



We support the Sustainable Development Goals

# **COCOA HORIZONS FOUNDATION**

## ***2020-21 Progress Report***



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# 1. Management Statement

The Cocoa Horizons Foundation (the “Foundation”), an independent, non-profit organization, was formally established by Barry Callebaut in February 2015 in Zurich, Switzerland and launched on 17 September 2015. It is supervised by the Swiss Federal Foundation Supervisory Authority and is audited annually to demonstrate compliance with Swiss federal regulations. The Foundation’s Board of Directors includes five directors, one appointed by Barry Callebaut, and four independent directors.

The purpose of the Foundation is to improve the livelihoods of cocoa farmers and their communities through the promotion of sustainable, entrepreneurial farming, improved productivity and community development, which protect nature and children.

The Cocoa Horizons Foundation works together with partners to build on collective strengths, scale impact and drive on-the-ground change in cocoa growing communities. The Foundation does this in three ways: by targeting funds toward those activities that will have the biggest impact in addressing challenges and needs of smallholder cocoa farmers; by pooling the resources from its funding sources in order to achieve economies of scale; and by helping to drive the demand for sustainable cocoa.

The Cocoa Horizons Foundation, through its mission and activities, supports 7 out of the 17 Sustainable Development Goals established by the United Nations in 2015 with the aim to end all forms of poverty, fight inequalities and tackle climate change while ensuring that no one is left behind (<https://www.un.org/sustainabledevelopment>)<sup>1</sup>.



In 2020/21, the Foundation started operations in Nigeria, which is not covered within the scope of PwC’s assurance this year. The Foundation has also strengthened its program in Côte d’Ivoire by including a new experienced implementer of sustainability programs and therefore increasing the number of partners generating impact on its behalf. In Côte d’Ivoire, Ghana, Cameroon, Brazil, Ecuador and Indonesia, implementation of the Cocoa Horizons program is organized in three pillars – Productivity, Community and Environment - and covers the following focus areas:

- Farmer Group and Group Member requirements;
- Traceability of cocoa from farmers to the Barry Callebaut buying site;
- Farmer Group Capacity building and Farmer Coaching;
- Activities that target the cocoa productivity and income to create self-driven farmers;
- Activities that target self sustaining communities with a focus on child protection;
- Environmental activities; and
- Transparency of premium flows.

In 2020/21, the Foundation concentrated its efforts on scaling up activities to drive impact, while gradually adapting the program in order to generate efficiencies and meet different mandatory and voluntary requirements. For instance, the Cocoa Horizons graduation which evaluates farmers’ knowledge to focus on the topic and population of interest, has shown great improvements and confirmed the transition from training to coaching.

The COVID pandemic has once again underlined the importance of a sustainable supply chain. Throughout the crisis, the continued protection of field staff and farmers were of key priority. The implementation of the program and sourcing of the volumes continued. Thanks to the adoption of precautionary measures and the dedication of implementers, most activities to support farmers were pursued, limiting mainly the sensitization or creation awareness events done in bigger

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<sup>1</sup> The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States.

# **1. Management Statement**

groups or the use of the Cocoa Horizons truck to sensitize communities. Nevertheless, the uncertainties at the beginning of the fiscal year generated some delays and constraints in the program implementation restraining the program growth.

The Foundation is closely following and implementing the latest developments in the sustainable cocoa industry and continuously focusing on strengthening the program and accelerating the impact of activities on the ground, therefore the methodology is currently under review, in order to integrate improved approaches in the different areas. The goal is to implement higher standards of governance and transparency, ensuring impact is generated for the different stakeholders, while still maintaining the ambition of the Foundation to scale impact through an activities based approach. This review is also considering the latest developments in the international legislations (EU regulation), the major initiatives (Cocoa & Forests Initiative) and national requirements (African Regional Standard). The revised methodology will be fully implemented in 2021/2022, while the methodology published in August 2018 has been executed in 2020/2021 with some preliminary improvements.

In order to address a critical gap in helping lift farmers out of poverty, the Foundation continues to enable the scale up and supports the strengthening of innovative farm services offered to farmers, via the Farm Business Plans and more personalized coaching, to improve their old and unproductive cocoa farms with more productive and diversified ones. The service offers cocoa and shade tree seedlings, inputs, and seeds for food crops, in order to improve cocoa productivity and diversify farmers' income. While good progress was made in Ghana and Cameroon, the productivity ban in Côte d'Ivoire continued to limit further expansion of the program. In particular in Ghana some activities have been extended to cocoa farmers in general, with the objective to promote the program and to prepare for future expansion driven by customers' demand.

The Foundation continued scaling up child labor monitoring and remediation activities, while at the same time undertaking remediation activities for cases identified in the prior year. This individual approach is completed by activities at the farmer group and community level to further sustain the remediation, but also prevent further incidents. It aims to increase the farmer groups and communities engagement in child protection, their ownership of the monitoring and remediation process and their ability to prevent child labor. Such activities comprise the establishment of Community Action plans, Village Savings and Loan Associations and Income Generative Activities with a focus on empowering women. The community approach is taking more and more importance in the child protection strategy. However this has been negatively impacted by the pandemic restricting the group gatherings.

When it comes to protection the environment and forests, Cocoa Horizons embeds the commitments of the Cocoa and Forests Initiative (CFI), which aims to bring the cocoa industry to zero deforestation in Côte d'Ivoire and Ghana, and apply them to all countries where it is implemented. The first step, and therefore the program's focus, is to collect full data from all the farmers in the program, including the precise polygon mapping of farmers' plantations. This task has been challenging considering the major increase in the number of farmers and the efforts are still on-going with the aim to have all new farmers fully mapped in 2021/22.

This report presents a summary of the program activities implemented during the year 2020/21, as well as the outcomes from some of those activities, in the form of key performance indicators (KPIs) and performance metrics. It is aimed at providing the Foundation's stakeholders with the assurance that premiums have been collected and distributed according to the program guidelines, and with the actual results and impact of the activities described in the Foundation's communications. It is based on the work performed by the Foundation and independently assured by PricewaterhouseCoopers LLP (PwC) in cocoa communities in the countries where the program is implemented.

This report, covering the financial year ended 31 August 2021, presents the results of a limited assurance level engagement under the ISAE 3000 (Revised) assurance standard, providing the buyers of Cocoa Horizons products via Barry Callebaut with an enhanced level of confidence in relation to the use of the premium and the activities conducted.

The exact scope, nature and conclusion of independent assurance are highlighted in the Independent Assurance Report of PricewaterhouseCoopers LLP on pages 5-6.

The Cocoa Horizons Foundation selected and applied appropriate policies and processes in preparing the data in this report. The Foundation believes that the KPIs presented are complete and accurate. At the same time the Foundation believes that the assessment criteria is suitable for the purpose of measuring and evaluating the KPIs presented in the report.

The Directors of the Cocoa Horizons Foundation are and shall be responsible for the information presented in this document being complete and accurate, and prepared in accordance with the Reporting Criteria in Appendix A to this document.

DocuSigned by:  
  
D62DEDAPB44 14A...

Date 18-11-2021

Peter Lutz, Board member of the Cocoa Horizons Foundation

DocuSigned by:  
  
FA5AC6A13BDF41C...

Date 18-11-2021

Evelyn Nassar, General Manager of the Foundation

For and on behalf of the Directors of the Cocoa Horizons Foundation.



## Independent Limited Assurance Report to the Directors of the Cocoa Horizons Foundation

The Board of Directors of Cocoa Horizons Foundation engaged us to provide limited assurance on the information described below and set out in Cocoa Horizons Progress Report 2021/21 ("Progress Report") for the year ended 31 August 2021.

### *Our conclusion*

**Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 August 2021 has not been prepared, in all material respects, in accordance with the Reporting Criteria.**

This conclusion is to be read in the context of what we say in the remainder of our report.

### *Selected Information*

The scope of our work was limited to assurance over the Key Performance Indicators contained in the Progress Report (the "Selected Information").

The Selected Information is presented in the "Performance Indicators" columns of the tables on pages 13 to 26 of the Progress Report (except for the Key Performance Indicators marked with an asterisk and for the extract from the Cocoa Horizon Foundation's financial annual regulatory return, on pages 25 and 26). The Reporting Criteria against which the Selected Information was assessed, is presented in Appendix A<sup>1</sup>.

Our assurance does not extend to information in respect of earlier periods or to any other information included in the Progress Report for the year ended 31 August 2021.

### *Professional standards applied and level of assurance*

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board.

### *Our independence and quality Control*

We complied with the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions of the IESBA Code of Ethics.

We apply International Standard on Quality Control (UK) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent team with experience in sustainability reporting and assurance.

### *Understanding reporting and measurement methodologies*

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Consequently, the Selected Information needs to be read and understood together with the Reporting Criteria, which Cocoa Horizons Foundation is solely responsible for selecting and applying. The Reporting Criteria used for the reporting of the Selected Information are as at 31 August 2021.

### *Inherent limitations*

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information. The precision of different measurement techniques may also vary.

### *Work done*

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, we:

- made enquiries of Barry Callebaut Sourcing AG's and Cocoa Horizon Foundation's management in Switzerland, Côte d'Ivoire, Ghana, Cameroon, Brazil, Indonesia and Ecuador;
- made enquiries of operational staff, Farmer Group management teams and cocoa farmers aligned with Barry Callebaut's sustainability program, including the Sustainability Reporting team and those with responsibility for Sustainability Reporting management and group sustainability reporting;
- obtained an understanding of the key structures, systems, processes and controls for managing, recording and reporting the Selected Information. This included visiting a number of Farmer Groups and Cocoa Farms in Côte d'Ivoire, Ghana, Cameroon and Brazil selected on the basis of their inherent risk and materiality to the group, to understand the key processes and controls for reporting site performance data to the local and group reporting teams;
- performed limited substantive testing on a selective basis of the Selected Information at the head offices and in relation to sites in Côte d'Ivoire, Ghana, Cameroon, Brazil, Indonesia and Ecuador to check that data had been appropriately measured, recorded, collated and reported; and
- considered the disclosure and presentation of the Selected Information.

## **Responsibilities of Cocoa Horizon Foundation's Directors**

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As explained in the Management Statement, as found in Section 1 of the Progress Report, the Directors of Cocoa Horizons Foundation are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing objective Reporting Criteria for preparing the Selected Information;
- measuring and reporting the Selected Information based on the Reporting Criteria; and
- the content of the Progress report.

## **Our responsibilities**

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We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of Cocoa Horizons Foundation.

This report, including our conclusions, has been prepared solely for the Board of Directors of Cocoa Horizons Foundation in accordance with the agreement between us dated 15 July 2021, amended by the agreement between us dated 5 November 2021, to assist the Directors in reporting Cocoa Horizon Foundation's Selected Information. We permit this report to be disclosed in the Progress Report for the year ended 31 August 2021, to assist the Directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors and Cocoa Horizons Foundation for our work or this report except where terms are expressly agreed between us in writing.

*PricewaterhouseCoopers LLP*

**PricewaterhouseCoopers LLP**  
**Chartered Accountants**  
**London**  
**18 November 2021**

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<sup>i</sup>The maintenance and integrity of Cocoa Horizon Foundation's website is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or Reporting Criteria when presented on Cocoa Horizon Foundation's website.



## 2. Program Activities and Performance

### COCOA HORIZONS IN FIGURES - 2020/21

#### KNOW YOUR FARMER



**158,122**

FARMERS WITH FULL DATA



**17%** OF FARMERS  
ARE WOMEN

#### COMMUNITY



**18,529**

CHILDREN WERE ASSESSED  
ON CHILD LABOR



**81%** OF FARMER GROUPS  
SOURCED FROM HAVE SYSTEMS IN  
PLACE FOR CHILD LABOUR  
MONITORING



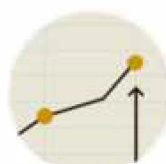
**25,186**

CHILDREN IN THE PROCESS  
OF BEING REMEDIATED OR  
REMEDIED FROM CHILD  
LABOUR



**1,240**  
VILLAGE SAVINGS AND LOAN  
ASSOCIATIONS

#### PROSPERING FARMERS



**+45%** FARMERS  
DELIVERING COCOA

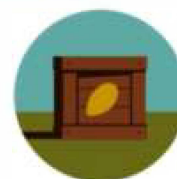


**47%** OF FARMERS IN  
THE PROGRAM ARE ABOVE  
POVERTY LINE



**86,609**

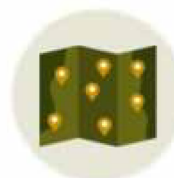
FARMERS RECEIVED A FARM  
BUSINESS PLAN



**36,387**

FARMERS RECEIVED A  
PRODUCTIVITY PACKAGE

#### ENVIRONMENT



**74%**  
DEMONSTRATED FREE  
FROM DEFORESTATION



**3,582,408**

COCOA AND NON-COCOA  
SEEDLINGS DISTRIBUTED



**4,578**  
COOKSTOVES DISTRIBUTED



**161,000**

TONS OF CO2 SEQUESTERED  
THROUGH COH ACTIVITIES



### 3. A 4 year overview of the Program

| KPI                                                 | Farmer Groups and Group Members                                                                                                                                                                 | 17/18        | 18/19               | 19/20               | 20/21        | vs PY        |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------|---------------------|--------------|--------------|
| 1.1                                                 | No. of tons of Horizons cocoa sold in bean equivalent                                                                                                                                           | 64,808       | 86,748              | 104,863             | 175,000      | +67%         |
| 1.2                                                 | All Horizons cocoa sales are documented and balanced against sourced volumes in a given financial year and closed with cumulative surplus / (shortfall) of volumes sourced against volumes sold | 28,426       | 30,081              | 37,556              | 25,100       | -33%         |
| 1.3                                                 | No. of Farmer Groups delivered Horizons Cocoa                                                                                                                                                   | 92           | 151                 | 181                 | 224          | +24%         |
| 1.4                                                 | No. of COH registered farmers                                                                                                                                                                   | 93,370       | 135,115             | 150,693             | 235,301      | +56%         |
| 1.5                                                 | No. of tons of Horizons cocoa purchased                                                                                                                                                         | 72,088       | 89,445              | 111,323             | 162,834      | +46%         |
| 1.6a                                                | No. of COH registered farmers delivered Horizons cocoa                                                                                                                                          | 74,521       | 85,089              | 111,677             | 162,436      | +45%         |
| 1.6b                                                | % of COH registered farmers delivering Horizons cocoa                                                                                                                                           | 80%          | 63%                 | 74%                 | 69%          | -7%          |
| 1.7a                                                | No. of women farmers delivered Cocoa Horizons cocoa are members Farmer Groups                                                                                                                   | 16,331       | 18,258              | 23,442              | 30,911       | +32%         |
| 1.7b                                                | No. of women are registered members of Cocoa Horizons Farmer Groups                                                                                                                             | 18,541       | 23,366              | 28,419              | 39,298       | +38%         |
| 1.8a                                                | No. of delivered farmers with full data                                                                                                                                                         | -            | -                   | 83,197              | 111,532      | +34%         |
| 1.8b                                                | No. of registered COH farmers with full data                                                                                                                                                    | 53,317       | 98,747              | 106,199             | 158,122      | +49%         |
| 1.8c                                                | % of farmers delivered Horizons cocoa with full data (map and census)                                                                                                                           | NA           | 95%                 | 75%                 | 69%          | -8%          |
| 1.9                                                 | % of farmers who delivered Horizons cocoa in the fiscal year and have received the Cocoa Horizons Premium                                                                                       | 100%         | 100%                | 100%                | 100%         | -            |
| <b>Farmer Households Lifted Out of Poverty Line</b> |                                                                                                                                                                                                 | <b>17/18</b> | <b>18/19</b>        | <b>19/20</b>        | <b>20/21</b> | <b>vs PY</b> |
| 2.1                                                 | No. of cocoa farmers above the World Bank's International Poverty Line of USD 1.90/day**                                                                                                        | 30,812       | 64,920 <sup>2</sup> | 57,495              | 121,722      | +112%        |
| 2.2                                                 | No. of farmer Group staff trained                                                                                                                                                               | -            | 260                 | 746                 | 3,955        | +430%        |
| 2.3a                                                | No. of farmers who graduated from COH Academy                                                                                                                                                   | -            | 16,952              | 60,870              | 154,378      | +154%        |
| 2.3b                                                | % of farmers graduated from COH academy as proportion of those assessed                                                                                                                         | -            | 63%                 | 75%                 | 76%          | +1%          |
| 2.4                                                 | No. of farmers trained on environmental protection since 2018                                                                                                                                   | -            | 74,571              | 116,157             | 124,754      | +8%          |
| 2.5                                                 | No. of farmers trained on gender and social issues since 2018                                                                                                                                   | -            | 19,021              | 89,486              | 97,963       | +10%         |
| 2.6a                                                | No. of farmers who received a Farm Business Plan (FBP)                                                                                                                                          | 3,282        | 9,920               | 36,324 <sup>3</sup> | 86,609       | +138%        |

<sup>2</sup> For comparison reasons, the fiscal year 2018/19 baseline measurement of the number of cocoa farmers in our supply chain out of poverty, measured against the World Bank's USD 1.90/day threshold for extreme poverty has been restated to 45,118 to reflect the revised methodology and 62,381 for FY19/20.

