



ECOM

# Growing a smarter future for cocoa

Cocoa Sustainability Report 2021

# Contents

## Introduction

- 5 A note from our CEO
- 7 2021 overview
- 9 COVID response
- 11 About ECOM's cocoa division
- 12 The ECOM Cocoa value chain

## Sustainability at ECOM Cocoa

- 14 Cocoa supply chains: the big picture
- 16 What sustainability means to us
- 17 Our material issues
- 18 The Smarter Cocoa Charter

## Improve farmer and worker livelihoods

- 20 Improve farmer and worker  
livelihoods
- 20 Our commitments
- 20 Our targets
- 21 Human rights
- 24 Defining child labour
- 24 How ECOM Cocoa applies CLMRS
- 26 Engagement with farmers and  
communities

## Protect and regenerate nature

- 32 Protect and regenerate nature
- 33 Our commitments
- 33 Our targets
- 34 Nature and biodiversity
- 38 Climate change and resilience
- 40 Energy in numbers

## Manage change through transparency and traceability

- 43 Manage change through  
transparency and traceability
- 44 Our commitments
- 44 Our targets
- 45 Responsible supply chains

## Governance

- 49 Ethics and governance
- 50 How cocoa sustainability  
is governed

## Global Reporting Initiative

- 54 Content Index
- 74 Glossary of Terms

# Welcome to ECOM's first annual Cocoa Sustainability Report.

# Welcome

This is the start of work to report our environmental and social progress in cocoa supply chains against our newly launched Smarter Cocoa Charter and its goals.

The report covers the activities of ECOM's Cocoa division unless otherwise indicated and, in this respect, 'ECOM Cocoa' and 'ECOM' are used interchangeably.

It is important to acknowledge that the activities, initiatives and programmes covered in this report were in large part done in collaboration with a variety of partners, including clients, donors, NGOs and area experts among

others. Where relevant, we have credited these partners within our disclosures.

The scope of this report covers our global cocoa operations' footprint, including origin sourcing countries, secondary sourcing regions, our factories and offices.

We have developed this report in reference to the Global Reporting Initiative (GRI) Standards. We have not sought any external assurance for this report.

All financial figures are reported in US dollars (US\$), unless otherwise stated.



# 1 Introduction

*"With our strong foundation in sustainability, we're building more ambitious goals to boost farmers' livelihoods."*

**Pamela Schreier**

Senior Global Cocoa Sustainability Manager



## A note from our CEO

### At ECOM, we're growing a smarter future for cocoa.

Welcome to the first GRI Standards sustainability report from ECOM's cocoa division. This report marks a key moment in our journey to source and provide responsible cocoa to many of the world's leading consumer food manufacturers.

As one of the top-five global suppliers of cocoa beans and products, with a customer base in over 75 countries, we have a tremendous opportunity to embed sustainable, ethical practices into worldwide cocoa supply chains. We have spent nearly two decades doing just that, as early adopters of certification and advocates of farm-level support.

As a commodities trader with more than 170 years of experience, we are familiar with the challenges, both social and environmental, that come with trading raw agricultural materials. We also recognise that many of these challenges remain in the complex global supply chains in which we operate.

Now, as the impacts of climate change become more evident and as the role of business in protecting human rights becomes clearer, we are accelerating our efforts around responsible cocoa.

### Strategically building a smarter future

In 2021, we developed the Smarter Cocoa Charter, which brings all our cocoa sustainability efforts under one strategy, driven by new ambitions to scale up our impact. Through the Charter, we aim to improve the traceability of our direct and indirect supply chains, to enhance farmer resilience and prosperity, and to improve practices with benefits for both people and the environment.

The Charter will also support the ECOM Group's new commitment to achieve Net Zero greenhouse gas emissions across our entire value chain by 2050. In making the commitment to Net Zero we also joined the Science Based Targets initiative (SBTi) to hold ourselves accountable to our ambition.

## A note from our CEO

continued

### Forward together

With our strong foundation in sustainability, we're building more ambitious goals to boost farmers' livelihoods and support human rights in cocoa growing communities. Throughout this report, you will read the stories of farmers who have built thriving and diverse businesses to support their families through initiatives such as our additional livelihoods programme.

In addition, in 2021 we implemented the Social Progress Index to help us assess the social health and wellbeing of our farming communities, considering factors such as basic human needs, wellness, and economic and educational opportunity.

### Leading through transparency

For us, traceability is a key tool in achieving greater sustainability standards and meeting the goals we have set. We have committed to achieving 100% traceability for all beans purchased through ECOM's [origin-sourced](#) and [partner-sourced](#) supply chains.

We know that it won't be easy. From Côte d'Ivoire to Peru, we operate in regions around the world with varying levels of formal organisation between farmers (including groups or co-operatives) as well as intricate supply chains and differing cultures and climates. Fostering and maintaining meaningful collaborations with communities and organisations on defining standards such as living income adds a further layer of complexity.

However, over decades we have built up the experience, relationships and networks necessary to help drive sustainable thinking forward.

### Taking a long view

Looking forward, our aim is to grow our sustainability ambitions across all the markets in which we operate and to find new ways to be more impactful as 'One ECOM'. We will invest in the technology and people to continue forging an organisation that leads with sustainability. Continually improving at the commodity, supply chain and organisational levels, we plan to realise our ambitions to build a smarter future for cocoa.

### Alain Poncelet

Chief Executive Officer, ECOM



# 2021 overview

Our operations span the globe and include farming, processing and sales to some of the world's leading manufacturers of chocolate-based products.

## 165k+

farmers on digital platforms from our origin-sourced supply

## 275k+

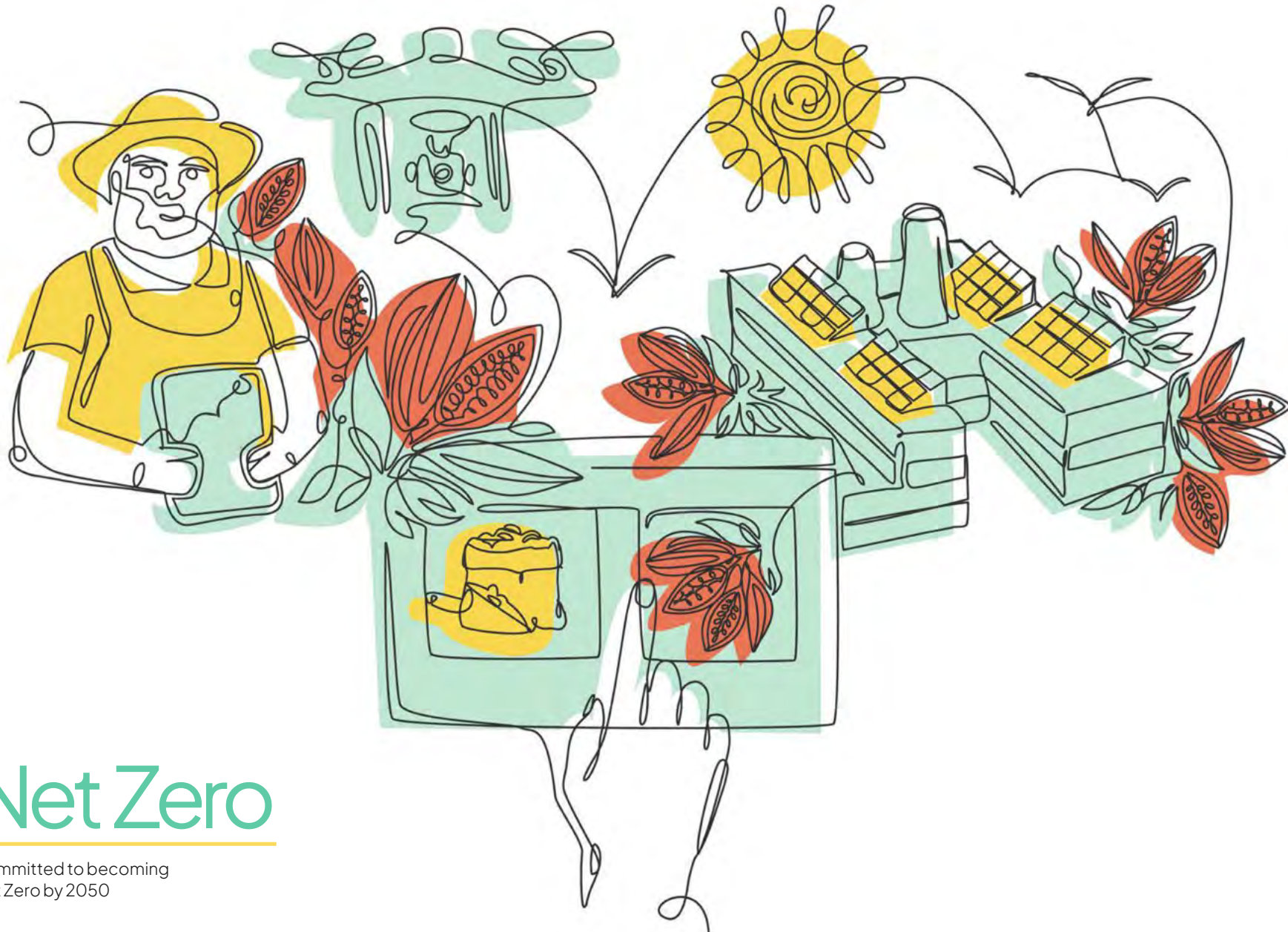
hectares of land under ECOM-managed and GIS mapped sustainability programmes

