



TOUTON

Co-creating more sustainable supply-chains

SUSTAINABLE SOURCING REPORT

2015/2016



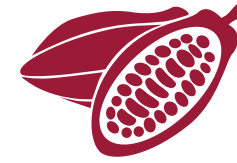
Key figures

900+ Employees

15 Offices Worldwide

150 Years

“ We believe in developing innovative programmes that reinforce the business-case for sustainability



350 000 MT

Cocoa Beans



50 000 MT

Cocoa Products



8 000 MT

Spices & Ingredients



100 MT

Vanilla



150 000 MT

Green Coffee

A word from the CEO

CO-CREATING MORE SUSTAINABLE SUPPLY-CHAINS

As a major agro-industrial actor, Touton aims to continuously offer solutions that create value to its clients, suppliers and shareholders. We are committed to playing our part in co-creating more sustainable supply-chains.

We believe there is a business case for sustainability: sustainability means to better benefit farmers and to better serve the industry.

While we are all making progress in reaching the millions of smallholders whose livelihoods depend on the production of commodities, a lot remains to be done if we wish to contribute to meeting the objectives set out in the Sustainability Development Goals.

The past two years have seen significant developments in Touton's operations.

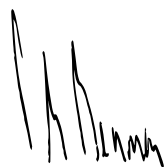
In 2015 we inaugurated our cocoa processing factory in Tema, Ghana, thereby demonstrating our commitment to work closely with our partners to deliver more added value in the countries where we source cocoa.

Touton and its partners kept on progressing in the implementation of impactful programmes that aim to reinforce the capacity of all actors along the supply-chain. While continuing to focus on providing farmers

with the coaching and tools to become agricultural entrepreneurs, we also worked on the enabling environment to improve service delivery models on the ground.

Two great novelties have resulted from our teams' work in the cocoa supply-chain: Touton Rural Services Centres called « Akuafɔ Yiedie Fie » and Touton's Climate Smart Cocoa. These innovations aim at supporting the professionalization of farmers as well as protecting the environment through the improvement of landscape management. By achieving significant impact in addressing these two challenges, the group contributes to building a resilient cocoa sector and secures its supply chain.

While the main focus of this report is on cocoa, we are gradually using the experience and know-how we've developed over the years to our other sectors of activity.



Patrick de Bussac



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Global presence

Touton is headquartered in Bordeaux

Touton has offices on four continents and more than 900 employees. The company's strength lies in the skills of its workers, the cultural diversity of its teams and a deep understanding of the countries in which it operates.

Our core sustainability management team is based in Bordeaux but interacts closely with in-country teams.

Country-teams in turn work with regionally based managers and teams that offer their skills in terms of sustainability strategy, business management, and agronomy. Our aim is to work with partners to roll-out our sustainability model at community level.

40 employees dedicated to sustainable sourcing
33 212 certified farmers
461 certified communities
130 477 certified hectares

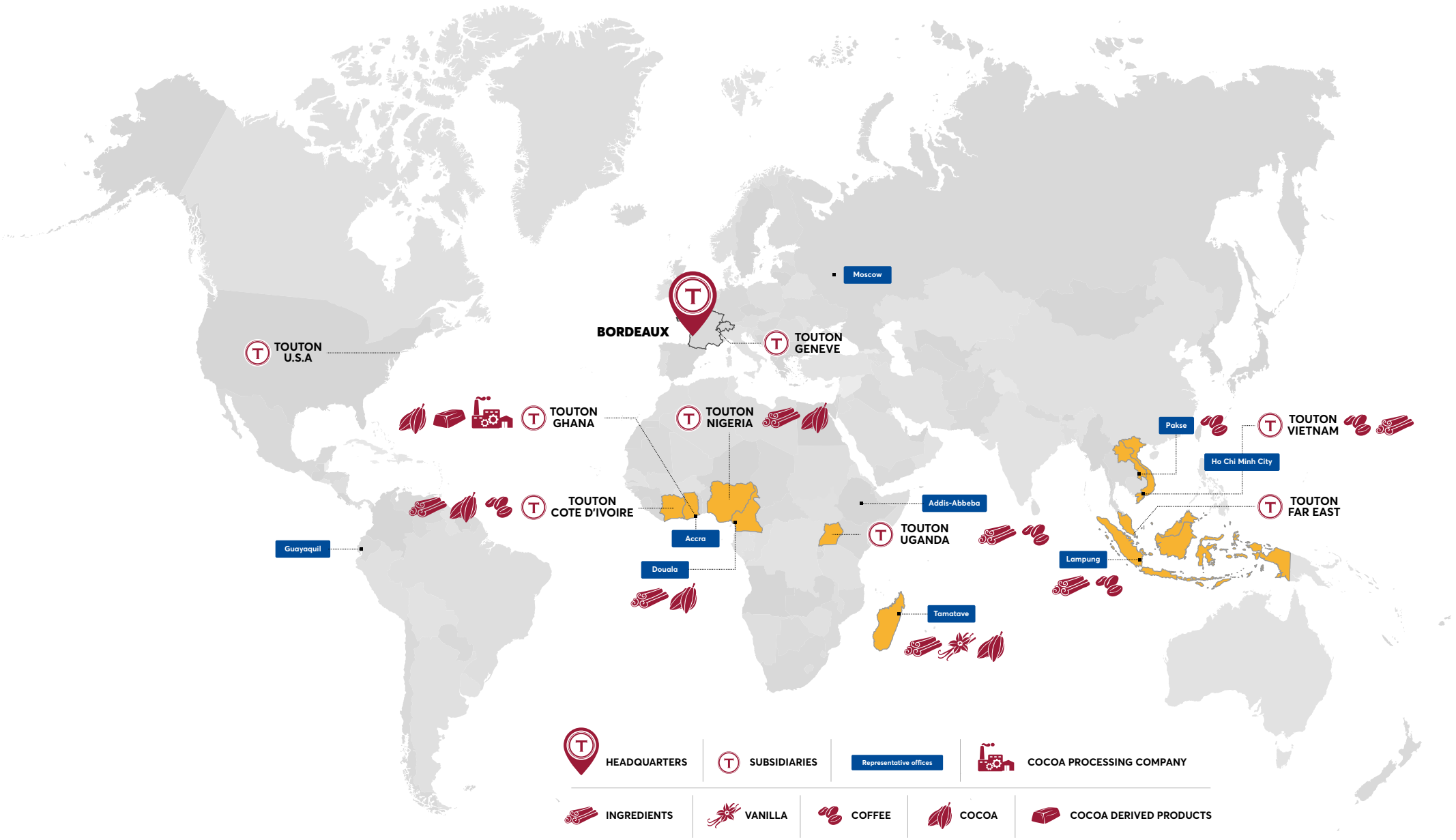
TOUTON'S SUSTAINABLE STRATEGY BUILDS ON:

