M

CULTIVATE BETTER

COCOA & FORESTS INITIATIVE

CÔTE D'IVOIRE & GHANA











FOREWORD

A NOTE FROM GARY GUITTARD

It's now been five years since we first launched our Cultivate Better sustainability platform; since then, we have learned alongside our farmers and partners to discover innovative ways to continue building sustainability within the cocoa sector. Our commitment to the Cocoa & Forest Initiative (CFI), which began three years ago, has been a parallel journey. Together with our fellow industry members, the World Cocoa Foundation and the governments of Ivory Coast and Ghana we are learning how to work together to improve traceability, protect forests and support farmers and farming communities.

Our commitment to innovation, collaboration and partnership, led us to launch last year our flagship program Cultivate Better Cocoa. Through our pilot programs in the Ivory Coast, Ghana and Ecuador and together with our supply chain partners and implementation partners, we are learning how our work with cocoa farmers and communities can be most impactful.

Focusing on quality, we can help create value and contribute to increasing farmer incomes and reduce the expansion of cocoa farms that could put further pressure on remaining forests and tree cover.

Working with women leaders in their communities, we are giving them the tools to create microbusinesses. Whether through seed capital and technical support or through Village Savings and Loan Associations, businesses like high yielding - small footprint vegetable greenhouses, bread or soap making, these ventures provide important income that helps with household needs and keeps children in school and off farms.

As a 154-year, 5th generation, family business we understand the importance of building for the future. Developing diverse agroforestry systems where cocoa grows alongside income-generating timber species offers farmers the opportunity to build for the future while providing shade and climate resilience.

We are incredibly proud of the work we are doing. As we all come out of the impacts of the COVID-19 pandemic, we look forward to working with our customers to continue to learn and to accelerate our work to grow our sustainable cocoa purchases, support cocoa farmers and preserve the environment and the natural world we all depend on.

Given the importance of forest cover and biodiversity to local communities and to creating value and income diversification, we are committed to building zero-deforestation – agroforestry systems throughout our global cocoa supply chains, including the fine and flavor cocoas of Latin America and the Caribbean.

This is an ongoing journey and one that we're committed to evolving and collaborating on with the support of our customers, suppliers, on-the-ground partners, and local governments. By Cultivating Better in all that we do, we will continue to make strides in collaborating toward an even more sustainable future.

We would like to thank our implementing and supply chain partners and especially our cooperative partners that made this report possible and have achieved so much during an extraordinarily difficult period.

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. THROUGH FIVE GENERATIONS OF LEADERSHIP IN THE INDUSTRY, WE'VE CREATED A COLLABORATIVE CULTURE WHERE SUSTAINABLY-SOURCED INGREDIENTS AND STRONG RELATIONSHIPS CONTRIBUTE TO THE LONG-LASTING SUSTAINABILITY OF THE GLOBAL COCOA COMMUNITY. IT'S THIS CULTURE OF QUALITY THAT PROTECTS THE FLAVOR AND HERITAGE OF OUR CHOCOLATE AND **NURTURES BETTER BUSINESS AT EVERY TURN.**



ABOUT CULTIVATE BETTER"

Introduced in 2016, Cultivate Better grew out of our relationship with farmers, suppliers and customers. Built on values that have driven our five-generation family business for over 150 years, Cultivate Better sought to elevate our collaborative culture where honorably-sourced ingredients contribute to expertly-crafted chocolate. It's what's driven our business since we opened doors in 1868 and what will propel us forward.

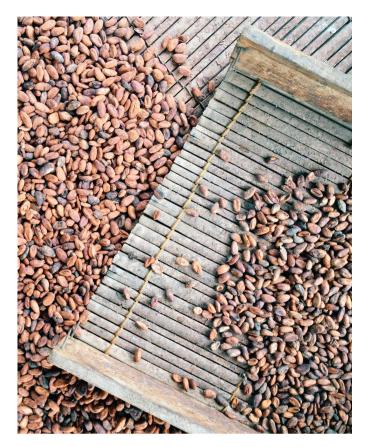
Cultivate Better embodies our continual journey toward sustainability and responsible business practices. When we launched, Quality, Leadership and Relationships were the guiding forces behind what we did and our journey toward being a better business. Honorable Sourcing and Expert Crafting remain the drivers behind what we do.

Working with an agricultural product demands our involvement in the communities that grow our ingredients. The product that we make is a direct reflection of the passion, artistry, creativity, and community of those involved throughout the process.

Whether it's creating a new market for high-quality certified cocoa, delivering premiums as a value add to a farmer's income or collaborating with research institutes to assess planting material for flavor, disease resistance and productivity — we're dedicated to inspiring and implementing long-term solutions that make chocolate sustainable for everyone.

A FRAMEWORK FOR OUR COMMITMENT TO THE COCOA & FORESTS INITIATIVE

Guittard's Cultivate Better platform establishes a framework for this commitment through the founding principles of Quality, Leadership and Relationships and our Honorable Sourcing approach. Through our work with producer governments, civil society partners, suppliers and farmers we strive to fulfill our commitments in three key areas.



PROSPERING FARMERS

Poverty is a key contributor to many of the social challenges experienced throughout the cocoa supply chain. We collaborate with governments of cocoa-growing countries to create flavor-based market opportunities for farmers. Flavor preservation and recognition builds value. By recognizing the value of flavor, farmers can access premium markets and build long-term relationships, creating the best incentives for investment in their farms. Improved planting material, soil health, crop diversification, and good environmental practices empower farmers to improve their own incomes.

THRIVING COMMUNITIES

Where we get our ingredients and the social conditions under which they are grown are central to our work - and integral to our definition of quality. In our journey toward sustainability, as we increase our certified - sustainable cocoa usage, we strive to work as closely as possible with our partners and the farming communities to make sure that our cocoa purchases enhance the well-being of the communities from which we source. Focusing on gender empowerment and income diversification and its effect on child rights and education. health and nutrition directly benefits the communities from which we source.

PRESERVING THE ENVIRONMENT

Climate-smart agricultural practices like agroforestry for shade, soil health and long-term investment along with crop diversification increase farmer incomes as well as provide on-farm carbon storage and reduce greenhouse gas emissions.

Conserving forests and providing cocoa farmers with resilience to climate change is key toward long-term sustainability of the cocoa sector.

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.

