

TRANSPARENCY CACAO

2024

Commitments, progress and objectives towards responsible cocoa

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Introduction

Transparence Cacao is built upon a unique model.

Launched in 2009, the sustainability programme initiated by the Cémoi Group adopted the name 'Transparence Cacao' in 2015. The program has continuously advanced its aspirations for a more sustainable cocoa supply chain.

In collaboration with key stakeholders, such as the Conseil du Café-Cacao in Côte d'Ivoire, the initiative addresses critical issues such as poverty alleviation, child labor, and deforestation. By establishing an economy centered around sustainability, Transparence Cacao aims to enhance the living conditions of cocoa farmers, making nature a crucial ally in this endeavor.



This overview presents the latest developments in the Transparence Cacao program for the year 2023. It highlights advancements across various topics and outlines the outlook for the upcoming years.

The Transparence Cacao program is offering three levels of commitment to suit our customers' needs:

1. **RÉFÉRENCE**: Produced by traditional cultivation methods and backed by the Référence charter, a responsible purchasing charter applicable to all our cocoa which guarantees a standard quality base and traceability.
2. **PRÉFÉRENCE**: Made from beans carefully sorted and selected at source by farmers trained in good agricultural practices, guaranteeing traceability, segregation to cooperatives and the payment of a premium.
3. **EXCELLENCE**: In addition to the Préférence commitment, this fully expresses its aromatic flavour potential thanks to a fermentation and drying process which is carefully controlled through the creation of fermentation centres, guaranteeing first-class aromatic quality and traceability to the farmer. This traceability is made possible by selecting beans out in the field, supervising quality throughout the production chain, and testing.

Of the three levels, only **PRÉFÉRENCE and EXCELLENCE are eligible to be asserted within a sustainability program**. **RÉFÉRENCE** constitutes the fundamental offering from the founder of the Transparence Cacao initiative, CEMOI.



1. Traceability & Transparency

Implementing a successful sustainability program in the cocoa industry hinges on robust traceability systems, as they empower stakeholders to track and verify the origin of cocoa beans, fostering responsible sourcing practices and contributing to the overall goals of environmental and social sustainability.



1.1. Our team & network

Our sourcing relies on a direct supply chain with cooperatives. One of the strengths of our Transparence Cacao programme, and what also defines the uniqueness of our program, is our on-the-ground team, providing support to all our Préférence and Excellence cooperatives.

We source from 5 origins, so we can concentrate the work of our team on the ground. Around 18,000 farmers are members of 30 cooperatives that are supplying us with Préférence and Excellence cocoa. Because we are transparent and proud of this unique sourcing, you can download the total list and location of our suppliers here (Référence included).

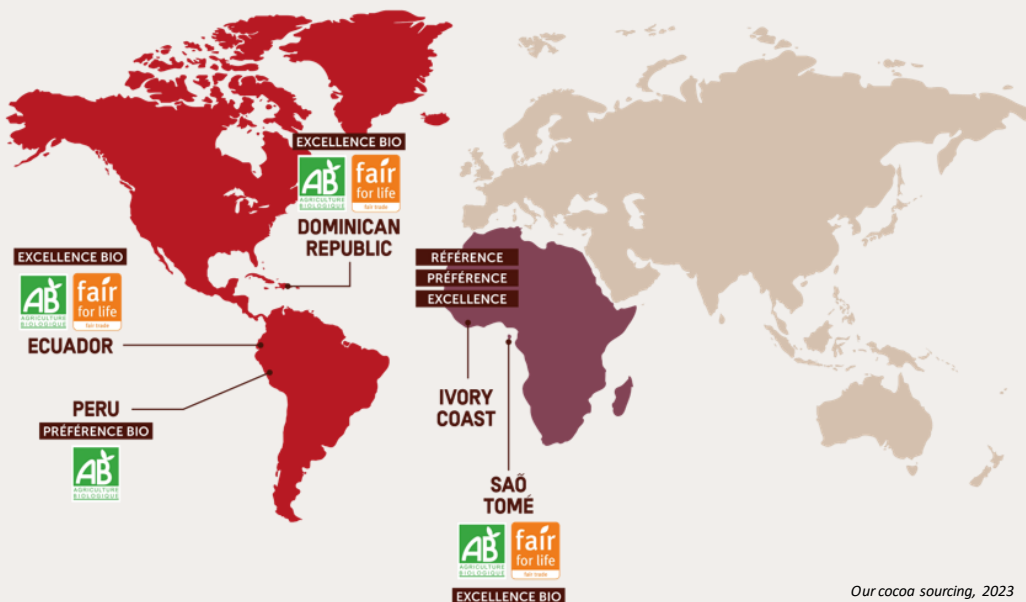
It is a conscious decision to focus with our program on the Côte d'Ivoire, the largest cocoa producing country of the world, where our support is the most needed. Over 30 people primarily work on the development of our sustainability initiative, strategically located in key areas for Ivoirian cocoa sourcing.



1.2. Traceability status

Embarking on a journey of commitment to transparency, we proudly present the traceability status of our cocoa bean purchases across five origins: Ivory Coast, Ecuador, Peru, Dominican Republic, and Sao Tome.

