



THE COCOA SNAPSHOT

20/21 FULL-YEAR REVIEW

Bringing you news and updates about the Cocoa Horizons Program from around the world.

The Cocoa Horizons Foundation aims to improve the livelihoods of cocoa farmers while protecting children and nature. The program is currently present in Côte d'Ivoire, Ghana, Cameroon, Brazil, Indonesia, Ecuador and is now being introduced in Nigeria. As of this year, in addition to Barry Callebaut as our primary program implementer, Cocoa Horizons is partnering with a new third party implementer in Côte d'Ivoire.

Due to the Covid-19 pandemic, some activities continued to be performed in smaller groups or individually, following local precautionary measures.

*Fiscal year ends on 31st of August 2021

We support the Sustainable Development Goals <https://www.un.org/sustainabledevelopment>

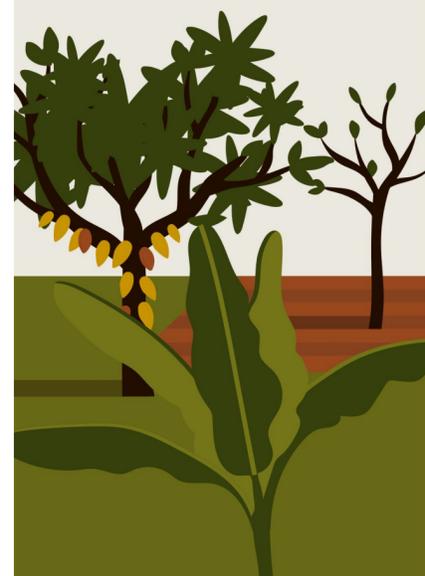


SCALING IMPACT AND DRIVING CHANGE THROUGH PRODUCTIVITY, COMMUNITY AND ENVIRONMENTAL ACTIVITIES

THE COCOA HORIZONS PROGRAM COVERS:



- Farmer Group and Group Member requirements
- Traceability of cocoa from farmer to Barry Callebaut or third party implementer buying site
- Farmer graduations and capacity building of Farmer Groups
- Targeted cocoa productivity and income generating activities
- Targeted community activities with a focus on child protection
- Targeted environmental activities
- Transparency of premium flows



FARMER GROUP AND GROUP MEMBER REQUIREMENTS:

100% of farmer groups respect and sign:



FARMER GROUPS

- The Supplier Code
- The Cocoa Horizons Convention*

*including the Child Labor Charter and the Declaration on Protected Forests

PARTICIPATING FARMERS & FARMER GROUPS

- Globally **224** farmer groups delivered Horizons cocoa.
- This represents **162,436** farmers delivering cocoa beans, a **45%** increase vs prior year. The increase in farmer base should help to cope with the foreseen growth of the program.

➔ 73,010 in Ghana	➔ 2,004 in Indonesia
➔ 78,296 in Côte d'Ivoire	➔ 663 in Brazil
➔ 7,731 in Cameroon	➔ 732 in Ecuador

- The program was introduced in **Nigeria** this year.