Our Cultivate Better Cocoa program, introduced in 2019, is the foundation of our CFI work and reporting. Through the direct, collaborative relationships with our partners, cooperatives and farmers, we are best able to meet the long-term sustainability goals that we set out to achieve with CFI







OUR VISION

OUR VISION FOR THE COCOA & FORESTS INITIATIVE

Given the importance of forest cover and biodiversity to local communities and to creating value and income diversification, we are committed to building zero deforestation – agroforestry systems throughout our cocoa supply chains globally, including the fine and flavor cocoas of Latin America and the Caribbean. We will build on this commitment with the support of our consumers, customers and suppliers. To achieve these goals, we are working with existing partnerships and exploring new ones.

Guittard's Cultivate Better platform establishes a framework for this commitment through the founding principles of Quality, Leadership and Relationships and our Honorable Sourcing approach. Through our work with producer governments, civil society partners, suppliers and farmers we strive to fulfill our commitments in our three key areas of Prospering Farmers, Thriving Communities and Environmental Preservation.

As a smaller, premium quality chocolate manufacturer, we believe that by preserving and supporting flavor, creating value and with strong community engagement, we can help increase farmer incomes and preserve and restore cocoa forests.



BOLD PUBLIC-PRIVATE ACTION: THE COCOA & FORESTS INITIATIVE

In 2017 the governments of Côte d'Ivoire and Ghana and 35 leading cocoa and chocolate companies, representing 85% of global cocoa usage, joined together in the Cocoa & Forests Initiative to end deforestation and restore forest areas. Their combined actions play a crucial role in sequestering carbon stocks in West African forests and addressing climate change, in line with the Paris Climate Agreement. The Cocoa & Forests Initiative delivers on Sustainable Development Goal 13 (Climate Action) and 15 (Life on Land).

The Cocoa & Forests Initiative is a public private partnership based on frameworks for action for Côte d'Ivoire and Ghana as well as action plans for the private sector and public sector that spell out commitments to:

- protect and restore forests.
- promote sustainable cocoa production and farmers' livelihoods,
- engage communities and boost social inclusion.

Through our Cultivate Better™ and Cultivate Better™ Cocoa programs, we are building long-term relationships that create value through quality while fostering Prospering Farmers, Thriving Communities, and Environmental Protection. To learn more on guittard.com/cultivate-better

Our Cocoa & Forest Initiative work in Ghana is supported by our implementing partner, Optimal Change Partnership as well as Transroyal Ghana Ltd. a Licensed Buying Company of the Ghana Cocoa Board, and our long-term commitment and partnerships with the Offinso and Akyemansa Fine Flavor Cocoa Farmers Cooperatives, Kuapa Kokoo & the Sustainable Food Lab.

Guittard's Cocoa & Forest Initiative work in the Ivory Coast is implemented through our Cultivate Better Cocoa pilot project with FarmStrong Foundation and the SCOOPS-Binkadi Ake Douanier Cooperative (SCOOBAD) in Agboville, Agebnie Province, one and a half hours North of the capital, Abidjan, in the South Eastern cocoa producing area.



D'IVOIRE

KEY FACTS AND FIGURES

SCOOPSBAD COOPERATIVE

(UTZ/RAINFOREST ALLIANCE CERTIFIED)

AGBOVILLE, IVORY COAST ORESS KROBOU, OTTOPE, DENGBE, LOVIGUIÉ

NUMBER OF FARMERS: 221 FARMERS

APPROXIMATE HECTARES: 550



GUITTARD CÔTE D'IVOIRE CFI - 2020 PROGRESS REPORT

FOREST PROTECTION & RESTORATION

The SCOOPSBAD, or SCOOBAD, cooperative is in its 12th year in operation after being formed in May 2008. SCOOBAD holds 3 certifications: Rainforest Alliance (5 years), Starbucks' Cocoa Practices (6 years) and UTZ (8 years).

We focused our work with SCOOBAD at 4 cooperative sections in the communities of Loviguié, Oress-Krobou, Dingbé and Ottopé all Southwest of Agboville. This selection was based on farmer members in these areas having a high percentage of older, traditional cocoa varieties, known locally as "Cacao Francaise" and "Cacao Ghana", as opposed to the more recent hybrids introduced over the last 15 or 20 years. Two other sections Laoguié and Offoumpo to the North and West were added in view of the projected increase of demand. This area increase allowed for a potential production of more than 460 mt of cocoa per year during the main crop.

The pressures of climate change are being felt around the world. In the case of the Ivory Coast, the loss of indigenous forests has disrupted and reduced local rainfall affecting not only cocoa but many crops including foods staples. Planting trees wherever possible will help mitigate the localized effects of climate change.

During the reporting period, Guittard and FarmStrong set up a nursery for native tree seedlings for 7,000 trees per year. The species selected in the program are indigenous species such as Frake, Framire, Niangon and Acajou. These native trees are well adapted to

the local climate and soil types and with proper spacing will help these cocoa farms become more climate resilient. As an agroforestry system develops, these young tree seedlings will help provide long-term income. As the trees grow, some will need to be removed to manage shade some medium-term income as well. By managing, shade and light among cocoa and timber, famers can reduce crop loss, reduce the use of fungicides and protect the environment.

The beginning of the distribution of tree seedlings took place in December 2020, outside the reporting period. Trees are being planted on and off cocoa farms as well as in and around the villages for beautification and shade.

Lead farmers are assisting their fellow farmers in taking waypoints (geo-localization) that are uploaded to FarmStrong's CC1 digital platform. In coming years, the way points will be used to identify the specific trees and verify their canopy and biomass development in order to estimate CO2 sequestration.

These timber shade trees, together with the cocoa trees, Good Agricultural Practices and Good Environmental Practices, are the beginning of diverse agroforestry systems that will help Cultivate Better Cocoa farmers to meet the needs of their families today while saving for the future all the while protecting and restoring the local environment.



RAISING AND PLANTING OF NATIVE TREE SPECIES BY SCOOPSBAD FARMERS





SEEDLINGS FROM WOMEN-MANAGED COCOA SEEDLING NURSERY



FARMSTRONG -GUITTARD "FARMER FIELD SCHOOL" TRAINING ON BEST HARVEST AND POST-HARVEST PRACTES

GUITTARD CÔTE D'IVOIRE CFI - RESULTS

SUSTAINABLE PRODUCTION & FARMER LIVELIHOODS

The first step in protecting forests is knowing where our cocoa comes from. 100% of the cocoa sourced in Guittard's Cultivate Better Cocoa pilots is fully traceable to the farm level. In the Ivory Coast, for the 2019/2020 reporting period, 194 farmers were registered in the program, with a total of 221 farms. All farms have been measured and mapped with the appropriate GPS tools and confirmed to be outside any classified forest or national park. Due to the COVID-19 pandemic, no additional farms were mapped during the reporting period. This important work continues in the current 2020/2021 period. Refer to the appendix for a satellite image to illustrate the location of the communities and the polygons of the farms.