On annual basis we publicly publish the list of all cocoa bean suppliers from which we are sourcing. This list can be found [here](#).



Transparency at its peak

- 100% of Transparence Cacao beans are traceable back to the cooperative.
- 99% of our plots are mapped by polygon or GPS technology.
- 46% of Transparence Cacao beans are traceable to the farmer.

Future-forward commitment

We are pursuing the goal of 100% traceability to plots for all cocoa beans and derivatives (butter and other half fabricates) by the close of 2024.

Mapping the landscape

In 2022, we accomplished a ground-breaking milestone by completing 100% **GPS Polygon mapping** for all farms in our Ivory Coast supply chain. In 2023, we continued mapping activities as new farmers are joining the programme and adjustments were made for those changing their farm locations or sizes.

Across Ecuador, Peru, Dominican Republic and Sao tome, we made significant strides. Currently, 94% of farms are GPS mapped out of which 72% of the polygons have been completed and the remaining work is on-going.



1.3. Traceability digitalization

Transparence Cacao is at the forefront of a transformative initiative: the implementation of an advanced digital traceability system that is already operational for 30% of our cooperatives.



Farmforce data extract, 2023

In collaboration with Farmforce, our 100% digital tracking system is revolutionizing how we catalog and authenticate data, especially for cocoa farmers in remote areas. In these regions, where conventional registration documents like ID cards or birth certificates are often absent, and even precise birth dates can be challenging to ascertain, our innovative solution comes into play.

By assigning unique identifiers and equipping cocoa farmers with mobile phones, in alignment with the recommendations of the Conseil du Café-Cacao, we empower them to record GPS data, ensuring precise mapping of their plots. What sets this system apart is its adaptability to challenges posed by remote and inaccessible areas. The synchronization process can be executed later, ensuring impeccable compliance despite the intricacies of certain regions and the unpredictability of local networks.

This initiative not only enhances traceability but also underscores our commitment to sustainability and inclusivity, reaching cocoa farmers in the most remote corners for sustainability data collection, where traditional methods may fall short. With this digital leap, we are forging a path towards a more transparent and resilient cocoa supply chain.



2. Quality of life of the farmers

Through Transparence Cacao, we aim not only to cultivate exceptional cocoa but also to contribute positively to the lives of those who nurture it, reinforcing the core values of transparency, fairness, and a shared journey towards a better quality of life for all.

In our roadmap to enhance the quality of life of cocoa farmers, our Maison du Planteur plays a crucial role in Ivory Coast. Through Transparence Cacao initiative, we transform our eight fermentation centers into dynamic farmer hubs, facilitating training and hosting a variety of social and economic activities.

While Maison du Planteur takes center stage in the Ivory Coast, our commitment to improving the quality of life for farmers extends across all our origins – Ecuador, Sao Tome, Peru, and the Dominican Republic. Our cocoa carries the Fair For Life certification, and is exclusively organic. This signifies our dedication to establishing enduring partnerships with cooperatives and implementing an approach that empowers farmers to lead more dignified lives.



2.1 Living Income

Our commitment to Living Income



At the heart of our vision lies the belief that a living income is a fundamental human right. This principle serves as our guiding light, and for this reason, we are committed to **enable all cocoa farmers in our Transparence Cacao program to earn a living income latest by 2030.**

To turn this vision into reality, we have crafted a time-bound action plan which we will continuously further develop based on relevant developments and new insights.

Since the start of the program in 2015, several initiatives have been put in place to enable farmers to earn a fairer income over the year. This strategic approach not only fosters financial stability but also mitigates vulnerability lean months.

We recognize the urgency of this mission and strive to create a meaningful impact in the lives of cocoa farmers, making living incomes not just a goal, but a tangible reality for all.

In our pursuit of realizing living income for cocoa farmers, our roadmap addresses 5 main distinct elements, each forming a crucial pillar in our commitment to positive change:

1. Purchasing practices

- **Remunerative prices:** establishment of premium that goes beyond mere sustenance. To bridge the gap between government-set farmgate prices and the Living Income Reference Price (LIRP), we provide our customers an option to choose a flexible premium that includes LIRP.
- **Risk sharing:** Our commitment extends to risk sharing through the implementation of long-term contracts, fostering stability and resilience.
- **Transparency and Accountability:** we consider transparency as fundamental to building trust. Our standard places a strong emphasis on open communication, ensuring information is shared directly with farmers but also independently verifiable.

2. Yield improvement



Recognizing that premiums alone may not suffice, we focus on enhancing yield through coaching in good agricultural practices, promoting agroforestry, and efficient management of inputs. This ensures farmers can grow more cocoa on less land, maximizing their income potential.

3. **Income diversification**

We foster income diversification by introducing Income Generating Activities (IGAs) for both farmers and their spouses. Embracing gender equality is at the core of this strategy, providing stability and reducing vulnerability, particularly during lean months.