## 780k

MT bean equivalent (BE) traded

## Net Zero

Committed to becoming Net Zero by 2050



2021 overview continued

3,000+ 950+

employees

agronomists and network of field staff

500k+ 210k

farmers in ECOM's global supply chain

farmers in our origin-sourced cocoa supply chain

23% 74%

female farmers in our origin-sourced cocoa supply chain

smallholder farmers in origin-sourced supply chain

25 75+

countries from which we source beans

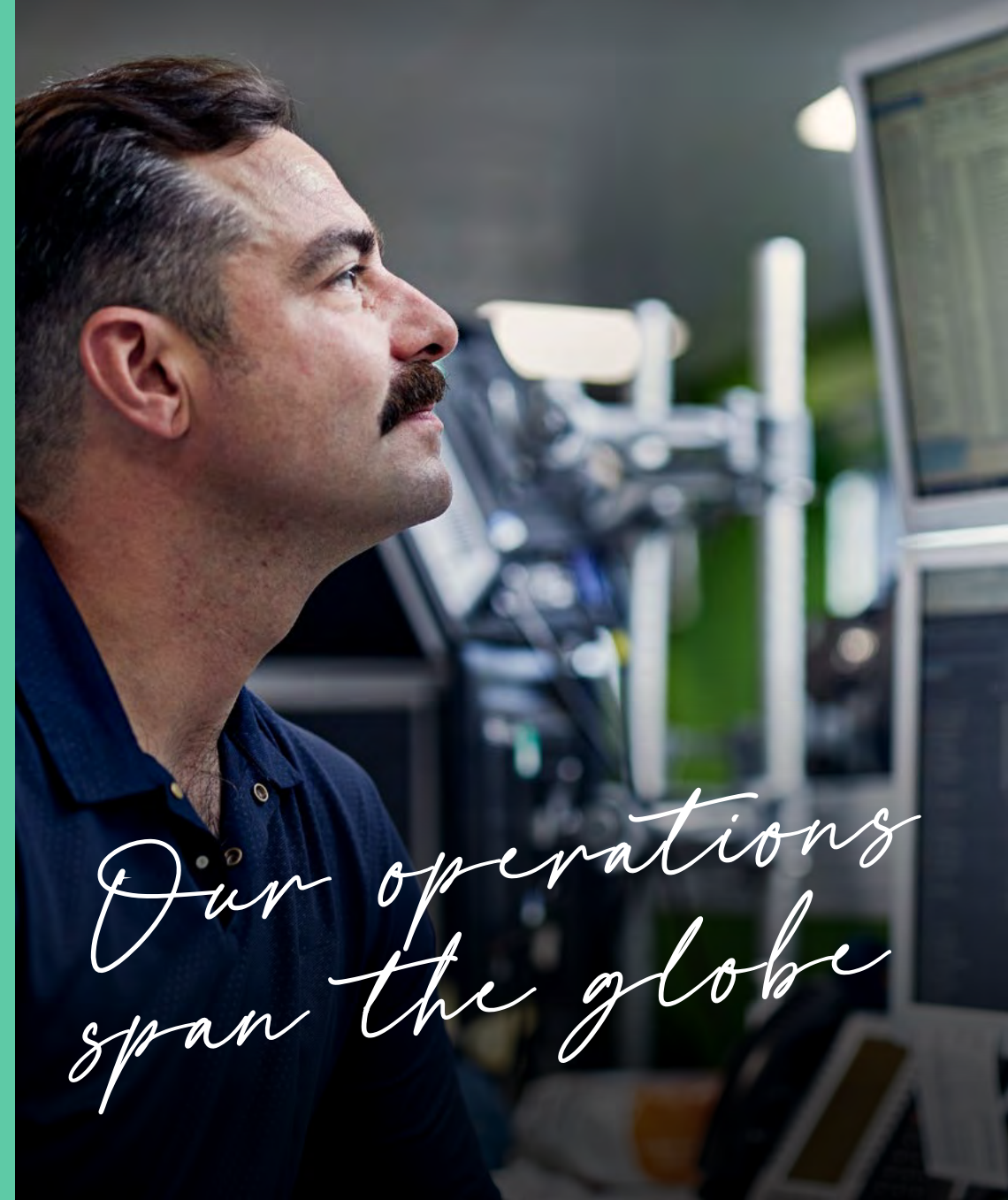
countries in our customer base

2.5bn 83%

USD annual sales volume for cocoa

of our origin-sourced operations and 38% of sales volume of our total operations qualify as sustainable<sup>1</sup>

1. Sustainable in this context meaning third-party verified/certified.



Our operations span the globe





*Additional  
measures  
to protect  
our colleagues*

## COVID response

The COVID-19 pandemic continued to impact the world throughout 2021. New variants and continued lockdowns affected the movement of goods and people and disrupted economies. We are always committed to supporting the economic resilience of our farmers and mobilised additional resources to help them deal with the exceptional circumstances of the pandemic.

We customised our responses to align with local regulations and to suit the facilities affected.

Our offices adopted governmental work from home guidelines and many have since adapted to a hybrid structure. Our London office also provided access to flu vaccines free of charge for all employees to support the UK government's COVID-19 recommendations.

For operations where employees could not work from home, we adopted additional measures to protect our colleagues.

### Enhancing safety in our plants

Our factories in Germany and the Netherlands established a centralised COVID-19 response team. The team implemented staff training on sanitation practices, social distancing and other essential safety measures. In addition to the training, locker spaces and washrooms were adapted to facilitate social distancing. Entrance into the facilities was regulated via temperature checks, tracing and questionnaires.

Face masks, cleaning tools and self-tests were made available or distributed at plants. Human Resources followed up with employees who tested positive, offering psychological support by phone.

### Adapting to changing needs

Although regulations have or are being phased out in many areas where ECOM operates, we continue to monitor the situation closely and have maintained resources to align with any changes in governmental and public health directives.

## Sustainability in action

# Inspiring behaviour change around COVID-19

### Inspiring behaviour change around COVID-19

In Ghana and Côte d'Ivoire, we partnered with GIZ, Ghana Health Services and Farm Radio International on a project to promote behaviour change and slow the spread of the virus. The programme used radio to communicate effective habits and behaviours to tackle COVID-19, including hand-washing, maintaining social distancing and wearing masks. These communications were paired with in-kind incentive programmes for behaviour change at [farm](#) level.

Incentives included increased access to a grant fund for women that would finance primary healthcare needs related to COVID-19. In addition, we increased initiatives to support women's increased participation in programmes to help diversify and generate additional income. This was essential at a time when measures to contain the virus were impacting [household](#) economic security.

COVID-19 awareness efforts in Nigeria and Cameroon mostly focused on ground-level engagement with communities. For example, in both countries, messages about safe behaviour and COVID-19 protection were disseminated around farms via a megaphone.

In Cameroon, community members were informed about safety measures taken by their churches, while in Nigeria, farmers received leaflets and communities were given support packages with food and other essentials.



# About ECOM's cocoa division

ECOM's cocoa division supplies quality sustainable cocoa beans and products to the world's leading chocolate manufacturers and consumer food brands. As part of the ECOM Group, it draws on over 170 years of experience in agricultural goods.

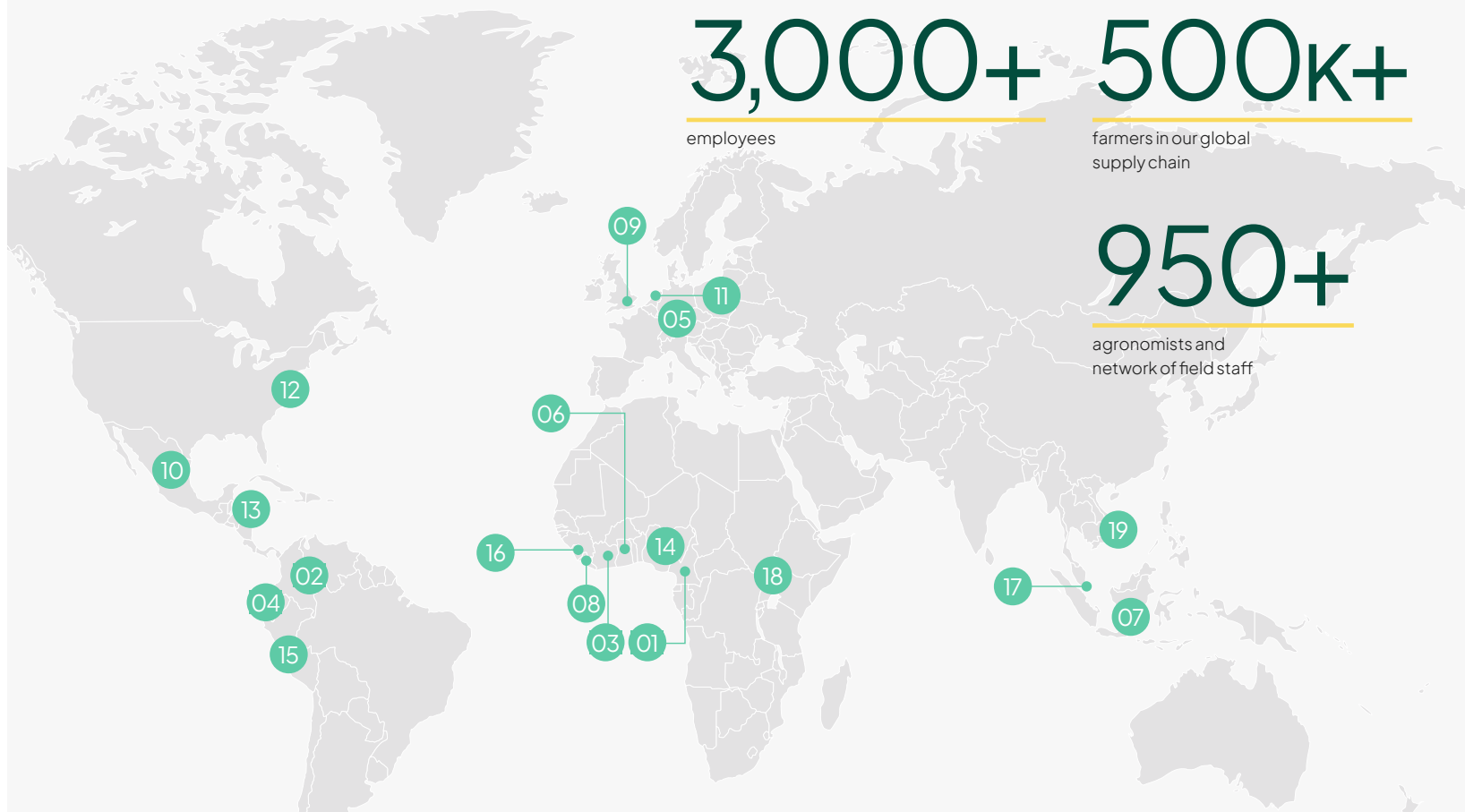
We are one of the world's largest cocoa traders and processors, sourcing quality beans from over 25 countries and selling them directly to customers or processing them into cocoa mass, butter, cake and powder in eight factories across three continents.

Five cocoa trade offices (UK, the Netherlands, Singapore, USA and Mexico).

Eight cocoa factories (the Netherlands (2), Germany (2), Mexico (1), Nigeria (1) and two exclusive off take agreements with partner factories in Côte d'Ivoire).

- **Countries with origin operations – where beans are purchased through ECOM-managed operations:** Mexico, Nicaragua, Colombia, Ecuador, Peru, Sierra Leone, Côte D'Ivoire, Ghana, Nigeria, Cameroon, Uganda, Vietnam, Indonesia

- **We also source from several other countries in multiple regions. These countries vary from year to year based on demand and market conditions and can include:** Congo, DRC, Dominican Republic, Grenada, Guinea, Haiti, Liberia, Madagascar, Papua New Guinea, Sao Tome, Tanzania, Togo, Venezuela



**Total employees: 3,132**  
**Permanent**  
 Female: 368  
 Male: 1,897  
**Temporary**  
 Female: 273  
 Male: 594

01 Cameroon	172	08 Liberia <sup>2</sup>	6	15 Peru	135
02 Colombia	1	09 London	33	16 Sierra Leone	417
03 Côte d'Ivoire	462	10 Mexico	336	17 Singapore	5
04 Ecuador	65	11 Netherlands	161	18 Uganda	5
05 Germany	136	12 New York	8	19 Vietnam	4
06 Ghana	659	13 Nicaragua	4		
07 Indonesia	206	14 Nigeria	307		

2. Project staff, not sourcing staff. In-country sourcing is conducted via third-party exporters and does not fall under scope of origin-sourced operations.

# The ECOM value chain for cocoa

The global cocoa supply chain covers multiple geographies and stakeholders. ECOM is active at every touchpoint along this chain, simplifying the process of getting quality, sustainable cocoa beans and products right from the start and all the way through to our customers.

## Where we engage

- Beyond Chocolate
- Cocoa and Forest Initiative
- Equal Origins
- European Cocoa Association
- Federation of Cocoa Commerce
- German Society for International Co-operation (GIZ)
- International Climate Initiative
- International Cocoa Initiative
- Jacobs Foundation-led Child Learning and
- Education Facility
- Jacobs Foundation-led Early Learning and Nutrition
- Just Rural Transition
- Netherlands Enterprise Agency (RVO)
- Swiss Platform for Sustainable Cocoa
- The Sustainable Trade Initiative (IDH)
- TrueFootprint
- US Agency for International Development (USAID)
- World Cocoa Foundation

## Partnering with our clients

ECOM's sustainability progress would not be possible without the shared vision of our clients. We collaborate with them on most of our social and environmental interventions with cocoa farmers. We have shared a selection of stories of client collaborations throughout this report but it is by no means an exhaustive list of our sustainability activities nor of the clients and other partners we work with.



Farms

We're partnering with farmers to actively explore techniques that will introduce new standards of responsibility for people and planet within cocoa farming.

210k

farmers in the origin sourced supply chain

1,171

co-operatives and farmer groups

950+

agronomist and field technicians directly supporting farmers in the field

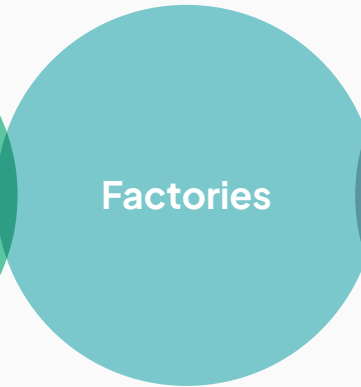


Communities

We're helping cocoa communities build economic resilience and embed human rights by managing programmes designed to break the cycle of poverty in rural areas.