After traceability and farm mapping, supporting cocoa farmers to improve their yields and incomes, taking pressures off expansion into forests, is the next basic step towards sustainable cocoa production. FarmStrong has built a practical training program built on the following thematic areas,

Good Environmental Practices (GEP): Environmental stewardship, deforestation, climate change, erosion, the handling, use and storage of agrochemicals.

Good Agricultural Practices (GAP): Farm husbandry, soil fertility & composting, shade management, pruning, weeding, diversification, farming as a business, farm development planning with agroforestry options.

Good Quality Practices (GQP): Harvesting of ripe, healthy cocoa pods and the separation of diseased pods and seeds, removal of seeds from the placenta during pod breaking, proper fermentation, drying on elevated mats, cleaning and proper storage.

Good Social Practices (GSP): Child protection, recognizing child labor, remediation and corrective actions, family profiling, birth certificates, gender equality, occupational safety, income generating activities, youth schooling.

Good Nutritional Practices (GNP): importance of good balanced nutritional food, including proteins and vitamins, and clean drinking water for adults but also for (young) children. The latter is key for their development and schooling.



TRAINING ON GOOD QUALITY PRACTICES: HARVESTING



TRAINING ON GOOD QUALITY PRACTICES: SEGREGATION DISEASED PODS AND SEEDS

These practical, hands-on training modules are based on the existing expertise and experience but specifically adapted to the local eco-system and provided in separate sessions to the farmers in the different Farmer Field Schools (FFS).

We also take advantage of the farmers' presence in the field schools to raise awareness about the Worst Forms of Child Labor (WFCL) and the consequences of forest degradation and deforestation which are of great concern to today's chocolate sector, its consumers, and consuming markets' governments.

In total, from the 194 farmers registered for 2019/2020 period, 159 farmers were trained (82%) of which 5 women.



WOMEN FROM THE ORES KROBOU COMMUNITY WALKING ALONGSIDE FARMSTRONG TRAINERS

GUITTARD CÔTE D'IVOIRE CFI - RESULTS

COMMUNITY ENGAGEMENT & SOCIAL INCLUSION

WOMEN'S EMPOWERMENT

An integral part of Guittard's Cultivate Better Cocoa strategy and our Cocoa & Forest Initiative is empowering women personally and financially. Together with FarmStrong Foundation, we have helped a 28-member women association in Oress-Krobou establish a drip irrigated greenhouse for the production of tomatoes and cucumbers. Yams and other crops are also communally farmed in adjacent land next to the greenhouse to take advantage of the well and pump. These cash crops can be sold in the local market as well as provide food for their families.

The first cycle was in terms of volume somewhat disappointing, with 330kg of fresh vegetables worth around FCFA 120,000 (USD 220) but the motivation is high and significant improvements are expected in the coming growth cycles.





WOMEN FROM THE SCOOPSBAD HARVESTING VEGETABLES FROM THEIR GARDEN; THE WOMEN-RUN VEGETABLE GARDEN IS A SECONDARY INCOME STREAM THAT ASSISTS WITH RAISING FAMILY INCOMES, GENERATING FUNDS THAT CAN SUPPLEMENT SCHOOLING AND OTHER HOUSEHOLD COSTS.

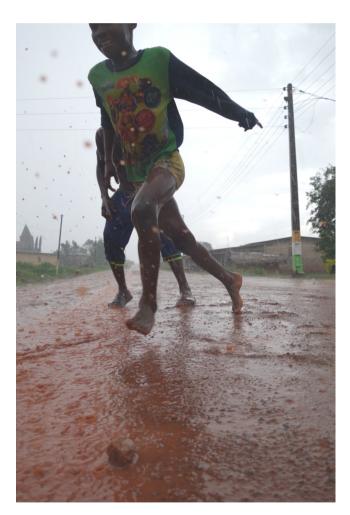
CHILD PROTECTION

Child Labor Monitoring & Remediation Systems (CLMRS)

SCOOPSBAD has a recognized system in place to educate its members on the national laws and international treaties that prohibit child labor as well as identify and mitigate cases. This system includes an ASR (Monitoring and Remediation Officer) assisted by 18 RCs (Community Relays). These RCs are young literate cocoa producers that are trained and equipped with bikes and educational materials for the training and building awareness among farmers and their families.

Community Child Protection Systems (CCPS)

The CCPS approach is based on the child's risk assessment within its own eco-system, its community. FarmStrong uses Family Profiling as a tool to make that risk assessment. In addition, it sets up Child Protection Committees with the local community members. These committees are supported by the Cultivate Better Cocoa program but some already operate independently in other parts of the country.



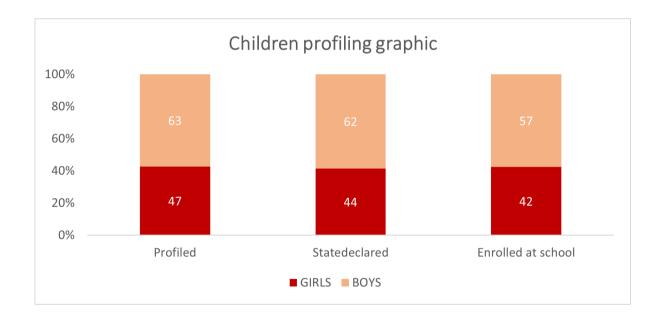


CHILDREN FROM ORES KROBOU PLAYING IN THE RAIN AND SOCIALIZING AFTER SCHOOL

The trained staff is equipped by FarmStrong with tablets with CC1 software that allow them to collect information necessary to profile families. The information is analyzed by experts to anticipate high risk cases. At the same time farmers are trained to recognize cases of child labur and to inform the committees.

With SCOOPSBAD, the profiling of families amongst the cooperative members has started and while it is just the beginning the information seems to be very encouraging. Initial survey results from 110 children profiled, including 47 girls and 63 boys, show that 98 % of the boys have birth certificates and 90 % are enrolled in school. 94% of the girls have birth certificates and 89% are enrolled in school.

Compared with the almost 5,000 children FarmStrong has profiled in the Western cocoa producing areas of the Ivory Coast, the results are remarkable. There, data shows that almost half of the children (46%) have no birth certificates, meaning they do not exist for the national statistics. Among the school age children with birth certificates, only 75% are attending schools.