4. **Costs reduction & access to services**

- **Reduction of production costs:** Training in good agricultural practices also encompasses methods to reduce input usage. This not only aligns with our commitment to environmental sustainability but also aids in decreasing production costs, contributing to farmers' economic viability.
- **Access to financial services:** Alongside financial management training, we empower farmers with access to essential financial tools. This holistic approach strengthens their capacity to manage income distribution throughout the year, meeting their diverse needs.
- **Access to health services:** By providing farmers with essential health services at no cost, we strive to uphold their right to a healthy life and mitigate the financial burden associated with medical expenses.

5. **Measurement & adaptation: continuous improvement**

Our commitment to fostering sustainable and ethical practices within the cocoa industry goes hand in hand with a dedication to continuous improvement. We recognize the importance of measuring the impact of our activities, ensuring that our programme leads to tangible and positive outcomes for cocoa farmers. To achieve this, we conduct regular surveys to assess the living income gap and gather valuable insights.

This commitment to measurement and adaptation underscores our belief that sustainable and ethical practices are not static but require constant evaluation and refinement.



Living income: our results so far

● Purchasing practices

Central to this policy is our dedication to ensuring just remuneration for cocoa farmers, guaranteeing that they receive a better price for their cocoa. We prioritize risk sharing with farmers, acknowledging the challenges they face, and actively working towards collaborative solutions. Furthermore, our policy emphasizes full transparency in communication regarding these aspects, fostering an open and honest dialogue with all stakeholders involved in our cocoa supply chain. By adhering to these principles, we aim to contribute to a sustainable and equitable cocoa industry, where farmers are empowered and treated fairly throughout the production process.

Our time-bound strategy for achieving a living income involves purchasing practices designed to explicitly address opportunities for increasing farmer/farm gate prices.

All our Transparence Cacao sourcing benefit from a premium to cooperatives.

*In Côte d'Ivoire, we implement this by providing Ivorian **farmers** with a premium for Préférence and Excellence levels, resulting in an 8 to 20% increase compared to the government-defined farm gate price. For our Référence range, a premium is paid to cooperatives only to support them in implementation of CSR practices (started main crop 2023-2024).

*In our other four origins (Ecuador, Peru, Sao Tome, and the Dominican Republic), where cocoa markets are liberalized and all cocoa is acquired as organic, we reference local market prices. We offer **farmers** prices that fluctuate between 15 and 40% above average conventional prices, depending on the region and stock exchange fluctuations.

As part of the Transparence Cacao program, we are committed to establishing **long-term contracts** with suppliers. Consequently, we enter into three to five-year contracts with cooperatives, with both parties agreeing on annual volumes.

● Yield improvements

The coaching in good agricultural practices, the use of agroforestry and the management of inputs allow Transparence Cacao's farmers to grow more cocoa on less land.

In 2022, a study from the Conseil du Café-Cacao (CCC) shows an increase in yield up to 40% for the 15 cooperatives surveyed (2015 baseline).

In 2023, we successfully concluded the Cacao Ami des Forêts project (CAF), and within this initiative that benefited 3 cooperatives (2,937 farmers), we observed the following achievements:

- A significant average yield improvement of +15.5% on the supervised plots, comparing the initial situation in 2017 to the conclusion of the project at the beginning of 2023.
- 40% of the supervised plots have achieved a yield equal to or surpassing 1,000 kg/ha.
- Rehabilitation of 3,444 hectares of cocoa farms involving 1,239 farmers.



In 2023, all our Préférence & Excellence cooperatives benefit from a coaching with our technical partner Mangrove, in order to improve farmers' yield through good agricultural practices, results of this study are expected in January 2024.

- **Reduction of production cost**

Training in good agricultural practices also include a training to reduce the use of inputs, in order to protect the environment but also to decrease fees linked to production cost. Those activities show significant results, measured through CAF initiative, some farmers didn't even use inputs anymore (see CFI testimonies 2022).

In 2023, we also supported our farmers in the valorization of their waste. Integrated into our Transparence Cacao standard, we recommend all our cooperatives to utilize agricultural by-products (e.g., cocoa pods) or even those from horticultural activities (e.g., poultry) for compost creation. To further advance our support, we provided individual coaching on this specific topic to 208 farmers. Waste valorization not only contributes to reducing production costs but, in some cases, facilitates income diversification through the sale of by-products. Additionally, the use of compost enhances the overall sustainability of the agricultural plots.

In 2024, we plan to establish pruning and application brigades directly linked to the Maison du Planteur. The objective is to reduce labor costs for farmers, generate employment in rural areas, and enhance the quality of life for farmers by making their work less strenuous.

- **Income Diversification**

We developed income generating activities (IGA) for farmers such as food crop production or compost creation, which can be used on the farmers own farm as well as sold to other farmers.

In 2023, a total of 7,121 individuals (including 6,379 women - 90%) benefit from income-generating activities (IGA) that were introduced by cooperatives supported by Cémoi to diversify household income. These IGAs have been strategically implemented among various members of the community, including the farmer himself, his wife, son or other relevant individuals.

Table below described the activity implemented in the framework of Maison du Planteur in 2022-2023.