<sup>3</sup> For 19/20, this number is cumulative, including farmers who received an FBP for both 18/19 and 19/20 combined

\*\* Definition has been adapted in 20/21, therefore not fully comparable to prior year figures.

|                                             |                                                                                                                                         |              |              |                  |              |              |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|------------------|--------------|--------------|
| 2.6b                                        | No. of farmers who have access to a productivity package                                                                                | 3,447        | 4,457        | 15,020           | 36,387       | +142%        |
| 2.6c                                        | % of farmers who adopted a productivity package after FBP                                                                               | -            | -            | 49%              | 49%          | -            |
| 2.7                                         | No. of cocoa seedlings distributed                                                                                                      | 1,459,966    | 777,821      | 1,391,170        | 1,281,032    | -8%          |
| 2.8                                         | No. of farmers who have received Farm Service activities (FBP, coaching, inputs such as tools and seedlings, or income diversification) | -            | 32,566       | 45,893           | 98,986       | +116%        |
| 2.9                                         | No. of community members who have received support for income diversification and/or IGAs since the start of activities in 2016         | -            | 164          | 526              | 2,286        | +335%        |
| <b>Zero Child Labor in Our Supply Chain</b> |                                                                                                                                         | <b>17/18</b> | <b>18/19</b> | <b>19/20</b>     | <b>20/21</b> | <b>vs PY</b> |
| 3.1                                         | No. of Village Savings and Loans Associations (VSLAs) established                                                                       | -            | -            | 800              | 1,240        | +55%         |
| 3.2                                         | No. of child labor cases identified in our supply chain                                                                                 | 3,096        | 3,867        | 22,519           | 18,529       | -18%         |
| 3.3                                         | No. of child labor cases under remediation                                                                                              | -            | 2,333        | 4,786            | 25,186       | +426%        |
| 3.4                                         | No. of identified child labor cases which are considered remediated**                                                                   | -            | -            | 335              | 362          | +8%          |
| 3.5a                                        | No. of Farmer Groups covered by CLMRS activities**                                                                                      | 20           | 42           | 110              | 184          | +67%         |
| 3.5b                                        | % of Farmer Groups we directly source from that have systems in place to prevent, monitor, and remediate child labor**                  | 22%          | 28%          | 67% <sup>4</sup> | 81%          | +20%         |
| 3.6                                         | No. of farming households who have participated in a child labor identification monitoring survey                                       | 13,256       | 16,710       | 39,173           | 39,843       | +2%          |
| 3.7                                         | No. of children who participated in a child labor identification monitoring survey                                                      | 15,223       | 29,050       | 81,892           | 66,974       | -18%         |
| 3.8                                         | No. of community members attending the sensitisation events on child labor via the COH truck                                            | 20,748       | 27,247       | 17,451           | -            | -            |
| 3.9                                         | No. of communities reached by the COH truck                                                                                             | 65           | 56           | 38               | -            | -            |

<sup>4</sup> For 19/20, this KPI has changed to measure the % of Farmer Groups with whom COH undertakes child labor identification and/or remediation activities. It was not possible to collect complementary data from Farmer Groups with whom COH source and have their own CLMRS systems in place due to COVID restrictions

\*\* Definition has been adapted in 20/21, therefore not fully comparable to prior year figures.

|      | Environmental Protection                                                                                                                                            | 17/18   | 18/19   | 19/20                | 20/21     | vs PY |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|----------------------|-----------|-------|
| 4.1a | No. of shade tree seedlings distributed to farmers                                                                                                                  | 372,468 | 602,948 | 1,204,223            | 1,598,772 | +33%  |
| 4.1b | No. of shade tree seedlings distributed to Farmer Groups                                                                                                            | -       | -       | 1,574,758            | 2,272,539 | +44%  |
| 4.2  | % delivered farmers with a GPS map                                                                                                                                  | -       | -       | 80%                  | 75%       | -6%   |
| 4.2b | No. delivered farmers with a GPS map                                                                                                                                | 35,618  | 88,351  | 89,691               | 122,189   | +36%  |
| 4.3  | % of Horizons cocoa which is proven to be free from deforestation (ie. cocoa is not sourced from National Protected Areas as defined by the National Governments)** | -       | 70%     | 76%                  | 74%       | -3%   |
| 4.4a | No. of cookstoves distributed to farmers                                                                                                                            | -       | -       | 2,610                | 4,578     | +75%  |
| 4.5  | Total amount of CO <sub>2</sub> sequestered through all Cocoa Horizons activities                                                                                   | 16,500  | 72,500  | 132,523 <sup>5</sup> | 160,000   | +21%  |
| 5.7  | # tree seedlings distributed off-farm for restoration purposes                                                                                                      | -       | -       | -                    | 28,837    | -     |

<sup>5</sup> For 19/20, this KPI was audited by Gold Standard. Link to the Assurance documents [here](#).

\*\* Definition has been adapted in 20/21, therefore not fully comparable to prior year figures.

## ***4. Progress Update for 2020/21***

### ***General***

The demand for Cocoa Horizons volume keeps increasing at a fast pace with new customers interested in the program but also a larger share of existing customers. In order to cope with this growth of 63% in sales volume, the program had to scale up its operations consistently compared to last year, reaching 162,834 tons of purchased cocoa and having registered activities with around 235,000 farmers. The program had to recruit more farmers in order to compensate for rotation, but also to meet the demand and to prepare for future growth. This significant increase has created a lot of pressure on the scaling of activities, especially the collection of full data which should be completed within the first year of registration.

In order to match the growth both in volume but also in activities as smoothly as possible, the Foundation continued to expand its geographic footprint, now adding Nigeria to the list of countries implementing Cocoa Horizons. It also expanded its network of partners to support the implementation of activities in different areas. For the first time, it is implementing the program through a third party outside of Barry Callebaut and this will continue to increase in the future.

### **Partnerships**

#### **Program implementation**

The Foundation approved a third party, as a new implementer for its program in Côte d'Ivoire. Thanks to its strong experience in the implementation of sustainability programs worldwide and in several commodities, the third party was able to implement the Cocoa Horizons methodology in the 7 farmer groups under its responsibility. The onboarding process started a year before the start of the 2020/2021 fiscal year and continued throughout the year to ensure a full alignment in methodology and monitoring. Building on this experience and forecasting further needs and growth, the Foundation will further expand the program implementation to new countries and third parties.

The Foundation has also engaged several partnerships with actors in sustainable activities to further broaden its support to cocoa farming communities and deliver impact.

#### **Land documentation**

The Foundation has further embedded land documentation into its activity as it enables improvements on all 3 pillars. By securing their land, farmers are more comfortable in making the necessary investment to increase productivity. They anchor their cocoa activity in a declared and appropriate location, and they can use their land as an asset for bank services, capital transmission or even trade. Therefore, the Foundation has been engaged with the Côte d'Ivoire Land Partnership (CLAP) as a founding member together with a social venture specialized in land documentation, and with major industry players like Hershey's and Unilever, as well as the Rural Land Agency of Côte d'Ivoire (AFOR). The partnership aims to deliver 9,000 land documents by 2023. In parallel, the Foundation is supporting a land tenure project in 3 districts in Ghana with the same third party expert.

#### **Income diversification**

The Foundation has strengthened its approach to help lifting farmers out of poverty via income diversification thanks to a new partner specialized platform that helps smallholder farmers in Africa find all the resources they need to carry out their projects. This activity links entrepreneurial farmers with ordering consumers and supports the whole supply chain from the food crop conversion and production, to the delivery at local consumer's doors. Based on the success of this first

pilot with 1,516 community members in Côte d'Ivoire the activity will be further scaled up in the future to complement the other activities on income diversification.

### **Agroforestry**

As the need for the implementation of the Agroforestry system is more and more urgent, the Foundation started to work with a third party expert in 3 communities in Ghana. The objective of this partnership, on top of increasing the program's impact, is to develop more partnerships with field actors in order to increase the capacity of the Foundation to scale and adjust the program activities quickly and smoothly. In this project, the Foundation piloted an intensive agroforestry set up targeting whole communities instead of a set of farmers selected on their supply chain affiliation, which should lead to a more efficient, holistic and lasting change.

### **Forest restoration**

To complement the on-farm approach of agroforestry, the Foundation has started a several years project to restore Agbo forest in Côte d'Ivoire with an expert in nature based climate projects. At inception, the project is aiming to restore 300 ha of forest with over 100,000 trees, and will serve as a foundation to attract additional funding and projects.

## ***Farmer Group and Group Member requirements***

### **Overview**

The Cocoa Horizons program operates with Farmer Groups in Côte d'Ivoire, Ghana, Cameroon, Indonesia and Ecuador and directly with farmers in Brazil. In Côte d'Ivoire, these are agricultural cooperatives who deliver cocoa to Barry Callebaut's own sourcing company or Barry Callebaut's sourcing partner. In Ghana, this is Barry Callebaut's own direct sourcing licensed buying company, Nyonkopa Ltd. Due to its size, Nyonkopa is organized by districts in their respective counties of operation. In Cameroon, these are agricultural cooperatives and supply chain partners who deliver cocoa to Barry Callebaut's sourcing company. In Ecuador and Indonesia, it is through supply chain partners. In Brazil it is directly with individual farmers who deliver cocoa to Barry Callebaut Buying Stations.

In order to increase our confidence that the wider aims of the Cocoa Horizons Foundation have been understood, Farmer Groups and their Group Members, or individual farmers in the case of Brazil, Indonesia and Ecuador, are required to heed and sign documents which reflect the ambition of the Cocoa Horizons Foundation, and ensure their engagement and assert that they will comply with the rules therein. This includes the need for Farmer Groups to have a management structure and registered Group members. The governance principles of Cocoa Horizons are integrated in their internal management procedures.


The representatives of all new Farmer Groups are required to sign the Supplier Code, the Cocoa Horizons Convention which includes a commitment to protect human rights, combat Child Labor and combat cocoa production in protected forests. The Foundation provides support to Farmer Groups to design and set up an internal management system in order to register farmers and to achieve the requirements of the Cocoa Horizons program, including a Cocoa Horizons contract signature for each registered farmer within the farm households. In Brazil and Ecuador and Indonesia these are signed by farmers directly.

### **Key achievements:**

- The number of Farmer Groups and farmers registered in the program continues to increase, due on the one hand to interest from farmers, but on the other hand driven by demand from customers and therefore expansion of the existing operation in the different origins.

- The farmer membership increased by 56%, mostly via enhanced marketing and enrolment efforts in each country. In order to cope with the fast growth, we have registered more farmers in the program, while the ramp up of the different activities will depend upon the income from premiums related to volume sold to customers.

### **Targets and Performance Indicators**

| Target                                                                                                                                                                                                                                                                                                                                                       | Performance Indicators                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |        |               |        |           |         |           |         |           |         |        |        |     |       |     |         |       |        |        |        |        |        |
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| <p>All Farmer Groups respect and sign the Cocoa Horizons governing documents, which cover (1) Supplier Code, (2) the Cocoa Horizons Conventions, including a commitment to protect human rights, combat Child Labor, and combat cocoa production in protected forests</p>  | <p><b>Total</b></p> <ul style="list-style-type: none"><li>• 235,301 COH registered farmers, which is an increase of 56% versus prior year</li><li>• 17%* registered members who are women</li></ul> <table><tr><th></th><th>Côte d'Ivoire</th><th>Ghana</th><th>Cameroon</th><th>Brazil</th><th>Indonesia</th><th>Ecuador</th></tr><tr><td># members</td><td>132,941</td><td>84,346</td><td>14,423</td><td>771</td><td>2,037</td><td>783</td></tr><tr><td>% women</td><td>7.2%*</td><td>32.1%*</td><td>12.8%*</td><td>14.1%*</td><td>21.3%*</td><td>23.4%*</td></tr></table> |        | Côte d'Ivoire | Ghana  | Cameroon  | Brazil  | Indonesia | Ecuador | # members | 132,941 | 84,346 | 14,423 | 771 | 2,037 | 783 | % women | 7.2%* | 32.1%* | 12.8%* | 14.1%* | 21.3%* | 23.4%* |
|                                                                                                                                                                                                                                                                                                                                                              | Côte d'Ivoire                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Ghana  | Cameroon      | Brazil | Indonesia | Ecuador |           |         |           |         |        |        |     |       |     |         |       |        |        |        |        |        |
| # members                                                                                                                                                                                                                                                                                                                                                    | 132,941                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 84,346 | 14,423        | 771    | 2,037     | 783     |           |         |           |         |        |        |     |       |     |         |       |        |        |        |        |        |
| % women                                                                                                                                                                                                                                                                                                                                                      | 7.2%*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 32.1%* | 12.8%*        | 14.1%* | 21.3%*    | 23.4%*  |           |         |           |         |        |        |     |       |     |         |       |        |        |        |        |        |

## *Documented traceability of cocoa beans to the first buyer*

### **Overview**

Horizons cocoa is traceable from the individual Group Members of participating Farmer Groups to the first Barry Callebaut or third party implementer warehouse. From this point onwards (down-stream), Horizons for the majority of its products follows the principle of mass balance, where sales volumes shall not exceed source volumes by more than 50%, and such shortfalls must be compensated in the following fiscal year. Using mass balance principles for Horizons' sales minimizes logistical costs compared to physical segregation, so that more resources go directly to sustainability program activities to benefit farmers. This year a fully segregated liquor flow has been introduced, where a specific group of Cocoa Horizons farmers deliver beans that are then fully segregated up to the liquor production.

Traceability is a key aspect of Horizons cocoa. Traceability manuals and training are provided to all Farmer Groups' staff. This includes all group administrators, warehouse keepers, and technical officers where appropriate. These trained representatives perform and enforce procedures to maintain the traceability of all Horizons cocoa from the individual Cocoa Horizons Group Member to the first Barry Callebaut or third party implementer warehouse.

In Côte d'Ivoire, Cameroon, Ecuador, Nigeria and Indonesia, Cocoa Horizons sourcing partners sign sourcing contracts with Farmer Groups to confirm cocoa volumes and premiums that are intended to be sourced from them. In Ghana, forecast sourcing volumes are communicated with the Farmer Group in advance of the fiscal year. In Brazil contracts are agreed with individual farmers.


The Foundation uses Katchilè, an online data management platform for traceability and farmer data. Katchilè means "change" in the local language of the Baoulé. Complete and accurate data is needed to effectively trace the origin of the cocoa, monitor our activities and measure the impact of the Cocoa Horizons program on farmers and their communities. The management of this data (including collection, storage and accessibility) plays a critical role in ensuring access to digital data for analysis and reporting.

#### **Major achievements:**

- Continued focus on data collection: 158,122 (+49% vs prior year) farmers in the program have a census and their farms have GPS polygons. This means 68% of all farmers registered have full data, or 69% of farmers who delivered cocoa in FY 2020/2021. This data is leveraged to tailor interventions to best suit farmer needs and optimize the use of resources. The slight reduction in percentage versus prior year is due to the significant growth versus prior year and more farmers in the program.
- Based on the mapping and full data, systems are being built to raise automatic red flags, either from farmers that are in protected areas or that may have delivered volumes that do not relate to the size of the farm which have been mapped. In those cases, the volume and the farmers have been excluded as Cocoa Horizons in this financial year.
- Overall volume has increased from prior year, based on customer demand and therefore additional Farmer Groups and Group Members have been recruited in the program.
- Progressive increase in tonnage delivered per farmer and Farmer Groups, with an increase of 46% compared to the prior year.



### Targets and Performance Indicators

| Target                                                                                                                                                                                                                                                       | Performance Indicators                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <p>All Horizons cocoa is traced from the individual Group Member (i.e. registered with a unique code) to the first buying site of the Cocoa Horizons sourcing partner.</p>  | <p><b>Total</b></p> <ul style="list-style-type: none"> <li>69% COH of total registered farmers delivering COH cocoa</li> <li>162,834 metric tons of Horizons cocoa purchased during the year ended 31 August 2021;</li> <li>244 Farmer Groups delivered Horizons cocoa (+24%)</li> <li>111,597 farmers who delivered Horizons cocoa who have both a census survey and farm mapping (69% delivered farmers). In order to cope with the fast expansion of the program, 158,122* registered farmers have been covered with full data already now.</li> </ul> <p><b>Côte d'Ivoire</b></p> <ul style="list-style-type: none"> <li>59% COH registered farmers delivering Horizons cocoa</li> <li>80,562 metric tons of Horizons cocoa purchased during the year ended 31 August 2021 (+60 %)</li> </ul> <p><b>Ghana</b></p> <ul style="list-style-type: none"> <li>87% COH registered farmers delivering Horizons cocoa</li> <li>58,527 metric tons of Horizons cocoa purchased during the year ended 31 August 2021 (+23 %)</li> </ul> <p><b>Cameroon</b></p> <ul style="list-style-type: none"> <li>54% COH registered farmers delivering Horizons cocoa</li> <li>16,416 metric tons of Horizons cocoa purchased during the year ended 31 August 2021 (+56 %)</li> </ul> <p><b>Brazil</b></p> <ul style="list-style-type: none"> <li>86% COH registered farmers delivering Horizons cocoa</li> <li>1,993 metric tons of Horizons cocoa purchased during the year ended 31 August 2021 (+0 %)</li> </ul> <p><b>Indonesia</b></p> <ul style="list-style-type: none"> <li>98% COH registered farmers delivering Horizons cocoa</li> <li>1,201 metric tons of Horizons cocoa purchased during the year ended 31 August 2021 (+20 %)</li> </ul> <p><b>Ecuador</b></p> <ul style="list-style-type: none"> <li>93% COH registered farmers delivering Horizons cocoa</li> <li>4,135 metric tons of Horizons cocoa purchased during the year ended 31 August 2021 (+175 %)</li> </ul> |
| <p>A documented traceability system following mass balance principles from the first buying site of Barry Callebaut onwards for all Horizons cocoa is established.</p>                                                                                       | <p><b>Côte d'Ivoire, Ghana, Cameroon, Brazil, Ecuador and Indonesia</b></p> <ul style="list-style-type: none"> <li>All Horizons cocoa sales are documented and balanced against sourced volumes 2020/21 closed with cumulative surplus of 25,100 metric tons of volumes sourced against volumes sold (as per the stipulations related to mass balance described in the overview).</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

## *Targeted productivity interventions*

The Cocoa Horizons Foundation has the goal to improve the productivity on cocoa farms and therefore the livelihoods of farmers and their communities. In an effort to increase adoption rates on best farming practices and reverse decreasing productivity due to aging cocoa trees the following key activities are being implemented:

- 1) An accreditation process for Cocoa Horizons Farmer trainers that comprises a qualification and evaluation step;
- 2) A graduation system for farmers to ensure the knowledge absorption of training material;
- 3) The provision of robust Farmer Services, via Farm Business Plans and personalized farmer coaching, facilitating access to tools and inputs for selected farmers, and access to seedlings and shade trees;
- 4) Accessibility to loans and savings accounts for selected cocoa farmers to catalyze the ability to increase their productivity; and
- 5) Enabling selected farmers to replant cocoa trees and other species to increase long term productivity and to support income resilience of farmers.

Cocoa Horizons continued to roll-out the graduation system across origins, in order to assess the knowledge of the farmers in all relevant topics around Sustainable cocoa farming, but also including social and environmental aspects. This process is on-going in Côte d'Ivoire, Ghana, Cameroon, Brazil and Indonesia. This is an important step to move from previous Group training into individual coaching. By having a Graduation system in place, there is an assurance that farmers have the basic knowledge and skills to improve their farm and get access to Farm Services. In 2020/21, even more farmers were graduated showing the impact of past training and comforting the strategy to focus on Farmer Business Plans and individual coaching. A higher pass rate has also been witnessed this fiscal year due to the improvement of the graduation exam which was revised to avoid misleading questions or answers. Efforts have been made to ensure the questions could be easily translated in the local dialects for a better understanding of their content.

Innovative approaches have been tested in Ecuador to adjust the graduation process to the local reality and have a better monitoring of the training impact. The complete assessment of farmers couldn't be completed before the end of the fiscal year and therefore not included in this report. These approaches will be revised for full implementation in 2021/22.