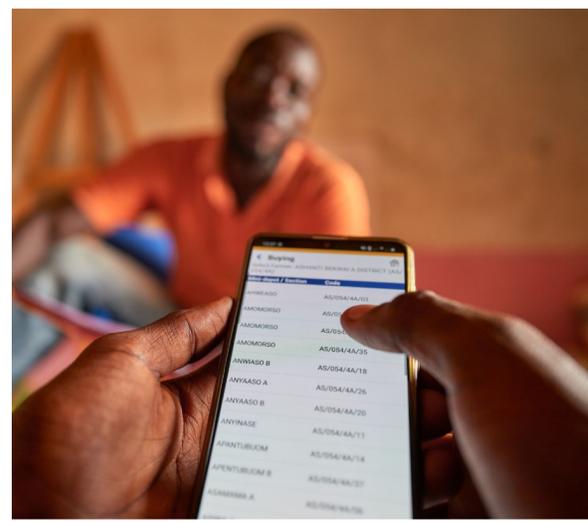
TRACEABILITY OF COCOA BEANS



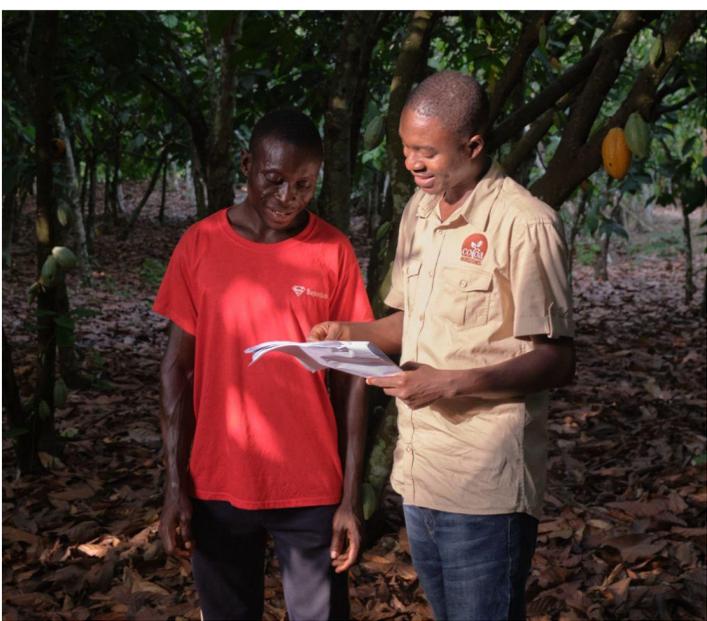
• **162,834 MT** of Horizons cocoa beans delivered (up **46%** vs prior year).

➔  80,562 MT in Côte d'Ivoire	➔  1,993 MT in Brazil
➔  58,527 MT in Ghana	➔  1,201 MT in Indonesia
➔  16,416 MT in Cameroon	➔  4,135 MT in Ecuador

- The majority of Horizons cocoa follows the mass balance principle. This means it is traced from farmer to first program implementer warehouse.
- Cocoa Horizons also launched fully segregated cocoa mass: **Cocoa Horizons Inside**.



COCOA HORIZONS ACADEMY



Cocoa Horizons continues the roll out of a **farmer graduation system**. It allows the evaluation of farmer knowledge, training outcome and gaps. In this way, the program is able to refocus resources from Farmer Field schools to more individual coaching.

Good Agricultural Practices, Social and Environmental aspects are covered in the graduation test.

This year 81,949 farmers graduated with a success rate of **76%** of the total assessed, reaching a total of **154,378** graduated farmers (up 154% vs prior year).

➔  83,892 in Côte d'Ivoire	➔  5,912 in Cameroon
➔  62,510 in Ghana	➔  1,930 in Indonesia
➔  134 in Brazil	

Out of the total farmers registered, **66%** are already graduated and moving to the next step, which is **personalized coaching** and accessing Farm Services.



PROSPERING FARMERS



Improving productivity of cocoa farms is a key area of focus. The **Farm Business Plan** is the cornerstone of the process to improve the livelihoods of farmers and their communities.

- **86,609** farmers had access to a Farm Business Plan. This is an increase of **138%** vs prior year. This represents 38% of the total farmers delivering volume:

➔  34,329 in Côte d'Ivoire	➔  429 in Brazil
➔  29,876 in Ghana	➔  504 in Indonesia
➔  5,209 in Cameroon	➔  295 in Ecuador

- **36,387** farmers received productivity packages, meaning a **49% adoption** of the Farm Business Plan.

Farmers out of poverty

To address the poverty challenge, in addition to innovative farm services and individual coaching, farmers are supported with **non-cocoa income diversification activities**. Some examples include poultry, rabbit or vegetable farming and soap production. Until now **2,286** farmers were supported with income diversification activities.

121,722 farmers in the program (+64,227 vs prior year) are above the World Bank poverty line of USD 1.90/day. This represents **47%** of the total farmers registered.



COMMUNITY



Eradicating Child Labor - Risk Based Approach

Cocoa Horizons is applying a risk based approach. This consists of categorizing cocoa farming communities as **low, medium or high risk** based on socio-economic census data and an algorithm (leveraging knowledge from CLMRS activities) to determine priority of implementation. The interventions will then be planned and prioritized in accordance with the risk identified and the needs of the child and community.

With this approach, the resources are deployed in the most efficient way in order to eradicate child labor.

- **184** farmer groups covered by Child Labor Systems representing **81%** of the total (up to **67%** vs prior year)
- **39,843** households surveyed
- **66,974** children surveyed identifying **18,529** cases. This means 72% of children interviewed were not involved in Child Labor.
- **25,186** cases identified from prior years are under remediation



Eradicating Child Labor - Community Engagement

While individual remediation is critical, **prevention activities** are needed to tackle the root causes of child labor in the long term.

- In Cameroon **sensitization of farmers and their communities via radio programs** has started.
- Due to COVID restrictions, the Cocoa Horizons truck was not able to reach communities over the last months.

Women's Empowerment & Child Protection

The program continues to invest in women's empowerment, which has a positive impact on preventing child labor and improving household income. This year **39,298 women** are registered Cocoa Horizons farmers, an increase of **38%** vs prior year.

A key element to empowering women has been the creation and strengthening of the **Village Savings and Loan Associations (VSLAs)**. This activity helps, among other things, to promote a **child-centered approach**, build **self-confidence** in women and offer **financing solutions** for farmers.

1,240 VSLAs have been established mainly across Côte d'Ivoire and Ghana (up **55%** vs prior year) and the target is to continue strengthening and expanding them in the years to come.