Activities Maison du Planteur	Beneficiaries 2022-2023	2023 - Number of MDP included	Beneficiaries 2024	2024 - Number of MDP included
Alphabetization	248 women	4	361 women	6
IGA linked to poultry or AGR / Maraîcher / Poulailler	108 women	5	40 women	5



Agroforestry sensitization	907 individuals	4	1400 individuals	2
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Transparence Cacao’s team also promotes agroforestry through training and trees distribution. In 2023, 27% of our farmers are applying agroforestry. One of the benefits of agroforestry is that it increases and diversifies the income through the additional crops planted, which provide income throughout the year. Further about agroforestry described under the Environmental chapter 3.2.

- **Access to financial & health services**

Supporting farmers to have a bank account enables them to save their money and have access to financial (mobile) services. Together with training in financial management this strengthens their capacity to distribute their income over the year in order to meet their needs.

In 2023, a total of 6,527 farmers has been supported with access to digital payment.

In Peru and Ecuador, we established mechanisms of "social safety nets" for farmers and their family in case of health problems. In Sao Tomé, we coordinate with our partner Cooperatives a program to cover costs of health expenditures for farmers, and we contribute to support programs promoting education.

In Côte d’Ivoire, since 3 years, our “Caravane Santé” tours Maison du planteur to provide access to screening and care not only to our cocoa farmers but also the local communities ([For more information, watch our video](#) - in French). In 2022 and 2023, a total of 2,075 individuals benefit from this service and we plan to reach 2,400 other individuals in 2024.

- **Household Income Measurement**

Considering the executed and on-going research by several organisations on this topic, we based our benchmark on available information, for example, through the platform ‘[Living Income Community of Practice](#)’.

In the dynamic landscape of 2023, we've taken bold strides to not only measure but actively address the critical issue of living income within our supply chain. Two comprehensive studies were initiated to estimate Living Income, adding a robust layer to our strategy aimed at closing the income gap.

An external partner (Trust International) has been contracted to execute a research and household income survey among 2 cooperatives in our supply chain. This started in January 2023 for a duration of 4 months:

- Methodology: Anker methodology approved by The Living Income Community
- Living wage reference value: 143,236 FCFA (Global Living Wage Coalition, Anker method)
- Sample: 200 farmers (100 per coop) involved in our sustainability project
- Control: 100 farmers (50 per coop) not involved in any sustainability project.



In addition, a household income survey has been executed among 4 other cooperatives, that are part of both Référence and Préférence sourcing of Cémoi. This exercise has been executed in collaboration with another external partner Afrique Secours et Assistance (ASA) through our own digital tool:

- Methodology: Anker methodology applied to our own digital tool (used by external partner for questionnaire)

Main outcomes:

Our commitment to transparency and impact assessment led us to share those results.

The first farmer sample, comprising 150 farmers benefiting from Transparence Cacao support, showcased an inspiring monthly income of 175,302 FCFA. In contrast, the control group, not included in our sustainability program, reported an average of 152,780 FCFA per month. While both groups exceeded the living income reference (143,263 FCFA), a closer look revealed alarming disparities within each.

Results show that 51% of surveyed farmers fell short of earning a living income, with 15% earning less than 50,000 FCFA monthly, below the Ivorian minimum wage for agriculture. Armed with these insights, our commitment strengthens in 2024:

- Cocoaoperation Project: first results expected at the end of the year.
- Cooperative Coaching: Collaborating with the esteemed technical partner, Mangrove, to diversify income streams for all our cooperatives, in addition to yield and good agricultural practices coaching.
- Income Generative Activities: Partnering with ASA to intensify activities focused on generating income in remote areas.
- Retailer Engagement: Continuing our mission to enlighten and encourage our retailer partners, offering them a direct avenue to contribute to the Living Income Reference Price (LIRP) for their cocoa volumes.

Our resolve deepens as we propel our strategy forward, enabling each farmer to earn a living income in our ecosystem by 2030.



2.2 Child Labour

Transparence Cacao is committed to a **zero-tolerance policy against child labour** as we believe that child labour has no place in our cocoa supply chain. Child labour is a complex topic, as a basis of our policy and actions, clarity on the definition of child labour is key and we therefore refer to the international recognised standards.

What is a child?

According to the key International Labour Organisation (ILO) Child Labour Conventions, number 138 and 182, and the Convention on the Rights of the Child (CRC), 18 is the age that separates childhood from adulthood.

What is child labour?

In the context of child protection, [ILO Convention No. 138](#) provides different minimum ages according to the type of employment: 13 years for light work, 15 years for normal work and 18 years for hazardous work. Countries can designate a higher age or, in the case of developing countries, an age lower than the norm by one year.

The types of employment are further clarified and needed. [ILO Convention No. 182](#) goes further by making hazardous work one of the four worst forms of child labour (WFCL).

The foundation of our efforts to combat child labour is rooted in the Transparence Cacao programme. Every cooperative that provides cocoa has formally endorsed the commitments outlined in the Transparence Cacao commitments, covering various aspects, including pledges related to child labour and forced labour. These commitments undergo annual verification through internal audits to ensure compliance and accountability.

The risk of child labour varies among the cocoa origins, our focus is hereby on the Ivory Coast where the risk is highest. It is our objective to ensure that by 2025 all Preference and Excellence cooperatives are covered with a CLMRS equivalent.