Throughout the agronomic calendar, farmers are visited by a coach on their farm, funded by the Cocoa Horizons program. The coach's role is also to make visits to establish a Farm Business Plan, and to sign the farmer up for the productivity packages. Additionally, the coach verifies whether the tools, training and inputs have been received and applied, and evaluates the needs of the cocoa farms to improve production.



Further a soil analysis study has been also carried out in Côte d'Ivoire and Ecuador to provide a customized fertilizer's formula via Farm Services which is specially adapted for the identified needs of the cocoa plots. This customized fertilizer will be developed and distributed during the next season.

Major achievements in this area were:

- Continued roll-out of a farmer graduation system which places increased value on the outcome of the training delivered and the knowledge retention by the farmers; helping us to evaluate the effectiveness of our training and be more efficient in the use of resources.
  - 97,104 farmers have been assessed across the different countries and on average 76% have graduated, meaning that they had a minimum score of 60% in the test.
- Continued emphasis on accrediting farmer trainers to ensure high levels of expertise and professionalism.
- Full implementation of the Farm Business Plan's mobile application, in order to use available data and an algorithm to make recommendations based on specific needs of each farmer.
- Scaling up of Farm Services, focusing on more hectares per farmer, rather than just on more farmers.

- Following the improvement of the coach performance during last season, this year was focused on revising the packages provided through Farm Services, mainly looking at the adequacy of the fertilizer's formula based on a soil analysis study across Côte d'Ivoire.
- While the productivity ban from the Conseil du Cacao prevented the program from providing farmers with improved cocoa seedlings in Côte d'Ivoire, 1,281,032 cocoa seedlings were distributed to 4,461 farmers in Ghana, Cameroon, Indonesia, Ecuador and Brazil.
- The income diversification approach has been broadened in Côte d'Ivoire with a new partner specialized in farm to door food supply chain. In parallel, we continue to expand previous income diversification activities giving access to such projects for 1,516 entrepreneurial community members.
- A 3 year project on Land Documentation has been launched under the Côte d'Ivoire Land Partnership (CLAP), a consortium gathering a social venture specialized in land documentation, major industry players, the German cooperation (implemented by GIZ GmbH) and the Rural Land Agency of Côte d'Ivoire (AFOR). The final objective is to develop a faster and more efficient methodology using the latest technologies to facilitate land documentation at large scale. The model has been tested in 2 villages with 374 farmers who will receive their document in October. The selection of the 10 next villages has been finalized, setting the path for the next wave of land documentation in 2021/22. The consortium is aiming to deliver 9,000 land documents by 2023.
- In parallel, a land tenure project with the same partners has reached 500 farmers in 3 districts in Ghana. They will receive their land documents in February 2022.

## Targets and Performance Indicators

| Target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Performance Indicators                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <p>Farmers accredited from COH Academy</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p><b>Total</b></p> <ul style="list-style-type: none"> <li>154,378 farmers graduated</li> <li>76% graduated from total number of farmers assessed</li> </ul> <p><b>Côte d'Ivoire</b></p> <ul style="list-style-type: none"> <li>83,892 farmers graduated</li> <li>71% graduated from total number of farmers assessed</li> </ul> <p><b>Ghana</b></p> <ul style="list-style-type: none"> <li>62,510 farmers graduated</li> <li>86% graduated from total number of farmers assessed</li> </ul> <p><b>Cameroon</b></p> <ul style="list-style-type: none"> <li>5,912 farmers graduated</li> <li>76% graduated from total number of farmers assessed</li> </ul> <p><b>Brazil</b></p> <ul style="list-style-type: none"> <li>134 farmers graduated</li> <li>96% graduated from total number of farmers assessed</li> </ul> <p><b>Indonesia</b></p> <ul style="list-style-type: none"> <li>1,930 farmers graduated</li> <li>91% graduated from total number of farmers assessed</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p>Farmer support through Farm Services</p> <p>The Productivity Package consists of:</p> <ul style="list-style-type: none"> <li>Access to coaching support from accredited Farmer Trainers to facilitate the execution of the Farm Business Plan.</li> <li>Access to tools, inputs and/or planting material to facilitate adoption of Good Agricultural Practices, Soil Fertility Management Practices and Rehabilitation Techniques – where required.</li> <li>Access to finance (e.g. via a savings and credit scheme) - where required.</li> </ul>  | <p><b>Total</b></p> <ul style="list-style-type: none"> <li>98,986 farmers received farm service activities (coaching, inputs such as tools and seedlings, or finance)</li> <li>86,609 farmers have received a Farm Business Plan (FBP) since 2018</li> </ul> <p>In FY 20/21 70,642 farmers received a Farm Business Plan and 36,387 farmers have access to productivity packages.</p> <ul style="list-style-type: none"> <li>49% of farmers adopted a productivity package after an FBP</li> </ul> <p><b>Côte d'Ivoire<sup>0</sup></b></p> <ul style="list-style-type: none"> <li>34,329 farmers received a Farm Business Plan (non-cumulative)</li> </ul> <p><b>Ghana<sup>0</sup></b></p> <ul style="list-style-type: none"> <li>49,298 farmers received farm service activities</li> <li>29,876 farmers received a Farm Business Plan (non-cumulative)</li> <li>12,899 farmers have a productivity package</li> <li>40% of farmers adopted a productivity package after an FBP</li> </ul> <p><b>Cameroon<sup>0</sup></b></p> <ul style="list-style-type: none"> <li>5,353 farmers received farm service activities</li> <li>5,209 farmers received a Farm Business Plan (non-cumulative)</li> <li>4,099 farmers have a productivity package</li> <li>79% of farmers adopted a productivity package after an FBP</li> </ul> <p><b>Brazil<sup>0</sup></b></p> <ul style="list-style-type: none"> <li>461 farmers received farm service activities</li> <li>429 farmers received a Farm Business Plan (non-cumulative)</li> </ul> |

<sup>0</sup> These KPIs are assured at the global level only

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|  | <p><b>Indonesia<sup>o</sup></b></p> <ul style="list-style-type: none"> <li>• 2,004 farmers received farm service activities</li> <li>• 504 farmers received a Farm Business Plan (non-cumulative)</li> <li>• 504 farmers have a productivity package</li> <li>• 100% of farmers adopted a productivity package after an FBP</li> </ul> <p><b>Ecuador<sup>o</sup></b></p> <ul style="list-style-type: none"> <li>• 338 farmers received farm service activities</li> <li>• 295 farmers received a Farm Business Plan</li> </ul> |
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<sup>o</sup> These KPIs are assured at the global level only

## Targeted community interventions

### Overview

The Foundation works with farmers to improve cocoa production practices while at the same time addressing critical social challenges in communities where Farmer Group Members and their families live. The Foundation believes this combined approach offers the best potential to increase farm productivity, increase household incomes, and improve family and community livelihoods.

The Foundation works with Farmer Groups and communities in the following three key areas:

- 1) Child protection;
- 2) Human rights and social issues; and
- 3) Women's empowerment.

Since 2014/15, efforts have been increased on the elimination of child labor, including activities to prevent, monitor, identify and remediate cases of child labor on cocoa farms, and to identify community-level risk factors which point to increased instances of child labor. In 2020/21 the Foundation continued the expansion of its Child Labor Monitoring and Remediation activities (CLMRS) in Côte d'Ivoire, Ghana and Cameroon. A risk assessment of human rights, including child labor, has been carried out in Indonesia, Brazil and Ecuador to clearly assess the risk of any infringement and define the appropriate activities that will be implemented in the next fiscal year.

In 2019/20, the Cocoa Horizons Foundation piloted a child centric approach enhancing and supporting community-driven programs and accountability, focusing more on prevention, rather than remediation. While the Foundation believes this is the way forward and the pilot confirmed that the approach conceptually makes sense, operational and efficiency challenges prevent the full coverage of communities within the current premiums customers are paying. Therefore a prioritization approach has been favored, implementing this approach in the communities where the highest risk or incidence of child labor has been identified.

Indeed, a risk prediction model was developed in 2019/20 leveraging the significant amount of data collected and the CLMRS learnings from the prior years. This risk assessment per Farmer Group and community has been continued in 2020/21 to focus on the areas that require the most attention and resources. This approach enables the efficient coverage of 80.7%<sup>00</sup> Farmer Groups as well as the implementation of an incremental strategy to prevent and remediate child labor.

For instance, one incremental activity is the set up of Village Savings and Loan Associations (VSLAs) to support Cocoa Horizons communities with acute social challenges, as these help to:

- Provide a safe way and typically a relatively low cost manner for our farmers and community members to access financial services;
- Promote disciplined savings and financial knowledge;
- Increase strengths of social networks, connections and support systems especially towards the more vulnerable population;
- Promote self-confidence and women's empowerment;
- Promote a child-centered approach; and
- Increase household income through livelihood diversification.


<sup>0</sup> These KPIs are assured at the global level only

<sup>00</sup> These KPIs are assured at country level only

As studies show, when women earn an income they tend to invest in their children's future and in their communities. Fostering women's empowerment through the registration of cocoa farmers continued, and was further supported by VSLAs as mentioned above, community nurseries and income generating activities in different countries.

Due to COVID some Group sensitization events, as normally done with 30 to 100 people, were not possible during the second half of the fiscal year. Sensitization took place only in small groups or on an individual basis, drastically limiting the outreach and effectiveness of such activity.


### Targets and Performance Indicators

| Target                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Performance Indicators                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <p>Implement Community interventions within focus area <b>Child Protection</b>:</p> <ul style="list-style-type: none"> <li>● Raise awareness of Farmer Groups and Group Members on child labor.</li> <li>● Increase the coverage of CLMRS system or equivalent across all farmers and Farmer Groups</li> <li>● Identify and remediate Child labor cases in the supply chain</li> </ul>  | <p><b>Total</b></p> <ul style="list-style-type: none"> <li>● 184 Farmer Groups with child labor systems in place, equivalent to 80.7%<sup>00</sup> out of the total. This compared to the coverage of 60%* in prior year</li> <li>● 39,843 farming households participated in a child labor identification monitoring survey (+2% more than in prior year)</li> <li>● 66,974 children have participated in a child labor identification monitoring survey.</li> <li>● 18,529 children in child labor were identified, meaning that in 72% of the cases no child labor cases were founded</li> <li>● 25,186 child labor cases are under remediation</li> <li>● 362 cases were remediated</li> </ul> <p><b>Côte d'Ivoire</b></p> <ul style="list-style-type: none"> <li>● 127 Farmer Groups covered by child labor monitoring and remediation activities</li> <li>● For the year ended 31 August 2021: <ul style="list-style-type: none"> <li>○ 23,134 farming households participated in a child labor identification and monitoring survey</li> <li>○ 43,899 children participated in a child labor identification and monitoring survey</li> </ul> </li> <li>● 5,903 children in child labor were identified (13% out of the total children surveyed)</li> <li>● 6,321 children under remediation</li> <li>● 362 children remediated</li> </ul> <p><b>Ghana</b></p> <ul style="list-style-type: none"> <li>● 37 Districts covered by child labor monitoring and remediation activities</li> <li>● For the year ended 31 August 2021: <ul style="list-style-type: none"> <li>○ 9,956 farming households participated in a child labor identification and monitoring survey</li> <li>○ 10,306 children participated in a child labor identification and monitoring survey</li> </ul> </li> <li>● 3,509 children in child labor were identified (34% out of the total children surveyed)</li> <li>● 9,607 children under remediation</li> </ul> <p><b>Cameroon</b></p> <ul style="list-style-type: none"> <li>● 20 Farmer Groups covered by child labor monitoring and remediation activities</li> </ul> |

<sup>0</sup> These KPIs are assured at the global level only

<sup>00</sup> These KPIs are assured at country level only



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|                                                                                                                                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>For the year ended 31 August 2021: <ul style="list-style-type: none"> <li>6,753 farming households participated in a child labor identification and monitoring survey</li> <li>9,117 children in child labor were identified</li> </ul> </li> <li>9,258 children under remediation</li> </ul>                                                                                                                                                                                                                                                                                        |
| <p>Implement Community interventions with focus on income diversification</p> <ul style="list-style-type: none"> <li>Village Savings and Loan Associations (VSLAs) created/supported</li> <li>Support Income Generating Activities (IGA) as requested by women in targeted communities.</li> </ul>  | <p><b>Total</b></p> <ul style="list-style-type: none"> <li>1,240 VSLAs</li> <li>62%* of VSLA members are women</li> </ul> <p><b>Côte d'Ivoire<sup>0</sup></b></p> <ul style="list-style-type: none"> <li>360 VSLAs</li> <li>92%* of VSLA members are women</li> </ul> <p><b>Ghana<sup>0</sup></b></p> <ul style="list-style-type: none"> <li>872 VSLAs</li> <li>45%* of VSLA members are women</li> <li>584 household members receiving support for income diversification</li> </ul> <p><b>Cameroon<sup>0</sup></b></p> <ul style="list-style-type: none"> <li>8 VSLAs</li> <li>100%* of VSLA members are women</li> </ul> |

\*KPIs currently not in scope for assurance by PwC

<sup>0</sup> These KPIs are assured at the global level only

<sup>00</sup> These KPIs are assured at country level only

## Environmental Protection and Deforestation

### Overview


The mapping of all the farms is a key area of focus in the program implementation and starts once farmers have been recruited. Nevertheless, this task has been challenging in 2020/21 considering the significant increase in the number of farmers and Farmer Groups. Efforts are still on-going with the aim to have all new farmers fully mapped by 2021/22. Additional resources and time will also be allocated for this critical activity in 2021/22.

The distribution of non-cocoa tree seedlings continued as they are not only a great additional source of revenue and diversification for cocoa farmers with significant local environmental benefits (soil nutrients, water retention, etc.), but also contribute significantly to carbon sequestration globally.

As the need for the implementation of the Agroforestry system is more and more urgent, the Foundation started to work with a third party expert in 3 communities in Ghana to implement intensive agroforestry in FY 20/21, they reached 400 farmers and planted 30,000 trees. This project also aims to pilot a supply shed approach where the whole community is supported instead of targeting only Cocoa Horizons farmers. The ambition is to shift from the traditional supply chain approach and generate a more efficient, holistic and lasting change.




To complement the on-farm approach of agroforestry, the Foundation has started a several years project to restore Agbo forest in Côte d'Ivoire with an expert in nature based climate projects. At inception, the project is aiming to restore 300 ha of forest with over 100,000 trees, and will serve as a foundation to attract additional fundings and projects.

### Targets and Performance Indicators

|                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <p>Trees distributed that result in sequestration of carbon</p>  | <p><b>Total</b></p> <ul style="list-style-type: none"><li>• 1,598,772 shade trees distributed to farmers</li><li>• 2,272,539 shade trees distributed to Farmer Groups</li><li>• 1,281,032 cocoa seedlings distributed</li></ul> <p><b>Côte d'Ivoire<sup>0</sup></b></p> <ul style="list-style-type: none"><li>• 495,440 shade trees distributed to farmers</li><li>• 1,169,207 shade trees distributed to Farmer Groups</li></ul> <p><b>Ghana<sup>0</sup></b></p> <ul style="list-style-type: none"><li>• 1,050,770 shade trees distributed to farmers</li><li>• 901,208 cocoa seedlings distributed</li></ul> <p><b>Cameroon<sup>0</sup></b></p> <ul style="list-style-type: none"><li>• 29,682 shade trees distributed to farmers</li><li>• 296,775 cocoa seedlings distributed</li></ul> <p><b>Indonesia<sup>0</sup></b></p> <ul style="list-style-type: none"><li>• 10,000 shade trees distributed to farmers</li><li>• 28,800 cocoa seedlings distributed</li></ul> <p><b>Brazil<sup>0</sup></b></p> <ul style="list-style-type: none"><li>• 16,600 cocoa seedlings distributed to farmers</li></ul> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

<sup>0</sup> These KPIs are assured at the global level only

<sup>00</sup> These KPIs are assured at country level only

|                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Cookstoves</p>                                                                   | <p><b>Total</b></p> <ul style="list-style-type: none"> <li>4,578 cookstoves distributed to farmers</li> </ul> <p><b>Côte d'Ivoire<sup>0</sup></b></p> <ul style="list-style-type: none"> <li>291 cookstoves distributed to farmers</li> </ul> <p><b>Ghana<sup>0</sup></b></p> <ul style="list-style-type: none"> <li>4,287 cookstoves distributed to farmers</li> </ul> |
| <p>Carbon sequestration</p>                                                         | <p><b>Global</b></p> <ul style="list-style-type: none"> <li>Total amount of 160,000* Tons of CO<sub>2</sub> sequestered through COH activities</li> </ul>                                                                                                                                                                                                               |
| <p>Mapping to improve understanding of risk of sourcing from protected areas</p>  | <p><b>Total</b></p> <ul style="list-style-type: none"> <li>75% of delivered farmers with a GPS map</li> <li>74% Horizons cocoa was demonstrated to be free from deforestation</li> </ul>                                                                                                                                                                                |

\*KPIs currently not in scope for assurance by PwC

<sup>0</sup> These KPIs are assured at the global level only

<sup>00</sup> These KPIs are assured at country level only

## Transparency of premium flows

### Overview

The Cocoa Horizons Foundation only funds activities that support its purpose to drive cocoa farmer prosperity by creating self-driving and self-sustaining farming communities that protect nature and children. In the framework of this mission, the Foundation commits to invest premiums from Horizons customers in the areas of productivity, community development, payment of farmer premiums and the administrative costs associated with running the program. This section provides details on the amount of income and expenditure in the Cocoa Horizons program for 2020/21.

Activities by the Foundation in the 2020/21 fiscal year were funded by a combination of:

- Funds received from customers who pay a premium when purchasing Horizons products;
- Contributions made by third party donors;
- A CHF 4 million donation from Barry Callebaut; and
- Unspent balances brought forward from the 2019/20 fiscal year.


Horizons income from customer contributions was allocated into budgeted activity forecasts on the following basis:


- 20% Farmer & farmer organization premium;
- 37% Productivity;
- 20% Community development;
- 10% Environment; and
- 13% Program administration.

Premiums paid to farmers and Farmer Groups are based upon the volume of beans sourced from each, whilst expenditure in relation to the other areas is performed at the discretion of the Cocoa Horizons Foundation.

Further details as to the income and expenditure in the 2020/21 fiscal year can be found in the Targets and Performance Indicators section, below.