30k+

farmers participating in additional livelihood programmes



Factories

We're enhancing the efficiency of our operations through various factory upgrades, including clean energy projects. These investments will support the implementation of our carbon roadmap, which will launch in 2022.

8 factories

3 continents

2 primary brands

- Dutch Cocoa
- Tulp Cocoa

Processing beans into:

- Mass/Liquor
- Butter
- Cake
- Powder



Marketplace

We supply sustainable and certified beans and products to the world's leading chocolate manufacturers and food companies across 75+ countries.

## Certifications

Certifications from:

- Fairtrade International
- Fairtrade USA
- Rainforest Alliance
- EU, NOP and Bio Suisse Organic
- Fair for Life
- Third-party assessments: EcoVadis and Sedex

The certifications we offer are key to assuring our customers that good practices have been validated. We do this through deep involvement and trusted relationships with the cocoa communities.

# 2 Sustainability at ECOM Cocoa

For ECOM, sustainable cocoa is cocoa that helps farmers thrive and grow their business today without compromising their local environment or the rights of people who live and work on their farms or in their communities. To build this future for cocoa, we're partnering with farmers and families across cocoa communities to tackle systemic poverty and start building the resilience needed to thrive through a changing climate.

*"A strategy that uses our reach and our culture of innovation to steadily and sustainably improve lives."*

**Pamela Schreier**  
Senior Global Cocoa Sustainability Manager



## Cocoa supply chains: the big picture

The journey from bean to finished cocoa product is a complex endeavour. Every year, an average of over four million tonnes of cocoa beans are harvested around the world. Approximately 90% of these beans are grown on small family farms. Farmers can choose to sell as lone producers, as part of a farmer group or they can join a co-operative. Regardless of how they sell, the beans of one farmer will generally be mixed with beans from others at some point in the supply chain.

Around 95% of all the beans harvested are traded on global commodity markets, often by entities like ECOM Cocoa. We are present in cocoa communities to partner directly with farmers, groups and co-operatives on improving their yields, complying with certification requirements, traceability and paying farmers. We then supply beans or processed cocoa products to some of the world's largest chocolate makers and food companies, or sell on the open market.

### Trends shaping the future of cocoa

Like most commodities, cocoa is subject to strong and volatile market trends that can rapidly change the demands on farmers, traders and food companies alike. Responding effectively takes knowledge, resources, and innovation.

### Expanding traceability

Demand for greater transparency in commodity supply chains continues to grow as people increasingly question how their cocoa is produced. Meeting consumer expectations over ethically sourced cocoa means being accountable for how it is produced. This is only possible through robust traceability.

In addition, traceability is also key to helping companies comply with changing deforestation and human rights due diligence legislation in both Europe and the USA. While the legislation is still being shaped, companies trading in cocoa and cocoa-derived products will need to be able to show that the production of their raw ingredient did not involve legal or illegal deforestation and that they have systems in place to ensure that there are no breaches of human rights. The UK has already introduced mandatory due diligence requirements on forest-risk commodities.

**Digitally supporting sustainability**

As the demand for traceability grows from consumers and chocolate manufacturers alike and legislation increases, digital tools are playing a growing role in supporting due diligence. These tools take a range of forms. For example, GIS mapping farms is helping to ensure that cocoa production is not impacting threatened areas or contributing to deforestation. Geo-referenced farm data can also be applied to programmes to support the growth of agroforestry or to eliminate child labour in cocoa. There are also tools that help farmers get paid securely, and tools that provide training to farmers on new techniques and update them on market activity. This can incentivise their participation in sustainability programmes as well as increase transparency for both farmers and ECOM. It also ensures that farmers who adopt best practices for the betterment of themselves and their communities are recognised and rewarded.

**Enabling climate-smart cocoa**

Digital data collection is also becoming an invaluable tool in making cocoa production future fit for a changing climate. Technology is now enabling data to be used in ever more precise long-term modelling scenarios.

Analysis is making a strong case for changing farming techniques to adapt to climate change, such as soil and water management. These climate-smart cocoa production techniques are applied to mitigate the negative impact of climate change on cocoa production and to help farmers adapt their agricultural practices, if necessary. Depending on the identified climate threat and the capacity of the farmer to respond, several different approaches can be applied.

This, coupled with deforestation concerns, drives the growing awareness and uptake of agroforestry practices in cocoa supply chains. Agroforestry promotes the use of shade trees around cocoa crops in such a way as to enhance forest cover, improve biodiversity, increase soil health and sequester carbon while also promoting income diversification through planting native, fruit or timber species.

Combining the use of digital modelling and mapping with the growth of agroforestry techniques is key to helping farmers reduce the carbon emissions associated with deforestation in cocoa farming and to adapting to new climate scenarios in the coming decades. It is also fundamental to helping traders and manufacturers plan for alternative market conditions to sustainably deliver for consumers worldwide.



**“What is unique about ECOM Cocoa’s approach is that we have taken years of intensive, on-the-ground experience, community engagement and an entrepreneurial drive, and**

**turned that into a strategy that uses our reach and our culture of innovation to steadily and sustainably improve lives.”**

**Pamela Schreier**, Senior Global Cocoa Sustainability Manager

# What sustainability means to us

Global demand for more sustainable cocoa has been growing. More and more consumers and investors are looking to chocolate manufacturers and consumer food brands to source cocoa that is grown with care for the environment, with respect for human rights, and that is fully traceable. This has demanded a change in the way cocoa is grown, sourced and sold.

Because ECOM has always maintained operations close to the cocoa farmers, we have long been able to monitor and understand the challenges that cocoa farmers face. This puts us in a strong position to help our customers pivot towards sustainable sourcing models.

## Creating a legacy of sustainable management

ECOM's track record as sustainability pioneers means our customers trust us to deliver their [programmes](#). ECOM was an early adopter of practices now used by the entire industry, such as investing in the development of apps and other technologies that improve efficiency and give farmers the tools to diversify their income. Our research teams have long worked with farmers to do deep analysis of [farms](#) and harvests, from taking direct soil measurements for monitoring moisture levels, to counting and measuring the pods of every tree on a given farm in order to track production over time.

We have retained sample farms, so-called demo plots, in cocoa communities for decades, giving us long-term oversight and understanding of tree lifecycles and responses to a wide range of environmental conditions.

## Formalising our approach

In 2004, we launched our Sustainable Management Services (SMS) as part of a core strategy to deliver on our clients' sustainability needs. Starting in our coffee business, the initial focus was on helping farmers get [certified](#) through trusted initiatives – including Fairtrade and Rainforest Alliance. Learning from this early experience, we soon extended our efforts to support farmers and communities more directly and brought SMS into our cocoa supply chain. As consumers become more interested in where their food comes from and the impacts of its production, the years we have spent raising farmer awareness of traceability and the financial advantages of working with [certified](#) or verified programmes have proven invaluable for our customers. This approach has enabled us to develop and deploy wide-reaching and trusted programmes that account for thousands of cocoa farmers every year.

In cocoa, we now leverage over 950 technicians, including agronomists, working directly in the field in 13 countries who train farmers on how to enhance their production techniques to improve their adaptability to a changing climate and how to reduce their resource use. In 2021, 189,759 farmers had access to [farmer-centred](#) services such as technical assistance and coaching, pruning services, tree distribution and more. These farmers account for approximately 90% of our [origin-sourced supply chain](#).

As part of our comprehensive support services for farmers, we also offer financing for crucial inputs, such as seedlings and irrigation, that would otherwise be out of the reach of many farmers. This helps farmers to invest in their businesses and build financial resilience for themselves and their families.

Through innovation, ECOM Cocoa continuously identifies, assesses and deploys digital tools in our work to accurately scope the footprint of cocoa farming in the areas where we operate and to verify compliance with our programmes. In this way, ECOM can provide high levels of assurance of the origin and ethics behind the beans sourced.

## Building a smarter future for cocoa

ECOM is taking a science backed approach and, using data gathered in our communities and across our business, we are modelling weather patterns in regions from which we source. Through a combination of expert data scientists, machine learning and robust data sets, ECOM looks decades ahead to help our farmers and our customers prepare for change.

Our depth of knowledge and breadth of experience are regarded by our clients as benchmarks. We believe that with this foundation we can now grow a smarter future for cocoa.

That is a future where farmers prosper and are resilient to the impacts of climate change and changing commodities prices. It is a future where cocoa growing uses resources efficiently, protects biodiversity and helps address climate change. In this future, supply chains are transparent and cocoa is traceable.

This is the start of the next phase of our sustainability journey. In the years to come, we look forward to sharing the growing resilience of farmers, the increased prosperity of cocoa communities and the regeneration of local environments.



# Our material issues

In 2019, the global SMS team conducted a materiality assessment. Using desktop research, the assessment helped identify the issues where the commodities that ECOM covers have their most significant [environmental, social and governance \(ESG\)](#) impacts, and which matter most to our stakeholders. These issues were then benchmarked against our peers.

The assessment also included comprehensive interviews with eight internal stakeholders, representing a variety of geographies across ECOM including global and local members of management. We also interviewed 15 external stakeholders, representing customers, industry-level organisations, NGOs/certification bodies, a financial institution and a farmer organisation. This helped to ensure we prioritised the right set of topics.

The assessment identified ECOM's priority issues, which were used to develop a process for setting relevant sustainability targets. These issues span multiple business areas, including our leadership, climate resilience and mitigation efforts, work to protect nature and

ecosystems, and supporting livelihoods and human rights.

The assessment's recommendations led us to form our Responsible Cocoa Committee, made up of experienced employees from across our business. The Committee answers to our Executive Committee and is constantly assessing how ECOM can continually improve the sustainability of our cocoa operations, by taking into account the evolution of our material issues over time and turning observations into strategy.

When it came to setting cocoa-specific targets, we worked with consultants to review a set of current and draft sustainability targets. The review of these draft targets used the SustainAbility goal-setting framework *Targeting Value*.

We then conducted working sessions with internal stakeholders to test the targets with the newly formed Responsible Cocoa Committee. The Committee reviewed the test process to identify our final list of cocoa commitments and strategy.

*Improve sustainability*

# Material issues identified

- 1 Forced and Child Labour
- 2 Traceability and Transparency
- 3 Agricultural Productivity
- 4 Farmer Prosperity
- 5 Climate Change Resilience
- 6 Deforestation and Land Use
- 7 Water Stewardship
- 8 Product Safety and Quality
- 9 Biodiversity Conservation
- 10 Greenhouse Gas Mitigation
- 11 Governance and Ethics
- 12 Living Wage and Fair Employment
- 13 Community, Livelihoods and Resilience
- 14 Price Volatility
- 15 Training and Education
- 16 Waste and Food Loss Management
- 17 Fertiliser and Crop Protection Management
- 18 Impact Monitoring and Management
- 19 Health, Safety and Wellbeing
- 20 Soil Management
- 21 Access to Finance
- 22 Women and Youth Empowerment
- 23 Land Tenure Rights
- 24 Genetic Diversity of Seeds and Plants
- 25 Energy Management
- 26 Freedom of Association and Collective Bargaining
- 27 Diversity and Inclusion
- 28 Employee Recruitment and Retention



- Economic topics
- Environmental topics
- Social topics

# The Smarter Cocoa Charter



## Our Smarter Cocoa Charter

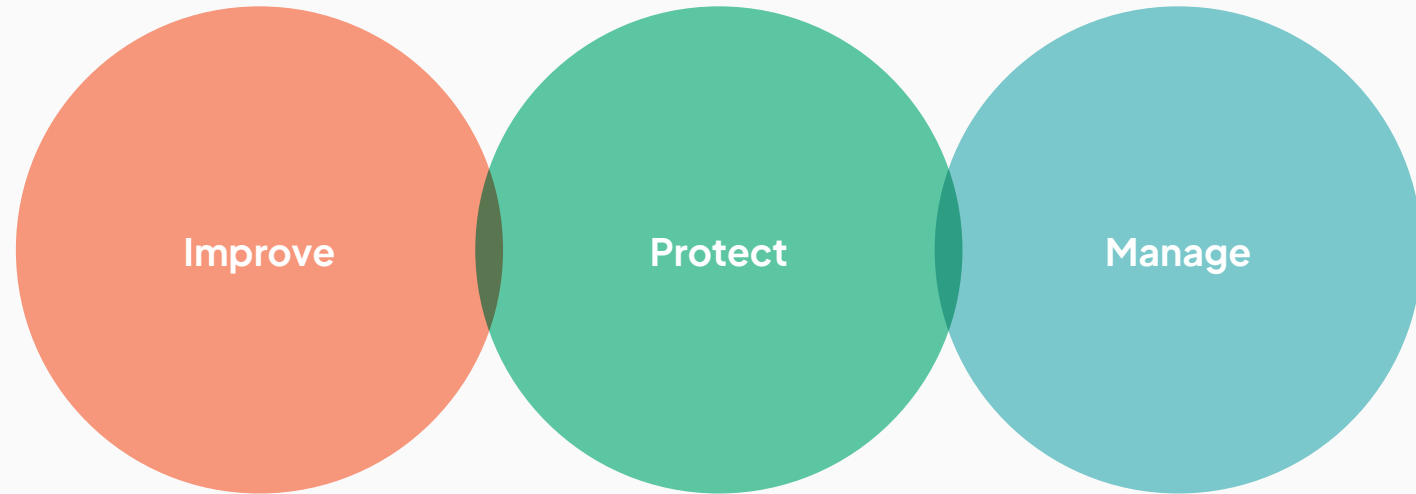
Improve. Protect. Manage. These are the actions that drive the Smarter Cocoa Charter.