Continuously strengthening its presence at origin to allow direct access to farmers and grow strong partnerships with farming communities.

Strengthening the capacity of local partners involved in the cocoa value chain to efficiently deliver best practices.

Facilitating scale-up plans and mainstreaming practices that are both sustainable and innovative.

Sustaining and creating added value in our supply chains.





Our path to sustainability

FROM TRACEABILITY TO CERTIFICATION TO BESPOKE SUSTAINABILITY PROGRAMMES

Touton believes that sustainable sourcing serves as a risk mitigation tool for its supply chains, and creates added value to products. It also allows the group to help customers and suppliers deliver against the sustainability commitments that have been made sector-wide.

The company's first sustainability programmes date back to the end of the 1990's when the group started working on projects to increase cocoa farmers' livelihoods around its own SAO (Société Agricole de l'Ouest) plantation in Côte d'Ivoire.

Touton's role is to support farmer organisations to become certified through a strong technical backstopping. We accompany the farmers the first year but also help them along the years to continuously improve their certification approach.

Touton's cocoa beans are now traceable all along the supply chain, from the origin to the consumer allowing segregation of conventional and certified beans as well as better monitoring and understanding of the communities of farmers we work with.

Building on the experience acquired in cocoa we are now increasing our sustainability programmes in other supply-chains, adapting our approach to the specific contexts of the coffee, vanilla and ingredients sectors.

Certification goes one step further in so far as it ensures that the farmers Touton works with are growing their products responsibly, in accordance with a code of conduct and the Cocoa Capacity Enhancement (CCE) framework. As a verification process entrusted to an accredited third party, certification attests that cocoa is produced in compliance with the standards enacted by the certification body, that is to say, through the implementation of good agricultural, environmental and social practices.

Certification has enabled supply-chains to build a strong basis for the implementation of sustainable practices. However, a broad range of challenges still needs to be addressed in a context of continuous and quick evolution. Touton has developed expertise in several sectors in order to be more flexible to meet its customers' needs and to accompany the farmers in their own professionalization, community development and environmental protection.

THE POWER OF PARTNERSHIPS

Touton is a major agribusiness actor. Our know-how builds on our passion for the products we source and the countries where they originate.

We believe in the power of additionality and strive to work with others who can complement our business know-how and understanding of supply-chains with their expertise when it comes to social and environmental programmes.

In 2015-2016 we worked with a variety of institutional and non-profit partners to deliver programmes in the communities where we are active.

Commitment & goals

Touton is dedicated to upholding its shareholders' commitment to sustainability. Building on its strong footing in the countries that produce the commodities it trades and processes, the company is pioneering inclusive programmes that address the needs of stakeholders all along the supply-chain.

Touton partners with actors from the public, private and civil society sectors to develop innovative projects that support the business-case for sustainable commodity production.

By doing so, Touton contributes to the preservation of resources for future generations and to reinforcing individual and institutional capacities of the stakeholders it engages with.

When deciding to start a new programme Touton consistently seeks to apply the following principles:

- We endeavour to act where we feel we can make a difference. We work hard to conduct needs assessments before we start projects and to measure the impact of what we do.
- We partner with the best civil-society, public and private sector actors to deliver results.
- We ensure programmes are in line with the company's code of ethics.
- We implement programmes that support the communities we source our products from when it comes to human rights, working conditions, and reducing/mitigating environmental impact.
- We support programmes that are connected to Touton's business principles, and that can become financially sustainable over time.