An important concept of Transparence Cacao is Maison du Planteur which refers to the 8 fermentation centres in Ivory Coast which are transformed into vibrant farmers centres where training takes place as well as a diversity of social and economic activities. Prevention, monitoring and remediation of child labour is an important topic in the Maison du Planteur. Every Maison du Planteur has a dedicated CSR committee that assesses the situation and main risks and draws up an action plan accordingly.

- **Fight against poverty**

As poverty is one of the **root causes** of child labour, we will focus in our approach on working towards our goal to ensure that all cocoa farmers that supply beans to us will be enabled to earn a living income in 2030 as described in the previous paragraph.

- **Sensitisation and Prevention**



The first phase in our approach is awareness raising and **sensitization** of the coops, farmers and population around fermentation centres and **prevention** of child labour. Since 2021, more than 3,000 farmers have been sensitized on that topic through Maison Du Planteur framework.

- **Access to education**

One of the core principles guiding our initiatives is the belief that children should be in school, and as such, ensuring access to education has been a focal point of our efforts for several years. To increase school attendance, we implement several initiatives:

- Birth certificates registration & sensitization

In the rural areas of Côte d’Ivoire, the absence of legal registration for children can lead to cases of child labor. Specifically, at the end of the CM2 class (fifth grade), a birth certificate or identification document is required to validate the diploma and continue schooling.

As part of our Maison du Planteur’s initiative, our Diangobo committee has committed to registering all children without proper documentation, representing 75% of the school's students, and raising awareness among parents and prospective parents to prevent this situation from recurring.

Total registered children: 225 students (2022, 2023)

Planned for 2024: 150 students

A thorough study was conducted across our other Maison du Planteur, and as of now, no additional needs have been identified.

- Extra-support classes

Reinforcement classes are a valuable educational resource provided outside regular school and tailored to address individual learning needs. Tutors work closely with MDP children during 5 months before the exam, twice a week. All the fifth-grade children from MDP are concerned by this activity, representing 1,629 students in 2022 and 2023.

The main focus is on improving the exam pass rate, so children can continue schooling. Our commitment has not only positively impacted the community but has also yielded remarkable achievements in educational outcomes, outperforming established norms at both the regional and national levels (see table below).

	NIAFOUTA		BEREBY		PAULY		WAGANA		SONGAN		DIANGOBO		KOKOLILIE	
	Girl	Boy	Girl	Boy	Girl	Boy	Girl	Boy	Girl	Boy	Girl	Boy	Girl	Boy
MDP Rate 2023	95,7	94,6	-	-	87,1	83,9	78,1	83,3	72,4	51,3	87,3	88,5	79,2	75,0
	95 %		94,3 %		85,3 %		80,8 %		62,4 %		87,8 %		-	
Regional rate	73,9 %		81,8 %		87,3 %		79,0 %		54,0 %		76,0 %		56,6 %	



2023							
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- School canteen

In Côte d'Ivoire, many children of our partner farmers do not have the chance to access a canteen and must leave school for lunch, leading most of the time to non-attendance.

This is where Transparence Cacao intervenes: it aims to ensure that all children have equitable access to balanced meals. In 2023, the initiative was deployed in two Maisons du Planteur (Songan and Bereby) where approximately 1,125 children have access to this essential meal for 4 months. This initiative will be deployed in other Maison du Planteur in 2024. By providing adequate nutrition during the school day, we give these children the opportunity to stay in school throughout the day.

- Drug and Pregnancy Awareness in Schools

These programs include educational presentations and other activities designed to raise awareness among students about the harmful consequences of illicit drug use and unintended pregnancies. The objective is to promote healthy behaviors, prevent drug abuse, and encourage responsible choices in sexual and reproductive health to ensure students follow their scholar cursus.

Through our Maison du Planteur, 998 students have been sensitized to these topics in 2022 and 2023, and we anticipate reaching an additional 1,500 in 2024. This proactive outreach aligns with our sustainability goals, ensuring a broader impact on the education and awareness levels of young individuals, fostering positive change within our communities.

- **Monitoring and remediation**

In 2020, a specific Child Labour prevention plan has been developed in Côte d'Ivoire: "Plan de Prévention et de Lutte contre le Travail des enfants" (PPLTE).

In 2023, a project to prevent, address and remediate child labour has been launched, starting with a pilot phase among 4 cooperatives to identify root causes of child labour. We also trained and sensitized all our Préférence and Excellence cooperatives to child labour, supported by ICI materials.

This local impact assessment gave in-depth insights into the current situation and serve as a starting point for a second project to design and carry out effective downsizing measures of child labour within the supply chain for 3 years. Our approach is based on strengthening the collaboration with relevant public and private stakeholders in order to increase our impact together. Hereby we have a bottom-up approach whereby our focus is on understanding and listening to the farmers and cooperatives involved. Being aware that poverty is one of the root causes for child labour, the topic household income and income surveys is an important element of this project. Results on living income studies are shared on the "Living Income Measurement" section.

The ultimate goal is to play our role in ensuring that the cocoa supply chain will become truly sustainable, without the occurrence of child labour, for all actors in the supply chain, most importantly the cocoa farmers.