The Charter is how we channel ECOM's group-wide approach to ethical and environmental trading for the good of cocoa communities and for our shared environment.

The Charter was developed to meet three primary objectives: to improve the traceability of our supply chains, to enhance farmer resilience and reduce poverty, and to improve practices with benefits for both people and the environment.

To meet these objectives we identified three key pillars, each with relevant commitments.

# Through the Smarter Cocoa Charter we will:



### Improve farmer and worker livelihoods:

- Empower farmers, workers and their communities to optimise their profitability and ultimately remove poverty.
- Eliminate breaches of human rights through proper risk identification and remediation.

### Protect and regenerate nature:

- Optimise our natural resource management practices.
- Improve farmer resilience to the effects of climate change.
- Become a Net Zero emissions company in our Scope 1, 2 and 3 by 2050.

### Manage change through transparency and traceability:

- Ensure transparency and responsibility in our supply chains.

# 3 Improve farmer and worker livelihoods



To grow quality, responsible cocoa, we believe that the farmers behind the crops need to be supported and empowered to nurture resilient businesses. By enhancing their economic security and their skills, we can help ensure that they have the means to embed socially and environmentally responsible practices on their farms. This is how we partner with them to provide the sustainable cocoa that consumers can trust and feel good about.

*"Human rights are not negotiable and they are not an area for compromise."*

**William Venables**  
Head of Marketing & Communication, Cocoa

## Improve farmer and worker livelihoods

Thousands of people around the world grow the cocoa that enters our supply chain. Our business cannot be sustainable if their business is not viable. The more difficult farming becomes, the harder it will be to attract and keep young farmers in the cocoa value chain. The more challenging it is for farmers to secure their income, the more they may need to turn to family members, including children, to work on their farms. These choices will have impacts that ripple through cocoa communities, keeping children out of school and limiting opportunities for women.

That is why ECOM is helping farmers invest in secure, resilient businesses that empower them, their families and their communities to lead dignified and prosperous lives.

**“People are the soul of what we do. We are a family owned company and that ethos guides the way we work with farmers and other suppliers. Human rights are not negotiable and they are not an area for compromise. Everyone deserves dignity, respect, to be treated with fairness and to have the opportunity to thrive and those are the values we instil across our operations.”**

**William Venables**, Head of Marketing & Communication, Cocoa

## Our commitments

**Empower farmers, workers and their communities to optimise their profitability and ultimately remove poverty.**

**Eliminate breaches of human rights through proper risk identification and remediation.**

## Our targets

**By the end of 2023**

**Assess the risks of child and forced labour in 100% of ECOM origin-sourced and partner-sourced supply chains.**

**Establish the living income baseline and roadmap to address the identified gap for all origin-sourced supply chains.**

**By the end of 2025**

**Implement monitoring and remediation systems for ECOM origin-sourced and partner-sourced supply chains at high risk of child labour.**

**Train 100% of farmer communities in ECOM origin-sourced supply chains in child protection and the prioritisation of education.**

**Have 100% of ECOM origin-sourced supply chains covered by the Gender Equity Index and improvement plans.**

**Train 80% of farmers in our ECOM origin-sourced supply chains in improving agricultural practices annually with an ambition of reaching 200k individual farmers.**

**Provide access to farmer-centred services to 100% of farmers in our ECOM origin-sourced supply chains.**

## Human rights

Systemic poverty is a common feature in many cocoa communities around the world. This is often due to a mix of unique local circumstances, including economic vibrancy and currency rates, as well as more global factors such as market pressures on commodities.

The pressing need to provide for their families can lead farmers to breach globally recognised human rights that do not always carry the same stigma in local communities. This can include a farmer recruiting their children to carry out dangerous tasks on the [farm](#) and not providing safe working conditions.

ECOM does not tolerate child or forced labour in our supply chains and we believe that farmers can and should be given the support to uphold globally recognised human rights, including safe and fair workplaces.

### Our policies to protect human rights

We have developed a set of policies that align with leading international standards, including:

- The United Nations Universal Declaration of Human Rights.
- The International Labour Organisation core labour standards, conventions 182 (worst forms of child labour) and 138 (minimum age).
- Applicable laws governing child labour, slavery, forced or compulsory labour, and human trafficking.

Our [Supplier Code of Conduct](#) (the Code) outlines the behaviours and standards we expect from stakeholders across our supply chains. The Code details our position on legal and ethical compliance, human rights and labour and health and safety.

### Due diligence

Carrying out due diligence is key to ensuring that our suppliers live up to our Code and that we as ECOM are complying with global best practice. We engage extensively with our stakeholders to [implement](#) effective processes and infrastructure that enable us to monitor and protect human rights across our operations. For example, we provide accessible grievance mechanisms that give a voice to actors all along the value chain, from farm workers to clients.

Our external [Ethics Concerns Policy](#) provides contact details for our Ethics Concerns Group, which is tasked with managing grievance reporting. See p51 for more information.



### Addressing gender disparities

Even though many women participate in cocoa farming, gender disparities remain in cocoa communities around access to resources and support. This can sometimes be attributed to not considering the impacts of gender when developing programmes. For example, training sessions may be conducted at times when children are not at school, making it difficult for women to participate.

In 2021, ECOM collaborated with Equal Origins (formerly the Partnership for Gender Equity) and industry peers in order to develop the Gender Equity Index (GEI) tool to assess current farmer support practices through a gender lens and to see where we could improve gender disparities. In developing the tool, we explored what we wanted the Index to tell us and what questions we should ask stakeholders to get the right information.

The first iteration of the Index was piloted in Ghana and Peru. In Ghana, we scored 60% on the Index, with strong results for capacity, female representation in leadership and assessing issues for women where we work. Areas for improvement include strategically using data we gather to guide more impactful policies.

Results in Peru at 48% showed that while we scored well on strategy and capacity, we need to enhance gender awareness and training, as well as representation.

The [final Index](#) was launched in early 2022 as a 67-question diagnostic tool that focuses on ECOM's ability to address and empower women in five domains of gender equity:

- Organisational capacity.
- Strategy and analysis.
- Reach women.
- Benefit women.
- Empower and transform.

Our next steps will be to have 100% of the cocoa origin supply chain covered by the GEI by 2025.

In addition, we worked with USAID and TetraTech to grow the capacity of our SMS staff at the management and field levels to integrate gender equality and women's empowerment into core business operations. This programme focused on training within ECOM to tackle bias around gender norms and to use this change to promote women's economic empowerment through increased access to resources.

### Child labour

Child labour is unacceptable to ECOM and, while it is particularly a challenge in West Africa, we are committed to addressing it in cocoa supply chains globally.

We help to [implement Child Labour Monitoring and Remediation Systems \(CLMRS\)](#) programmes as part of our own operations and on behalf of our clients.

CLMRS was developed by the International Cocoa Initiative (ICI) with the aim of improving the lives of children and reducing child labour in cocoa-growing communities. The system works by engaging with cocoa communities in a relationship of deep trust and open communication. Members of the community are trained to recognise, report and help remediate cases of child labour, leveraging their first-hand knowledge of their neighbours and the cultural sensitivities that are involved.



*Supporting  
women farmers*



## Sustainability in action

### Improving gender representation among farmers

While the GEI is helping us to more precisely identify areas for improvement in gender representation, we have been working to support women farmers for some time. In Peru, we partner with TechnoServe (TNS) on their MUJERES programme.

The programme supports vulnerable women who have experienced violence or personal challenge and are managing their [farm](#) alone. MUJERES aims to help these women increase their productivity and yields to strengthen their economic resilience. ECOM's role focuses on supporting the women to qualify for certification, and once in these supply chains, we continue to provide them with technical assistance and help them earn a premium payment for their product.

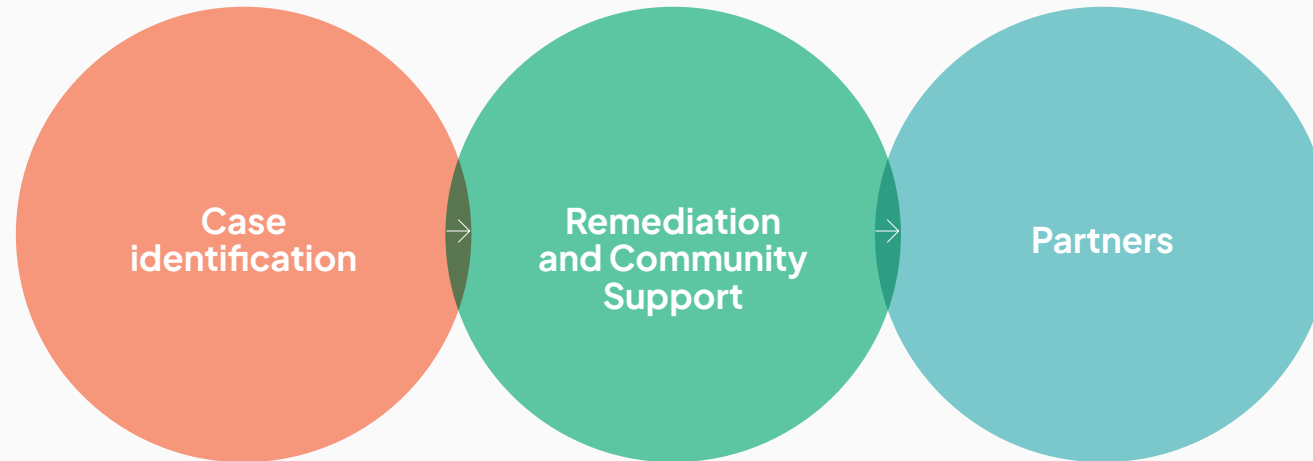
# Defining child labour

The [International Labour Organization's \(ILO\)](#) definition of child labour states that:

**Child labour is work that is mentally, physically, socially or morally dangerous and harmful to children and/or interferes with their schooling.**

**It is important to understand that many children help their parents around the farm and home in ways that cannot be classified as child labour. Those tasked with identifying child labour are looking for instances where children are involved in risky or dangerous work such as carrying heavy loads or working with chemicals. They are also looking for activities that are keeping children away from their schooling.**

## How ECOM Cocoa applies CLMRS



Case identification

Remediation and Community Support

Partners

### Profiling communities

- Communities are profiled in line with ICI recommendations to determine the need for CLMRS coverage.
- ECOM recently introduced a digitised CLMRS model in Ghana and Côte d'Ivoire to enable easier oversight of high risk areas in profiled communities and drive rapid targeted remediation and support for cases of child labour.
- Families are surveyed to identify and assess possible cases of child labour.
- Where a case is identified, remediation is deployed based on individual circumstances.