Bearing in mind that complex supply-chains such as the ones we are a part of require multi-faceted programmes, we work on holistic approaches that benefit farmers and their families in all three traditional pillars of sustainability - social, economic, and environmental - while supporting our sustainable sourcing activities.

While much of our programming to date has been led in the cocoa supply-chain, we are now also coordinating projects in coffee, vanilla and other ingredients.

Challenges may differ slightly in distinct supply-chains, if only because of the particular conditions that prevail in the different regions where we source products from, however, we always integrate the 4 following cross-cutting areas of intervention:

- The respect of core human rights (including the protection of children and non-discrimination based on gender or race)

MONITORING EVALUATION LEARNING & IMPROVEMENT SYSTEM (MELI)

Aiming at continuously improving its practices in a complex and changing environment, Touton is developing its own Monitoring, Evaluation, Learning and Improvement system (MELI).

- Decent working conditions (both for our work force and for those engaged in the communities we work with)
- Mitigation and reduction of environmental impact
- Ethical conduct of our staff and management

Ultimately, and in line with the 2030 Agenda for Sustainable Development adopted by the UN in September 2015, we believe all these issues need to be part and parcel of any holistic sustainable programme.

THE AIM IS TO

- **Monitor the outcomes of the activities we implement in a timely fashion to allow corrective actions where needed to reach the impacts targeted**
- **Improve the implementation and management of our sustainability activities through the identification of key learning points**
- **Provide regular feedback and information to the farmers we work with**
- **Provide our customers with detailed, customized reports to fit their reporting needs**

Addressing today's challenges as well as tomorrow's

PROTECTING CHILDREN

Making farmers we work with aware of the national and international laws on child labour and of the hazards a child can be exposed to is the first-step in ensuring children's' rights are protected. Beyond raising awareness, specific activities to monitor occurrences of unsafe or harmful practices for children, and to provide remediation when they are identified, are key.

In 2015 and 2016 Touton worked with customers on implementing programmes developed by the International Cocoa Initiative (ICI) in several certified communities in Ghana and Côte d'Ivoire.

The ICI Child Labour Mitigation and Remediation System (CLMRS) was implemented in communities in Côte d'Ivoire. This system is based on the presence of facilitators within cocoa-growing communities who raise awareness on the issue of child labour, identify cases and request remediation actions that are implemented by ICI together with supply-chain partners. All the information is collected via smartphones and gathered on a database from which systematic analysis can be conducted and remediation strategies further refined by ICI. Monitoring and Remediation Agents (MRAs) are hired or identified within the management of the farmer

organization that is responsible for certification. The MRAs interact with Community Facilitators and ensure that monitoring and remediation activities are carried out in line with ICI recommendations.

This approach is particularly effective as it engages community members in identifying potential issues as well as solutions.



REINFORCEMENT OF CHILD PROTECTION MEASURES IN NKWAKIE DISTRICT, GHANA

Four communities were selected on the basis of surveys conducted among 10 communities in the District. Protective Cocoa Community Framework (PCCF) surveys were used to collect information on the number of children, age, sex, school enrolment and other relevant socio-demographic data points. An introductory meeting was held with members from the selected communities during which the approach was explained and a number of individuals chosen to become members of child protection committees. They received training on child protection concepts and on how to use sensitization material developed by ICI. They interact with other community members through focus

groups: men, women, youths and children to discuss child protection needs, or - where necessary - unsafe or harmful practices that have been identified. The project's introductory meeting in Nkwakie District brought together 119 members from the four communities. As an outcome, 28 people volunteered to become members of child protection committees. These committees then regularly came together to discuss specific activities that would benefit the communities' children. As a result, three classrooms (each including an office, storeroom, and toilet facility) will be built in the target communities.



EMPOWERING WOMEN

According to the United Nations, women perform 66 % of the world's work, produce 50% of the food, but only manage 10% of the income and only own 1% of the property... This holds true in smallholder farming.

Wives of cocoa farmers are regularly involved in several key stages of cocoa production, often taking a leading role in tending to young cocoa trees and performing post-harvest activities.

Yet, too often women lack the resources to achieve their full potential and are not always sufficiently empowered as to strategic decision making in the farm. For women farmers, discrimination in certain arenas means they do not systematically have access to specific services (training, coaching, bankability etc.)

Empowering women through specific training and coaching activities is an integral part of our programmes. We are also developing programmes that give a leading role to women in the development of additional livelihoods through diversified income streams. Alternative food crops provide additional nutrition and income sources that can be reinvested in a household's health and educational needs.



"My name is Margaret Ansah. I'm 36 years old, married with two children. I have a 3 and a half ha cocoa farm. When I started it was difficult for me especially being a woman but my mother encouraged me since she also did cocoa farming and had a lot of benefits from it. I encourage other women to engage in cocoa farming. I use my life as a yardstick. When I was entering into cocoa farming, people told me my life would be bad because I had apprentices working for me and I let go of that for farming. I encourage them to enter into cocoa farming. It's not as difficult as earlier due to the training and support given."

PROMOTING SAFETY AND HEALTH

The training and coaching provided through our certification programmes and bespoke projects includes modules on safe farming practices.