ENVIRONMENT



In addition to **farm mapping** to ensure the cocoa is not coming from protected areas, multiple activities are implemented with the cocoa farming communities: **environmental protection sensitization, agroforestry, cookstoves** and **shade tree** distribution.

- **74%** of Horizons cocoa is proven to be free from deforestation
- **3,582,408 seedlings** were distributed
- **4,578 cook stoves** distributed (up **75%** vs prior year)



Through these investments, **160,000 tons** of CO₂ were sequestered (up **21%** vs prior year).

OUTLOOK

In West Africa, farmers will face a challenging year, where cocoa bean prices have declined and where prices of fertilizers are up. Through Cocoa Horizons we will aim to support and subsidize as much as possible. We will focus resources on supporting pre-harvest work and implementing agroforestry, which should help to improve the overall productivity and income of the farmers.

The Foundation's focus will remain on:

- Ensuring **100% full data** to promote higher efficiency on execution of activities;
- Embedding **increased due diligence on child labor and forced labor** across origins;
- Putting a stronger focus on **agroforestry, climate smart agriculture** and driving activities towards **carbon neutrality**;
- **Expanding the program** to third party implementers and strengthening in existing origins.



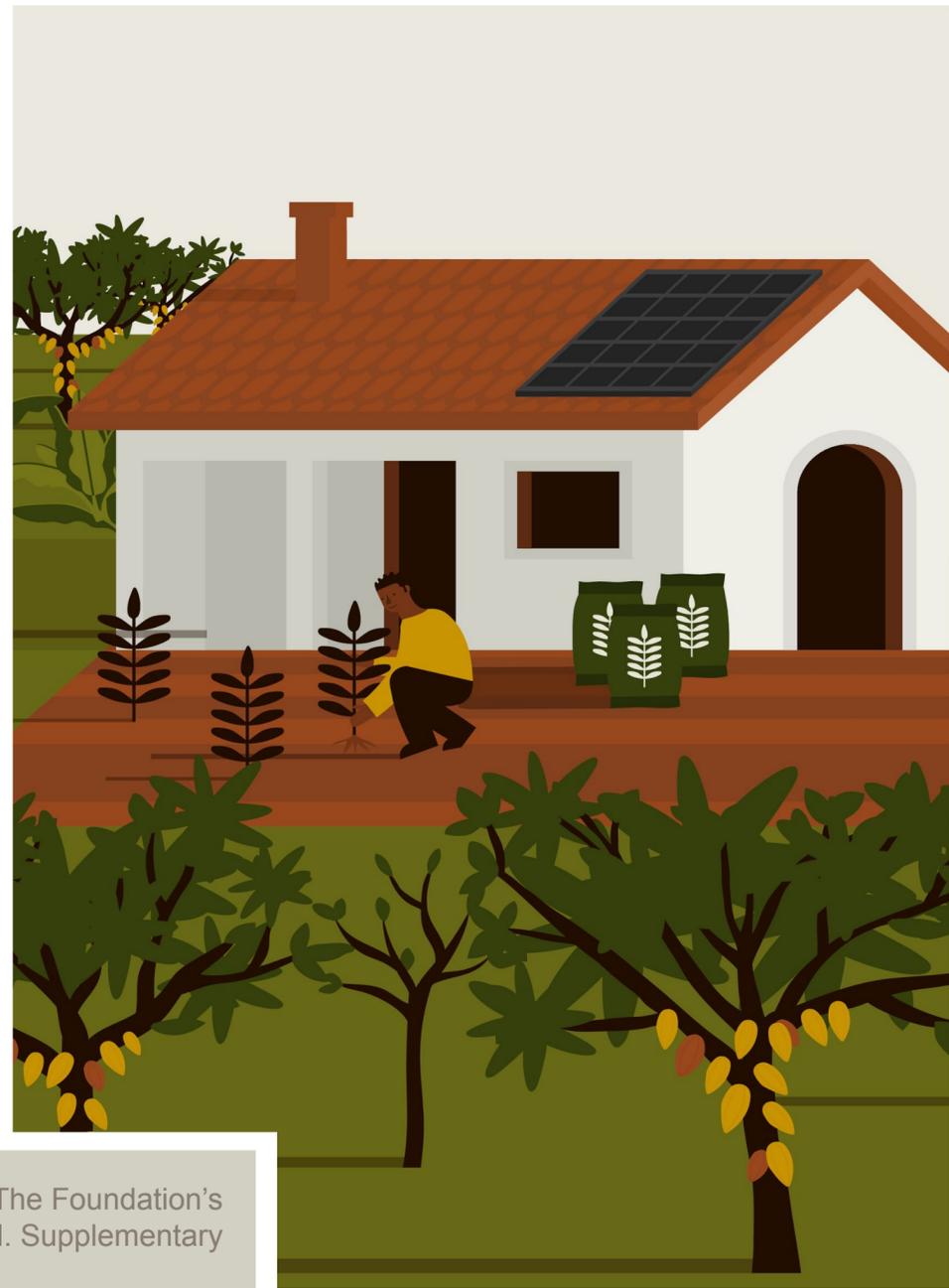
COCOA HORIZONS PREMIUM DISTRIBUTION:

(in CHF)



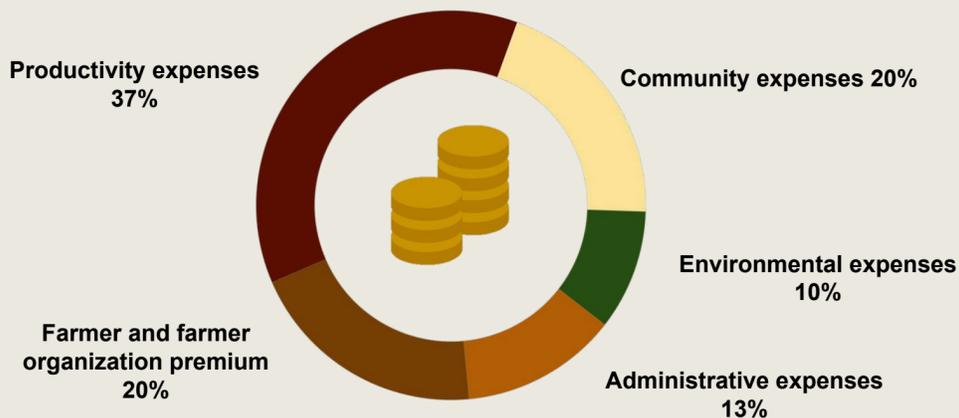
2020/2021

COCOA HORIZONS PROGRAM INCOME Horizons Program contributions	28,478,891
COCOA HORIZONS PROGRAM EXPENSES	
Farmer and farmer organization premium	6,690,083
Productivity expenses	8,370,249
Community expenses	4,430,626
Environmental expenses	3,799,089
Administrative expenses	3,731,871



The above is an extract from the Foundation's annual regulatory return. The Foundation's financial audit is performed by PricewaterhouseCoopers AG, Switzerland. Supplementary program income less expenses carried over to next Fiscal year.

2020/21 PREMIUM ALLOCATIONS*



*Actual allocations may vary by +/- 5-10% based on local conditions and situational specifics.

CÔTE D'IVOIRE, GHANA, CAMEROON, BRAZIL, INDONESIA, ECUADOR, NIGERIA

100% of the farmers who delivered Horizons cocoa have received the Cocoa Horizons Premium.



All of the information contained above has been verified by PwC. The performance indicators in this Snapshot (except those marked with an *) represent extracts from the Cocoa Horizons Foundation Update Report for the year ended 31 August 2021, for which PricewaterhouseCoopers LLP (PwC) were appointed to provide independent assurance. PwC performed an assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), the scope of which was to provide limited assurance over the KPIs contained within the Update Report.

The Update Report, and PwC's Limited Assurance Report, can be found at <https://www.cocoa Horizons.org/reports>.



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.



CÔTE D'IVOIRE

CAMEROON



Celestine checking the beans during drying

TUMNDA
“I am part of Cocoa Horizons program since 2019. Through the implementation of Farm service activities on my farm, I have been able to use less quantities of fungicides, reduce my expenses and increase my yield. What I prefer is Farm diagnosis because this helps me to know the health state of my farm and I also appreciate the coaching visits. I recommend these services to all my neighbours and to anyone who wants to succeed in cocoa farming.”



Tumnda in his cocoa farm

CELESTINE
“I have received coaching on how to farm better, especially in pruning and weeding since I joined the cooperative 2 years ago. My husband and I have a bigger farm in another community but during the war, we run away and settled here, and since cocoa farming is all we know, we decided to start a farm here. I now produce twice more than I used to. I have opened a bank account and support my 2 children who are still in school. I have 6 children in total. My husband lives in the other community and I am here, and I am okay. I have my farm. I make my own money.”

ECUADOR



Iralda in her cocoa farm

RAMI
“Cocoa is the main source of income for my family and it has become a part of us for years. I established a farmer group in my village. Together with my fellow members, we implemented a service provider group to support other farmers rehabilitating and maintaining their farms. Thanks to Cocoa Horizons Farm Services program, we have confidence in offering our support to other farmers. I hope we can contribute to make productivity of cocoa farms in our village improving.”

Rami in his cocoa farm



INDONESIA



IRALDA
“I am very happy for the support we are receiving from Cocoa Horizons. The coach whose concern is not merely to buy our cocoa, but to support us intellectually day by day so that we can improve our plantation and our production.”