### Remediating verified cases

Methods of remediation are chosen on a case-by-case basis and can involve multiple solutions, including:

- Support with obtaining birth certificates.
- Assisting with access to bridging classes where school has been missed.
- Provision of school kits.

### Community interventions to address root causes

- Refurbishing schools in rural communities.
- Implementing [income diversification programmes](#) in cocoa communities to tackle rural poverty.

### Partners in building a risk-based CLMRS programme

ECOM implements a digitised CLMRS that includes a hybrid approach that covers supply chains and communities and also features a community risk analysis. The system was piloted in two projects in partnership with ICI and Nestlé (covering seven project districts); and the SECO cash transfer project.

Our current CLMRS implementation model is informed by a series of pilots across different districts. Client programmes and the learnings informed our decision to [implement](#) a hybrid model.



### Assessing child labour in our supply chain

We conform to the ILO definition of child labour and agree that not all work performed by children on cocoa farms qualifies as child labour and is instead part of family life. We focus our resources on supporting children who are at risk of or involved in the worst forms of child labour, which includes work that risks their health and safety or keeps them from attending school.

In ECOM's direct supply chain, there were 440 identified cases of children performing the worst forms of child labour in Cote d'Ivoire and 67 cases identified in Ghana.

All the cases that ECOM has identified have fallen into the ILO's category D, covering hazardous work that poses a threat to the health or safety of a child. The instances identified in ECOM's supply chain all related to children performing precarious tasks such as carrying heavy loads or using sharp tools, weeding or watering trees in a nursery, carrying cocoa pods, moving cocoa beans that are drying in the sun or labour that has kept them out of school, which is classified as unacceptable child labour. All identified cases are under or have completed remediation with action plans in place.

Child labour is the result of systemic poverty in cocoa communities. Many farmers have no choice but to rely on family help to generate an income from cocoa crops. CLMRS programmes are powerful tools in fighting the prevalence of child labour but are not enough. Eradicating rural poverty is essential to eliminating child labour, which is why supporting economic resilience in cocoa communities by diversifying crops and helping farmers build thriving businesses is a key part of the work to end child labour.



*Dignity,  
respect,  
fairness*

## Engagement with farmers and communities

Successful farming can be a balancing act that demands blending old and new techniques and tools. Farmers often need to specialise in one crop, but diversify enough to ensure a secure income. Many farmers in cocoa communities come from families that have grown cocoa for generations. This means that while they are exceptionally skilled in traditional growing methods it is not so easy, both from a financial and a behavioural change perspective to keep up with newer, more efficient processes that can build their resilience against both climate change and market volatility.

This, in turn, can make cocoa farming a financially difficult proposition, which fewer young people choose to pursue in favour of more secure careers.

We are committed to ensuring a dynamic and sustainable future for cocoa farmers and implement a comprehensive set of initiatives to tackle the financial health of our farmers from multiple sides. We are providing training in efficient techniques and capital investment for new tools that can empower women and youth in cocoa communities with skills to help diversify family incomes. These initiatives are part of how we're tackling the challenge of systemic poverty at the root. In an effort to

formalise our approach going forward, we have also committed to establishing a living income baseline in our origin sourced supply chain programmes that will be complete with roadmaps to closing the identified gap unique to each origin.

### Enabling income diversification with the additional livelihood programme

A West African cocoa farmer typically works on a plot of up to 3.5 hectares and relies on seasonal cocoa income to support six to eight family members<sup>1</sup>. This mix of small-scale resources and significant economic responsibility means that an estimated two-thirds of these farmers live below the poverty line of their countries<sup>1</sup>.

Their economic security is further challenged by historic agricultural practices that result in low productivity, reliance on cocoa as a sole source of income, volatile market pricing and poor infrastructure in rural areas.

To help break this cycle of poverty, ECOM's additional livelihood programmes in West Africa are helping smallholder farmers and rural communities boost their development.

Our additional livelihood programmes were introduced as part of our sustainability

programmes under certification and client initiatives in 2016 across Côte d'Ivoire, Ghana and Nigeria to empower farmers. The initiative aims to train farmers to supplement their income during the cocoa lean season. With our network of field officers, we have been developing and deploying supplementary revenue production activities to guarantee farmers have year-round income to support their families. Farmers receive intense training in a variety of fields, including:

- Vegetable production (peppers, tomatoes, carrots, cabbages, onions, etc.)
- Animal rearing (fishery farming, rabbitry, piggery, grass cutter rearing, poultry, bee farms)
- Making soap
- Ceramic works (moulding of earthenware, water & cooking pots)
- [Village Savings & Loans Scheme](#)

Since its inception, this project has benefited over 30,000 actively participating farmers, with many embracing projects based on their interests and turning their off-season time into income-generating activities.

We look forward to continuing to support farmers in diversifying their income and achieving our goal of creating rural prosperity.

*Dynamic  
and sustainable*

## Spotlight

# Additional Livelihood Programme in action

**Felix** is a cocoa farmer from Ghana who is benefitting from the initiative. Through the Lindt & Sprüngli Farming Program, which ECOM implements on behalf of Lindt & Sprüngli, Felix has received training to diversify into snail rearing, starting with 20 snails for a trial.

Felix benefited from regular visits and training support from the field team and shortly turned a profit from his trial group of snails. He is now expanding into snail production to supplement his income.

**Akwasi** also participated in an additional livelihood programme that ECOM implements in collaboration with Ferrero, to boost his income when he found that his cocoa income was not enough to support his wife and children with school fees and building extensions to their home.

Akwasi used to plant cocoa trees on 1.6 hectares and cabbage on 0.4 hectares of his 2.4-hectare plot. Previously, the cocoa plants would produce about 11 bags per year, earning him less than GHS \$1,090 per year.

In 2016, a Franchise Holder (FH) introduced Akwasi to ECOM Ghana. Encouraged by the field team, Akwasi attended farmer field-school training sessions on additional livelihood programmes, good agricultural practices, and social and environmental practices (SEPs), such as child labour and waste management.

Through the programme, he doubled the land he used for cabbage production and almost doubled the yield from his cocoa trees. In addition, after applying techniques he learned in the programme, he was able to harvest 34 bags of cabbage, which earned him an additional \$3,191.27 for the year, bringing greater prosperity and opportunity to his family.





### Digital farmer support in Peru

In Peru, we have partnered with Lutheran World Relief on [Maximizing Opportunities in Coffee and Cacao in the Americas](#) (MOCCA), a farmer training project that provides technical assistance, planting materials and post-harvest support to small scale farmers in Latin America. We act as the lead partner implementing the project at farm level and are working with approximately 1,500 small-scale farmers on interventions to help get their produce onto international markets.

In 2021, ECOM's SMS team worked on rolling out an innovative educational digital platform called 'Cacao Móvil'. Developed by MOCCA, the platform acts as an app-based library, offering accessible information on topics around cocoa production and management. Users can also access the latest market prices, research and costs related to management, all through a smartphone.

Leading producers who took part in the programme received a cell phone as part of their onboarding and were trained in the ECOM offices. This first wave of users was then tasked with promoting the application to other producers.

The project is scheduled to continue to 2023 and future interventions will include helping farmers increase the productivity of the plantations per hectare. We are also planning to launch the initiative in Ecuador.

### Making farm equipment affordable

Innovations in agriculture are helping farmers rapidly transition to new and more productive processes, but for many cocoa farmers, financial constraints can put these developments out of reach.

For example, ECOM's Crop Doctor team in Ghana has introduced MICROMECH machinery for easy land preparation, planting, crop maintenance, harvesting, post-harvest loss prevention and installation of other appropriate mechanisation systems to modernise Ghanaian agriculture.

MICROMECH is low-cost, easy-to-maintain and user-friendly machinery that boosts production and helps create rural prosperity for farmers in the country.

Crop Doctor offers flexible payment choices, allowing farmers to access the machinery without having to worry about cash flow. They also receive complimentary post-purchase services and training to make the most of their equipment.

It's part of ECOM's long-standing commitment to prioritise the needs of our farmers and to continually provide them with better services.

### Economic resilience

Many cocoa farmers live in areas with minimal infrastructure. As a result, many do not have bank accounts, which makes it challenging to be paid for crops and to manage their finances.

To combat this, we began piloting the Digital Premiums Platform in 2018 in Côte d'Ivoire. The platform – which can be used by both individual farmers and groups – provides a transparent, traceable way for farmers to sell their crops and receive payment.

The system allows for either cashing out with an SMS code provided by our agents or a deposit onto a mobile wallet via a smartphone. If farmers opt for receiving a text message, they can cash out their payment at a verified local agent through a securely recorded transaction. Alternatively, they can receive funds via a digital account registered to their smartphones.

We have taken on board several key learnings from the pilot, including several challenges. For example, literacy rates meant some farmers struggled to read the SMS codes they received and finding agents for cash outs could also be difficult. We will take these learnings under consideration as we explore more ways to securely and transparently compensate farmers.



### Augmenting farmers' income with VSLA

The challenge of being unbanked makes financial resilience hard to secure. That is why we have implemented various Village Savings and Loans Association (VSLA) initiatives in collaboration with clients. The VSLA allows men and women from the community to create their own "bank", where they can invest small amounts when they want, while keeping their money safe.

One such VSLA is the Elluokrom VSLA, which was founded under the supervision of ECOM Cocoa field officer Francis Peterson. The initiative was founded in late 2020 and after just over a year, it was already having a significant impact on members' lives.

**"Through the association, I have been able to secure a shop for myself. Purchasing farm products for my cocoa farm to yield the best cocoa is no longer a problem for me since I can easily rely on my savings. In fact, the impact of the VSLA on our society, generally cannot be overemphasised."**

**Emmanuel,**  
Sefwi-Eteso Society, Ghana

**"The VSLA has provided me with financial independence. Unlike in the past, when I was overburdened with responsibilities, today I can easily invest in my cocoa plantation, business and pay my children's school fees. Through this same association, we are able to loan ourselves money at a very low interest rate."**

**Zartey,**  
Sikaniasem Society, Ghana

### Enabling youth

For many young people in cocoa communities, after school it can be difficult to develop skills for employability or to find work locally. To support the economic resilience of young people in farming areas and to help them find employment we, along with clients including Nestlé, [implement](#) spraying and pruning teams for youth in Cote d'Ivoire, Ghana and Nigeria. These are teams of young people aged 18 to 25 who provide essential services to farmers, such as pruning trees to prevent diseases. Through the programme, farmers receive support for their businesses and youth can develop valuable skills and earn an income.

### ECOM Social Progress Index

In 2021, we implemented the [Social Progress Index](#) (SPI) as a complement to the impact assessments we conduct around economic factors.

The Index helps us assess the social health and wellbeing of our farming communities by measuring progress against three areas:

- Basic human needs: Food, shelter, safety, medical care
- Wellness: Access to knowledge, education, environmental quality, information and communication, freedom of speech
- Opportunity: Personal rights, freedom of choice, inclusiveness, access to advanced education

During 2021, the Index was completed in Ecuador and Peru. When completed in ECOM's supply chain in Ecuador, the score achieved was 69.48 as compared to the national score of 75.45. For Peru, ECOM's supply chain was measured as 62.8 as compared to the national score of 74.

The results showed that Peru has a high score for personal safety, health and wellness, and freedom of choice, but ranks low in access to information and communications, as well as access to advanced education and water and sanitation. Ecuador scored high on safety, and health and wellness, as well as nutrition and basic medical care. However, the country ranks low in access to advanced education, personal rights and environmental quality. Our next step is to identify regional partnerships that will help us tackle these low-scoring areas in each country.

# 4 Protect and regenerate nature



Millions of metric tons of cocoa products are consumed every year. To meet this high demand, farming has intensified and farmers have adopted practices that can contribute to climate change, including clearing forests for more land to grow cocoa. Some of the world's biggest cocoa-growing regions have suffered significant losses in primary forest areas over the last 20 years.