Touton is committed to mainstreaming safe and dignified working conditions in the communities where it sources products. It supports the rights of the workers through

the implementation of specific training, the distribution of proper equipment, the secured storage of inputs and awareness raising campaigns.

Explicative posters on safe working conditions are distributed to the farmers and posted in the cooperatives and rural services centers.

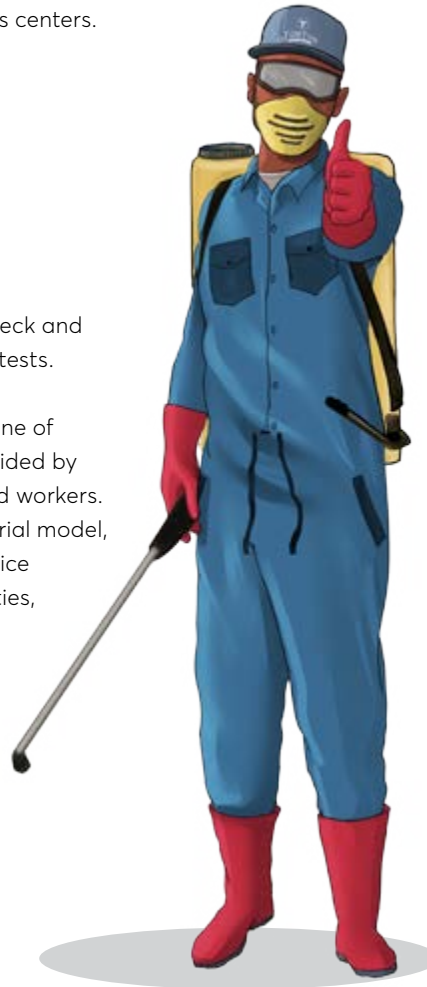
Professional Spraying Gangs

In certain cocoa growing regions, farmers are encouraged to spray their farms. However, they do not always have access to appropriate personal protective equipment or good quality agrochemicals. Touton is successfully experimenting with professional spraying gangs both in Ghana and Côte d'Ivoire, as part of its CocoaTech initiative. Sprayers are trained and supplied with personal protective equipment (glasses, a mask, overalls, gloves and boots) as well as phytosanitary products and spraying equipment from our service centres.

The gangs know the communities they service and perceive fees for their work. CocoaTech team members receive an

annual health check and radio and blood tests.

Spraying is just one of the services provided by Cocoatech skilled workers. This entrepreneurial model, that creates service jobs in communities, is also used for other time and labour-intensive activities, such as pruning and weeding.



Touton organises vaccination campaigns for its employees, their families and other locals against meningitis, tetanus and typhoid fever. We also distribute anti-parasitic medicine. As an example, 231 persons benefited from this social programme in Côte d'Ivoire in 2015.

PROTECTING THE ENVIRONMENT

Cocoa landscapes are currently threatened by many challenges: extreme climate variability, declining productivity, degraded soils, poor livelihoods, food insecurity, and poor water quantity and quality management.

Cocoa production and sustainable forest management are closely linked, and strongly influence each other. The challenge is now to turn the vicious cycle of environmental degradation and low productivity into a virtuous one of sound environmental management and highly productive systems.

Touton is working closely with institutional partners in Ghana and Côte d'Ivoire, as well as a number of civil society actors to ensure proper landscape governance initiatives are set in place and an enabling environment is created for the production of climate smart cocoa.

LANDSCAPE GOVERNANCE INITIATIVES ARE DESIGNED TO:

- Offset the impact of unsustainable growing practices notably through training, coaching and professionalization (including farmer group strengthening and certification);
- Demonstrate the importance of community land-use planning in Climate Smart Agriculture;
- Promote biodiversity and ecological integrity through awareness raising on environmental stewardship in target communities;
- Improve livelihoods through yield increase and additional income sources while enhancing carbon stocks through integration of desirable shade trees in cocoa farming systems;
- Develop a financially sustainable incentive mechanism for cocoa-forest landscape governance, with the aim of co-developing a cocoa landscape standard.

Additional activities will be conducted under the leadership of the Forestry Commission:

- Forest restoration and security;
- Biodiversity research, remote-sensing and Geographic Information Systems;
- Impact analysis of deforestation on regional rainfall patterns.

Professionalization support

Touton encourages producers and producer organisations to run their farms as businesses, by improving both their farming and their business management skills. Support is provided through professionalization training and coaching that contributes to strengthening capacities in the long-term.



"I believe that I am part of those we can call the future of cocoa farmers in the country because of my knowledge and the understanding of the research that goes on in my farm as well as my ambitions to expand my farm. My business management attitude also keeps me in shape to seeing myself as such as I save with the bank and practice good record keeping." Daniel, 22

COCOA REHABILITATION

To enhance productivity and at the same time, avoid the depletion of natural resources, Touton promotes rehabilitation of unproductive farms through rejuvenation exercises and replanting.

Both in Ghana and Côte d'Ivoire, Touton is providing planting material and budwoods in partnership with the national cocoa research centres. Cocoa nurseries are set up and serve as demonstration plots. They offer access to several varieties of planting materials directly for the farmers.