Aside of the above interventions, **we stress the importance of resolving the child labour in collaboration with relevant stakeholders** in both the country of origins and the cocoa industry. This is one of the reasons that CEMOI is a member of the International Cocoa Initiative (ICI). As member we have reported in 2023 for the annual reporting. The results are aggregated for the members and the report is publicly available [here](#). We also support our partners to report cases or actions linked to child labor to local or national authority, by organizing sensitization and events in presence of the Ivorian Ministry in charge of Family, Women and Child.

2.3 Women empowerment

One of the most significant ways to empower women in the cocoa sector is by providing them with access to **education and entrepreneurship**. Training or courses provided help them acquire the skills and knowledge necessary to participate fully in the value chain, from harvesting to marketing sales. Moreover, access to credit and land can provide women with greater financial independence, allowing them to become more self-reliant.

Entrepreneurship

The first beneficiaries from our Income Generating Activities (IGA) are mainly women (6,379 individuals, representing 90 % of the income generating activities).

With our cooperative partners, a total of 511 VSLA (Village Savings and Loans Associations) active in 2023 are linked to our supply chain and so give access to saving and small loans to 12,559 members, including 9,275 women (3,284 men). We also launched a new VSLA linked to our Maison du Planteur of Béréby in 2023 (33 women).

Education

Through Maison du Planteur, we also supported 248 women with alphabetization courses (91 individuals in 2022 and 157 in 2023).



3. Environmental quality

3.1 Fight against deforestation

- **Our Zero-Deforestation Commitment**

We have a strong methodology to ensure that our chocolate production doesn't contribute to deforestation. We have set a deadline of October 2024 for the complete verification of all our GPS data.

- **PUBLICLY SHARE OUR COMMITMENT**

In 2022, we shared our progress in our fight against deforestation through a [press release](#). Different methods are used to trace our cocoa and verified is compliance with our commitments: Cemoi has been one of the initiators and earliest members of the in 2017 established Cocoa and Forest Initiative (CFI). We yearly report about CFI progress, and you can find the report [here](#). Soon the 2022 CFI report will be published online and can then be found [here](#)

- **SELECT OUR SUPPLIERS**

We carefully choose our suppliers by conducting an initial audit, which involves comparing farmers' GPS data with forest areas. We then involve them in our commitment to a more sustainable cocoa supply chain through the signing of a charter.

- **TRANSFORM RURAL AREAS**

Our efforts to transform rural areas include several training programs. We train our farmers on good agricultural practices and raise awareness on critical topics such as the impact of deforestation on the climate.

- **VERIFY OUR IMPACT**

We verify our impact on the cocoa farming areas, in order to enhance our actions plan:

22% of our sourcing is certified by Rainforest Alliance, reflecting a 10% increase compared to 2022.

In 2021, we verified all the GPS mapping linked to 4 cooperatives, utilizing satellite technology with data cutoff as of 2018.

In 2023, we launched the verification of our GPS mapping data based with an external consulting firm*.

*In Côte d'Ivoire:

In 2023, we are advancing our efforts by taking a significant step forward. We have identified an external stakeholder and entered into an agreement to initiate GPS verification, aligning with two specific maps. The first map selected is aimed at ensuring our compliance with the European Union Deforestation Regulation (EUDR) through a satellite mapping of the forest in 2020. The second map chosen is to guarantee our compliance with both international as well as national laws, specifically referencing the National Ivorian map from 2019. Initial findings from this analysis are anticipated to be available in January 2023.



*In our other origins:

A country/production region risk analysis has been almost completed. First results show that the region of production in Peru is the only one with high level of risk. Maps of 2020 land use has been produced using reference maps (national Geobosque deforestation monitoring system), and an early deforestation alert system is being developed with the support of external partner Alliance Bioversity CIAT (ABC). In Ecuador, 2020 maps have been produced using MAGAP reference map and ABC will also assist the implementation of deforestation monitoring system. In Sao Tomé, risk is considered null as all plots are part of the agricultural land which has been registered under the land reform in 1990-2000 decade. Finally, mapping of Dominican Republic farms will start in Q1 2024.

○ **Grievance mechanism and non-compliance policy on environmental issues**

The requirements regarding the environmental aspects are set out through our Transparence Cacao standard, with a view to minimising the negative impact and maximising the positive impact on the environment, in which the following issues are a priority:

- Avoiding deforestation ;
- Avoiding contamination of surface and ground water ;
- Using agrochemicals in a responsible manner ;
- Preserving the habitat of plant and animal species ;
- Protecting wildlife and maintaining a diverse ecosystem, for example by mixing crops in cocoa plantations ;
- Ensuring proper waste management on the farms ;
- Saving water and avoiding water wastage.

Any partner that wishes to raise concerns, questions or ask advice on our impact on environmental can email communication@cemai.fr.

In case of deforestation detection, Transparence Cacao, as part of its commitment charter, will notify the cocoa farmer and any business transaction will be immediately suspended. In case of on-going initiatives linked to income (diversification, agroforestry or yield improvement on compliant plot) between the farmer and Transparence Cacao, those activities will be maintained in order to ensure that the farmer retain their means of subsistence. In-depth investigation will be held to understand the extent and causes of deforestation. Depending on the causes identified, Transparence Cacao will explore different corrective actions such as sensitization or reforestation efforts. The farmer will be periodically reassessed to consider reinstatement of business relation only when there is evidence of compliance with our sustainability standard.