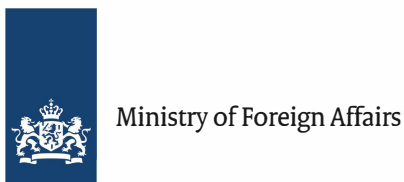
### Targets and Performance Indicators

| Target                                                                                                                                                                                                                                                                    | Performance Indicators                   |                       |                       |                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------|-----------------------|-----------------------|
| <p>Substantiating that the Horizons premiums are only used to achieve the Cocoa Horizons Foundation mission according to the premium breakdown as per Cocoa Horizons methodology.</p>  | <b>Cocoa Horizons Foundation, Zurich</b> |                       |                       |                       |
|                                                                                                                                                                                                                                                                           | <i>(in CHF)</i>                          |                       |                       |                       |
|                                                                                                                                                                                                                                                                           |                                          | <b><u>2020/21</u></b> | <b><u>2019/20</u></b> | <b><u>2018/19</u></b> |
|                                                                                                                                                                                                                                                                           | <b>Cocoa Horizons Program Income</b>     | 28,478,891            | 17,664,267            | 14,749,812            |
|                                                                                                                                                                                                                                                                           | Horizons Program contributions           |                       |                       |                       |
|                                                                                                                                                                                                                                                                           | <b>Cocoa Horizons Program expenses</b>   |                       |                       |                       |
|                                                                                                                                                                                                                                                                           | Farmer and farmer organization premium   | (6,690,083)           | (4,367,172)           | (2,950,492)           |

|                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                      |             |             |             |                   |             |             |             |                       |             |             |           |                        |             |             |             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------|-------------|-------------|-------------------|-------------|-------------|-------------|-----------------------|-------------|-------------|-----------|------------------------|-------------|-------------|-------------|
|                                                                                                                                                                                                      | <table><tr><td>Productivity expense</td><td>(8,370,249)</td><td>(6,026,921)</td><td>(5,349,839)</td></tr><tr><td>Community expense</td><td>(4,430,626)</td><td>(3,013,551)</td><td>(1,655,666)</td></tr><tr><td>Environmental expense</td><td>(3,799,089)</td><td>(1,777,429)</td><td>(549,796)</td></tr><tr><td>Administrative expense</td><td>(3,731,871)</td><td>(2,254,608)</td><td>(1,936,619)</td></tr></table> <p><i>The above is an extract from the Foundation's annual regulatory return. The Foundation's financial audit is performed by PricewaterhouseCoopers AG, Switzerland.</i></p> | Productivity expense | (8,370,249) | (6,026,921) | (5,349,839) | Community expense | (4,430,626) | (3,013,551) | (1,655,666) | Environmental expense | (3,799,089) | (1,777,429) | (549,796) | Administrative expense | (3,731,871) | (2,254,608) | (1,936,619) |
| Productivity expense                                                                                                                                                                                 | (8,370,249)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | (6,026,921)          | (5,349,839) |             |             |                   |             |             |             |                       |             |             |           |                        |             |             |             |
| Community expense                                                                                                                                                                                    | (4,430,626)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | (3,013,551)          | (1,655,666) |             |             |                   |             |             |             |                       |             |             |           |                        |             |             |             |
| Environmental expense                                                                                                                                                                                | (3,799,089)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | (1,777,429)          | (549,796)   |             |             |                   |             |             |             |                       |             |             |           |                        |             |             |             |
| Administrative expense                                                                                                                                                                               | (3,731,871)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | (2,254,608)          | (1,936,619) |             |             |                   |             |             |             |                       |             |             |           |                        |             |             |             |
| <p>Ensuring that all Group Members receive the Horizons Premium for the Horizons cocoa delivered and accepted.</p>  | <p><b>Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil and Ecuador</b></p> <ul style="list-style-type: none"><li>● <b>100%</b> of the farmers who delivered Horizons cocoa in the fiscal year have received the Cocoa Horizons Premium.</li></ul>                                                                                                                                                                                                                                                                                                                                                   |                      |             |             |             |                   |             |             |             |                       |             |             |           |                        |             |             |             |

## 5. Our Partners

Thanks to the contributors of this program, such as customers, implementing partners and third party donors, the Cocoa Horizons Foundation is able to drive further impact with more cocoa farmers in origin countries.



## Appendix A – Reporting Criteria

This section summarizes the basis of preparation for the performance indicators within this report, presenting clarification and definition of the terminology used within the reported performance indicators.

A set of general definitions is first presented, as well as specific guidance in relation to each of the reported performance indicators, by section of the report.

### General definitions

- A **Farmer** is defined as any person owning or managing a cocoa farm. It can be the actual operator of the farm (ex: a sharecropper, farmer's worker, tenant or farm manager) or the land owner.
- A **Farmer Group** is defined as an organized group of farmers such as a cooperative or similar. A Farmer Group is considered to be a member of the Cocoa Horizons program if it has signed the Cocoa Horizons Charter:
  - **Côte d'Ivoire**: These are partnered agricultural cooperatives, Barry Callebaut owned direct sourcing company, SACO and partnered agricultural cooperatives from Touton.
  - **Cameroon**: These are partnered agricultural cooperatives and Barry Callebaut owned direct sourcing company, SIC CACAO.
  - **Ghana**: These are districts/branches that form part of Barry Callebaut's direct sourcing licensed buying company in Ghana, Nyonkopa Ltd
  - **Indonesia**: These are suppliers of cocoa beans to Barry Callebaut. They can be either buying stations or supplier warehouses.
  - **Brazil**: There are no Farmer Groups in Brazil. Farmers work individually and sell their cocoa to Buying Stations, which might be independent or part of Barry Callebaut.
  - **Ecuador**: These are suppliers of cocoa beans to Barry Callebaut.
- A **Group Member** refers to a cocoa farmer who is a member of a Cocoa Horizons Farmer Group in the year ended 31 August 2021.
- **The Cocoa Horizons premium** is a cash payment to Farmer Groups and Group Members in proportion to their delivery of Cocoa Horizons cocoa to a Barry Callebaut buying site.



## Part 1 Farmer Groups and Group Members

| KPI no. | KPI description                                                                                                                                                                                                                                                                                               | Assessment criteria                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.1     | 175,000 metric tons of Horizons cocoa sold in bean equivalent                                                                                                                                                                                                                                                 | This KPI refers to the total volume of cocoa ingredients in chocolate or cocoa products sold to customers, converted into cocoa bean equivalent (applying the conversion ratio of 1.22 for cocoa liquor and powder and 2.44 for cocoa butter).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 1.2     | All Horizons cocoa sales are documented and balanced against sourced volumes 2020/21 closed with cumulative surplus of 25,100 metric tons of volumes sourced against volumes sold (as per the stipulations related to mass balance described in the overview)                                                 | From the first Barry Callebaut (BC) buying point onwards down-stream, Horizons products follow the principle of mass balance, where sales volumes shall not exceed sourced volumes by more than 50% in any given year, and such shortfalls must be compensated in the following fiscal year. A mass balance system allows for the non-physical attributes and characteristics (such as country of origin or certification standard) of beans input into a system to be re-allocated to other beans in the system, as long as the number of beans output with each characteristic balances against those input at least once every three years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 1.3     | 224 Farmer Groups delivered Horizons Cocoa in the year ended 31 August 2021                                                                                                                                                                                                                                   | <p><i>Globally assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Ecuador</i></p> <p>This indicator refers to the total number of Cocoa Horizons Farmer Groups (districts in Ghana) that have delivered at least 1kg of Cocoa Horizons cocoa to a Cocoa Horizons Sourcing Partner buying site between 1 September 2020 and 31 August 2021, and for which a Cocoa Horizons premium has been paid.</p> <p>A Farmer Group is considered to be a Cocoa Horizons Farmer Group as per KPI 1.4. Only those that have delivered within the last fiscal year (1 September 2020 - 31 August 2021) are included in this KPI.</p> <p>A Cocoa Horizons sourcing partner buying site is:</p> <ul style="list-style-type: none"> <li>• In Côte d'Ivoire, SACO, Touton;</li> <li>• In Ghana, Nyankopa;</li> <li>• In Cameroon, SIC CACAO;</li> <li>• In Indonesia, PT. Papandayan Cocoa Industries; and</li> <li>• In Ecuador, BC Ecuador, BC Sourcing.</li> </ul> <p>In Brazil, there are no Farmer Groups as all farmers work independently. Therefore, this KPI is not in scope for Brazil.</p>                                                                                                                                             |
| 1.4     | <p>No. of farmers are registered Cocoa Horizons Group Members in the year ended 31 August 2021</p> <ul style="list-style-type: none"> <li>• Côte d'Ivoire: 132,941</li> <li>• Ghana: 84,346</li> <li>• Cameroon: 14,423</li> <li>• Brazil: 771</li> <li>• Indonesia: 2,037</li> <li>• Ecuador: 783</li> </ul> | <p><i>Individually assured KPIs. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil, Ecuador</i></p> <p>This indicator relates to the number of registered farmers who are classified as Cocoa Horizons Group Members in the year from 1 September 2020 to 31 August 2021.</p> <p>A farmer is classified as a Cocoa Horizons farmer if they are registered within a Cocoa Horizons Farmer Group and have either delivered Cocoa Horizons cocoa or participated in a Cocoa Horizons activity between 1 September 2020 and 31 August 2021. A Farmer Group is a Cocoa Horizons Farmer Group if they a) are an officially targeted Farmer Group by the Cocoa Horizons Foundation in year 1 September 2020 to 31 August 2021, and b) have signed the relevant governing documents. Not all farmers within a Cocoa Horizons Farmer Group are allocated as Cocoa Horizons farmers.</p> <p>Cocoa Horizons activities include:</p> <ol style="list-style-type: none"> <li>1. Delivered Cocoa Horizons cocoa</li> <li>2. Received farm service activities (Farm Business Plans, Productivity Packages, cocoa seedlings, shade tree seedlings, income diversification)</li> <li>3. Received cookstoves</li> <li>4. Attended training</li> </ol> |

|      |                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      |                                                                                                                                                                                                                                                                                                       | <p>5. Participated in a child labor survey (farmers who participated) or received remediation activity</p> <p>6. Had a farm mapped in 2020/21</p> <p>7. Participated in a census survey in 2020/21</p> <p>8. Undertook the Cocoa Horizons academy test</p> <p>There are slight differences in some origins:</p> <p>In Ghana, a Farmer Group is called a society and is managed by a Purchasing Clerk (PC). The COH Convention and BC Supplier Code is signed once by Nyonkopa, not by each society.</p> <p>In Cameroon, farmer registration for the next season overlaps with the end of the current fiscal year. As such, farmers registered between June to August 2021 must be discounted from this calculation as they are registering for the 2021/22 season. Instead, farmers registered between June to August 2020 should be included in this fiscal year. Farmer Groups sign 4 Cocoa Horizons governing documents - Cocoa Horizons Convention, Child Labor Charter, Non-deforestation Convention, and Premium Agreement.</p> <p>In Brazil, there are no Farmer Groups. Instead a farmer is directly registered with Barry Callebaut and signs the BC Supplier Code and COH convention themselves individually.</p> <p>In Ecuador, Farmer Groups are represented by the suppliers that Barry Callebaut buys from, and who act as implementing partners for Cocoa Horizons. Farmers themselves sign the COH convention individually. Therefore, not all farmers who sell to the farmer group (the supplier) are COH farmers, but only the ones who have signed the COH convention.</p> |
| 1.5  | <p>No. metric tons of Horizons cocoa purchased during the year ended 31 August 2021</p> <ul style="list-style-type: none"> <li>• Côte d'Ivoire: 80,562</li> <li>• Ghana: 58,527</li> <li>• Cameroon: 16,416</li> <li>• Brazil: 1,993</li> <li>• Indonesia: 1,201</li> <li>• Ecuador: 4,135</li> </ul> | <p><i>Individually assured KPIs. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil, Ecuador</i></p> <p>This indicator reports the total number of metric tons of Cocoa Horizons' cocoa purchased by a Cocoa Horizons sourcing partner buying site between 1 September 2020 and 31 August 2021 grown by COH registered farmers for which a COH premium has been paid.</p> <p>A Cocoa Horizons sourcing partner buying site is:</p> <p>In Côte d'Ivoire, SACO, Touton;</p> <p>In Ghana, Nyonkopa;</p> <p>In Cameroon, SIC CACAO;</p> <p>In Brazil, Barry Callebaut Brazil;</p> <p>In Indonesia, PT. Papandayan Cocoa Industries; and</p> <p>In Ecuador, BC Ecuador, BC Sourcing.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 1.6b | <p>% COH registered farmers delivered Horizons cocoa in the year ended 31 August 2021</p> <ul style="list-style-type: none"> <li>• Côte d'Ivoire: 59%</li> <li>• Ghana: 87%</li> <li>• Cameroon: 54%</li> <li>• Brazil: 86%</li> <li>• Indonesia: 98%</li> <li>• Ecuador: 93%</li> </ul>              | <p><i>Individually assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil, Ecuador</i></p> <p>This indicator is calculated by dividing the number of Cocoa Horizons Group Members who have delivered at least 1kg of Cocoa Horizons cocoa within the year 1 September 2020 to 31 August 2021 by the total number of Cocoa Horizons registered farmers as per KPI 1.4.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 1.6a | <p>162,436 COH registered farmers delivered Horizons cocoa</p>                                                                                                                                                                                                                                        | <p><i>Individually assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil, Ecuador</i></p> <p>This indicator is calculated by adding all the Cocoa Horizons Group Members who have delivered at least 1kg of Cocoa Horizons cocoa within the year 1 September 2020 to 31 August 2021.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

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|------|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.8c | 69% farmers delivered Horizons cocoa with full data (census and GPS map) | <p><i>Globally assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil, Ecuador</i></p> <p>This indicator relates to the number of farmers who are classified as Cocoa Horizons Group Members in each of the Cocoa Horizons Farmer Groups who meet the following criteria for the year ended 31 August 2021 as a proportion of the total number of Cocoa Horizons farmers who delivered Cocoa Horizons cocoa in the year from 1 September 2020 to 31 August 2021 (related to KPI 1.3). To be included in this calculation, a farmer must have met all of the following criteria:</p> <ul style="list-style-type: none"> <li>• Be a registered Cocoa Horizons Group Member as per criteria in KPI 1.4.</li> <li>• Have had a census survey conducted at any point in the past up to 31 August 2021.</li> <li>• Have had at least one of their farm plots mapped with a GPS polygon up to 31 August 2021.</li> <li>• Have delivered at least 1kg of Cocoa Horizons certified cocoa within the year 1 September 2020 to 31 August 2021.</li> </ul> <p>Our census activities started in the following origins in the following years:</p> <ul style="list-style-type: none"> <li>• Côte d'Ivoire - 2016</li> <li>• Ghana - 2017</li> <li>• Cameroon - 2018</li> <li>• Indonesia - 2017</li> <li>• Brazil - 2019</li> <li>• Ecuador - 2020</li> <li>• Touton in Côte d'Ivoire - 2017</li> </ul> <p>Our mapping activities started in the following origins in the following year:</p> <ul style="list-style-type: none"> <li>• Côte d'Ivoire - 2018</li> <li>• Ghana - 2018</li> <li>• Cameroon - 2018</li> <li>• Indonesia - 2018</li> <li>• Brazil - 2019</li> <li>• Ecuador - 2020</li> <li>• Touton in Côte d'Ivoire - 2017</li> </ul> <p>A census survey is conducted with farmers by field staff who are trained on a) using the tool (historically paper survey, since 2018 the K-App for Barry Callebaut; Mergdata-App for Touton) and b) on the specific questions included in the survey by the local M&amp;E teams. To date, farmers are only surveyed once. Each year, as many yet to be surveyed farmers as possible are surveyed. Since 2018 and for Barry Callebaut's farmers, these have been immediately captured in our Katchilè database through the use of the K-app. Since 2017 and for Touton's farmers, these have been immediately captured through the use of the Mergdata-app. Prior to this, the survey was taken on paper.</p> <p>The survey includes questions about:</p> <ul style="list-style-type: none"> <li>• the farmers themselves (such as date of birth, preferred language, education level).</li> <li>• the farmer's family.</li> <li>• the facilities at home.</li> <li>• the farm, farming and agriculture.</li> <li>• sources of income (including cocoa, non-cocoa agricultural and non-agricultural income).</li> <li>• additional information such as attitude towards farming, and household wealth indicators.</li> </ul> <p>More information on mapping can be found in KPI 4.2.</p> |
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|------|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.8b | 111,597 of delivered farmers with full data | <p><i>Globally assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil, Ecuador</i></p> <p>This indicator relates to the number of farmers who are classified as Cocoa Horizons Group Members in each of the Cocoa Horizons Farmer Groups who meet the following criteria for the year ended 31 August 2021.</p> <p>To be included in this calculation, a farmer must have met all of the following criteria:</p> <ul style="list-style-type: none"> <li>• Be a registered Cocoa Horizons Group Member as per criteria in KPI 1.4.</li> <li>• Have had a census survey conducted at any point in the past up to 31 August 2021.</li> <li>• Have had at least one of their farm plots mapped with a GPS polygon up to 31 August 2021.</li> <li>• Have delivered at least 1kg of Cocoa Horizons certified cocoa within the year 1 September 2020 to 31 August 2021.</li> </ul> <p>Our census activities started in the following origins in the following years:</p> <ul style="list-style-type: none"> <li>• Côte d'Ivoire - 2016</li> <li>• Ghana - 2017</li> <li>• Cameroon - 2018</li> <li>• Indonesia - 2017</li> <li>• Brazil - 2019</li> <li>• Ecuador - 2020</li> <li>• Touton in Côte d'Ivoire - 2017</li> </ul> <p>Our mapping activities started in the following origins in the following year:</p> <ul style="list-style-type: none"> <li>• Côte d'Ivoire - 2018</li> <li>• Ghana - 2018</li> <li>• Cameroon - 2018</li> <li>• Indonesia - 2018</li> <li>• Brazil - 2019</li> <li>• Ecuador - 2020</li> <li>• Touton in Côte d'Ivoire - 2017</li> </ul> <p>A census survey is conducted with farmers by field staff who are trained on a) using the tool (historically paper survey, since 2018 the K-App for Barry Callebaut; Mergdata-App for Touton) and b) on the specific questions included in the survey by the local M&amp;E teams. To date, farmers are only surveyed once. Each year, as many yet to be surveyed farmers as possible are surveyed. Since 2018 and for Barry Callebaut's farmers, these have been immediately captured in our Katchilè database through the use of the K-app. Since 2017 and for Touton's farmers, these have been immediately captured through the use of the Mergdata-app. Prior to this, the survey was taken on paper.</p> <p>The survey includes questions about:</p> <ul style="list-style-type: none"> <li>• the farmers themselves (such as date of birth, preferred language, education level).</li> <li>• the farmer's family.</li> <li>• the facilities at home.</li> <li>• the farm, farming and agriculture.</li> <li>• sources of income (including cocoa, non-cocoa agricultural and non-agricultural income).</li> <li>• additional information such as attitude towards farming, and household wealth indicators.</li> </ul> <p>More information on mapping can be found in KPI 4.2.</p> |
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| 1.9 | <p>% of farmers who delivered Horizons cocoa in the fiscal year have received the Cocoa Horizons Premium</p> <ul style="list-style-type: none"> <li>• Côte d'Ivoire: 100%</li> <li>• Ghana: 100%</li> <li>• Cameroon: 100%</li> <li>• Indonesia: 100%</li> <li>• Brazil: 100%</li> <li>• Ecuador: 100%</li> </ul> | <p><i>Individually assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil, Ecuador</i></p> <p>This indicator reports the percentage of the Cocoa Horizons Group Members who delivered Cocoa Horizons cocoa within the year from 1 September 2020 to 31 August 2021 and who have subsequently received the Cocoa Horizons premium on those deliveries.</p> <p>This is calculated in two steps: 1) confirming all farmers who delivered received the correct amount of premium for the quantity they delivered in the fiscal year; 2) calculating the % of those correctly paid by the total number of farmers who delivered within the year.</p> <p>The Cocoa Horizons premium is a fixed cash payment per kilogram of delivered Cocoa Horizons cocoa, and is paid to both the delivering farmers and their Farmer Groups.</p> <p>There are two different parts to the premium payment:<br/>1) Cocoa Horizons pays a fixed amount to the Farmer Group based on the quantity of Cocoa Horizons cocoa purchased by Barry Callebaut; then 2) The Farmer Group pays the farmers based on the quantity of Cocoa Horizons cocoa sourced from Cocoa Horizons farmers.</p> <p>The amount purchased by Barry Callebaut is usually lower than the amount purchased by the Farmer Groups due to quality control procedures and damages in between. Any shortfall is made up by the Farmer Groups.</p> <p>There are differences in the details of the premium payment per origin:</p> <p>In <b>Côte d'Ivoire</b>, the premium payment is equally split 50:50 between Cocoa Horizons registered farmers and the Farmer Group to which the Cocoa Horizons registered farmers belong.</p> <p>In <b>Ghana</b>, the premium is paid out in full to Cocoa Horizons registered farmers.</p> <p>In <b>Cameroon</b>, 62.5% of the premium is paid to the farmer, and the rest to the Farmer Group. The payments are split and both made to the Farmer Group - one payment for the total for the Farmer Group, and one payment for the total for all the delivered farmers in that Farmer Group to whom the Farmer Group then distributes to each farmer. The payments can be net of Productivity Package loans, which are overdue for some farmers that received farm service activities. This deduction is documented and signed by the Farmer Group.</p> <p>In <b>Brazil</b>, the premium is paid full directly to the farmers.</p> <p>In <b>Indonesia</b>, the premium payment is agreed on a yearly basis, the farmer groups and farmers then receive the agreed amount as stated in the contract.</p> <p>In <b>Ecuador</b>, the premium payment is paid full directly to the farmers.</p> |
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## Part 2 Farmer Households Lifted Out of Poverty Line