INTENSIFICATION AND PRODUCTIVITY

Touton sources cocoa from different types of farms (in terms of size and productivity). A "Cocoa Productivity Investment Menu" has been developed that allows farmers to consider inputs and labour according to their capacity of investment in time or in cash. Touton's "Cocoa Productivity Investment Menu" integrates different combinations of Soil Fertility Management (ISFM) and Integrated Crop Pest Management (ICPM) options that can be viewed by farmers in demonstration plots.

ADDITIONAL LIVELIHOODS

We believe that farmers should be encouraged to explore the benefits of producing additional crops. Training and marketing services are provided to support crop diversification for nutrition improvement, food security and additional income, that all ultimately contribute to increasing farmers' resilience.

ACCESS TO INPUTS

Most of the farmers we work with are conscious that efficient and judicious use of fertilisers, fungicides and pesticides at the right time is a key element to increase productivity. However, access to inputs is often difficult and limited in terms of choice in quality and price, especially in remote areas. We aim to bridge that gap by offering easy access and technical support for the use of cocoa farm inputs at community level.

BUSINESS SKILLS AND BANKARISATION

Touton is further supporting farmers' professionalization through the transfer of business skills and access to bankarisation services. One of the milestones in the process is for each farmer to have a bank account. The bankarisation approach includes financial literacy, and business management skills training and access to specific financial services such as loan and savings products etc. Specially designed accounts for cocoa farmers have been set-up through Touton's partnership with local and international banking partners. These activities allow lead famers to better plan and manage savings as well as investments for cocoa production and additional crops.

RURAL SERVICE CENTRES - GHANA

Needs Analysis:

Provided farmers have access to appropriate resources, there is a clear case for increasing current cocoa yields in Ghana to up to 1 000 kg/ha or even 1 500 kg/ha.

The potential to increase yields is hindered by a number of challenges and threats, namely:

- Unsustainable farming practices associated with ageing farms, degraded soil and limited access to inputs lead to very low productivity
- Low productivity makes cocoa farming less attractive, which in turn hinders the rejuvenation of cocoa farming communities and amplifies the exodus of youths to urban areas
- Limited access to adapted financial services to invest in farms (short term: inputs loans, long term: rehabilitation loans) lead to an irreversible situation of degraded cocoa plantations, soils and landscape
- Additional public policy efforts must be made to resolve land tenure issues that affect farmers' investments and can lead to forest degradation and deforestation

You
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ACHIEVEMENTS

4

fully operational
Rural Service Centres
servicing over 8 000
farmers in 4 districts

153

demo plots set-up

2 342

farmers buying
inputs at
competitive rates

2 245

farmers trained in
financial literacy

1 620

farmers have opened
a bank account

19 085 HA

of cocoa growing
land partly
rejuvenated

Farmers are exploring crop diversification for income resilience





Akuafɔ Yiedie Fie

FARMERS' WELL BEING HOUSE

Touton has developed a holistic approach to serving farmer communities through its Akuafɔ Yiedie Fie model in Ghana. Developed in collaboration with the Produce Buying Company Ltd (PBC), these rural service centres provide a variety of services to cocoa farmers.

Each centre comprises a team of 4 trained experts (1 sustainability manager, 1 business development manager, and 2 agronomists).

Services are provided within 6 key pillars that together provide farmers with a comprehensive package to allow them to produce more and better quality cocoa, and therefore to improve their livelihoods.

Building on the success of the RSC model at district level, Touton is now working with partners to roll-out this model at community level, thus going the extra mile towards reaching farmers.

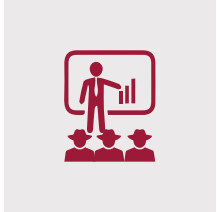


THE COCOA REHABILITATION AND INTENSIFICATION PROGRAMME (CORIP)

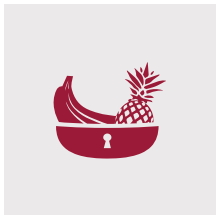
is a private-public partnership that is co-funded by the Dutch Embassy in Accra (2013–2017).

Through this programme, models are designed for supporting farmer groups and individual farmers in the major cocoa producing regions of Ghana. It relies on the establishment of Rural Service Centres (RSC) that provide support services and training to cocoa farmers. The programme is deployed in collaboration with Cocobod, IFDC (the International Fertilizer Development Center) under the coordination of Solidaridad.

TRAINING AND COACHING SERVICES ARE DELIVERED BY TRAINED AGRONOMISTS AND BUSINESS LEADERS



Certification training is provided under the guidance of Solidaridad using the Certification Capacity Enhancement (CCE) curriculum. Centre agronomists provide training on cocoa farm rehabilitation and use of inputs. We provide training in Business Skills to allow farmers to plan activities with a clear understanding of necessary investments (budgetisation) and management of benefits (savings)



Each centre's staff is trained by seed suppliers on cultivation of staple crops, so they can in turn guide and advise farmers. Demonstration farms are set-up with a variety of food-crops to allow visiting farmers to better understand why and how they should diversify their crops and thus their sources of income. Women are hired to nurture these farms, which in turn allows them to develop alternative income streams in their own right. The seeds of the crops grown in the demonstration plots are sold at competitive prices in the centre.