3.2 Agroforestry

It is our **objective** to achieve 30% in Ivory Coast by 2025 and 100% agroforestry by 2030. In 2023, 27% of the cocoa is grown in an agroforestry setting.



We define agroforestry through the following KPIs:

- 30% native vegetation coverage
- Minimum 16 shade trees per hectare
- Minimum 4 different species per hectare

The actions related to agroforestry go back several years of which an overview here:

*Côte d'Ivoire:

CÉMOI developed its **agroforestry manual** in 2018, which describes the agroforestry models that are disseminated under Transparence Cacao Programme. Based on this manual, over **150 demonstration plots** of one hectare were set up, together with cooperatives and with the support of ECOTIERRA and ICRAF. Moreover, 84 nurserymen were trained by ICRAF to produce quality tree seedlings and 50 nurseries have been established. Since 2019, 1,143,000 seedlings of 27 tree species have been sold by the nurseries. CEMOI collaborates with the cooperatives in the Transparence Cacao programme to promote agroforestry among the members. In 35 cooperatives, field officers have been trained by ICRAF and ECOTIERRA, and they are responsible for the training of farmers in agroforestry practices.

To make farmers more aware of the benefits of agroforestry and to promote its adoption, CEMOI organizes regular sensitization campaigns. In 2021, leaders of 58 cooperatives were reached through sensitization of CEMOI, in collaboration with SODEFOR and the Ministry of Water and Forest. The sensitization included a focus on deforestation, tree ownership, climate change and the new forest code. In 2022, a further 3,500 farmers took part in sensitization in collaboration with AGROMAP, including a visit to cocoa agroforestry farms established many years ago by SODEFOR.

*São Tomé and Príncipe and Dominican Republic

Virtually all cocoa plantations are conducting under agroforestry arrangement in Sao Tome and Dominican Republic. These Agroforestry System can be quite complex and the challenges lie in the renovation of old cocoa trees and shade management by farmers.

With our local partner in São Tomé and Príncipe, CECAB, a cooperative gathering more than 3000 cocoa farmers, we have been implementing since 2010 a large-scale renovation program, with more than 1000 ha of old cocoa plantation under agroforestry renovated over the last decade. More recently, CECAB is collaborating to the implementation of a project of GEF funded program called "Restoration for ecosystem functionality and climate change mitigation in the Republic of São Tomé and Príncipe", with the installation of 12 nurseries conducted by trained farmers aiming at production and distribution of 18 000 shade trees of 17 different species.

In 2023, we supported the implementation of a renovation program in Dominican Republic, in collaboration with our partner CONACADO, aiming at increasing yield through the redensification of old plantations under agroforestry systems.

*Peru and Ecuador

We are leading a regional program called "Agro-ecological Regenerative Cocoa", in collaboration with the Alliance Bioversity CIAT (ABC), an international research from CGIAR Network and World Agroforestry. This program aims at promoting Agroforestry practices to regenerate landscapes, through the restoration of degraded soils and the installation of cocoa under Agroforestry system to re-create ecological corridors between forested areas.



More information about our agroforestry approach is available in the Tropenbos publication of October 2023, [“Cocoa agroforestry in West Africa: Experiences from the private sector and opportunities for collaborative action”](#)

3.3 Climate

Our climate strategy

In 2020, we established a climate strategy that addresses not only the battle against deforestation but also various aspects aimed at aligning with a climate trajectory below 2°C, as outlined in our previous CSR report.

In our ongoing efforts to adhere to the Paris Agreement and strengthen our commitment, we have developed a new climate strategy for the CEMOI Group in 2023, featuring a commitment in line with the 1.5°C target.

Our objective is to achieve a 50% reduction in carbon emissions associated with Scope 1, 2, and 3 by 2027, using the 2022 baseline. Specifically, our efforts toward Scope 3 emissions involve a targeted reduction in line with SBTi FLAG (Forest, Land and Agriculture activities).

This commitment will be disseminated at a higher organizational level within Cémoi's Group through SBTi registration of “Sweet Products” Group, encompassing all European subsidiaries of the company. A Net Zero commitment letter has been signed and submitted to SBTi in 2023.



4. Aromatic & food quality

4.1. Aromatic quality

Our Transparence Cacao standard incorporates requirements to ensure the consistent adherence to quality standards throughout all stages of production.

Under the Transparence Cacao 'Excellence' programme, cocoa beans are sourced directly from farmers and delivered to fermentation centres. Here, they undergo controlled fermentation in designated boxes and are subsequently dried on solar beds. These meticulous processes are designed to elevate the aromatic qualities of the cocoa beans. Furthermore, the traceability of this cocoa is maintained down to the individual farmer level.

4.2. Chemical and pesticides policy

- **Our policy for all our sourcing**

CEMOI strictly works in conformance with EU pesticide regulation 396/2005 (February 2005) on maximum residue levels and amending Council Directive 91/414/EEC following and update. CEMOI is an active member of several cocoa stakeholder initiatives we follow the developments and contribute to further joined procedures and improvements.