| KPI no. | KPI description                                                               | Assessment criteria                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| 2.1     | 121,722 cocoa farmers above the WB International Poverty Line of US\$1.90/day | <p><i>Globally assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil</i></p> <p>This indicator is a measure of how many Cocoa Horizons group members are above the World Bank International Poverty line of US\$1.90/day based on data collected from census survey interviews with farmers cumulatively to 31 August 2021.</p> <p>Our census activities started in the following origins in the following years:<br/> Côte d'Ivoire - 2016<br/> Ghana - 2017<br/> Cameroon - 2018<br/> Indonesia - 2017<br/> Brazil - 2019</p> <p><b>This indicator is determined by:</b></p> <ul style="list-style-type: none"> <li>Obtaining survey information from farmers in Côte d'Ivoire, Ghana, Cameroon, Indonesia, and Brazil regarding their household income generation from cocoa and other activities, as well as the size of their household.</li> <li>Using in-country market prices for cocoa and other crops to determine an average income level for those farmers.</li> <li>Comparing this average income level to the International Poverty Line threshold for extreme poverty of US\$1.90 per day set by the World Bank, adjusted for purchasing power and cost of living in Côte d'Ivoire, Ghana, Cameroon, Indonesia, and Brazil.</li> <li>We have included production costs from external sources if available (Côte d'Ivoire - Agrilogic study), or internal studies or sources if not externally available (Ghana, Cameroon and Indonesia - internal BC pilot studies, Brazil - local team estimates). Also, these costs are repartitioned to reflect the difference in costs depending on the cocoa yield. Farmers who have a higher yield have higher costs and farmers with smaller costs have smaller costs. Cocoa yields differ per country based on a number of different input parameters.</li> </ul> <p>With this calculation we obtain a general percentage for the farmers that are above the poverty line. This percentage is then multiplied by the farmers that are registered as active in the farmer groups in our master data in one of the last two fiscal years. These farmer groups can be divided into the following:</p> <ul style="list-style-type: none"> <li>Active farmers registered to farmer groups registered with our Cocoa Horizons program. These are farmers in our Cocoa Horizons sustainability program and participating in activities under this program. These farmer groups are delivering sustainable cocoa.</li> <li>Active farmers registered to farmer groups participating in our client programs and participating in activities in those programs. These farmer groups are also delivering sustainable cocoa.</li> <li>Active farmers registered to independent farmer groups, which are not participating in a client program or in our Cocoa Horizons program. These farmer groups are delivering sustainable and conventional (non-sustainable) cocoa.</li> </ul> <p><b>Survey information</b></p> <p>Census surveys were undertaken with farmer households in Brazil, Côte d'Ivoire, Ghana, Cameroon and Indonesia up until 31 August 2021. The results from the surveys were subsequently sense checked against literature studies from an independent center of expertise and education for sustainable development, KIT Royal Tropical Institute. The census surveys and KIT study provided estimates over the following key metrics:</p> <ul style="list-style-type: none"> <li>The average yield per farm</li> <li>Income from cocoa farming</li> <li>Other income-generating activities</li> <li>Cocoa farm size</li> <li>Production cost</li> <li>The number of household members</li> <li>The number of financially dependents on the farmer</li> </ul> <p>Outliers from the census results have been removed and in some instances, the census results have been calibrated to match literature studies, in order to provide a more prudent</p> |

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|  |  | <p>analysis of the results. The assumptions and data calibration were performed by Barry Callebaut and are summarized below.</p> <p>For all countries, the following assumptions have been applied:</p> <ul style="list-style-type: none"> <li>• Census surveys where the farmers have declared 0 for cocoa yield and other income have been discarded.</li> <li>• The cocoa farm size declared by the farmers were replaced with the GPS farm size captured on Katchilè if all plots of their farms have been GPS mapped.</li> <li>• Census surveys where the farmers did not answer/declare any cocoa harvested in the year have been discarded.</li> </ul> <p>The commodity market price (cocoa and non-cocoa products) are based on local team knowledge of the market.</p> <ul style="list-style-type: none"> <li>• Census surveys where the farmers have questioned with zero as an answer have been discarded.</li> <li>• If a farmer declared more than 100 tons of rubber or 15 tons of palm oil, then it is assumed to be in kg and converted to tons.</li> <li>• We have added one to all declared household members and financial dependents (if asked in the countries), to amend that the farmer does not take himself into account.</li> </ul> <p>For Côte d'Ivoire, the following assumptions have been applied:</p> <ul style="list-style-type: none"> <li>• Census surveys where the farmers have declared equal or more than 30 household members have been discarded.</li> <li>• Census surveys where the farmers have declared more than 50 financial dependents have been discarded.</li> <li>• All self-declared plots over and equal to the determined hectare limit (157.02 ha) have been removed as deemed unrealistic.</li> <li>• All yields above 1,100 kg/ha and equal to or below 100 kg/ha have been excluded from the calculation.</li> <li>• Farmers who have non-agricultural income of equal to or more than 5,000,000 CFA have been excluded from the calculation.</li> <li>• The cocoa income declared by the farmer was deducted by the average production cost inferred from KIT studies. The average production cost was repartitioned such that a farmer having declared a higher cocoa yield would incur a higher production cost.</li> <li>• If the farm size is unknown (after filling in values from mapping activities from general assumptions), we take the country average from mapping activities.</li> <li>• Due to a significant mismatch with literature in the number of declared household members with a value of 1 or 2, we have resampled the population to make sure the number of declared household members with a value of 1 and 2 now matches literature (to 2% and 5% of the population, respectively).</li> <li>• We divided the total household income by the number of declared financial dependents.</li> </ul> <p>For Ghana, the following assumptions have been applied:</p> <ul style="list-style-type: none"> <li>• Census surveys where the farmers have declared more than 30 financial dependents have been discarded.</li> <li>• All self-declared plots over and equal to the determined hectare limit (69.34 ha) have been removed as deemed unrealistic.</li> <li>• An adjustment factor of 0.404686 has been applied to adjust declared plot sizes from acres to hectares.</li> <li>• Estimated yields above 1,400 kg/ha and equal or below 100 kg/ha are considered abnormal and have been excluded from the calculations.</li> <li>• Where the 'number of household members' question was answered as the highest radio-button option of "8 or more", this has been converted to be 9.</li> <li>• We divided the total household income by the number of declared financial dependents.</li> </ul> <p>For Cameroon, the following assumptions have been applied:</p> <ul style="list-style-type: none"> <li>• Census surveys where the farmers have declared more than 30 household members have been discarded.</li> <li>• Census surveys where the farmers have declared more than 30 financial dependents have been discarded.</li> <li>• All self-declared plots over and equal to the determined hectare limit (67.69 ha) have been removed as deemed unrealistic.</li> <li>• Estimated yields above 1,100 kg/ ha and lower limit to 100 kg/ha are considered abnormal and excluded from the calculation.</li> </ul> |
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|      |                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>We divided the total household income by the number of declared household members.</li> </ul> <p>For Indonesia, the following assumptions have been applied:</p> <ul style="list-style-type: none"> <li>Census surveys where the farmers have declared more than 20 household members have been discarded.</li> <li>All self-declared plots over and equal to the determined hectare limit (14.00 ha) are removed as deemed unrealistic.</li> <li>Estimated yields above 1,400 kg/ha and equal to or below lower limit to 100 kg/ha are considered abnormal and excluded from the calculation.</li> <li>We divided the total household income by the number of declared household members.</li> </ul> <p>For Brazil (added to this KPI as of this fiscal year), the following assumptions have been applied:</p> <ul style="list-style-type: none"> <li>Farmers that have declared partial income percentages that add up to less than 95% or more than 105% have been treated as data entry errors, and have been discarded. The small 5% buffer was retained to allow for some small data entry errors.</li> <li>If total income percentages were not equal to 100%, the percentages have been scaled to the total declared percentage amounts.</li> <li>Estimated yields above 2,200 kg/ha are considered abnormal and excluded from the calculation.</li> <li>If a farmer has declared to have more than 2000 trees/ha per cocoa farm, then this cocoa farm has been excluded as it is considered abnormal.</li> <li>Farmers who are sharecroppers are assumed to take 50% of the cocoa production.</li> <li>A temporary worker is estimated to work 90 days on average on a farm.</li> <li>All census surveys with zero declared household members have been removed.</li> <li>All census surveys with zero or more than 50 financial dependents have been removed.</li> </ul> <p><b>Market prices</b><br/>Barry Callebaut relies on its knowledge of origin markets to determine prices of cocoa and other crops. This information comes from the local Monitoring &amp; Evaluation teams, who gather the information on the prices from the local markets by the end of the Fiscal Year.</p> <p><b>International Poverty Line</b><br/>The US\$1.90 per day worldwide extreme poverty threshold, known as the International Poverty Line, set by the World Bank has been used to determine the number of farmers out of poverty. The US\$1.90 poverty line has been adjusted for each country to reflect the purchasing power and cost of living in Côte d'Ivoire, Ghana, Cameroon, Indonesia and Brazil. This has been taken from the World Bank database.</p> <p><b>Purchasing Power</b><br/>The US\$1.90 per day worldwide extreme poverty line was determined in 2012, using 2011 prices. Using World Bank inflation data, we have adjusted the poverty line to 2020 levels (from 2011 levels, 2020 was the latest data available), and have converted the 2020 level extreme poverty line to the local currency using World Bank private consumption Purchasing Power Parity 2020 factors, to also account for difference in purchasing power.</p> <p>Ecuador is not included in this KPI because:</p> <ol style="list-style-type: none"> <li>Current data collection scope does not yet cover a representative sample of the farmers in our supply chain;</li> <li>Data collected is relatively different from elsewhere due to different context and so cannot be combined; and</li> <li>The local context is different which still needs to be assessed and accounted for to enable aggregation and comparison with elsewhere.</li> </ol> |
| 2.3a | <p>No. of farmers who graduated from COH academy</p> <ul style="list-style-type: none"> <li>Côte d'Ivoire: 83,892</li> <li>Ghana: 62,510</li> <li>Cameroon: 5,912</li> <li>Brazil: 134</li> <li>Indonesia: 1,930</li> </ul> | <p><i>Individually assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Brazil, Indonesia</i></p> <p>This indicator is calculated by counting the total number of Cocoa Horizons Group Members who successfully graduated from the Cocoa Horizons academy and are currently still registered as a COH Farmer. It is cumulative compared to last year.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

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|      |                                                                                                                                                                                                                                                                           | <p>Cocoa Horizons Group Members can sit the test at any time in order to evaluate their knowledge and measure the training need/impact. The program has developed 1 exam of 30 questions with 4 answers (1 correct), adjusted to country specifics (such as most common pests or disease in the country). This exam is taken by farmers either in a group following a ballot box methodology (each farmer voting for their answer) or 1-on-1, supported in both cases by coaches in case of literacy limitations. Farmers who fail to pass the test can take it again the following year. Based on the results, Cocoa Horizons will revise the questionnaire to improve the exam, avoid false negatives and develop new questions/alternative exams.</p> <p>A farmer graduates from the Cocoa Horizons academy if they score at least 60% on 30 questions (= 18 correct answers). After farmers have graduated, no other tests should be taken and they are considered to be graduated. If by accident or monitoring purpose farmers have taken the test twice or more, the best result will be taken into consideration.</p> <p>Our graduation activities started in each origin as follows:<br/> Côte d'Ivoire - 2018/19<br/> Ghana - 2019/20<br/> Cameroon - 2019/20<br/> Indonesia - 2019/20</p> <p>In Côte d'Ivoire, the assessment is done on a 1-on-1 basis with the field coach asking the questions to the farmer and recording the answers digitally. After the farmer has graduated, no other tests should be taken and he is considered to be graduated.</p> <p>In Ghana, the assessment is done through a ballot box system, whereby farmers are given a number and put their number into the answer box they think is correct for each question. The correct answers are then recorded for each farmer on paper and then digitized.</p> <p>In Cameroon, the assessment is done on a 1-on-1 basis with the field coach asking the questions to the farmer and recording the answers on paper before digitization. After the farmer has graduated, no other tests should be taken and he is considered to be graduated.</p> <p>In Indonesia, the assessment is done on a 1-on-1 basis with the field coach asking the questions to the farmer and recording the answers digitally.</p> <p>In Brazil, the assessment is done on a 1-on-1 basis with the field coach asking the questions to the farmer and recording the answers on paper before digitization. After the farmer has graduated, no other tests should be taken and he is considered to be graduated.</p> <p>In Ecuador, the assessment is done on a 1-on-1 basis with the farmer completing the questions in writing. The answers for each farmer are then recorded by the Coaches digitally in Excel.</p> <p>Note: In Ecuador, the 30 questions have been split into short tests and are administered after each farmer training session. The Coaches ensure that by the end of the farmer training programme, all farmers have completed all the short tests that make up the full graduation assessment.</p> |
| 2.3b | <p>% of farmers who have graduated from COH academy as proportion of those assessed in 2020/21</p> <ul style="list-style-type: none"> <li>• Côte d'Ivoire: 71%</li> <li>• Ghana: 86%</li> <li>• Cameroon: 76%</li> <li>• Brazil: 96%</li> <li>• Indonesia: 91%</li> </ul> | <p><i>Individually assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Brazil, Indonesia</i></p> <p>This indicator is calculated by dividing the total number of Cocoa Horizons Group Members who successfully graduated from the Cocoa Horizons assessment by the total number of Cocoa Horizons Group Members who took the assessment in the year from 1 September 2020 to 31 August 2021.</p> <p>A farmer successfully graduates from the Cocoa Horizons assessment if they pass the test with at least 60% correct answers. A farmer will only pass the test once and so there is no duplication in the numerator of the calculation.</p> <p>The number of farmers who sat the test does not contain duplicates. If a farmer sat the test more than once, they are only included in the denominator once. If by accident the farmer has taken the test twice or more, the best result will be taken into consideration.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