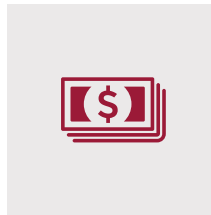
Rehabilitation techniques and services such as grafting and replanting are implemented in collaboration with the Cocoa Research Institute of Ghana (CRIG), a subsidiary of Cocobod. It provides planting materials and budwoods as well as expertise and Training of Trainers to Akuafu Yiedie Fie Centres' staff and Internal Control System staff.

Nurseries are set-up at the centre level as well as at community level offering different varieties of CRIG-approved planting material. Nurseries are managed by local farmers in partnership with CRIG, and supervised by an agronomist. To empower women and tackle gender inequality, Touton encourages the active participation of female farmers in this role.



Our goal is to increase productivity in a sustainable and progressive way. For that purpose, Touton has set up two different demonstration farms: Integrated Soil Fertility Management (ISFM) and a Cocoa Productivity Investment Menu (PIM). The Cocoa Productivity Investment Menu uses demo plots to show farmers how combined treatments in Good Agricultural Practices, use of Compost, Agrochemicals and Fertilizer can optimise yield on farms.

Every community has one demonstration plot in order to ensure farmers have easy access to directly observe the benefits of the different programmes. The Cocoa Productivity Investment Menu offers five different combinations of both time investment and cash investment treatments for soil fertility and pest and disease management.



In addition to providing entrepreneurial skills training, the centres partner with a banking facility to help farmers open bank accounts, access group credit rates for investments at community level, and set-up savings plans.



Access to Agrochemicals: Touton teams negotiate bulk rates with fertiliser, fungicide and pesticide manufacturers. The supplier provides inputs that are stocked in the centres and then sold to the farmers at a competitive price. Centre agronomists are available to coach farmers in proper use of products.

Integrated Services: Touton Akuafu Yiedie Fie Centres charge for the following integrated services: pruning, spraying, grafting, budding, weeding, sanitary harvesting, farm establishment, replanting, rejuvenation and rehabilitation. Services are performed by skilled youths who have been trained by the centre and its partners.

Tools and equipment: The centres stock small tools such as pruners, shears and spraying machines for hire.

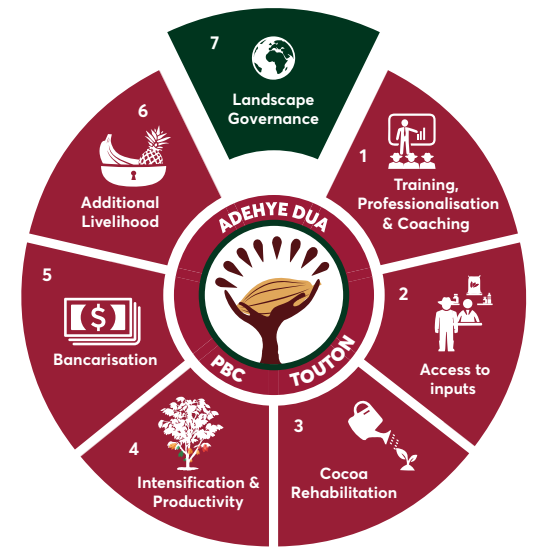
Professionalization within a sustainable landscape

Cocoa farmers are now experiencing the impact of climate change in their everyday lives and are able, through the implementation of appropriate mitigation and adaptation practices, to increase their resilience in the face of changing circumstances

Building on the success of the RSC framework, Touton is now replicating the model in the Western part of Ghana with two new centres that will open early 2017 and will feature an extra pillar of activity: Landscape Governance. These centres aim to provide services to 16 000 farmers in 180 communities.

Touton has begun a new programme called "Professionalization within a sustainable landscape" in collaboration with the Ghana Cocoa Board and Forestry Commission to develop a climate

smart cocoa approach. This is aimed at increasing productivity, building system resilience and reducing carbon emissions through avoided deforestation. Touton's approach and in particular the additional livelihood scheme has been identified as a potential concept to build household resilience and also serve as an incentive for farmers to refrain from encroaching the forest reserves. Farmers will be able to generate additional income to finance farm maintenance and inputs, hence increasing cocoa yields.



Conscious that changing this situation remains a global and shared responsibility, Touton is acting directly with the farmers to facilitate the implementation of good environmental practices. The objective is to meet Ghana and Côte d'Ivoire's cocoa production potential and increase the economic opportunities for forest fringe communities without compromising on existing forest.



INCREASING FARMER RESILIENCE TO CLIMATE CHANGE

Needs Analysis:

Research indicates that most land in cocoa production landscapes is already intensively cultivated, with barely any uncultivated land available for expansion. In order to avoid the risk of encroachment into forest areas, farmers need to adopt best practices to grow more cocoa on less land and to ensure soils are adequately replenished.

Additional support must also be provided to allow farmers to grow other crops alongside cocoa, both for personal consumption and for additional livelihoods.

The goal is to increase cocoa productivity and farmers' living conditions within a sustainable landscape.