Concerning prohibited active substances, we also align with international standard such as Fairtrade and Rainforest Alliance:

https://files.fairtrade.net/standards/Hazardous_Materials_List_EN.pdf

https://files.fairtrade.net/standards/2020-04-28-HML__AnnouncementLetter_EN.pdf

<https://www.rainforest-alliance.org/resource-item/integrated-pest-management-and-natural-farming-solutions-white-paper/>

<https://www.rainforest-alliance.org/business/certification/our-integrated-pest-management-pesticide-approach/>

On semestrial basis, a supplier's analysis report is made on the topic of pesticides.

- **Our certified cocoa**

In addition, certified cocoa is being purchased and several pesticides policies of standards are applied to those volume:

- Rainforest Alliance Standard 2020 and Annex S07 Pesticides management. Specifically, page 7 which shows the list of prohibited pesticides, which is based on FAO/WHO guidelines for Highly Hazardous Pesticides
- Fairtrade Hazardous Material List which is also based on FAO/WHO guidelines and has been revised in April 2020.



- Organic: as a component of the Transparence Cacao program, we exclusively procure organic cocoa from four out of the five cocoa origin countries (Ecuador, Peru, the Dominican Republic, and Sao Tome and Principe). Although we aspire to expand our organic sourcing, we are currently facing challenges in the demand for organic chocolate. Nevertheless, we are actively exploring strategies to augment our volumes of organic cocoa.

- **Prohibited active substances**

List of pesticides - Multi-residue method, document: LMR of RE n° 396/2005 & Wessling list

See in documents:

<https://eur-lex.europa.eu/legal-content/FR/ALL/?uri=CELEX%3A32005R0396>

2023-02 Wessling - Screening GC et LC-MSMS matrice complexe (ext) 1.pdf

4.3. Chemical inputs and pesticides reduction strategy

Through Transparence Cacao program, CEMOI aims to reduce its overall use of pesticides. On coached farms (285 hectares, 150 farmers), we even pilot organic farming and implemented the first organic certification of Côte d'Ivoire in 2016. We believe that a minimum of chemical inputs can be used if good agricultural and environmental practices are implemented.

In Côte d'Ivoire (not applicable to our other origins that are 100% organic), a large part of the cocoa is sourced as certified (Rainforest Alliance/ Fairtrade), it needs to be taken into consideration that all applicable pesticide requirements are put in place and are monitored as part of the certification process.

- RAISE AWARENESS & PROTECT

Awareness raising and training of cooperative staff and farmers on safe storing of pesticides, correct use of pesticides, integrated pest management, health and safety, etc.

Provide service of application teams (1 person per coop and 1 team (2-3 persons) per section to do the pesticide application for other farmers and thereby ensure the correct application procedures, reduced pesticide amounts are used and less people involved in this activity.

Provision of PPE (Personal Protective Equipment) by coops to the farmers.

- MONITOR & TRANSFORM

150 demonstration plots in Côte d'Ivoire, where impact of inputs is assessed, and lessons learned share with farmers.



As part of good agricultural practices, we trained farmers to natural compost production through cocoa pods use and to produce organic pesticides from local available ingredients.

Objective is to train every cooperative on pesticides management so they can implement a pesticides reduction policy before 2025.

Putting in place at every coop SST (Health & Safety at work), which is a health and safety procedure. In 2022 a pilot was conducted with 3 coops by a technical partner. All risks to all activities have been identified and actions were put in place to reduce the risk and 3 staff of CEMOI were trained to implement the system in all coops after this pilot phase.



5. Verification

- **Seriousness of Our Approach**

Our commitment to excellence is embodied in the Transparence Cacao (Preference & Excellence) standard, comprising 174 requirements organized into four pillars: traceability & transparency (including the segregation principle), the quality of life of farmers (encompassing our measures against child labor and the implementation of our strategy for achieving a decent income), the environmental quality (addressing deforestation and embracing agroforestry practices), and finally, aromatic and food quality (covering pesticide management and post-harvest best practices).

This standard has undergone a thorough comparison with existing international norms such as ISO 34101 and ARS (in 2020 by Bureau Veritas). The analyses revealed a significant alignment of requirements, underscoring the seriousness of the Transparence Cacao initiative.

- **Audit Frequency**

Our **Excellence organic** supply chains are certified Fair For Life, with some also holding Fairtrade certification. A process is currently underway to add Rainforest Alliance certification to these chains.

The **Preference** cooperatives (constituting 22% of our Ivorian cooperatives) undergo external audits (conducted by Bureau Veritas) based on our Transparence Cacao standard. A verification of our communication and claims is also part of this verification. The audit cycle spans three years, involving all Préférence cooperatives and includes a sampling of representative farmers (square root of n).

Our other **Reference** cooperatives (comprising 50% of our sourcing) undergo both internal and external audits when seeking certification (Rainforest Alliance - 22%, Fairtrade - 11%).

More information available here [Fr]:

<https://www.bureauveritas.fr/magazine/cemoui-chocolats-responsables>