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| 2.6a | 86,609 farmers have received a Farm Business Plan | <p><i>Globally assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil, Ecuador</i></p> <p>This indicator measures the number of Cocoa Horizons Group Members who have received a Farm Business Plan (FBP) either in fiscal year 2018/19 (1 September 2018 to 31 August 2019), fiscal year 2019/20 (1 September 2019 to 31 August 2020), or fiscal year 2020/21 (1 September 2020 to 31 August 2021).</p> <p>An FBP is conducted by our field staff, or an external field staff in the case of an external implementing partner, with selected farmers on one of their cocoa plots. The field staff input relevant data into the Farm Services App (FS App) for Barry Callebaut's farmers or FarmGrow or Survey Solutions Apps for Touton's farmers, or the data is input on paper which is later digitized, on the state of the cocoa plot and cocoa trees, and farmer's maintenance activities and knowledge. The App produces, through the use of an algorithm (except for Survey Solutions App), a recommended package for the farmer to improve the productivity of their plot over the following season. The farmer then has a choice to sign a contract for the recommended package, take a different package, or to not take a package at all.</p> <p>In Ecuador, the FBP is still conducted on excel. The FBP in Ecuador consists of a recommended management plan, a soil analysis and fertilization plan, and a guide for use of pesticides. These different parts are not always delivered on the same date. The date all of these parts are delivered is considered the date the FBP is given to the farmer.</p> <p>Brazil also provides the farmers with an FBP that is done remotely with a soil and leaf sample provided by the farmer, with a fertilizer recommendation package and a financial plan for the plot.</p> <p>A farmer is considered to have received a FBP if a diagnostic was conducted on one of their cocoa plots, regardless of whether the farmer then signed up for a package or not.</p>                                                                                                                                                                                                                                                                                                                                  |
| 2.6b | 36,387 farmers with a Productivity Package        | <p><i>Globally assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil</i></p> <p>This indicator measures the number of Cocoa Horizons Group Members with a Productivity Package between 1 September 2020 and 31 August 2021. A Productivity Package is a mix of a selection of high quality agricultural inputs and individualised coaching services provided by Cocoa Horizons field staff.</p> <p>A farmer is considered to have received a Productivity Package if they have signed up for any of the following packages and have received coaching from our field staff, between 1 September 2020 and 31 August 2021 (or via paper survey in Brazil), and have either paid in full or paid a % downpayment where necessary. At this point they begin to receive the coaching services and inputs are delivered at the right seasonal interval for implementation.</p> <p>For Ghana and Ivory Coast, the government subsidizes fertilizers and other inputs that come through our Productivity Package proposition. In these countries, we therefore facilitate the buying of these inputs through our Farm Services programme instead of the farmers buying the inputs directly through us.</p> <p>The list of Productivity Packages on offer in 2020/21 in each origin were as follows. Different origins have different packages based on farmer demand and what has been found to agronomically be needed for each context.</p> <ul style="list-style-type: none"> <li>(1) Insecticide [Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil]</li> <li>(2) Fungicide [Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil]</li> <li>(3) Insecticide &amp; Fungicide [Côte d'Ivoire, Ghana, Cameroon, Indonesia]</li> <li>(4) Fertiliser [Côte d'Ivoire, Cameroon, Indonesia, Brazil]</li> <li>(5) Fertiliser &amp; Insecticide [Côte d'Ivoire, Cameroon, Indonesia]</li> <li>(6) Fertiliser &amp; Fungicide [Côte d'Ivoire, Cameroon, Indonesia]</li> <li>(7) Fertiliser, Insecticide, &amp; Fungicide [Côte d'Ivoire, Cameroon, Indonesia]</li> <li>(8) Pole pruner [Côte d'Ivoire (implementing partner Touton), Cameroon]</li> <li>(9) Extra spraying service with any package containing insecticide or fungicide [Cameroon]</li> <li>(10) Grafting [Indonesia]</li> <li>(11) Soil Correctives [Brazil]</li> <li>(12) Factory Ashes [Brazil]</li> </ul> |

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|      |                                                                           | <p>Farmers must subscribe to one, or more, of the above packages with a different payment requirement depending on origin country:</p> <ul style="list-style-type: none"> <li>- Côte d'Ivoire - 25% down payment</li> <li>- Ghana - 25% down payment</li> <li>- Cameroon - 30% down payment</li> <li>- Indonesia - farmers paid 100% outright through an agricultural input provider in the Farm Service channel Alternatively, a farmer can decide to purchase the recommended products independently whilst receiving the support coaching services from BC. These farmers are still considered to have a Productivity Package.</li> <li>- Brazil - 100% down payment</li> </ul> <p>Our implementing partner Touton also offers Productivity Packages after farmers have received a Farm Business Plan. In the cooperatives where Touton is sourcing the Packages are pre-financed by the cooperative, and a down payment is not necessarily needed. Note that in all cases, a 1-2% variation in payment is allowed.</p> <p>In Ecuador, no Productivity Packages are distributed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 2.6c | 49.1% farmers adopted a Productivity Package after a Farmer Business Plan | <p><i>Globally assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia</i></p> <p>This KPI is a measure of effectiveness of the Farm Business Plan (FBP) process in converting the diagnostics into contracts for Productivity Packages. It is calculated by dividing the number of farmers who signed a contract for any of the Productivity Packages after having received an FBP over the total farmers who have received an FBP (as described in KPI 2.6a), both between 1 September 2020 and 31 August 2021.</p> <p>In Indonesia farmers do not buy a productivity package through Barry Callebaut channels, but purchase these by themselves after having received a recommendation from the Farm Business Plan. These packages are also being taken into account for this KPI.</p> <p>Brazil does not have a full productivity programme and so is not in scope for this KPI. In Ecuador, no Productivity Packages are distributed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 2.7  | 1,281,032 cocoa seedlings distributed                                     | <p><i>Globally assured KPI. Countries in scope: Ghana, Cameroon, Indonesia, Brazil, Ecuador</i></p> <p>This indicator measures the total number of cocoa seedlings distributed on behalf of Cocoa Horizons between 1 September 2020 and 31 August 2021. The cocoa seedlings come from either suppliers or community nurseries. The distribution model differs per country:</p> <ul style="list-style-type: none"> <li>• In <b>Ghana</b>, a seedling is considered to be distributed when it reaches the farmer. The seedling is distributed from supplier to Purchasing Clerk and from Purchasing Clerk to the farmers.</li> <li>• In <b>Indonesia</b>, a seedling is considered to be distributed when it is sold from the nursery. This could be either directly to a farmer (BC or non-BC) or to a government body or other organization who goes on to give them to farmers.</li> <li>• In <b>Cameroon</b>, a seedling is considered to be distributed when a farmer has received and signed the discharge form/receipt.</li> <li>• In <b>Brazil</b>, the seedlings are considered to be distributed when the farmer collects them from the Nursery. These can be BC farmers or non-BC farmers. The evidence will be the invoice issued at this point.</li> <li>• In <b>Ecuador</b>, a seedling is considered to be distributed when a farmer has received the seedlings and signed the discharge form. Seedlings are distributed from supplier to Farmer Group and at the Farmer Group they are distributed to the farmers.</li> </ul> <p>No cocoa seedlings have been distributed in Côte d'Ivoire since the government of Côte d'Ivoire banned the distribution of improved cocoa varieties in May 2018. Hence Côte d'Ivoire is not in scope for this KPI.</p> |

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| 2.8 | 98,986 farmers have received Farm Service activities                                                                            | <p><i>Globally assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil, Ecuador</i></p> <p>A Cocoa Horizons Group Member is considered to have received farm service activities if they are a registered Cocoa Horizons farmer (as per KPI 1.4) and have benefited from any of the following between 1 September 2020 and 31 August 2021:</p> <ul style="list-style-type: none"> <li>received a Farm Business Plan (as per KPI 2.6a).</li> <li>received a Productivity package (as per KPI 2.6b).</li> <li>received cocoa seedlings (as per KPI 2.7).</li> <li>received shade tree seedlings (as per KPI 4.1a).</li> <li>received support for income diversification (as per KPI 2.9)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 2.9 | 2,286 household members who have received support for income diversification and/or IGAs since the start of activities in 18/19 | <p><i>Globally assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia</i></p> <p>This indicator represents the number of Cocoa Horizons household members who have received support for income diversification either individually or in the form of a group (income generating group activities or IGAs). Household members may include farmers, their spouse or relatives. This KPI is cumulative year on year since when it started in 2016. Income diversification activities and IGAs are non-cocoa packages and activities that diversify a farming household's income. However, if a household member receives support for more than one package, they are only included once.</p> <p>In <b>Ghana</b>, these activities started in 2018/2019 and refer to receiving support with at least one of the following.</p> <p>Activities that took place in 2018/19:</p> <ul style="list-style-type: none"> <li>Soap making - community members receive training and support to form groups.</li> </ul> <p>Activities taking place in 2020/21</p> <ul style="list-style-type: none"> <li>Poultry - community members receive either a) cockerels for breeding, or b) chickens for laying and meat.</li> </ul> <p>In <b>Cameroon</b>, these activities started in 2018/2019 and refer to receiving support with at least one of the following.</p> <p>Activities that took place in 2018/19:</p> <ul style="list-style-type: none"> <li>Growing vegetables.</li> <li>Electricity generation (solar panels).</li> </ul> <p>Activities taking place in 2020/21, these were part of IGA so predominantly took place in groups</p> <ul style="list-style-type: none"> <li>Soap making - community members receive training and support to form groups.</li> <li>Cassava - transformation to Garri.</li> </ul> <p>In <b>Ivory Coast</b>, there were three different ways in which community members received IGAs or income diversification.</p> <p>Seekewa (participatory financing platform dedicated to small farmers) took place only in 2021 and activities are taking place to establish farming plots for certain women selected by the Farm Services programme. The women are selected on the following criteria:</p> <ul style="list-style-type: none"> <li>Must be between 18 and 45 years.</li> <li>Must be in possession of official identification documents.</li> <li>Must live in a village that delivers to the cooperative.</li> <li>Must possess an undisputed piece of land.</li> </ul> <p>Activities done include: production of okras, chilli peppers and eggplants.</p> <p>IGA Standard activities took place from 2019 to 2021 and included activities such as the production of rice, chilli peppers, corn, eggplants, yams, beans, peanuts, okras, plantains and cassava. Chicken breeding and cassava transformation activities were also included. The AFEM program was mainly for soap making and started in 2016.</p> <p>Indonesian community members learn to either learn to grow and/or sell one of the below activities since 2018/19:</p> <ul style="list-style-type: none"> <li>Instant Red Ginger.</li> <li>Banana Crispy.</li> <li>Brown Sugar Powder.</li> <li>Liquid Sugar.</li> <li>Compost Fertilizer.</li> <li>Coconut Cooking Oil.</li> <li>Banana Chips.</li> </ul> <p>There are no income diversification activities in Ecuador and Brazil.</p> |

## Part 3 Zero Child Labor in Our Supply Chain

While our 'Zero Child Labor' strategy focuses on Côte d'Ivoire, Ghana, Cameroon:

- In Brazil, in 2020/21 we began a pilot to review newly developed child labor monitoring system and remediation protocols. We are currently integrating the learnings in our tools and processes, and working on improving the system as a whole.
- In Ecuador and Indonesia, which are identified as having a medium-risk of child labor<sup>6</sup>, a different approach is being implemented in comparison to countries considered high risk, such as Côte d'Ivoire and Ghana. To determine what actions will best address the human rights and child rights risk in these contexts, we are currently conducting an in-depth human rights risk assessment of our supply chains before finalizing our action plan, protocols and systems to effectively address the risk. In Indonesia we are already actively supporting community child protection systems and women groups and the results of the risk assessment by an NGO will further support the development of these activities. In Ecuador we are awaiting the outcome of the assessment to determine how to best address child rights risk when identified. Child labor KPIs for Ecuador and Indonesia will be audited when processes and protocols have been finalized and implementation has started.

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| 3.1 | 1,240 Village Savings and Loans Associations | <p><i>Globally assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon</i></p> <p>This indicator refers to the number of Village Savings and Loans Associations (VSLAs) that have been established, by or with support from Cocoa Horizons or its third party implementers, from 1 September 2020 until 31 August 2021 or are considered as functioning by 31 August 2021. The criteria for being considered established and/or functioning are listed below.</p> <p>VSLAs are used as an opportunity to implement activities that support farmers further under the three pillars. For example, a VSLA can be used for income diversification projects (growing vegetables, etc.), community seedling projects (Thriving Nature) or it can be linked to activities in communities more vulnerable to child labor. On average, VSLA membership ranges between 10-35 members.</p> <p>A VSLA is considered established when the following criteria have been all met:</p> <ol style="list-style-type: none"> <li>1. A Community Entry Meeting has been held with key members of the community.</li> <li>2. A founding meeting is held with the potential VSLAs.</li> <li>3. A member list is available and leadership has been democratically chosen and the roles have been clarified.</li> <li>4. VSLA kits have been handed out (this does not apply to Ivory Coast).</li> <li>5. Constitution of the group is available.</li> <li>6. First savings meeting is held (i.e. the first money is brought in) or planned within the first 8 weeks after the founding meeting.</li> </ol> <p>In Ghana, the process of establishing a VSLA starts with an information/sensitization meeting between Farmers and Technical field staff. The Community Entry Meeting is then conducted at a later stage, therefore does not indicate the initial establishment point of the VSLA. Therefore, point 1) does not apply to Ghana.</p> <p>A VSLA is considered functioning if:</p> <ol style="list-style-type: none"> <li>1. It has completed at least one cycle successfully (100% loan recovery is achieved prior to share-out) or has been functional for a 12 month period, and</li> <li>2. At least 3 criterions of points A. - G. stated below apply : <ul style="list-style-type: none"> <li>-- A. It has a central register and the records in the passbook are clear, up to date and accurate.</li> <li>-- B. It has at least one meeting per month, whereby the last meeting has not been more than 4 weeks prior to visit, unless the constitution states less regular meetings (e.g. because of seasonality).</li> <li>-- C. At least 80% of the members regularly save since the start of the cycle, meaning they have bought at least one share per meeting they attended.</li> <li>-- D. At least 60% of the members have bought more than 1 share on average per meeting they attended.</li> <li>-- E. At least 80% of the members attend &gt;80% of the meetings.</li> <li>-- F. At least 80% of the loans are repaid on time.</li> <li>-- G. Dropout of members is &lt;10% of the cycle.</li> </ul> </li> </ol> |
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<sup>6</sup> Verisk Maplecroft <https://www.maplecroft.com/>

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|     |                                                                                                                                                                        | No VSLAs activities are done in Brazil and Ecuador. In Indonesia, VSLAs activities have started and are not yet fully established, hence out of scope for this KPI.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 3.2 | <p>No. of child labor cases identified</p> <ul style="list-style-type: none"> <li>• Côte d'Ivoire: 5,903</li> <li>• Ghana: 3,509</li> <li>• Cameroon: 9,117</li> </ul> | <p><i>Individually assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon</i></p> <p>This indicator refers to the number of children identified in child labor in Cocoa Horizons farming households (or in Cocoa Horizon's third party implementers' farming households) between 1 September 2020 and 31 August 2021.</p> <p>A child is considered to be in child labor if they undertake work that deprives them of their childhood, their potential, and their dignity, as per the International Labour Organization (ILO) definition. Child labor refers to work that is mentally, physically, socially and/or morally harmful to children. It interferes with their schooling by:</p> <ul style="list-style-type: none"> <li>• Depriving them of the opportunity to attend school;</li> <li>• Obliging them to leave school prematurely; or</li> <li>• Requiring them to attempt to combine school attendance with excessively long and heavy work.</li> </ul> <p>Within the concept of child labor are worst forms of child labor. This covers 4 major categories:</p> <ol style="list-style-type: none"> <li>1. All forms of slavery or practices similar to slavery such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labor, including forced or compulsory recruitment of children for use in armed conflict;</li> <li>2. The use, procuring or offering of a child for prostitution, for the production of pornography, or for pornographic performances;</li> <li>3. The use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties; and</li> <li>4. Work which, by its nature or circumstances in which it is carried out, is likely to harm the health, safety or morals of children (known as hazardous work).</li> </ol> <p>The specific criteria of child labor in each origin are outlined below.</p> <p><b>Child labor identification process per origin</b></p> <p>To identify cases of child labor, the process differs in each origin:</p> <p><b>In Côte d'Ivoire</b>, child labor is defined according to ILO definition of child labor and hazardous child labor follows the Côte d'Ivoire CIV Decree N°2017-016 and 017 MEPS/CAB (2017), which is summarized in the ICI (International Cocoa Initiative) document Comparative analysis of child labor decrees in Cameroon, Côte d'Ivoire and Ghana. The data of the surveyed and observed children, from the Child Labor Monitoring and Remediation System (CLMRS) Child and CLMRS Farm surveys is analyzed following a semi-automated process, against the below criteria based on the above definition to determine if a child is in child labor or not:</p> <ul style="list-style-type: none"> <li>• If the child has been involved in at least one task that has been designated as hazardous in the Côte d'Ivoire criteria, then the child is considered to be in child labor and as having participated in one of the worst forms of child labor.</li> <li>• If the type of work performed by the child is not listed on the hazardous activities as designated by the Côte d'Ivoire CIV Decree N°2017-016 and 017 MEPS/CAB (2017), the total amount of light work done by the child is calculated and compared against the maximum allowable hours for the age group of the child. <ul style="list-style-type: none"> <li>• If the amount of hours work for 13-17 year olds is found to be exceeding this limit for the defined age group, the child is considered to be in child labor.</li> <li>• All children 5-12 years of age who carry out light tasks (+1hr/week) as part of an economic activity (paid or unpaid) are considered to be in child labor.</li> <li>• Children found below the age of 5 are removed from our CLMRS surveys, as these are believed to be input errors from the enumerator.</li> </ul> </li> <li>• All other children who do not fall into these categories are considered to not be in child labor.</li> <li>• An exception has been made on the above methodology for 11 of our cooperatives in Côte d'Ivoire, in which we were running CLMRS pilot projects, where hazardous child labor was taken as a proxy for the other forms of child labor. Also, due to the pilot status of the project, children were not queried on 2 heavy types of child labor (work performed in the evening and working more than 40 hours) which are hazardous, as this was not included in the survey erroneously. The difference in methodology is because the CLMRS systems in place in these cooperatives were pilot projects, in which limiting the scale of the detection was to ensure adoption of these systems before scaling it further. For two of these cooperatives, we are</li> </ul> |