Increasing farm-level cocoa productivity to 1 000 kg/ha through:

- Training, professionalization and coaching activities, notably through the development and implementation of bespoke farm development plans
- Cocoa Rehabilitation coaching and scheduling based on specific needs at farm level
- Intensification and Productivity using demo plots for training and adoption purposes



Improving service delivery efficiency for long-term, farm-level cocoa productivity increase in terms of:

- Access to inputs and integrated services at district and community levels
- Access to finance and banking services



Improving farmer resilience with a focus on food crop productivity, climate change adaptation and mitigation through:

- Coaching on benefits of diversifying crops for nutritional and financial benefits
- Access to markets for additional crops
- Landscape governance



World Cocoa Foundation

The WCF Cocoa Livelihoods Program (WCF/CLP) increases farmer income and strengthens cocoa communities in West and Central Africa through three main objectives:

1. Increased farm-level cocoa productivity to 1 000 kg/ha
2. Improved service delivery efficiency for long-term, farm-level cocoa productivity increase
3. Improved farmer resilience with a focus on food crop productivity.

CLP takes an industry-led approach, reaching rural farmers through dynamic partnerships with public and private actors while building institutional capacities for farmer outreach.

TARGETS 2018

4 500

producers are trained in cocoa GAPs

1 800

farmers receive improved food crop planting material

360

women are capacitated on leadership

PROMOTING DIVERSIFICATION FOR IMPROVED LIVELIHOODS

Needs Analysis:

Many cocoa farmers are highly dependent on cocoa production as their major means of income.

As a consequence, farmers are vulnerable to cocoa market variations, and the diversification of their incomes is limited. To face this challenge and increase farmers' autonomy, Touton is supporting activities that increase food security and enable farmers to generate additional livelihoods.

In order to address the various challenges Ghanaian cocoa smallholders face, especially in between harvests, Touton is implementing a project that aims to reinforce cocoa farmers' resilience by enhancing their capacity to diversify their sources of income and thus improve their livelihoods.

The project design includes a comprehensive approach to provide end-beneficiaries with capacity building, business and marketing support and innovative services, in order to ensure social and economic viability in the long run.



The project strives to showcase the importance of adopting a market-driven mind-set in order to enable accessible, scalable and replicable activities.

At project kick-off, an analysis of appropriate crops both in terms of local consumption and in terms of marketability was conducted.

Based on this analysis, the following programme components are being rolled-out:

1. Building Internal Expertise on vegetable production within the Rural Service Centres (training of agronomists)
2. Demonstrating best practices to increase productivity of vegetable production and support for additional incomes (Coaching of farmers; access to inputs & seedlings)
3. Enhancing extension support (training of lead farmers)
4. Exploring sourcing and retail business models for district & regional markets (market studies & business training)
5. Exploring & promoting innovative irrigation & water conservation solutions



The Ghanaveg initiative

is made possible through the funding and support of the Dutch-led Wageningen Centre for Development Innovation.

TARGETS 2017

Foster internal expertise on vegetable production

Promote innovative irrigation and water conservation solutions

Link farmers' production to local, regional and national markets while enhancing pre and post-harvest management technics

1 200 farmers trained on vegetable production through hands-on demonstration plots

PREPARING UNORGANISED FARMERS FOR CERTIFICATION



Needs Analysis:

One of the key challenges of sustainability in the cocoa sector is reaching the many farmers that as of yet are not part of structured farmer organisations or cooperatives.

Building on Touton Côte d'Ivoire's own farms this project aims to explore alternative service delivery systems to reach these farmers

Started in 2014 this programme aims to provide:

- support for certification
- training on good agricultural practices
- development of alternative sources of income
- a lever to organise farmer based organisations around purchasing centres

Touton set-up two purchasing centres called TSAO (Touton Société Agricole de l'Ouest) while simultaneously fostering the creation of two Farmer Based

Organisations (FBOs). The two FBOs were provided with capacity-building support while farmers received training on good agricultural practices.

The project covered the establishment of cocoa nurseries to facilitate the distribution of good quality cocoa seedlings as well as several demonstration plots to showcase the best agricultural practices.

An analysis into additional food crop production as a means to increase farmers' resilience and livelihoods was conducted. The feasibility study led to the development of a programme for cassava production and transformation to empower women in cocoa communities and help them generate additional income.

Adding value through additional transformation of cassava

Cassava was identified as a food crop that provides nutritional benefits for cocoa communities in addition to market opportunities to generate additional income.

The production of Attieke (that is derived from ground cassava) adds value to the raw commodity, thereby allowing additional income. Women who took part in this programme were grouped in each community under an association of women with a president, a treasurer and a secretary. Each association has a bank account for associated transaction flows. While the programme has been successful with a number of women now looking for land to produce their own supply of cassava, machine maintenance has been a challenge.



TARGETS 2018

1 500 formerly non-organised farmers are given access to enabling services to join certification programmes

On a total of **420** beneficiaries, **340** women were trained and coached in cassava production and transformation

Coffee

In 2016 Touton joined 300 other coffee organisations in the Global Coffee Platform.