COVID - 19 SUPPORT

Despite the vast majority of COVID-19 cases occurring in the capital and high population centers, with very limited public health facilities, the risk of COVID-19 in rural, cocoa-producing areas was, and remains, very real. With the support of our customers, we were grateful to be able to provide modest support to Scoopsbad to assist its farmers by raising awareness of the symptoms of the disease and the steps to prevent community spead. These awareness sessions culminated in the distribution of soap, hydroalcoholic gel and buckets to all farmer communities in the Cultivate Better Cocoa – Scoopsbad – FarmStrong program.

FARMER TESTIMONIALS

We thank GUITTARD Chocolate and the FarmStrong people for bringing us this new production technique and at the same time allowing us to relaunch the activities of our association by further strengthening the group."

Ms Zallé Fatoumata, Member of the Oress-Krobou Women's Association

"We are happy to receive this quantity of tomatoes today. We are proud of the FarmStrong - Guittard initiative which will allow us to supply our canteen for the good of the pupils, especially since the provisions made by the State prove to be insufficient. Long live FarmStrong and Guittard! "

Mr Yapi Bernard, Responsible for the school canteen in Oress- Krobou

"GUITTARD Chocolate supported FarmStrong's activities, in general, have helped our communities by improving our member growers' incomes. In particular, the vegetable greenhouse empowers women, which is a good initiative also for their families. We are grateful."

Mr. Kouamé Yao René, Chairman of SCOOPSBAD:







GHANA

KEY FACTS AND FIGURES

OFFINSO FINE FLAVOR COCOA ASSOCIATION

FAIR TRADE CERTIFIED

NUMBER OF FARMERS: 394
APPROXIMATE HECTARES: 788

KUAPA KOKOO, NKAWIE SOCIETY COOPERATIVE

FAIR TRADE CERTIFIED

NUMBER OF FARMERS: 1.120

APPROXIMATE HECTARES: 2.000

AKYMANSA FINE FLAVOR COCOA FARMERS ASSOCIATION

UTZ CERTIFIED

NUMBER OF FARMERS: 197

APPROXIMATE HECTARES: 394





KUAPA KOKOO. NKAWEI SOCIETY WOMEN LEADERS

BIODIVERSITY IN NKAWIE COCOA FARM

GUITTARD GHANA CFI - 2020 PROGRESS REPORT

FOREST PROTECTION & RESTORATION

Forests provide critical environmental services, protecting communities, crops and biodiversity and are at the center of the Cocoa & Forest Initiative.

The first step in this journey is improved traceability and transparency - knowing where our cocoa comes from in order to assure that it is not grown in protected forests or national parks. All of the cocoa in Guittard's Cultivate Better™ Cocoa programs that form the basis for our CFI program and reporting meet these primary criteria. With the support of our implementing partners and our cooperative suppliers, we prioritized mapping 100% of the farms in our direct souring programs. As in the case of Cote d'Ivoire, due to the COVID-19 pandemic, no additional farms were mapped during the reporting period. Accurate farm mapping, together with tree inventories are central to understanding yields and helping farmers establish farm development plans. This important work continues in the current 2020/2021 period. The next step will be overlaying these maps with the Ghana Forestry Commission boundaries for classified and protected lands.

As a 5th generation family business, Guittard has long believed in the importance of building and saving for the future. In cocoa, agroforestry - the combined planting of crops with timber species - offers farmers an opportunity to increase incomes and save for the future while building biodiversity. By planting timber species where shade is needed, farmers can create long-term revenue sources that can support higher education opportunities for their children, retirement funds or investment capital for renewing - renovating the cocoa farm, often for the benefit of their children or grandchildren.







NEWLY GRAFTED FINE FLAVOR COCOA TREE

During the 2019/2020 reporting period, 277 farmer members of the Akymansa Fine Flavor Cocoa Farmer's Cooperative were trained to plant desirable shade trees in their farms, at least 6 to 8 shade trees per hectare, depending on the nature of their farm and based on Utz Certification training topics for conservation and protection of the environment. Farmers are trained to plant different beneficial species like Emire (Terminalis Ivorensis), Ofram (Terminals Superba) and Mahogany on their cocoa farms to serve as wind breaks, for good shade, to create good environmental ecology and to help promote short-term and long-term incomes as well as for medicinal purposes. Farmers were also advised to maintain existing tree species and conserve plantings around water bodies/sources in and around their farms. Finally, farmers were also encouraged to report to the District Forestry Division, through their various community leaders, any illegal or indiscriminate cutting of trees without replacement. During the reporting period, 300 shade tree seedlings were provided, 150 Empire and 150 Ofram. Farmers also planted pawpaw (papaya), cocoa yam, plantains and banana to provide shade for young cocoa seedlings and grafts as well as for additional income and to feed their families.

At the Offinso Fine Flavor Cocoa Farmers Cooperative, indiscriminate felling of trees has become a serious issue in the District where operators cut down trees in cocoa farms without the farmers' knowledge. Mr. George Manu, whose fine flavor cocoa farm was practically destroyed by a road contractor, was assisted by the Cooperative to seek redress. The Cooperative collaborated with the Municipal Assembly and the Forestry Commission to ensure that the right compensation was paid and trees were supplied for restoration.

The Cooperative also collaborated with other institutions to address other aspects of forest cover. One example is Mr. Alex Opoku Mensah, whose farm exceeded the recommended number of shade trees and was advised and assisted by the Cooperative to seek guidance from the Forestry Commission before removing the excess trees. Permission to remove some of the trees was granted, with replanting in a nearby area, generating much needed income and construction materials.







PRUNED, YOUNG FINE FLAVOR COCOA BEGINNING TO PRODUCE

The Cooperative also intensified their monitoring system to identify farms with less shade trees. The Cooperative facilitated acquiring 200 native shade trees (also Emire and Ofram) from CHED, the Cocoa Health and Extension Division of the Ghana Cocoa Board which were distributed to 42 farmers.

The Offinso Fine Flavor cooperative, with the support of Dutch NGO partner, Agriterra, organized a training of trainers which was attended by the Cooperative Manager, Board members, Field Officers and lead farmers on "Climate Smart Agriculture" as part of a sustainable services workshop. Participants were trained on climate change and its causes and impacts on agriculture and food security. Fairtrade Africa has also helped train farmers on practices that can lead to climate change and ways to reduce the impact of cocoa on the environment. Field Officer, Owusu Amoako's 1-acre farm at Koforidua has been chosen as a demonstration farm on how agroforestry can be adopted in a cocoa farm to improve production and incomes.