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|  | <p>here also reporting on cases that were identified in FY 19/20. Cases here had not been reported in that FY due to the pilot status of the project. These two cooperatives applied the aforementioned different methodology in the previous fiscal year (FY 19/20), and have in FY 20/21 aligned with the currently prevalent methodology. In the coming fiscal year, our reporting for the remaining 9 cooperatives will be fully aligned with the other farmer groups.</p> <p><b>In Ghana</b>, child labor is defined according to the ILO definition and hazardous child labor follows the Hazardous Child Labor Activity Framework for Ghana [HAF] (2016) , which is summarized in the ICI document Comparative analysis of child labor decrees in Cameroon, Côte d'Ivoire and Ghana. The data of the surveyed and observed children, from the CLMRS Child and CLMRS Farm surveys is analyzed following a semi-automated process, against the below criteria based on the above definition to determine if a child is in child labor or not:</p> <ul style="list-style-type: none"> <li>• If the child has been involved in at least one task that has been designated as hazardous by the Hazardous Child Labor Activity Framework for Ghana [HAF] (2016), then the child is considered to be in child labor and as having participated in one of the worst forms of child labor.</li> <li>• If the type of work performed by the child is not listed on the hazardous activities as designated by the Ghana HAF (see also observation in section 4), the total amount of light work done by the child is calculated and compared against the maximum allowable hours for the age group of the child. <ul style="list-style-type: none"> <li>• If the amount of hours worked for 13-17 year olds is found to be exceeding this limit for the defined age group, the child is considered to be in child labor.</li> <li>• All 5-12 year olds who carry out light tasks (+1hr/week) as part of an economic activity (paid or unpaid) are considered to be in child labor.</li> <li>• Children found below the age of 5 are removed from our CLMRS surveys, as these are believed to be input errors from the enumerator</li> </ul> </li> <li>• All other children who do not fall into these categories are considered to not be in child labor.</li> </ul> <p><b>In Cameroon</b>, Barry Callebaut applies the same decree on child labor definition as for Côte d'Ivoire - according to ILO definition of Child Labor and hazardous child labor following the Côte d'Ivoire CIV Decree N°2017-016 and 017 MEPS/CAB (2017). The data of the surveyed and observed children, from the CLMRS Child and CLMRS Farm surveys is analyzed following a semi-automated process, against the below criteria based on the above definition to determine if a child is in child labor or not:</p> <ul style="list-style-type: none"> <li>• If the child has been involved in at least one task that has been designated as hazardous in the Côte d'Ivoire criteria (as these are applied to Cameroon), then the child is considered to be in child labor and as having participated in one of the worst forms of child labor.</li> <li>• If the type of work performed by the child is not listed on the hazardous activities as designated by the Côte d'Ivoire CIV Decree N°2017-016 and 017 MEPS/CAB (2017), the total amount of light work done by the child is calculated and compared against the maximum allowable hours for the age group of the child. <ul style="list-style-type: none"> <li>• If the amount of hours work for 13-17 year olds is found to be exceeding this limit for the defined age group, the child is considered to be in child labor.</li> <li>• All children 5-12 years of age who carry out light tasks (+1hr/week) as part of an economic activity (paid or unpaid) are considered to be in child labor.</li> <li>• Children found below the age of 5 are removed from our CLMRS surveys, as these are believed to be input errors from the enumerator.</li> </ul> </li> <li>• All other children who do not fall into these categories are considered to not be in child labor.</li> </ul> <p>Based on the nature of the "causal factors" of the incidence of the child labor in the individual households, a "remediation" plan is charted out. Once the household where such "cases" are spotted and a remediation plan is in play, the CLMRS "coach" will revisit the household and perform a check on the status of the child, to determine if the child is still in child labor or not. Usually a case is followed 3 times, inclusive of the support activity, with at least 3 months apart for up to the next 2-3 years before there is enough evidence that the child is out of child labor.</p> <ul style="list-style-type: none"> <li>• In Cameroon, some surveys were taken in late August 2020 that were not reported on in FY 19/20, due to a mismatch between activity start and previous fiscal year end. We have therefore decided to include these surveys in the FY20/21.</li> </ul> <p><b>Methodology for analysis</b></p> <p><b>In Côte d'Ivoire:</b></p> <ul style="list-style-type: none"> <li>• &lt;13 years old - no work allowed.</li> </ul> |
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|  |  | <ul style="list-style-type: none"> <li>• 13-15 years old - only light work can be undertaken for a maximum of 2 hours per day on a school day, and 4 hour per day on a non-school day to a maximum of 10 hours per week during school term and 14 hours per week during school holidays; children between 13-15 cannot be employed.</li> <li>• 14-15 years old - Boys can carry 15kg, transport by rail cart 500kg, transport by wheelbarrow 40kg, transport by vehicle with 3-4 wheels 60kg, transport by handcart 130kg, transport by tricycle carrier 50kg. Girls can carry 8kg, transport by rail cart 300kg, transport by wheelbarrow 30kg, transport by vehicle with 3-4 wheels 35kg, transport by handcart or tricycle is prohibited.</li> <li>• 16-17 years old - normal/non-hazardous work, and employment, can be undertaken (apprenticeships possible from 14) for a maximum of 8 hours per day or 40 hours per week. Hazardous activities can be undertaken under the condition that i) their health, safety, and morals are guaranteed; and ii) that they have received a specific and adequate training or vocational training in relation to the activity. Boys can carry 20kg, transport by rail cart 500kg, transport by wheelbarrow 40kg, transport by vehicle with 3-4 wheels 60kg, transport by handcart 130kg, transport by tricycle carrier 75kg. Girls can carry 10kg, transport by rail cart 300kg, transport by wheelbarrow 30kg, transport by vehicle with 3-4 wheels 35kg, transport by handcart or tricycle is prohibited.</li> <li>• All: night work is prohibited for all children under the age of 18 between 7pm and 7am.</li> <li>• Over 18 years old is no longer considered a child.</li> </ul> <p>Hazardous activities in cocoa are considered to be, according to the Côte d'Ivoire Decree #2017-016 and 017 MEPS/CAB (2017):</p> <p>Clearing of forest and felling of trees, removing tree stumps, digging holes, bush burning, manipulation of agrochemicals (sale, transportation, handling and application), using machetes/long cutlass for weeding or pruning, working with motorized farm machinery, harvesting overhead cocoa pods with sharp tools, breaking cocoa pods with sharp breaking knives, carrying heavy loads beyond permissible carrying weight, charcoal production, game hunting with a weapon, working long hours, night work.</p> <p><b>In Ghana:</b></p> <ul style="list-style-type: none"> <li>• &lt;5 years old - no work allowed.</li> <li>• 5-12 years old - socializing light work under adult guidance permitted.</li> <li>• 13-14 years old - only light work can be undertaken for a maximum of 2 hours a day and 14 hours a week; children between 13-14 cannot be employed.</li> <li>• 15-17 years old - normal/non-hazardous work, and employment, can be undertaken for a maximum of 8 hours per day and 42 hours per week.</li> <li>• All - night work is prohibited between 6pm and 6am.</li> <li>• All - can carry maximum 30% of body weight for walking distances up to 2 miles (3km); and up to 50% of body weight for short distances (i.e. less than 1km).</li> <li>• Over 18 years old is no longer considered a child.</li> </ul> <p>Hazardous activities in cocoa are considered to be, according to the Ghana HAF (2016):</p> <p>Clearing of forest and felling of trees, removing tree stumps, bush burning, manipulation of agrochemicals (sale, transportation, handling and application), being present or working in the vicinity of farm during spraying of agrochemicals or re-entering a sprayed farm within less than 12 hours, using machetes/long cutlass for weeding or pruning, climbing trees higher than 2.5 meters to cut mistletoe or harvest or prune with sharp cutlass or implements, working with motorized farm machinery, harvesting overhead cocoa pods with sharp tools, breaking cocoa pods with sharp breaking knives, working without adequate basic foot and body protective clothing, carrying heavy loads beyond permissible carrying weight, working long hours, night work, working alone on the farm in isolation.</p> <p><b>In Cameroon:</b></p> <p>Same conditions as in Ivory Coast apply, as an extension of the conditions of the Cameroon Decree #17 (27 May 1969).</p> <p>Brazil, Indonesia and Ecuador are not in scope for this KPI.</p> |
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| 3.3 | <p>No. of child labor cases under remediation</p> <ul style="list-style-type: none"> <li>• Côte d'Ivoire: 6,321</li> <li>• Ghana: 9,607</li> <li>• Cameroon: 9,258</li> </ul>                                                        | <p><i>Individually assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon</i></p> <p>This indicator relates to the child labor cases identified (KPI 3.2) which have received support (at least one support activity) but are not yet considered remediated (KPI 3.4), until 31 August 2021. Support includes the delivery of goods or services to prevent, mitigate and remediate child labor. It can be provided at child, household, or community level. The support activity can be in the form of direct intervention provided to the child or child's family, or intervention provided to the child's community.</p> <p>This is evidenced by either signed documentation from the child's parents that the support activity has been received or signed confirmation from the head of the community that a community intervention has been provided.</p> <p>Support activities contribute towards remediation of the case found, either directly or indirectly, depending on the severity of the case. Support activities include, but are not limited to awareness raising sessions, the distribution of shovels, wheelbarrows, school kits, provisioning of birth certificates and writing classes, in line with the ICI definition.</p> <p>In Ghana, remediation activities are currently:</p> <ul style="list-style-type: none"> <li>• Awareness creation: Mass sensitization, Individual household sensitization</li> <li>• Items for the Child: School uniform, Exercise books, School bags</li> <li>• Schooling/Vocational Training: Bakery &amp; confectionery</li> <li>• IGA Parent/Guardian: Soap making</li> <li>• Community (other): Reading &amp; Learning clubs, Child labour &amp; Environmental clubs</li> </ul> <p>In Cameroon, remediation activities are currently:</p> <ul style="list-style-type: none"> <li>• Items for the children under 14: exercise books and mathematical sets, school bags, text books</li> <li>• Children 14 and over: advice to parents to enrol child in vocational training</li> </ul> <p>In Côte d'Ivoire, remediation activities are currently:</p> <ul style="list-style-type: none"> <li>• Awareness raising: Mass sensitization; individual household sensitization;</li> <li>• Items for the child: School fees, birth certificates, wheelbarrow, shovel</li> <li>• Schooling/Vocational Training: bridging classes</li> </ul> <p>The cases in this KPI are thus still in the process of remediation and not yet considered to have been successfully and completely remediated (KPI 3.4).</p> <p>A child labor case is considered to be under remediation if the case was identified in this or the previous years, and it has a remediation plan and at least one remediation activity undertaken</p> <p>If a farmer household leaves the supply chain after case identification, or if the identified child turns 18 and is no longer considered to be a child, or if the child moves away permanently or deceases, the case is no longer considered.</p> <p>Brazil, Indonesia and Ecuador are not in scope for this KPI.</p> |
| 3.4 | <p>No. of child labor cases considered remediated on the grounds the child has not been found performing child labor over 2 consecutive monitoring visits</p> <ul style="list-style-type: none"> <li>• Côte d'Ivoire: 362</li> </ul> | <p><i>Individually assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon</i></p> <p>This indicator relates to the child labor cases identified (KPI 3.2) which have received support and are considered to be remediated, until 31 August 2021. It is cumulative compared to last year.</p> <p>A child labor case is considered to be remediated if the child has declared that he has not been involved in any hazardous activities over the last 12 months (since the child was identified in child labor) and the last 2 consecutive follow up visits from the coaches, with at least 3 months in between follow up visits since the child was identified in child labor. Generally, follow up visits are made between 3-9 months.</p> <p>A case has thus been remediated, if:</p> <ul style="list-style-type: none"> <li>• The child identified in child labour received at least one support activity. Support activities contribute towards remediation of the case found, either directly or indirectly, depending on the severity of the case. A child can receive more than one support activity, depending on the severity of the case.</li> <li>• If the child declared that he / she has not been involved in any hazardous activities over the last 12 months (and the last 2 consecutive biannual follow up visits) since the child was identified in child labor.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

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|     |                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>• A remediation activity has been done related to the child labor activity the child was found in, and have done at least 2 follow up visits after the remediation activity that indicate the child is no longer found in child labor.</li> </ul> <p>The date between the first remediation revisit and the remediation activity needs to be at least 3 months apart, to ensure the activity is bearing fruit.</p> <p>The date between the last remediation visit and the remediation activity needs to be between 12 and 18 months, and the child cannot be found in child labor in any of the visits in these 18 months. At least two child labor revisits should be taken at least 3 months apart, but these visits do not have to be consecutive, so multiple remediation revisits can be done in these 3 months. This is in line with the NORC methodology and ICI recommendations of proving that the child is no longer in child labor.</p> <p>For the follow up visits the survey should include at least the following:</p> <ul style="list-style-type: none"> <li>• Basic household data to connect the child to the relevant household.</li> <li>• Status of support activities.</li> <li>• Schooling status.</li> <li>• Difficulties encountered.</li> <li>• Status of hazardous tasks conducted since last visit.</li> <li>• Current needs of a child.</li> </ul> <p>Support activities can include but are not exhaustive to (more information about support activities can be found under KPI 3.3):</p> <ul style="list-style-type: none"> <li>• Awareness raising: Mass sensitization, individual household sensitization</li> <li>• Items for on / off farm income diversification activities: soap making</li> <li>• Community (other): Reading &amp; Learning clubs, Child labour &amp; Environmental clubs</li> </ul> <p>Brazil, Indonesia and Ecuador are not in scope for this KPI.</p>                                                                                                                                                                                                                                                                                                                                                                                 |
| 3.6 | <p>No. of farming households that have participated in a child labor identification monitoring survey</p> <ul style="list-style-type: none"> <li>• Côte d'Ivoire: 23,134</li> <li>• Ghana: 9,956</li> <li>• Cameroon: 6,753</li> </ul> | <p><i>Individually assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon</i></p> <p>This indicator refers to the number of Cocoa Horizons households who participated in the following survey interviews, in the year from 1 September 2020 to 31 August 2021, as part of the child labor monitoring and support activities (remediation and prevention).</p> <p>Monitoring is an active process of identifying child labour. A household can be considered monitored under a CLMRS if they have received an in-person visit and have conducted a child labor identification survey, ideally including an interview with children aged between 5 and 17. Households who participate in the surveys supply cocoa to Barry Callebaut or its third party implementers.</p> <p>For the third party implementer Touton, children aged 5-9 are not interviewed directly but via their parents/tutors, whereas children aged 10-17 are interviewed directly.</p> <p>In Côte d'Ivoire, Ghana and Cameroon, child labor identification surveys are CLMRS Child survey, CLMRS Farm survey and the CLMRS Remediation survey.</p> <p>A household can be considered for this KPI, if there are no children available for the interview (CLMRS Child or CLMRS Remediation) or when no children were observed on the farm (CLMRS Farm), as the farm visit took place to recognize the monitoring effort by the enumerator.</p> <p>The child survey and the follow up monitoring survey consist of the following questions of each child:</p> <ul style="list-style-type: none"> <li>• Child Name.</li> <li>• Child Date of Birth.</li> <li>• If the child has a birth certificate, is literate, their highest level of education, and other questions on characteristics.</li> <li>• Whether the child was involved in any work or tasks deemed as non-hazardous by the local authorities.</li> <li>• If the child was involved in any non-hazardous work or tasks, for how many days and for hours a day to estimate if the child is doing too much non-hazardous work. The working limits per country and age bracket is described in KPI 4.5a.</li> <li>• Whether the child was involved in any work or tasks deemed as hazardous by the local authorities. Please see indicator #4.5a for the hazardous tasks per country.</li> </ul> |

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|     |                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>• If the child was involved in any hazardous work or tasks, for how many days and for how many hours a day to estimate the severity of the work being done.</li> </ul> <p>The objective of the farm visit is to observe and record any child labor incidences. The following information is collected:</p> <ul style="list-style-type: none"> <li>• Child Name.</li> <li>• Consent guardian.</li> <li>• # of children observed on the farm.</li> <li>• # of children observed working on the farm.</li> <li>• Per child found on the farm working <ul style="list-style-type: none"> <li>○ Year of Birth of the children working on the farm:</li> <li>○ Gender.</li> <li>○ Relationship to the farmer farming the plot.</li> <li>○ Names of guardians.</li> <li>○ School status.</li> <li>○ School name.</li> <li>○ Location of natural parents if the child is currently not living with them.</li> <li>○ Hazardous activities s/he has conducted over the last 12 months (excluding long working hours). For the full list per country see KPI 4.5a.</li> <li>○ Hours worked over a 7 day reference period.</li> </ul> </li> </ul> <p>Brazil, Indonesia and Ecuador are not in scope for this KPI.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 3.7 | <p>No. of children that have participated in a child labor identification monitoring survey</p> <ul style="list-style-type: none"> <li>• Côte d'Ivoire: 43,899</li> <li>• Ghana: 10,306</li> <li>• Cameroon: 12,769</li> </ul> | <p><i>Individually assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon</i></p> <p>This indicator refers to the number of children in Cocoa Horizons cocoa farmer households who participated in the following survey interviews, in the year from 1 September 2020 to 31 August 2021, as part of the child labor monitoring and remediation activities.</p> <p>Monitoring is an active process of identifying child labour. A child can be considered monitored under a CLMRS if he / she has received an in-person visit, including a child labor identification monitoring survey. Children between 5 and 17 are interviewed. Children who participate in the surveys live in cocoa farmer households which supply cocoa to Barry Callebaut or its third party implementers.</p> <p>For the third party implementer Touton, children aged 5-9 are not interviewed directly but via their parents/tutors, whereas children aged 10-17 are interviewed directly.</p> <p>For Côte d'Ivoire, Ghana and Cameroon, Barry Callebaut recognizes CLMRS Child survey, CLMRS Farm survey and the child labor follow-up monitoring survey CLMRS Remediation survey, as child labor monitoring identification surveys:</p> <ul style="list-style-type: none"> <li>• The child survey (CLMRS Child) is a survey used to interview the children between 5 and 17 part of the farmer household.</li> <li>• After identification of child labor, another survey is conducted with the child similar to the CLMRS Child, called CLMRS Remediation survey or also known as follow-up monitoring survey which is built up similarly to the CLMRS Child, in addition evaluating if the child is still found in child labor after having received support.</li> <li>• The farm survey (CLMRS Farm) is conducted in Côte d'Ivoire only and consists of a field visit to a farm belonging to a farmer supplying cocoa to Barry Callebaut. When a child is found present at that farm, he/she will be interviewed. All visits to the farm are recorded, also when no children are found at the farm.</li> </ul> <p>The child survey and the follow-up monitoring survey consist of the following questions of each child:</p> <ul style="list-style-type: none"> <li>• Child Name.</li> <li>• Child Date of Birth.</li> <li>• If the child has a birth certificate, is literate, their highest level of education, and other questions on characteristics.</li> <li>• Whether the child was involved in any work or tasks deemed as non-hazardous by the local authorities.</li> </ul> |