Combining the expansive membership of the 4C Association with the pre-competitive activities of the Sustainable Coffee Program, the Global Coffee Platform is an inclusive multi-stakeholder platform that aims to align the activities of a diverse network of stakeholders towards reaching the sector's global sustainability commitments.

Coffee producing countries' national priorities are delivered through a bottom up approach into the platform's global agenda.



SUPPORTING 4C CERTIFICATION IMPLEMENTATION IN CÔTE D'IVOIRE



Touton has been sourcing 4C green coffee from East Asia for years. The 4C Code of Conduct

combines a list of do's and don'ts for coffee farmers to produce sustainable coffee. These practices are built on key international agreements and regulations, such as the UN and ILO conventions and national laws, as well as good social, environmental and

economic practices for the production, processing and trade of green coffee.

In addition to sourcing 4C coffee, Touton is now supporting coffee farmers in their efforts to reach 4C certification. This programme is being piloted in two cooperatives in Côte d'Ivoire in collaboration with our implementing partner, Technoserve.

SUPPORTING COFFEE PRODUCERS IN KENYA

Touton is supporting Kenyan coffee farmers in their efforts to improve green coffee quality, sustainability and productivity while fostering better environmental practices.

In order to strengthen communities' resilience, support is provided through training and technical assistance. In addition to GAP training, assistance is also offered to ensure respect

for environmental and social standards that are based on the Sustainable Agriculture Network (SAN) standards. These include protection of biodiversity, water management, and farm workers' rights and working conditions.



Vanilla, Spices & other ingredients

TOUTON'S VOKATRA MEVAN'I CHARTER

Touton Ingredients & Spices department has developed a charter called "Vokatra Mevan'i Touton", literally "Touton Good Products", by which the group is committed to conducting its business through the prism of responsible practices. This charter commits the group, as well as its suppliers and partners, to quality production and sustainable farming practices.

SUPPORTING CLOVE GROWERS IN MADAGASCAR

As part of the Vokatra Mevan'i* programme, Touton Ingredients financed and nurtured 2 000 clove seedlings in the Eastern part of Madagascar. Once ready, the plants will be distributed to farmers in the area of Ambodimanga who will then benefit from the expert advice of the CHTT (Technical Horticultural Centre of Tamatave) for a period of 3 years. Touton is committed to this partnership, as it believes that the success of such a programme is the result of shared effort, shared knowledge and shared resources.

The distribution of 2 000 clove plants will deliver the following benefits:

- initial reforestation action
- rejuvenation of current clove plots
- professionalization of farmers through the provision of good agricultural practices (GAP) advice and coaching.

The beneficiaries of the project have signed a contract with the CHTT by which they commit to maintaining the plants they will be receiving. The CHTT agronomists will make regular visits to producers to monitor the proper implementation of the project.



THE SUSTAINABLE VANILLA INITIATIVE

Touton was one of the first companies to join the Sustainable Vanilla Initiative that was set up in 2016 by IDH (The Sustainable Trade Initiative). The SVI brings together multinational companies and NGOs that are involved at different levels in the vanilla supply chain in a public-private partnership. The aim is to encourage sustainable practices that in turn, will contribute to ensuring future supply as well as stimulating economic growth in vanilla producing countries.

Exchange of best practices

In order to meet the steady growth in demand for sustainable products the past decade has seen the multiplication of initiatives and programmes to support smallholder producers. This has created the need for harmonized initiatives, uniform procedures and consensus on what sustainability in this sector really means, to improve common understanding and to create a level playing field.

Touton staff members participate in a number of industry and multi-stakeholder platforms to share the company's insights and to learn from best practices that are being co-developed by the sector.



Touton is an active member of the International Standards Organisation (ISO) and European Committee for Standardization (CEN) Technical Committee that is developing a sustainable and traceable cocoa standard. As part of the French Commission on ISO 34101 - Traceability & Management Ad Hoc Group Touton is working with other actors of the cocoa sector on building a robust standard for the sector.



Touton is a contributing member of the ECA/FCC/Caobisco Joint Cocoa quality & productivity Working Group. Since 2013, this WG has been responsible for the management of a Joint Research Fund that allows its members to conduct up to three bespoke research projects at a given time (that typically run over a two to five year timespan).

As a supply chain approach is crucial to tackling quality and productivity issues in the cocoa supply chain, the joint WG has a regular exchange of information and cooperates with cocoa producing countries governments, research institutes, the International Cocoa Organization (ICCO) and European institutions.



Touton is proud to work in partnership with the University of Political Sciences Bordeaux. Every year, 'Sciences Po', as it is known to students, encourages master degree students to work on an analysis of a given sustainability challenge in our supply chains and to provide concrete advice for project implementation to our company. This partnership offers real-life case studies to students while providing Touton with an external 'fresh' look on its activities.

Touton is a leading agro-industrial actor. Our know-how builds on over 150 years' experience of providing our customers with high quality commodities.

In addition to delivering responsibly-sourced cocoa, coffee, vanilla and natural ingredients, we are now increasing our engagement in commodity-producing countries through processing operations in cocoa.

With subsidiaries in originating regions, and agents in key locations, Touton's strength lies in the skills of its workers, the cultural diversity of its teams, and a deep understanding of the countries in which the company operates.



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