GUITTARD GHANA CFI - RESULTS

SUSTAINABLE PRODUCTION & FARMER LIVELIHOODS

Improved yields, quality and incomes from cocoa as well as secondary incomes are critical to improving farmer livelihoods and reducing financial pressures that lead to expanding cocoa farms and further pressuring remaining forests.

FINE FLAVOR COCOA & VALUE

To increase value and open up new markets, Guittard has supported the establishment of "Fine Flavor", South American-type cocoa in Ghana that is now taking hold and providing the highest premiums paid in Ghana. These pioneering fine flavor farmers are grafting high-yielding and high-value varieties, one of the few grafting programs in Ghana, as they renew their farms within an agroforestry system.

The Akyemansa Fine Flavor Cocoa Farmers Association was founded by Ms. Augustina Tetteh, a retired Chana police officer whose love of cocoa and agriculture came through her father and now has about 20 acres of cocoa as well as additional lands dedicated to rubber, rice farming, and vegetables such as okra and pepper. Ms. Augustina Teteh was honored in 2017 as the best farmer in the Akyemansa district. In 2018 Ms. Teteh was introduced to the grafted, fine flavor cocoa, presented the idea to her farmer colleague and formed the Akyemansa Fine Flavor Cocoa Farmer's Association with 15 members.

In 2019, with Guittard's support, the association membership increased to 200 members through Utz certification training by our trade partner. The Akyemansa Fine Flavor Cocoa Farmers Association is now a registered cooperative with 277 farmers, 321 hectares with traditional varieties and approximately 20 farmers with 15 hectares of grafted, fine flavor cocoa now entering production.

The Offinso Fine Flavor Cooperative began as an informal farmer association almost 10 years ago and has grown to a registered cooperative with 473 farmers with 1,300 hectares and 43 Fine Flavor Farmers with approximately 20 hectares of mature fine flavor cocoa.

To assure quality and value of all the cooperative farmer's cocoa, with support from Cocoa Research Institute of Ghana (CRIG), farmers were trained on best harvest and post-harvest practices for their traditional variety cocoa farms as well as for fine flavor varieties. The training starts with proper harvesting of ripe, healthy cocoa, when and how to break cocoa pods, the materials that can be used for fermentation, how to ferment, and how to dry cocoa. During these trainings, farmers have the opportunity to taste chocolate made from various badly treated cocoa beans as well as chocolate from best harvest and post-harvest practices. This "Learning by Tasting" methodology allows farmers to personally understand the importance of their part in cocoa bean quality and value.

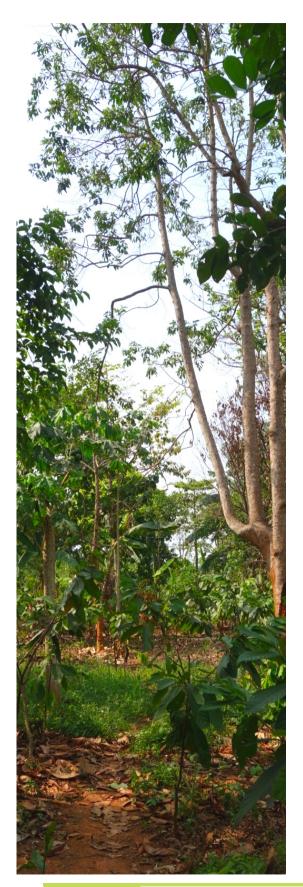
In order to achieve best fine flavor cocoa quality and flavor, with support from CRIG and project partners, the Cooperative established a central fermentation and drying center at Offinso, the first of its kind in Ghana. Since proper harvesting is a key factor to achieve good flavor, the Cooperative's technical staff harvests ripe, healthy cocoa from fine flavor farms and manages the fermentation and drying at the center. The initial results of the central fermentation and drying have been encouraging with samples submitted for the first time to the Cocoa of Excellence competition held every two years at the Salon du Chocolat in Paris.











GOOD AGRICULTURAL PRACTICES, IMPROVED YIELDS AND RAISED INCOMES

At the Offinso Fine Flavor Farmer's Cooperative, 419 famers received training on Good Agricultural Practices and Labor Rights. During these trainings, famers acquired knowledge and skills on how to plant cocoa using "line and pegging" with the correct planting distance, temporary shade from plantain or banana to support cocoa seedlings and permanent, incomegenerating shade to complete an agroforestry system.

In collaboration with CHED (Cocoa Health & Extension Division) of COCOBOD, the Offinso Fine Flavor Farmer's Cooperative raised 2,000 cocoa seedlings for its members. Also of importance, farmers were trained to use manual, or mechanized weeding, as opposed to the use of herbicides, to promote soil fertility as well as regular pruning to increase production and to reduce the incidence of pests and diseases. Offinso farmers were also trained on how to utilize organic materials such as cocoa husk, pruned branches, weeds etc. for composting on their farms.

In addition to Akyemansa Fine Flavor Farmers receiving Utz training on Good Agricultura Practices, within the 2019/2020 reporting period, a total of 25 acres of cocoa farms were re-grafted where needed with 4.625 new grafts correcting failed grafts from the original 2019 grafting. This was a critical step to avoid farms becoming mixed with fine flavor varieties and traditional varieties which would create significant challenges to segregate during harvesting.

During this period, 15 farmers were trained by the team of CRIG grafters. Of the 15 participants, three were women, twelve were male. Training was "hands on" with trainees participating in the preparation of the fine flavor budwood as well as the actual grafting and tying as well as the untying 60 days later. At the end of the grafting period, eight "farmer grafters" out of the fifteen (15) were selected by the CRIG team. The selection was based on interest, availability, skill assessment, and total successful grafts during the period. The final selection of Farmer Grafters consisted of 7 men and 1 woman. Together with Offinso these are the only "Farmer Grafters" in Ghana.

SOIL HEALTH

In addition to the training and promotion of on-farm composting, 10 farmers from Offinso and 10 farmers from Akymansa are participating in the international CocoaSoils project to better understand localized cocoa nutrient needs and soil management on research sites and cocoa farms across West Africa. From the trainings and learnings from these CocoaSoils, 20 "satellite" sites will be disseminated throughout both cooperatives.



FINE
FLAVOR
WOMEN'S
COOP
GATHER
TOGETHER
TO LEARN,
CELEBRATE
AND
ORGANIZE.

GUITTARD GHANA CFI - RESULTS

COMMUNITY ENGAGEMENT & SOCIAL INCLUSION

Forests can only be preserved and cocoa farms cared for if the communities are healthy and engaged.