*"Our legacy matters to us and this is another way we are building on our reputation for doing the right thing."*

**Guus de Gruiter**  
Deputy CEO of Cocoa

## Protect and regenerate nature

Using regenerative agriculture, providing farmers with quality seedlings and demonstrating [climate-smart](#) growing techniques, ECOM is working closely with our global network of farmers to transform the way the world's cocoa is produced.

The growing impacts of climate change are set to exacerbate the difficulty in growing enough cocoa to earn a viable livelihood. Without changing growing practices and prioritising the protection of local ecosystems, farmers could become trapped in a vicious cycle that will continue to harm their harvests, incomes and communities.

We are leveraging our network of field staff working directly with farmers to teach and embed climate-smart growing techniques. Our aim is to help farmers improve their capacity to absorb, recover and adapt to a changing climate now. Along with tackling deforestation, we want our focus on climate-smart farming to help us meet our goal of making our supply chain and operations Net Zero by 2050, in line with the Science Based Targets initiative (SBTi).



## Our commitments

Optimise our natural resource management practices.

Improve farmer resilience to the effects of climate change.

Become a Net Zero emissions company in our Scope 1, 2 and 3 by 2050.

## Our targets

### By the end of 2022

Quantify GHG emissions for Scope 1 (direct operations), 2 (purchased energy) and 3 (indirect impacts) in our operations and supply chains

Establish a carbon reduction roadmap for cocoa

### By the end of 2023

Carry out deforestation and biodiversity risk assessments in 100% of our ECOM origin-sourced supply chains to prioritise activities that mitigate deforestation and work towards zero deforestation in the supply chain

Establish agroforestry models and monitoring systems in 100% of origin-sourced supply chains

Carry out country-level climate change risk assessments in all cocoa origins

### By the end of 2025

Train 100% of farmers in climate-smart agriculture in ECOM origin-sourced supply chains identified as being at high risk of negative impacts from climate change

### By the end of 2050

Achieve Net Zero emissions in our entire value chain by 2050 following the SBTi. Set intermediate targets for emission reduction every five years from the 2019 baseline, which will be defined in the roadmap

## Nature and biodiversity

Cocoa is a tropical fruit that can only be grown 17 degrees north and south of the equator. Many of the world's cocoa communities are close to important natural ecosystems, including primary tropical forests. However, there is little protection for these forests. When cocoa farming encroaches on important areas of biodiversity, there is little in place to prevent it.

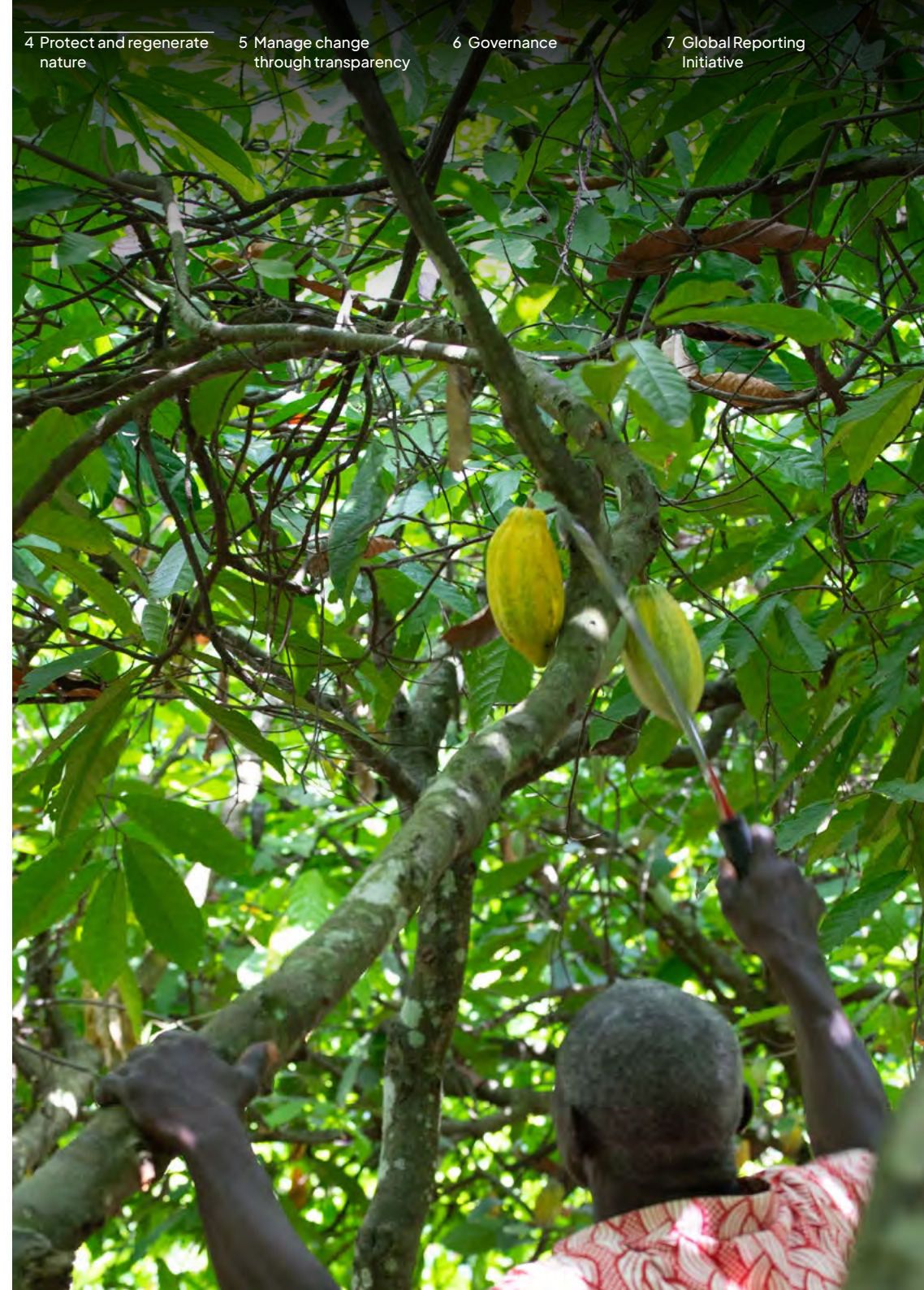
The root to a sustainable agricultural ecosystem is one in which people, productivity and biodiversity can co-exist and thrive. We know that working with farmers and helping them explore viable alternatives to land expansion is the key to tackling the deforestation that is associated with cocoa.

ECOM partners with industry leaders and farmers to support sustainable agroforestry initiatives in which trees are integrated into farming systems to improve soil and water health.

### Supporting forest-positive futures

Addressing deforestation and transforming growing practices to support a forest-positive future is essential to reducing the impact of cocoa supply chains. That is why ECOM Cocoa has set a goal to establish agroforestry models and monitoring systems in 100% of [origin-sourced supply chains](#) by the end of 2023 and set out our approach to agroforestry in our Environmental Policy. We are currently refining a dedicated [Environment policy](#), with specific sections covering agroforestry and deforestation.

Agroforestry projects are those in which trees are integrated into farming systems to improve soil and water health. These large-scale initiatives demand close collaboration between industry leaders and farmers to achieve their objectives of combating climate change & land degradation, preserve local biodiversity and increase food security.





We are participating in the [Cocoa & Forests Initiative](#) (CFI), which is a public-private partnership based on frameworks for action and action plans for the private and public sectors in [Côte d'Ivoire](#) and [Ghana](#) that support our commitments to:

- Protect and restore forests.
- Promote sustainable cocoa production and farmers' livelihoods.
- Engage communities and boost social inclusion.

We have already launched agroforestry projects in Latin America and West Africa. For example, our joint venture 1,200 ha [OFIR plantation](#) in Sierra Leone serves as a model for how these projects can work at scale by partnering with local communities.

In addition to agroforestry, we use a mix of our network of field agronomists and targeted programmes with partners to provide training and support that help farmers adopt more environmentally sound practices. Our approach includes reducing reliance on inefficient machinery, providing farmers with high-yielding hybrid seedlings, advising on sustainable fertilisers and, crucially, advising on better water stewardship and how to proactively manage soil health.

#### Monitoring land use

ECOM aims to carry out deforestation and biodiversity risk assessments in 100% of our [ECOM origin-sourced supply chains](#) by 2023 to prioritise activities that mitigate deforestation and work towards zero deforestation in the supply chain.

Currently we undertake multiple risk assessments to help us comprehensively and rapidly address the threat of deforestation in cocoa farming. For example, since 2019 in Ghana and Côte d'Ivoire, we conduct proximity risk assessments and deforestation risk assessments to help clients optimise their interventions accordingly.

The proximity risk assessment is carried out by evaluating the proximity of the [farms](#), represented by georeferenced polygons, to the protected areas according to their category. We monitor farms per co-operative that are potentially in a protected area, those that are in a buffer area between 0 and 2 km from a protected area and those that are in a buffer area between 2 and 5 km from a protected area. Farms found potentially in a protected area are reported to the co-operative and removed from the registers. No cocoa is sourced if the farm is in a protected area.

The risk of deforestation assessment classifies farms into six categories using data produced with the [ACEU methodology](#). The final risk score is calculated based on factors including travel time to cities, suitability of the land for agriculture, density of past deforestation events and the level of protection of the protected areas and forest reserves (based on their [IUCN](#) category). Farmers in high-risk areas are identified and prioritised for sensitivity training and shade-tree distribution.

#### Piloting digital tools to protect biodiversity

In addition to our [risk assessment processes](#), we are currently piloting biodiversity proximity mapping in West Africa against the following layers for our assessment: sites of biodiversity importance, protected areas, range rarity and Species Threat Abatement and Restoration (STAR).

## Sustainability in action Supporting efficiency in cocoa farming



To help farmers improve yields and adapt to a changing climate, we are constantly exploring and investing in techniques that support more efficient growing. In Ecuador, we partnered with leading input companies to find ways of making technology used in large industrial [farms](#) work for smallholders. Our partnerships focused on several technologies, including cost-effective irrigation systems that allow for the manual input of fertiliser.

Together, we developed several new technical packages and protocols for small-scale farms for irrigation and fertilisation. Our technicians were trained in the technologies, and demonstration plots were established in Ecuador and Peru to validate the kits and fertiliser blends.

We offered business skills training and access to affordable finance to the farmers who chose to take up the packages. In addition, we conducted a cost-benefit analysis combined with a climate change vulnerability assessment that we shared with the farmers, clearly demonstrating the value of investing in our innovation for their business.

### Agroforestry in action Latin America

In 2021 we joined snack and treats manufacturer, Mars Wrigley, and transformative asset manager 12Tree on the Andean Cacao venture with a commitment to regenerate unproductive farmland in Latin America.

The project will oversee the regeneration of over 2,000 hectares of cattle grazing land into a highly productive, [sustainable](#) farm with the goal of delivering quality carbon-neutral cocoa beans. The farm will help prove [climate-smart](#) farming practices that can then be scaled globally.

Together, we aim to provide a working model that will improve carbon capture in soil, engender healthy soil, protect biodiversity, create living-wage job opportunities and support neighbouring communities.

### Sierra Leone

In 2019, ECOM started a joint venture with the OFIR cocoa agroforestry plantation in Sierra Leone. The 1,200-hectare plantation is located close to the protected Gola Rainforest National Park, an area of significant biodiversity.

Before ECOM started working with OFIR, it had been abandoned since the country's civil war in the 1990s. We were pleasantly surprised to find surviving 40-year-old cocoa trees – some as tall as 13 metres – that remained from the plantation's time as a government-run farm in the 1980s. We have spent the past few years working to rehabilitate OFIR and turn it into a thriving cocoa plantation that also acts as a model of agroforestry for the industry.

We have planted over a million new high yielding and improved hybrid cocoa trees – enough to stretch from OFIR to Amsterdam and almost all the way back again. While we wait for these new trees to mature, we are also maintaining and harvesting cocoa from the pre-war trees.

