



THE COCOA SNAPSHOT

21/22 MID-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 in Nigeria. As of last year in addition to Barry Callebaut as our primary program implementer, Cocoa Horizons is also partnering with third party implementers in Côte d'Ivoire.

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



*Activities from September 2021 through February 2022; interim results only, year-end performance will be third party verified by PwC

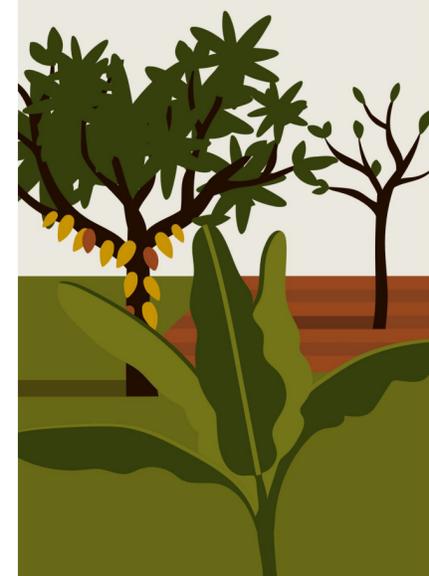


SCALING IMPACT AND DRIVING CHANGE THROUGH PRODUCTIVITY, COMMUNITY AND ENVIRONMENTAL ACTIVITIES

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 **218** farmer groups delivered Horizons cocoa. An increase of 10% vs prior year
- This represents **247,062** farmers registered in the program, a **12% increase vs prior year**

→ 120,756 in Ghana	→ 2,251 in Indonesia
→ 100,961 in Côte d'Ivoire	→ 1,015 in Brazil
→ 19,356 in Cameroon	→ 1,036 in Ecuador
→ 1,687 in Nigeria	



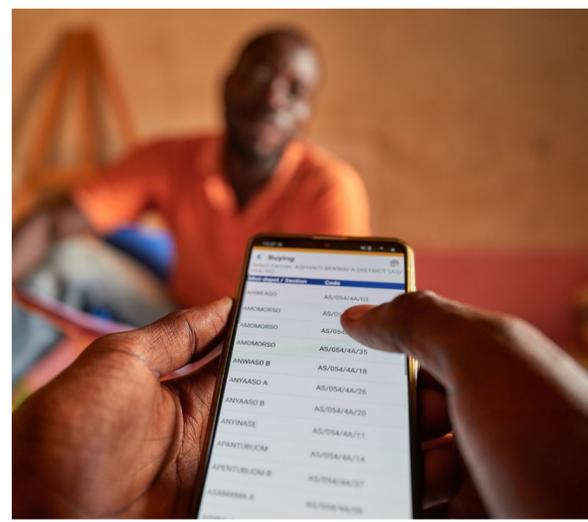
TRACEABILITY OF COCOA BEANS



• **123,981 MT** of Horizons cocoa beans purchased since the start of the fiscal year. An increase of 21% vs prior year

- ➔  **58,177 MT** in Côte d'Ivoire
- ➔  **902 MT** in Indonesia
- ➔  **36,069 MT** in Ghana
- ➔  **3,479 MT** in Ecuador
- ➔  **24,930 MT** in Cameroon
- ➔  **424 MT** in Nigeria

- The majority of Horizons cocoa follows the mass balance principle. This means it is traced from farmer to first program implementer warehouse.
- Cocoa Horizons products also include 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.

Total number of farmers graduated until Feb is **106,793 an increase of 37% vs prior year.**



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.

• **64,994** farmers had access to a Farm Business Plan. This represents **51%** of the total farmers delivering volume:

- ➔  **31,657** in Côte d'Ivoire
- ➔  **228** in Brazil
- ➔  **32,669** in Ghana
- ➔  **440** in Indonesia

• **11,544** farmers received productivity packages until end of Feb.

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. In the first 6 months **1,282** farmers or community members were supported with income diversification activities



Innovative pre-harvest approach

Based on data we have gathered over the last few years, we know that farmers spend 70% of the time in post-harvest and only 30% in pre-harvest with little to no investment. Pre-harvest investment is critical to improve productivity. Therefore, as of this year, through the funds of the program, we will support farmers with **pre-harvest labor**. We have identified **7,500 farmers in Côte d'Ivoire and Ghana** that have started to benefit from this approach this year.



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.

- **164** farmer groups covered by Child Labor Systems representing **75%** of the total (+**131%** vs prior year)
- **36,754** households surveyed (+**556%** vs prior year)
- **66,924** children surveyed identifying **12,563** cases. This means **81%** of children interviewed were **not involved in Child Labor**.
- **16,485** 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 still not able to reach communities in the first six 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 **51,101 women** are registered Cocoa Horizons farmers, an increase of **42%** 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.

493 VSLAs have been established since the start of the fiscal year mainly across Côte d'Ivoire, Ghana and Cameroon (up **144%** 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.

- **4,200,000** shade trees are currently under production and expected to be distributed in the next months
- **2,800** cookstoves are expected to be distributed in the next 6 months



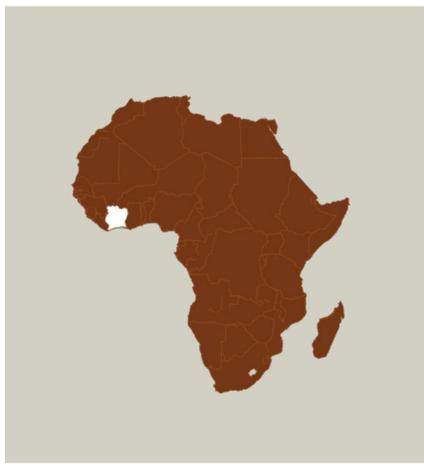
OUTLOOK

We will continue to focus the 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;
- Supporting farmers with **innovative pre-harvest approach** to accelerate yield increase and income;
- 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.





CÔTE D'IVOIRE



ALPHONSE

«To me, the most important benefit our communities have gained from Cocoa Horizons is that all our children go to school, and stay in school. Sensitizing farmers against Child Labor has really paid off. My father died when I was young and my mother did very well for me but I still dropped out of school just when I was about to go to university because she just couldn't afford it. I want all my children to go as far as they can academically so they can become whatever they want. I want to give them what I couldn't have.»

CAMEROON



ATEBA

« I'm very thankful for this [Cocoa Horizons] sweet cocoa radio program which educates us on how to take good care of our farms. I'm always anxious to participate and I'm so happy for performing well in the quiz and winning a prize. The boots will protect me when I go to the farm.»



GHANA

EBENEZER

«Our Cocoa Horizons coaches taught us the essence of pruning and how it actually contributes to disease control because the sun seeps through. Pruning is probably the most important lesson I have learnt about farming. When a cocoa tree is properly pruned you will be surprised by the abundance of fruits you get. In the past, I used to get few bags from my farm but now I get almost 30 bags.»



JENNIFER (Cocoa Horizons coach and farmer)

« When I finished high school at 18 years old, I decided to become an agronomist in order to help my father who, looking for a way to make something productive out of his land, decided to plant cocoa. We have a cocoa plot of 3 hectares. The cocoa plantation is 11 years old. I was responsible for the cocoa plantation for 10 years. I implemented an irrigation system, a phytosanitary pruning, and a tailored fertilization plan. Our farm is in a stage of change, but the yield is improving and this is reflected in our family finances.»

ECUADOR