GENDER EMPOWERMENT

Women are responsible for important components of household work and budgets but often do not manage the primary income from cocoa. Raising the visibility of women and helping to create new income generating opportunities that can support household needs is an important part of thriving cocoa communities.

In 2019 Guittard partnered with <u>the Sustainable Food Lab</u> and <u>Kuapa Kokoo</u> in a Living Income Pilot to work with the cooperative and women community leaders to better understand the opportunities, costs, revenues and profits of different women-run micro businesses. This project is known by farmers and union staff as "Asetina Yiedie Akonhoma", which means 'living income' in the Ashanti local language, Twi.

This collaboration works with the Nkawei Society, one of the operating cooperatives within the Kuapa Kokoo Farmer's Union (KKFU) with 1,120 farmers. Since the pilot kick-off, the project has completed a household baseline survey and developed an investment plan for increased farmer



LYDIA ANSERE TOGETHER WITH ALL THE MEMBERS OF THE WOMEN BREAD BAKING GROUP GLADLY DISPLAYING THEIR BAKED BREAD AT SEREBOURSO.

income through three diversification opportunities: the production of yam, rice and micro-enterprises producing breads and soaps. The KKFU Gender Program prioritized women-led businesses that needed strengthening or start-up funds, and are aligned with the Kuapa Kokoo Gender Program which seeks to promote social, economic and political empowerment of women members.

During the reporting period, 10 women's led businesses in 10 communities received seed capital and training to test business viability. The project has so far supported 100 women directly involved in bread and soap making and sales activities.

To better understand the gap between the actual income of Kuapa Kokoo farmers and a living income, project partners are using a simple farm economic model. The project team has modeled potential income gains from a combination of secondary-income streams, diversified crops and focused investments in cocoa quality and production over a 2-to-5-year horizon.

Initial financial results were promising with the Kuapa Gender Unit, the Nkawie management and most importantly, the women able to see the profitability of each activity and make their own decisions on how to grow and manage their businesses as well as how to allocate labor contributions to fairly and equitably share the incomes.



CHILDREN FROM THE NKAWIE SOCIETY, KUAPA KUKOO

CHILD PROTECTION

With Agriterra's support, the Offinso Fine Flavor Cooperative, in collaboration with the Department of Social Welfare (Offinso South Municipality), organized a five-day Child Labor awareness program in the various communities and villages around Offinso. This was targeted to reduce the incidence of Child Labor since most School Children were staying at home due to the COVID-19 restrictions.

Offinso is a municipal center that, is surrounded by various outdoor markets, a potential area for child labor. In order to reach out to more people, community information centers were used. House to house approaches were also used in villages without information centers. A total of 12,241 people in 13 communities benefited directly or indirectly from this campaign. Community members were sensitized on dangers associated with Child Labor including health risk, physical risk, social and emotional risk, including the fact that Child Labor is an offense punishable by law. Farmers and community members were also trained to report cases of Child Labor to community leaders, opinion leaders - Chiefs, Cooperative leaders, or institutions such as Social Welfare Department or the Domestic Violence Unit of Ghana Police Department. During the campaign, phone lines were open for people to ask questions concerning Child Labor.



COVID-19 SUPPORT

This past year COVID-19 presented serious risks to our cocoa farming partners and their communities. Together with the Fairtrade Relief Fund, and our trade partner, Tachibana, Guittard supported farmers in Offinso and Akyemansa in preventing the spread of COVID-19 in Ghana. The Cooperatives distributed hand washing buckets to the farmer clusters and families were provided reusable face masks, soaps and hand sanitizers to help control the spread of the virus. To help make these efforts sustainable and an income opportunity for women, the cooperatives trained farmers on how to make soap as well as how to sew cloth masks.

Together with the Sustainable Food Lab, Kuapa Kokoo and the Nkawie farmers, it was agreed that part of the Living Income Pilot funding would be diverted to COVID-19 preparedness and farmer-community protection. Kuapa Kokoo's COVID-19 intervention was largely based on four key infection prevention and control protocols:

- · Health Education and Promotion
- · Appropriate Hand Hygiene Techniques
- · Use Appropriate Personal Protective Equipment, specifically nose masks
- · Training of farmers in production of masks, liquid soaps and hand sanitizers

These measures were delivered through a participatory approach involving the farmers in the production of project consumables. The program directly benefitted 1,120 registered members of the Nkawei Cooperative, with an average of 5 members per household or 5,600 people. The community impact was not limited to Kuapa Kokoo/Nkawie farmers but extended to all members of the community in which they live. The educational materials served all in the community and the hand hygiene stations are for use by all.

FARMER TESTIMONIALS

Lydia Ansere is a 54-year-old woman and the leader of Serebourso women group. She spoke on behalf of the group in relation to their bread making venture. Lydia indicated that, she never expected the group to benefit this much when the project took off. Over the period, they have acquired invaluable skills in bread baking and can now better support their families with income generated from its sales. According to Lydia, the project has promoted cooperation and unity among the society members especially among the women. There is a growing number of customers who patronize their bread. The group have been named the bread they produce "Kuapa Paano" which literally means Kuapa bread.

Lydia Ansere, Serebourso Zone Women Group, Kuapa Kokoo, Nkawie Society



Abena Afriyie, Kwankyeabour Zone Women Group

Alimatu Issaka is a 32-year old woman with 5 children. She is from the Northern region and migrated to the south. They are caretaker cocoa farmers. She said before joining the group, she did not have any skills but through the Living Income Project, she can now boast of her ability to prepare different kinds of soap and sell them on her own; making profit directly from it to support her family.

Alimatu Issaka, Gogoikrom Kuapa Kokoo Zone Women Group

CONCLUDING THOUGHTS

We are very proud of and encouraged by the progress made by the Offinso and Akyemansa fine flavor farmers as well as the Kuapa Kokoo – Nkawie cooperative and women micro businesses. With the support of our implementing partners and customers, we are scaling this work and look forward to continuing progress in all three Cocoa & Forest Initiative focus areas; Forest Protection & Restoration, Sustainable Production & Farmer Livelihoods and Social & Community Engagement.



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.













