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA <i>Comments (if applicable):</i>
7	Specific personnel responsible for the mass balance traceability system have been designated, documented, and trained.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA <i>Comments (if applicable):</i>
8	Specific personnel responsible for the mass balance traceability system can demonstrate required qualifications by explaining the traceability system and how it works. - Interviews with key personnel	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA <i>Comments (if applicable):</i>
9	Documentation relating to the sale of CBC product is consistent. Example: MOU, ERP, Purchase Orders, Invoices, Contract	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA <i>Comments (if applicable):</i>
10	The entity can demonstrate ability of how to conduct mass balance of the CBC products.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA <i>Comments (if applicable):</i>
11	An internal mass balance exercise is done on a yearly basis, and recorded.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA <i>Comments (if applicable):</i>
Certification Assurance		
12	The entity has a system in place to verify the compliance with sustainability and fair labor third party certification of cocoa for CBC.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA <i>Comments (if applicable):</i>
13	The entity only makes claims regarding the use of CBC chocolate that are in compliance with the CBC program	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA <i>Comments (if applicable):</i>
14	For CBC products, a system is in place where complaints can be recorded and investigated. The results of the investigation and root cause of the issue are recorded, and sufficient information is provided. Possible documents to review: SOPs, Complaint Procedure, MOU with cooperatives and clients, etc.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA <i>Comments (if applicable):</i>
15	Guittard office facilitates the yearly CBC external audit, providing transparency in all operations and disclosing all requested information in a timely manner.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA <i>Comments (if applicable):</i>
Premium Transparency		
16	Receipts of premiums paid to CBC implementing partners and cooperatives are available.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA <i>Comments (if applicable):</i>
17	Evidence of investment of premiums towards community development is available Example: Equipment upgrades, education, healthcare, etc.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA <i>Comments (if applicable):</i>
18	Impact of premiums is documented Example: increase in production; improved biodiversity, etc.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA <i>Comments (if applicable):</i>
Logo Usage & Claims		
19	CBC logo usage is monitored and records are maintained	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA <i>Comments (if applicable):</i>

SCS ATTESTATION LETTER



Guittard Chocolate Company
10 Guittard Rd., Burlingame CA 94010

April 22, 2022

Dear Guittard Chocolate Company,

This letter serves as written communication of the results of the verification of Guittard’s Traceability Assessment V1.0 for its Cultivate Better Cocoa program. The 19 traceability indicators for this verification were developed in collaboration with Guittard Chocolate Company and SCS Global Services, and are comprised of the following:

Section	Number of Indicators
Mass Balance Traceability	5
Internal Quality Management	6
Certification Assurance	4
Premium Transparency	3
Logo Usage and Claims	1

The verification was conducted in October 2021 included the review of records from vendors, clients, and implementing partners, MOUs, standard operating procedures, as well as interviews with staff at its Burlingame facility.

The result of the verification identified 2 indicator results needing improvement, while the remaining 17 being compliant with the program. A Corrective Procedure was implemented by Guittard and shared with SCS, who reviewed the supporting documentation and confirmed compliance with the indicators.

This letter therefore confirms that Guittard has undergone a verification of its Traceability Assessment V1.0 for its Cultivate Better Cocoa program by SCS Global Services and meets all of the program’s required expectations.

Sincerely,

Jorge Ramirez Laugerud, *Director and Program Manager, Responsible Sourcing Strategies*
Food & Agriculture Division, SCS Global Services
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FOR QUESTIONS REGARDING
THIS REPORT, PLEASE EMAIL
MARKETING@GUITTARD.COM

As a small, privately owned, family company, we do not publicly release proprietary or specific information on investments, partnerships or projects. Requests for further information will be attended to on a case by case basis.



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