The plantation uses solar power for its minimal energy needs and we have reduced the use of machinery wherever possible. For example, all harvesting is done by hand by employing a local workforce, with an equal gender balance.

*A model of  
agroforestry*

## Sustainability in action Supporting resilience

Lema is a native of a small village in the centre of Cameroon, where he farms five hectares of land with cocoa and other fruits to provide for his wife and their six children.

After several productive years on his farm, in 2019 the effects of climate change impacted him significantly. Over half of his land went up in flames due to forest fires caused by extreme drought. This reduced his annual production and income by almost 30%.

In 2021, Lema benefited from 1,300 improved cocoa seedlings provided by ECOM sustainability teams that provided significant help in carrying out replacements for his burned cocoa farm. At the close of 2021, after planting the seedlings and adopting recommended Good Agricultural Practices (GAPs), he estimated his production would be

around 2,000kg when it comes into full production, which represents a 54% growth. The new seedlings will start to produce in 2024.

“I was discouraged with what the sun and climate change did to my farm, and I had no plans to carry out replacements,” said Lema. “However, with the improved cocoa seedlings I obtained from ECOM sustainability teams free of charge, I was encouraged to carry out replacements, and by the end of 2024, my farm will come back to ‘normal’ which will greatly increase my production. This will also help me take care of my family. I appreciate the support and training from ECOM sustainability teams on good agricultural, social and environmental practices, especially on pruning, fermentation and limiting the use of agro pesticides.”



# Climate change and resilience

Climate change is already making it harder to grow cocoa in some regions. Farmers are battling longer dry seasons and less rainfall, along with diseases that can reduce yields and quality. The good news is farmers can act to tackle climate change, fortify their [farms](#) and sustain cocoa production far into the future – and ECOM is supporting them to do that.

## Understanding our emissions

In 2021, the ECOM Group joined the SBTi and committed to achieve Net Zero greenhouse gas emissions across our entire value chain by 2050. Reaching this ambitious target means strategically addressing our company's carbon footprint. Our Scope 1 and 2 emissions come primarily from our offices and factories and make up the smaller part of our footprint. As a commodities trader, most of our emissions come from our Scope 3 operations, which are generated in our supply chain and mostly at farm level. That is why cutting carbon at farm level is essential to achieving our Net Zero goals.

## Preparing for reporting against our science-based targets

We are in the process of setting our targets and validating them through the SBTi. As we began to prepare for setting targets, we worked to assess our emissions and energy footprint across all three scopes, using 2019 as our baseline.

Our 2019 baseline for scope 1 greenhouse gas emissions was 0.06 million metric tons CO<sub>2</sub>e for all ECOM Group operations. Our 2019 scope 2 greenhouse gas emissions were 0.02 million metric tons CO<sub>2</sub>e for all ECOM Group operations.

For scope 3, we are currently refining our methodology to arrive at a baseline that can be accurately broken down and can guide the development of our carbon reduction roadmap. This is challenging work partially due to the need to quantify for land use changes in cocoa communities. Land use change contributes to scope 3 emissions and refers to the ways in which human beings alter or transform landscapes. In cocoa production, this usually refers to the process of extending farms, often through deforestation. This has a profound effect on the emission factors associated with cocoa production when relying on secondary data. Therefore, we are working to replace secondary data with primary data in our scope 3 emissions to refine the baseline and set accurate targets.

Without an understanding of the scale of direct land use change from primary data, it will be more difficult to design and deliver impactful programmes to remove or reduce emissions at farm, or even regional levels, whether that be through agroforestry, reforestation, land-tilling programmes or other initiatives.

As the pandemic disrupted our regular working schedules throughout 2020 and 2021, we have not included data aside from 2019 as it is not representative of our footprint and therefore, our progress. For scopes 1 and 2, we will report against a 2019 baseline from 2022 onwards. We continue to collect, analyse and assess data throughout 2022, and aim to share our scope 3 findings and our roadmap in our next published sustainability report, due in 2023.

## Caring for climate services

Helping us to cut farm emissions is our new customer-facing climate platform, which leverages knowledge from all origin teams and our growing climate team to deploy greenhouse gas removal and reduction initiatives for supply chains both within and outside of ECOM's upstream Scope 3 emissions.

The initiatives are designed to cut the emissions of the raw materials we source through interventions such as switching to renewable energy for primary processing, using organic fertiliser and implementing better irrigation and waste management practices.

We are also undertaking agroforestry and reforestation projects across our supply chains to sequester carbon from the atmosphere and convert it into above and below ground biomass. We operate our own nurseries to grow and provide climate resilient and higher yielding plants to farmers and have distributed over one million cocoa trees.

As an integrated company that sources and processes cocoa, ECOM is in a unique position to have a positive environmental and social impact along the supply chain.

By offering climate services, we can now support customers with strategic climate projects within their own value chain and to provide the expertise and execution capabilities to deliver reductions that help them meet our shared value chain targets.

## Sustainability in action

# Breaking new ground in Nicaragua

Since 2011, Philippe Courtel has been on the frontlines of cocoa innovation for ECOM. In his work in Matagalpa, Nicaragua, he carefully monitors plant behaviour to create more resilient plants and explore the potential for different land-management systems.

In the past ten years, Mr Courtel has observed first-hand the effects of global warming on farming systems, from soil degradation to reduced agricultural productivity and drought. But he still sees great opportunity to use science as a tool to combat the impacts of the ongoing climate crisis. “I believe more and more that climate change is allowing us to access new projects and to take on more of a global vision and turn back the clock by replanting trees.”

With micro cocoa grafting, Mr Courtel has helped develop a state-of-the-art technique to improve plant quality and increase volumes of production. “Somatic embryogenesis is not like baking bread,” says Mr Courtel. “At first, reproduction of millions of hybrids was not so easy, because there were certain barriers in the production process. [My role] came into being in the nurseries, developing techniques in collaboration with CIRAD (French Agricultural Research Centre for International Development). This has enabled certain innovations, which has set others into motion.”

ECOM, SMS and CIRAD are becoming key actors in the development of innovative techniques in cocoa farming. Perhaps the most hopeful sign for the future is the way in which organisations at every level are collaborating to free farmers from food and livelihood insecurity.

“We are not alone in this,” says Mr Courtel. “Everyone has contributed, and this project is growing step by step – it is flourishing. We might not be fully prepared for it yet, but we need to get ready, because [the next big thing] is on its way.”

Like any successful collective, Mr Courtel and his team share a vision of creating resilient plants that can withstand the onslaught of climate change and diseases. This shared sense of purpose translates into a conscientious staff, the trusted monitoring and aggregation of data and eventually, an excellent system of traceability.



**“Setting our Net Zero target has been the culmination of a long process and a commitment to be fully in line with the 1.5-degree scenario of the Paris Agreement. Our approach is based on sound science, setting credible and reliable targets and modelling our impacts accordingly. It will be challenging but it is also a necessity.”**

**Ana Nicod**  
Head of Climate Change Strategy

## Energy in numbers

Our average outputs in 2021 for production sites:

# 13.9 kWh/MT

Cocoa Drying Facilities: 13.9 kWh/MT output

# 582 kWh/MT

Cocoa Plants: 582 kWh/MT output (energy-intensive)

# 3.1 kWh/MT

Cocoa Buying Stations/Warehouses: 3.1 kWh/MT output

Out of our 157 facilities that process or stock cocoa:

# 46.5%

carried out energy reduction measures during 2021

# 2 facilities

(Germany and Nigeria) produce energy through solar panels

# 2 facilities

(Germany) are ISO 50001-Energy Management System certified

# 1 facility

(Ecuador) is installing solar panels

# 70 facilities

carried out awareness training and made small changes like moving to LED lighting, improving insulation and upgrading to more efficient equipment





### Cutting carbon inside ECOM

While our Scope 1 and 2 emissions make up a much smaller portion of our overall carbon footprint, we still want to cut carbon where we can and reduce the impact of our operations on the climate and on local communities.

We have the most control of the energy used in our factories and offices. Our factories use a mix of natural gas, electricity and steam to run the roasters that we use to process cocoa beans into a range of products.

These roasters are at the heart of our plants. They are highly specialised and only manufactured by a few suppliers globally. While we continue to collaborate closely with our suppliers on ways to make the roasters more efficient, currently the technology for emissions-free roasters does not exist.

In the absence of the right technology, we are constantly exploring other innovative options to enhance the efficiency of our facilities. One project we are working on is installing a gas washer to reduce the emissions to air.

The washer was installed in April 2021, after we had conducted tests and studies for over two years. By December 2021, we were seeing impressive results, with gas emissions being reduced to almost zero in some instances. We are still in the test phase with this technology but are encouraged by what we have achieved so far.

We also created a carbon footprint working group in 2021, which has been looking into how to turn a waste product – the cocoa nibs and shells – into energy for ECOM. Historically, we have sent the nibs and shells to fermenters to help produce biogas and fertilisers which are then sold on. The working group is exploring how we can process the shells ourselves to provide energy for our own operations in a greener and more efficient manner.

In addition, we are collaborating with a company to investigate technology that allows the shells to be burnt without using oxygen, which eliminates emissions. ECOM would then use the shells to provide steam for our own operations and sell remaining products for bitumen for use in making roads.

# 5 Manage change through transparency and traceability

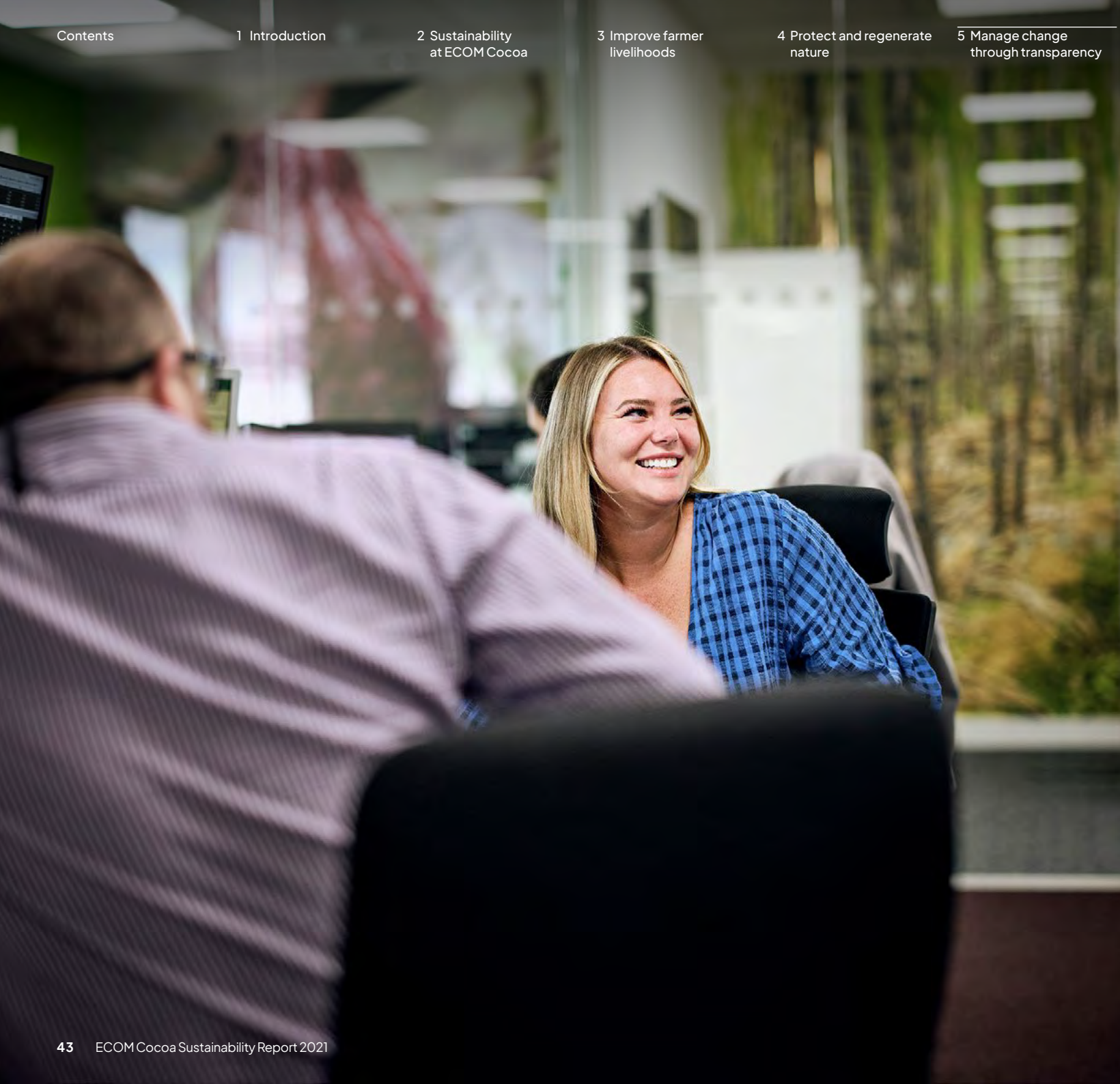


When we understand something, we can improve it. That is why having traceable supply chains is crucial to sourcing responsible cocoa. When we know where beans come from, we know how they are grown – and we can ensure that those farms and co-operatives use sustainable techniques and operate responsibly.