Guittard 2019/2020 CFI Progress Report Tracking Table - Cote d'Ivoire

Commitment	Actions	Indicator	2022 Target	# through direct investment (Oct 2019-Sept 2020)	# Total through direct investment (since 2018)
Forest Protection and Restoration					
No further conversion of any forest land (as defined under national regulations, and using HCS and HCV methodologies) for cocoa production.	1.1 Conduct farm mapping within direct supply chain to identify and collect cocoa farm boundaries to ensure cocoa is not being sourced from forest lands, National Parks and Reserves, and Classified Forests	# of cocoa plots mapped in direct supply chain	450	-	221
		# and % of farms mapped in direct supply chain	450 / 100%	- / 49%	221 / 49%
	Conduct deforestation risk assessments in all direct sourcing areas	# of hectares in the direct supply chain with deforestation risk assessments completed	1,125	-	553
No sourcing of cocoa from National Parks and Reserves through companies' traceable direct sourcing programs.	2.1 Implement traceability tools/technology to ensure no cocoa purchases originate from National Parks or Reserves (all forest areas)	% of directly sourced cocoa traceable from the farm to the first purchase point	100%	-	100%
A differentiated approach based on the level of degradation of forests for classified Forests will be developed and translated into a national forest restoration strategy	3.1 Support the restoration of Classified Forests by working with cocoa farmers, the government and the forestry industry to implement contracts for mixed agroforestry as a restoration and livelihoods intervention	# hectares restored in Classified Forests	TBD	N/A	N/A
	4.1 Support farmers with tree registration	# trees registered			
Legal protection and management status for the		# and % of farmers with land	Total: TBD	Total: N/A	Total: N/A
remaining forests of Côte d'Ivoire in the Rural Domain	4.2 Support cocoa farmers to acquire land (tenure) documentation	tenure agreements/documentation etc. obtained via company support	М	м	М
			F	F	F
		# farmers informed, trained, and /	Total: TBD	Total:159	Total: N/A
Public enforcement of the new Forest Code and its subsequent guidelines, and public sector governance will	5.1 Promote and participate in awareness-raising campaigns to educate farmers on the new Forest Code	or consulted on the new Forest	 М	M: 154	м
be strengthened		Code, law enforcement, forest protection, and restoration		F: 5	F
	6.1 Mobilize finance for forest protection and restoration	# Individuals receiving PES: New		Total: N/A	Total: N/A
				м	М
Public-private collaboration to mobilize resources for				F	F
forest protection and restoration		# Individuals receiving PES: Total Active	Total: TBD	Total: N/A	
			М	М	
			F	F	
7. Public-private collaboration to identify good practices, technical guidance and incentive mechanisms for forest restoration and agro-forestry	7.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	#farmers applying agroforestry	Total: TBD	Total:159	Total: N/A
			М	M: 154	М
			F	F: 5	F
		# multi-purpose trees distributed for on-farm planting	10,000	7,000	0
		# hectares cocoa agroforestry in development	TBD	N/A	N/A
	7.2 Support distribution and planting of native trees for off- farm restoration (reforestation)	## of trees distributed for off-farm planting	TBD	N/A	NA
		# ha of forest area restored in rural zone	TBD	N/A	N/A
	7.3 Train farmers in CSC production including cocoa agroforestry systems	#farmers trained in CSC best practices	Total: TBD	Total:159	Total: N/A
				M: 154 F: 5	M
Government creation, in collaboration with all stakeholders, of a public-private fund to support financing of protection and restoration of HCV forest areas.	8.1 Support the creation of the public-private forest conservation and rehabilitation fund	\$ contributed to fund	N/A	7.0	,

Sustainable Production and Farmers' Livelihoods				Ì	İ
Promote investment in long-term productivity of cocoa in environmentally suitable areas in order to grow "more cocoa on less land"	9.1 Distribute improved cocoa planting material	# improved seedlings distributed to farmers			
	9.3 Train farmers in Good Agriculture Practices (GAPs)	# of farmers reached by GAP training programs	Total: TBD M	Total:159 M: 154	Total: N/A
			F	F: 5	F
10. Promote sustainable livelihoods and income diversification for cocca farmers	10.1 Promote farm-level crop diversification	# individuals participating in	Total	Total	Total
		additional Income Generating	М	M	М
		Activities (IGA's)	F	F	F
	10.2 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	# multi-purpose trees distributed for on-farm planting # hectares of cocoa agroforestry	Already reported 7.1		
		# and % individuals in the current	Total: TBD	Total: N/A	Total: N/A
		reporting year enrolled in a formal	М	М	М
		financial products and services	F	F	ĪF
11 Promote financial inclusion and innovation to deepen farmers' access to working capital and investment funds		(loans_insurance, digital	Total: TBD	Total: N/A	Total: N/A
for production and farm renovation	farmer savings	# of members of VSLA groups in	М	М	М
		the current year	<i>F</i>	F	F
		# of VSLA groups in the current year			
12. Improve supply chain mapping, with the goal of 100% of cocoa sourcing traceable from farm to first purchase point. An action plan will be developed for traceability,	12.1 Conduct farm mapping within direct supply chain to identify and collect cocoa farm boundaries to ensure cocoa is not being sourced from forest lands, National Parks and Reserves, and Classified Forests	# of cocoa plots mapped in direct supply chain	Already reported 1.1 Already reported 2.1		
which will be implemented step-by-step to achieve full traceability and verification, applicable to all by end-2019.	12.2 Implement traceability system to farm level in direct supply chain	first purchase point			
	Social Inclusion and Comn	unity Engagement			
 Full and effective information sharing, consultation, and informed participation of cocoa farmers and their communities who are affected by proposed land-use changes. 	13.1 Organize cocoa community consultations on the implementation of the Frameworks for Action	# farmers informed, trained, and / or consulted on the new Forest Code, law enforcement, forest protection, and restoration	Already reported 5.1		
14. Promote community-based management models for forest protection and restoration	14.1 Establish and/or support community-based natural resource management programs for forest restoration/protection	# of cocoa communities with active forest restoration and protection program	TBD	4	NA
	- Soloi de Si pi otobio i	# hectares under CBNRM	TBD	NA	NA
15. Development of action plans for forest protection and restoration, and sustainable agricultural intensification that are gender and youth sensitive.	15.1 Develop forest protection & restoration and agriculture intensification action plans that are gender and youth sensitive	# of individuals participating in women's empowerment projects and activities	Total: TBD	Total: 28	Total: 28
			М	M: 0	M: 0
			F	F: 28	F: 28
		# of individuals participating in youth focused projects and activities (age 15-35)	Total: TBD	Total: N/A	Total: N/A
			М	М	М
			F	F	F
		3			

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Farmers in direct supply/ member sustainability programs