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|      |                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>• If the child was involved in any non-hazardous work or tasks, for how many days and for hours a day to estimate if the child is doing too much non-hazardous work. The working limits per country and age bracket is described in KPI 4.5a.</li> <li>• Whether the child was involved in any work or tasks deemed as hazardous by the local authorities. Please see KPI 4.5a for the hazardous tasks per country.</li> <li>• If the child was involved in any hazardous work or tasks, for how many days and for how many hours a day, in order to estimate the severity of the work being done.</li> </ul> <p>The objective of the farm visit is to observe and record any child labor incidences, which includes an interview with the child. The following information is collected:</p> <ul style="list-style-type: none"> <li>• Child Name.</li> <li>• Consent guardian.</li> <li>• # of children observed on the farm.</li> <li>• # of children observed working on the farm.</li> <li>• Per child found on the farm working: <ul style="list-style-type: none"> <li>○ Year of Birth of the children working on the farm.</li> <li>○ Gender.</li> <li>○ Relationship to the farmer farming the plot.</li> <li>○ Names of guardians.</li> <li>○ School status.</li> <li>○ School name.</li> <li>○ Location of natural parents if the child is currently not living with them.</li> <li>○ Hazardous activities s/he has conducted over the last 12 months (excluding long working hours). For the full list per country see indicator #4.5a.</li> <li>○ Hours worked over a 7 day reference period.</li> </ul> </li> </ul> <p>Brazil, Indonesia and Ecuador are not in scope for this KPI.</p>                                                                                                                                                                                                                                                                                  |
| 3.5a | <p>No. of Farmer Groups covered by Child Labor Monitoring and Remediation (CLMRS) activities</p> <ul style="list-style-type: none"> <li>• Côte d'Ivoire: 127</li> <li>• Ghana: 37</li> <li>• Cameroon: 20</li> </ul> | <p><i>Individually assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon</i></p> <p>This indicator relates to the number of Cocoa Horizons Farmer Groups, from which Barry Callebaut (or its sub-contractors/ third party implementers) directly source, that have systems in place to monitor or remediate child labor, in the period of 1st September 2020 until 31 August 2021. Significantly different from FY 19/20 methodology, a farmer group is considered to be covered by child labour monitoring and remediation activities if:</p> <ul style="list-style-type: none"> <li>• A minimum of 10% of active cocoa farming households who are members of a given farmer group are monitored through a CLMRS Child survey and / or CLMRS Farm survey; or</li> <li>• A minimum of 80% of active cocoa farming households who are members of a given farmer group have a census survey,</li> </ul> <p>Effective child labour monitoring and remediation system fulfills the following criteria:</p> <ul style="list-style-type: none"> <li>• A CLMRS includes awareness-raising at community and household level; targeted to both adults and children.</li> <li>• CLMRS exists - systematic child labor monitoring and remediation is taking place among the members of the farmer groups.</li> <li>• Data is collected and children are surveyed about their involvement in light and hazardous work.</li> <li>• Individuals responsible for CLMRS are trained on child protection, child labor case management, child labor monitoring and remediation.</li> <li>• Equipment for individuals responsible for CLMRS is available (e.g. awareness raising material).</li> <li>• Identified child labour cases are referred to institutions as needed.</li> <li>• CLMRS provides support to children in and at-risk of child labour to mitigate, remediate and prevent future cases of child labour and improve their situation.</li> </ul> <p>Brazil, Indonesia and Ecuador are not in scope for this KPI.</p> |

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| 3.5b | <p>% of farmer groups we directly source from that are covered by our child labour monitoring and/or remediation activities:</p> <ul style="list-style-type: none"> <li>● Côte d'Ivoire: 91%</li> <li>● Ghana: 54%</li> <li>● Cameroon: 95%</li> </ul> | <p><i>Countries in scope: Côte d'Ivoire, Ghana, Cameroon</i></p> <p>This indicator relates to the proportion of Cocoa Horizons Farmer Groups, from which Barry Callebaut (or its sub-contractors/ third party implementers) directly sources, that have systems in place to monitor or remediate child labor, in the period of 1st September 2020 until 31 August 2021, in relation to the total number of Cocoa Horizons Farmer Groups from which Barry Callebaut (or its sub-contractors/ third party implementers) directly sources from.</p> <p>Significantly different from FY 19/20 methodology, a farmer group is considered to be covered by child labour monitoring and remediation activities if:</p> <ul style="list-style-type: none"> <li>● A minimum of 10% of active cocoa farming households who are members of a given farmer group are monitored through a CLMRS Child survey and / or CLMRS Farm survey; or</li> <li>● A minimum of 80% of active cocoa farming households who are members of a given farmer group have a census survey,</li> </ul> <p>Effective child labour monitoring and remediation system fulfills the following criteria:</p> <ul style="list-style-type: none"> <li>● A CLMRS includes awareness-raising at community and household level; targeted to both adults and children.</li> <li>● CLMRS exists - systematic child labor monitoring and remediation is taking place among the members of the farmer groups.</li> <li>● Data is collected and children are surveyed about their involvement in light and hazardous work.</li> <li>● Individuals responsible for CLMRS are trained on child protection, child labor case management, child labor monitoring and remediation.</li> <li>● Equipment for individuals responsible for CLMRS is available (e.g. awareness raising material).</li> <li>● Identified child labour cases are referred to institutions as needed.</li> <li>● CLMRS provides support to children in and at-risk of child labour to mitigate, remediate and prevent future cases of child labour and improve their situation.</li> </ul> <p>Brazil, Indonesia and Ecuador are not in scope for this KPI.</p> |
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## Part 4 Environmental Protection

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| 4.1b | 2,272,539 shade tree seedlings distributed to Farmer Groups | <p><i>Globally assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Ecuador</i></p> <p>This indicator measures the total number of shade tree seedlings distributed by Cocoa Horizons Foundation. Once received by the Farmer Groups, the Farmer Groups then go on to distribute the seedlings to farmers as per KPI 4.1a.</p> <p>No shade tree seedlings are distributed in Brazil since farms tend to be already in an agroforestry system.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 4.1a | 1,598,772 shade tree seedlings distributed to farmers       | <p><i>Globally assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Ecuador</i></p> <p>This indicator measures the total number of shade tree seedlings distributed by Cocoa Horizons between 1 September 2020 and 31 August 2021. The seedlings come from either suppliers or community nurseries.</p> <p>A shade tree is a tree whose primary purpose is to provide shade for other crops, especially cocoa. They are usually fast growing and planted at intervals on a cocoa plot to help protect cocoa trees from the sun and retain moisture. Usually the shade tree seedlings distributed are a mix of varieties, and some can have the secondary purpose of providing fruits e.g. plantain. These are distributed as young seedlings.</p> <p>In Côte d'Ivoire, a seedling is considered to be distributed when it reaches the farmer. The distribution process of seedlings distributed by implementers' local team is tracked and digitized on Katchilé. Seedlings were also distributed on Cocoa Horizon's's behalf by an external implementer.</p> <p>In Ghana, a seedling is considered to be distributed when it reaches the farmer. The seedling is distributed from supplier to Purchasing Clerk and from Purchasing Clerk to the farmers. The distribution process of seedlings distributed by Barry Callebaut's local team is tracked and digitized on Katchile. Seedlings were also distributed on Cocoa Horizons's behalf by an external implementer: Pur Projet.</p> <p>In Indonesia, a seedling is considered to be distributed when it is sold from the supplier's nursery. This could be either directly to a farmer, to a government body or other organization, who then gives them to farmers.</p> <p>In Cameroon, a seedling is considered to be distributed when a farmer has received and signed the discharge form/receipt.</p> <p>In Ecuador, a seedling is considered to be distributed when a farmer has received a receipt or signed the register.</p> <p>No shade tree seedlings are distributed in Brazil since farms tend to be already in an agroforestry system.</p> |
| 4.2  | 75% farmers who delivered Horizons cocoa with a GPS map     | <p><i>Globally assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil, Ecuador</i></p> <p>This indicator calculates the number of Cocoa Horizons Group Members who delivered Cocoa Horizons cocoa who have at least 1 of their cocoa plots mapped with a GPS that generates a polygon as a percentage of the total number of Cocoa Horizons Group Members who delivered Cocoa Horizons cocoa as per KPI 1.6a.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

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| 4.3  | 74% of Horizons cocoa demonstrated to not be contributing to deforestation | <p><i>Globally assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil, Ecuador</i></p> <p>Cocoa Horizons cocoa demonstrated not to be contributing to deforestation refers to Cocoa Horizons cocoa which has not been sourced from a Protected Area (as defined by the host government and/or the Cocoa and Forest Initiative guidelines). Cocoa Horizons identifies the location and area of the Protected Areas by using data from a variety of sources, including the WDPA (World Database of Protected Areas). Cocoa Horizons has identified cocoa bean production sites via GPS mapping (farm polygons). The percentage of cocoa demonstrated not to be contributing to deforestation is calculated based on the proportion of Cocoa Horizons cocoa sourced from farm polygons which are not located in a Protected Area, divided by the total volume of all Cocoa Horizons cocoa sourced from high risk countries.</p> <p>Risk profiles of cocoa are obtained from the 'Maplecroft Index', where a score above 7.5 is low risk. All cocoa sourced is considered to be from a 'high risk' country according to the 'Maplecroft Index'.</p> <p>If there is at least one farm polygon map which is within a Protected Area, then the whole volume delivered by a given farmer is rejected as not demonstrated to be not contributing to deforestation. If polygons of cocoa farms are located outside of a Protected Area, then sourced cocoa volume from these farmers is demonstrated not to be contributing to deforestation.</p> <p>Cocoa Horizons is following the guidance by the respective national governments, forest ministries and the work in progress by the multi-stakeholder Cocoa and Forest Initiative (Côte d'Ivoire &amp; Ghana) in relation to the Protected Areas:</p> <ul style="list-style-type: none"> <li>● Côte d'Ivoire: Following the World Cocoa Foundation (WCF) guidance, all National Parks, Reserves and Classified Forest 1 and 2 are considered as Protected Areas. As the Forest Ministry's decree on the Classified Forests has yet to be finalized and enforced, the situation, guidance and categorization of the different Classified Forests remains highly unclear. Nevertheless, as a prudent measure, Classified Forest 1 and 2 are considered Protected Areas as well, especially Classified Forest 1 as some forests from this category could be classified as parks or reserves in the future. Cocoa Horizons through local implementers is continuing to engage with the Ivorian government to gain more clarity on the boundaries of Classified Forests and agree on actions to be taken in our supply chain, which may result in updates to our methodology in the future.</li> <li>● Ghana: National Parks, Resource Reserves, Wildlife Sanctuaries and Forest Reserves</li> <li>● Cameroon: National Parks, Forest and Wildlife Reserves, and Sanctuaries of fauna and flora;</li> <li>● Indonesia: National Parks</li> <li>● Brazil: National Parks; and</li> <li>● Ecuador: National Parks and Reserves.</li> </ul> <p>The actual calculation is as follows:</p> <p>(Certified COH cocoa from high risk countries traced to cocoa farms located outside of a Protected Area) / (all sourced COH cocoa)</p> |
| 4.4a | 4,578 cookstoves distributed to farmers                                    | <p><i>Globally assured KPI. Countries in scope: Côte d'Ivoire, Ghana</i></p> <p>This indicator measures the number of cookstoves distributed to Cocoa Horizons group members between 1 September 2020 and 31 August 2021.</p> <p>In Côte d'Ivoire, a cookstove is considered to be distributed when it reaches the farmer. The distribution process of cookstoves distributed by Barry Callebaut's local team is tracked and digitized on Katchile.</p> <p>In Ghana, the cookstoves are distributed from the supplier to the Purchasing Clerk and then further to the farmer. A cookstove is considered distributed when the farmer has signed the distribution sheet.</p> <p>There was no cookstove distribution this year in Cameroon, Indonesia, Brazil and Ecuador. As the programme scales, we will look to expand the activity in other origins.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |



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| 5.6 | 45,679 ha of agroforestry enabled                                   | <p><i>Globally assured KPI. Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Ecuador</i></p> <p>For this indicator, we follow the definition of agroforestry from the Cocoa &amp; Forests Initiative which sets a minimum of 16 shade trees per hectare to define an agroforestry system. However, to be more conservative, BC distributes an average of 35 trees/ha. Therefore, this indicator is the sum of the number of shade tree seedlings distributed by farmers until 31 August 2021 divided by 35.</p> <p><math>\% \text{ ha of agroforestry enabled} = \sum (\text{number of shade trees seedlings distributed by farmer} / 35)</math></p> <p>This approach assumes that there were initially no shade trees planted on the farms and that the farmer distributed them evenly on their farm.</p> <p>Brazil is excluded in this KPI since no shade tree seedlings are distributed there.</p> |
| 5.7 | 28,837 tree seedlings distributed off-farm for restoration purposes | <p><i>Globally assured KPI. Countries in scope: Côte d'Ivoire</i></p> <p>This indicator measures the total number of tree seedlings distributed off-farm on behalf of Cocoa Horizons between 1 September 2020 and 31 August 2021 for restoration purposes. Off-farm here means that they were not distributed for plantation on a cocoa farm.</p> <p>In this fiscal year, tree seedlings were distributed off-farm in Côte d'Ivoire through one project as part of the Agbo Forest Restoration Project where Cocoa Horizons external partner, Forliance, directly planted tree seedlings on behalf of Cocoa Horizons Foundation. This is the first year of what is planned to be a 3-year project</p> <p>Cocoa Horizons started restoration projects in 2020 focusing on Côte d'Ivoire. Hence, all the other countries are out of scope.</p>                                                                        |

## Appendix B - Unassured Reporting Criteria

| KPI no. | KPI description                                                               | Assessment criteria                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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| 1.7a    | 30,911 women farmers delivered Cocoa Horizons cocoa are members Farmer Groups | <p><i>Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil, Ecuador</i></p> <p>This indicator is calculated by adding all the Cocoa Horizons female Group Members who have delivered at least 1kg of Cocoa Horizons cocoa within the year 1 September 2020 to 31 August 2021.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 1.7b    | 39,298 women are registered members of Cocoa Horizons Farmer Groups           | <p><i>Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil, Ecuador</i></p> <p>This indicator relates to the number of registered female farmers who are classified as Cocoa Horizons Group Members in the year from 1 September 2020 to 31 August 2021.</p> <p>A farmer is classified as a Cocoa Horizons farmer if they are registered within a Cocoa Horizons Farmer Group and have either delivered Cocoa Horizons cocoa or participated in a Cocoa Horizons activity between 1 September 2020 and 31 August 2021. A Farmer Group is a Cocoa Horizons Farmer Group if they a) are an officially targeted Farmer Group by the Cocoa Horizons Foundation in year 1 September 2020 to 31 August 2021, and b) have signed the relevant governing documents. Not all farmers within a Cocoa Horizons Farmer Group are allocated as Cocoa Horizons farmers.</p> <p>Cocoa Horizons activities include:</p> <ol style="list-style-type: none"> <li>1. Delivered Cocoa Horizons cocoa</li> <li>2. Received farm service activities (Farm Business Plans, Productivity Packages, cocoa seedlings, shade tree seedlings, income diversification)</li> <li>3. Received cookstoves</li> <li>4. Attended training</li> <li>5. Participated in a child labor survey (farmers who participated) or received remediation activity</li> <li>6. Had a farm mapped in 2020/21</li> <li>7. Participated in a census survey in 2020/21</li> <li>8. Undertook the Cocoa Horizons academy test</li> </ol> <p>There are slight differences in some origins:</p> <p>In Ghana, a Farmer Group is called a society and is managed by a Purchasing Clerk (PC). The COH Convention and BC Supplier Code is signed once by Nyonkopa, not by each society.</p> <p>In Cameroon, farmer registration for the next season overlaps with the end of the current fiscal year. As such, farmers registered between June to August 2021 must be discounted from this calculation as they are registering for the 2021/22 season. Instead, farmers registered between June to August 2020 should be included in this fiscal year. Farmer Groups sign 4 Cocoa Horizons governing documents - Cocoa Horizons Convention, Child Labor Charter, Non-deforestation Convention, and Premium Agreement.</p> <p>In Brazil, there are no Farmer Groups. Instead a farmer is directly registered with Barry Callebaut and signs the BC Supplier Code and COH convention themselves individually.</p> <p>In Ecuador, Farmer Groups are represented by the suppliers that Barry Callebaut buys from, and who act as implementing partners for Cocoa Horizons. Farmers themselves sign the COH convention individually. Therefore, not all farmers who sell to the farmer group (the supplier) are COH farmers, but only the ones who have signed the COH convention.</p> |

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| 1.8b | 158,122 farmers with full data                      | <p><i>Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil, Ecuador</i></p> <p>To be considered as a full data farmer, a farmer must be an actively registered member of a farmer group within the year from 1 September 2020 to 31 August 2021, and have had both a census survey and all or more of the declared plots in the census mapped with a GPS polygon before 31 August 2021.</p> <p>Our census activities started in each origin as follows:</p> <ul style="list-style-type: none"> <li>• Côte d'Ivoire - 2016</li> <li>• Ghana - 2017</li> <li>• Indonesia - 2017</li> <li>• Cameroon - 2018</li> <li>• Brazil - 2019</li> <li>• Ecuador - 2020</li> </ul> <p>Our mapping activities started in each origin as follows:</p> <ul style="list-style-type: none"> <li>• Côte d'Ivoire - 2018</li> <li>• Ghana - 2018</li> <li>• Indonesia - 2018</li> <li>• Cameroon - 2018</li> <li>• Brazil - 2019</li> <li>• Ecuador - 2020</li> </ul> <p>More information about census surveys can be found in KPI 1.3a.<br/>More information about mapping can be found in KPI 5.2.</p>                                                                                                     |
| 2.2  | 3,955 Farmer Group staff trained                    | <p><i>Countries in scope: Côte d'Ivoire, Ghana, Cameroon</i></p> <p>This indicator presents the number of Farmer Group staff who have participated in at least the minimum amount of Cocoa Horizons training commensurate to their role.</p> <p>In Côte d'Ivoire:</p> <ul style="list-style-type: none"> <li>• Warehouse Keepers complete Quality and Traceability module;</li> <li>• Directors, Treasurers, Presidents or Accountants must complete at least one Business skills module and the Farm General Brief module every year.</li> </ul> <p>In Ghana:</p> <ul style="list-style-type: none"> <li>• Purchasing Clerks and Districts Managers complete Quality and Traceability module;</li> <li>• Directors, Treasurers, Presidents or Accountants must complete at least one Business skills module and the Farm General Brief module every year.</li> </ul> <p>In Cameroon:</p> <ul style="list-style-type: none"> <li>• Cooperative leaders are trained on sustainability and traceability;</li> <li>• Application specialists are trained on using chemicals and spraying equipment; and</li> <li>• Field staff are trained on good agricultural practices and farm business plans.</li> </ul> |
| 2.4  | 124,754 farmers trained on environmental protection | <p><i>Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil, Ecuador</i></p> <p>This indicator represents the number of farmers who have attended at least one training session on environmental protection in fiscal years 18/19, 19/20 and 20/21. These trainings are taught in a farmer field school approach by qualified coaches and cover issues such as soil erosion and deforestation.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2.5  | 97,963 farmers trained on gender and social issues  | <p><i>Countries in scope: Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil, Ecuador</i></p> <p>This indicator represents the number of farmers who have attended at least one training session on gender and social issues in fiscal years 18/19, 19/20 and 20/21. These trainings are taught in a farmer field school approach by qualified coaches and cover issues such as gender; human rights; employment &amp; contractual relations</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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| 3.1b | 61.8% of VSLA members who are women                                        | This indicator refers to the percentage of members in the VSLAs (as per KPI 3.1) who are women. This is calculated by identifying the number of women and dividing that by the total number of members in the VSLAs.                                                           |
| 4.5  | 160,000 tCO <sub>2</sub> sequestered through all Cocoa Horizons activities | This KPI is calculated in line with the Gold Standard Value Chain accounting methodology. It follows the guidance on accounting for both emission reductions and removals in Cocoa Horizon's supply shed. The number is estimated based on survival and usage rate monitoring. |