Guittard 2019/2020 CFI Progress Report Tracking Table - Ghana

Commitments	Actions	Indicator	2022 Target	# through direct investment (Oct 2019-Sept 2020)	# Total through direct investment (since 2018)
	Forest Protection a	nd Restoration			
No further conversion of any forest land (as defined under national regulations, and using HCS and HCV methodologies for cocoa production.	1.1 Conduct farm mapping within supply chain to ensure cocoa is not being sourced from forest land	# of cocoa plots mapped in direct supply chain # and % of cocoa farms mapped in	1200	-	591
	1.2 Conduct deforestation risk assessments in all sourcing areas.	direct supply chain# of hectares in the direct supply chain with deforestation risk assessments completed	1200 / 100% 	-	591 / 49% 1182
No production and sourcing of cocoa from National Parks, Wildlife Sanctuaries, and Wildlife Resource Reserves, except from farms with existing legal status.	2.1 Implement traceability tools/technology to ensure no cocca purchases originate from National Parks, Wildlife Sanctuaries, and Wildlife Resource Reserves (all forest areas)	% of directly sourced cocoa traceable from the farm to the first purchase point	100%	49%	
3. A differentiated approach for Forest Reserves will be adopted, based on level of degradation; with elimination of sourcing of coosa in less degraded reserves (Cat.1) as of 31 December 2019; and production and sourcing for a period up to 25 years through MTS in more degraded reserves (Cat. 2).		#hectares of Category 2 Forest Reserve areas restored:	NA	NA	NA
	4.1 Train farmers in off-reserve forest lands in CSC production including cocoa agroforestry systems	# farmers trained in CSC best	Total = 1200	Total = 591	
4. In highly degraded off reserve forest lands, cocoa		practices	M	M = 271	
production and sourcing will continue, supported by climate smart cocoa and MTS.	4.2 Train farmers in Modified Taungya System (MTS)	#farmers trained in MTS	F Total = 1200	F = 320 Total	
			M F	M F	
5. Land and tree tenure reforms, and benefit sharing	5.1 Support farmers with tree registration	# trees registered	,	,	
arrangement to incentivize land owners and users to	5.2 Support cocoa farmers to acquire land (tenure) documentation	# and % of farmers with land tenure agreements/documentation etc. obtained via company support	Total	Total	Total
retain naturally regenerated trees will be accelerated, including approval of CREMA mechanism.			М	М	М
including approval of CINEWA mechanism.			F	F	F
0.00	6.1 Promote awareness-raising campaigns to educate farmers on forest law enforcement and tree tenure provisions	# farmers informed, trained, and / or consulted on forest policy/law enforcement, forest protection, and restoration	Total	Total = 591	
Public sector forest law enforcement and governance will be strengthened			М	M = 271	
			F	F = 320	
	7.1 Mobilize finance for forest protection and restoration	# Individuals receiving PES: <u>New</u>		Total	Total
7 . Public-private collaboration to mobilize new sources				М	М
of funding for forest protection and restoration, and to		# Individuals receiving PES: <u>Total</u> Receiving.		F	F
			Total	Total	
			М	М	
			F	F	
Public-private collaboration will be enhanced to identify good practices and technical guidance for forest conservation and restoration, shade grown cocoa, and MTS in Forest Reserves.	8.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	# farmers applying agroforestry	Total = 1200	Total = 259	Total = 259
			М	M = 125	M = 125
			F	F = 194	F = 194
		# multipurpose trees distributed for on- farm planting	5000	500	2500
		# hectares cocoa agroforestry in development	2400	57	tbd
	8.2 Support distribution and planting of native trees for off- farm restoration (reforestation)	# of trees distributed for off-farm planting		300	-
		# hectares of forest area restored off- reserve		-	-
	8.3 Train farmers in Modified Taungya System (MTS)	# farmers trained in MTS	Already reported 4.2		

	Sustainable Production an	d Farmer Livelihoods			
	9.1 Distribute improved cocoa planting material	# improved cocoa seedlings distributed to farmers	5000	2000	2500
9.Promote investment in long-term productivity of high quality cocoa in environmentally sustainable manner and grow "more cocoa on less land."	9.2 Train farmers and producer organizations in the latest Good Agriculture Practices (GAPs)	# of farmers reached by GAP training programs	Total	Total = 591	
			М	M = 271	
			F	F = 320	
10. Promote sustainable livelihoods and income	10.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	# multipurpose trees distributed for on- farm planting # hectares cocca agroforestry in development	Already reported 8.1		
diversification for cocoa farmers.	10.2 Promote farm-level crop diversification	# individuals participating in additional Income Generating Activities (IGA's)	Total = 150	Total = 284	
			М	M = 60	
			F	F = 224	
		# and % individuals in the current	Total	Total	
		reporting year enrolled in a formal financial products and services (loans,	М	М	
11. Promote financial inclusion and innovation to deepen		insurance, digital payments, and	F	<i>F</i>	
farmers' access to working capital and investment funds		savinns (hank/mobilel) .with.sunnort	Total	Total	
required for production and cocoa farm rehabilitation and		# of members of VSLA groups in the current year			
renovation.			М	M	
			F	F	
		# of VSLA groups in the current year	-	-	
12. Improve supply chain mapping, with 100% of cocoa sourcing traceable from farm to first purchase point. An	12.1 Conduct mapping to identify and collect cocoa farm boundaries polygon data	#farms mapped within direct supply chain	Already reported 1.1		
action plan will be developed that maps out key principles, steps, and milestones to achieve this step, encompassing all national and international traders.	12.2 Implement traceability system to farm level in 100% of supply chain by end-2019	% cocoa supply traceable from individual farms to first purchase point	t Already reported 2.1		
	Social Inclusion and Com	munity Engagement	-		
13. Full and effective information sharing, consultation, and informed participation of cocoa farmers and their communities who are affected by proposed land-use changes.	13.1 Organize cocoa community consultations on the implementation of the Frameworks for Action	# farmers informed, trained, and / or consulted on forest policy/law enforcement, forest protection, and restoration	Already reported 6.1		
14. Promote community-based management models for forest protection and restoration.	resource management (CBNRM) programs for forest	# of cocoa communities with active forest restoration and protection program			
		# hectares under CBNRM			
	15.1 Develop forest protection & restoration and agriculture intensification action plans that are youth and gender sensitive	# of individuals participating in	Total = 150	Total = 100	
15. Development of action plans for forest protection and		women's empowerment projects and activities	М 	M = 0 F = 100	
restoration, and sustainable agricultural intensification that are gender and youth sensitive.		# of individuals participating in youth	Total	Total	
		focused projects and activities (age 15-		М	
		35)	F	F	
# Farmers in d	irect supply/ member sustainability programs			591	