For both ECOM and our customers, transparency is an area of growing focus. Shining a light on supply chains is how we and our customers know that the programmes we implement are having the impact we're working for.

*"The trusted relationships we have developed over time will be key to helping us meet our impactful new goals."*

Nicolas de Wasseige  
Deputy CEO of Cocoa



## Manage change through transparency and traceability

We are committed to rigorous due diligence to ensure that we can trace what we source and sell through our supply chain, eventually aiming to trace right back to the farm it came from.

We are currently developing partnerships specifically to enhance our due diligence and data-gathering capability. We expect these partnerships to launch in 2022.

In addition, we will report our progress openly through annual ESG reports, beginning with this, our first report in 2022.

## Our commitments

## Our targets

### Ensure transparency and responsibility in our supply chains

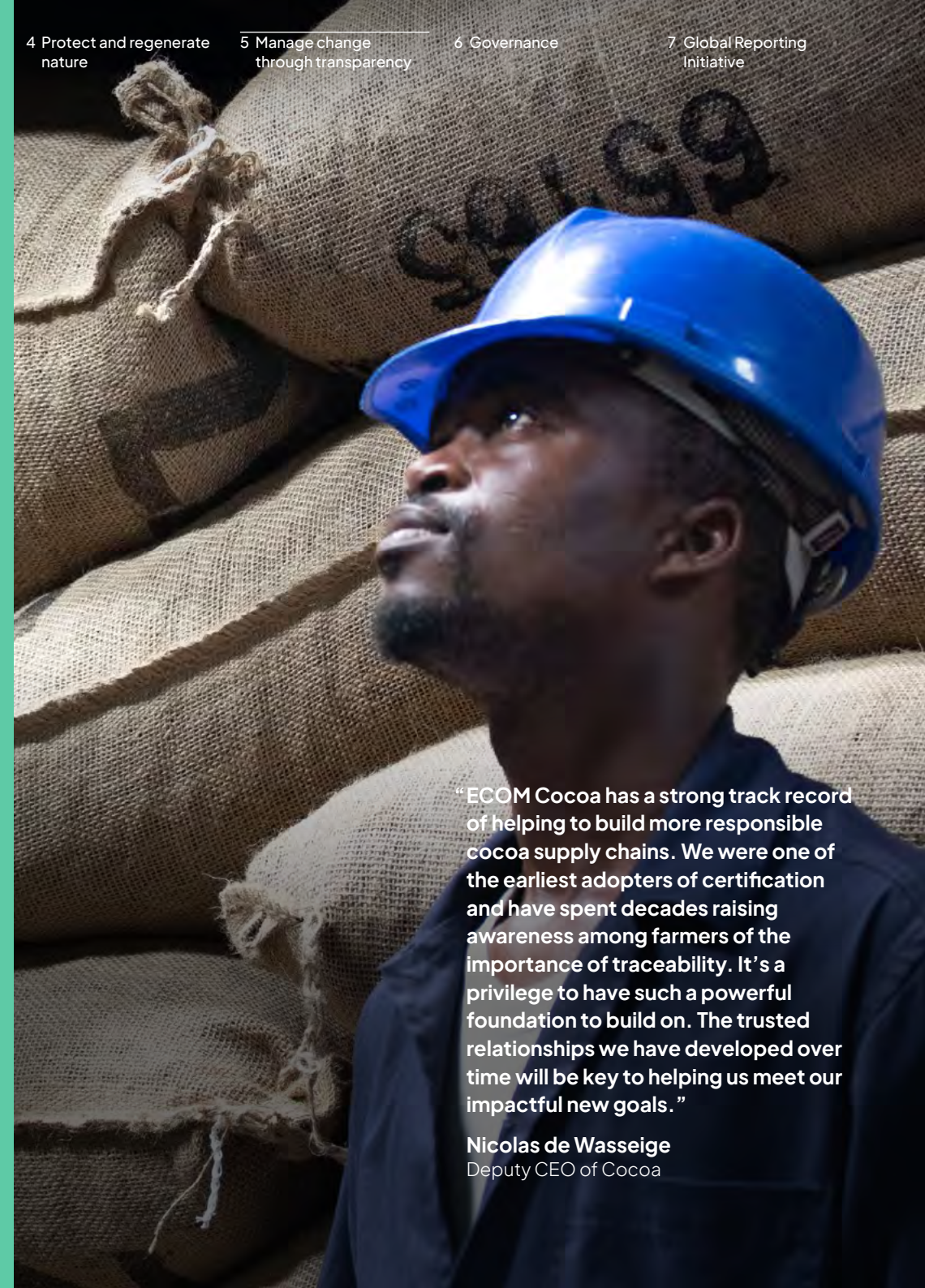
By the end of 2023

Achieve 100% traceability to farmer organisation/community for all beans purchased through ECOM origin-sourced supply chains

By the end of 2025

Achieve 100% traceability to farmer organisation/community for all beans purchased through ECOM partner-sourced supply chains

Ensure 100% of beans purchased through ECOM origin-sourced supply chains are sustainable



“ECOM Cocoa has a strong track record of helping to build more responsible cocoa supply chains. We were one of the earliest adopters of certification and have spent decades raising awareness among farmers of the importance of traceability. It’s a privilege to have such a powerful foundation to build on. The trusted relationships we have developed over time will be key to helping us meet our impactful new goals.”

**Nicolas de Wasseige**  
Deputy CEO of Cocoa



## Responsible supply chains

Smarter Cocoa starts with responsible supply chains. But with many farmers living in remote areas with reduced access to state-of-the-art tools and resources, responsible practices can often come second to simply reaching markets for produce.

We work with farmers on the ground, developing the technologies, resources and standards that lay the foundations for economically viable [farms](#) and a more sustainable, ethical supply chain.

### Setting standards

Establishing clear expectations brings us one step closer to fully responsible supply chains.

Our [Supplier Code of Conduct](#) details our commitment to ethical, legal, environmentally and socially responsible practices which we look for from each of our partners. It includes our expectations that suppliers will support ECOM traceability efforts and will engage in practices that enhance farming sustainability.

ECOM's Supplier Code of Conduct goes beyond compliance with the law and aims to advance social and environmental responsibility. Our suppliers are aware that we can assess compliance with this Code at any time and without notice with anyone that ECOM has a business relationship with. If a violation of ECOM's Supplier Code of Conduct is identified during one of our monitoring exercises, we can terminate the business relationship.

### End-to-end traceability

We can only change what we know. Traceability is a vital tool in our kit for enhancing supply chain oversight and ensuring ECOM, our partners and customers feel confident about where their cocoa comes from and how it's processed.

Our dedication to traceability starts at the source, with a target of 100% traceability for beans purchased directly from [origin-sourced supply chains](#) by the end of 2023. A similar 2025 goal for [partner-sourced](#) beans will bring greater visibility of our activities and assurance that every bean we source has been done so responsibly.

This assurance is magnified when products receive globally recognised certification – something we have long championed. Today, we work with several leading certification standards to show the world we're walking the talk in terms of responsible supply chains, including:

- Rainforest Alliance/UTZ
- Fairtrade USA
- Fairtrade International
- Organic

## Sustainability in action

# Keeping pace through digitisation

As the world changes and society's demands evolve, technological innovation is the key to realising sustainable agriculture and financially empowering our farmers.

To bridge the information gap, in 2013 SMS created SMS integrity (SMSi), a digital platform first designed to collate farmer information and provide services and products tailored to their unique needs. Today, the tool is in use by over 350,000 farmers across 16 countries in multiple commodities.

Now, ECOM Cocoa has taken this project further in order to support greater supply chain transparency. Data collection has been automated for field staff, with 341,115 polygons\* and 432,305 hectares mapped to date. And, with just a few clicks, clients can access key supplier information, including origin of produce.

The platform brings together stakeholders from across the supply chain – from grower to chocolate-maker – to collectively achieve a more sustainable end-to-end process. What's more, by bringing SMSi to rural communities, ECOM is putting the data in farmers' hands that will help them build more efficient, resilient operations and pave the way for their economic liberation.

\* Polygon maps are maps that digitally represent geographic data for irregularly shaped areas, i.e. farm boundaries.





## Sustainability in action Superior traceability with single-origin cocoa

When we planted over one million new cocoa trees on the [OFIR plantation](#), we knew it would be some years before they became productive. In the meantime, ECOM decided to use it as an opportunity to demonstrate what plantations like this are capable of.

Teaming up with Chocolaterie Maison Duplanteur, we harvested cocoa beans from old trees on the plantation and used them to create a small batch of single-origin tree-to-treat chocolate bars.

By working side by side with expert chocolatiers, ECOM had an enhanced level of influence over how the cocoa beans were transformed into the final product. With this greater level of insight, the demonstration enabled traceability all the way back – not only to the plantation but to the very trees the beans were harvested from.

# 6 Governance

Operating ethically is key to how we build trust with our farmers, cocoa communities, customers and everyone impacted by our work.





## Ethics and governance

### Ethics and governance across ECOM

ECOM is committed to conducting its business in an ethical, legal, environmentally and socially responsible manner. We have a mindset of continual improvement and regularly assess our policies to ensure we align with best practice in ethical business conduct.

One of our key policies is the ECOM Code of Conduct.

We expect our employees, agents and representatives to act in accordance with the ECOM Code of Conduct, which is with integrity, respect, honesty, and in a legal, environmentally and socially responsible manner. The ECOM Code is mandatory, and we will not use any representative or agent to circumvent it.

The ECOM Code of Conduct is available in six languages (Dutch, English, French, German, Portuguese and Spanish) and was communicated to all employees in the ECOM Group via email. We also sought acknowledgement of commitment to the Code of Conduct from over 1,000 employees via our Employee Talent Management System (ETMS) platform.

We maintain an internal Ethics and Compliance Concerns Policy and an external [Ethics Concerns Policy](#) (available in English, Spanish, French and Portuguese) to help our employees and stakeholders raise concerns when they see or suspect violations of our Code of Conduct or any wrongdoing.

The ECOM Code of Conduct expects employees, agents and representatives of ECOM to:

- **Comply with the ECOM code.**
- **Act with integrity.**
- **Consider sustainability as a core business strategy.**
- **Treat all people with respect and act to prevent harassment and bullying.**
- **Keep honest, accurate and objective records.**
- **Support ECOM to protect its data and company information.**

**How we manage sustainability for cocoa**

ECOM Group’s Executive Committee – which includes the CEO and top managers – retains oversight for sustainability management. Our Environmental and Social Committee reports directly to the Executive Committee and manages our annual monitoring and reporting across commodities for financial institutions, researches ESG Policy and handles stakeholder reporting.

For cocoa specifically, the Responsible Cocoa Committee manages global action within the cocoa supply chain and is responsible for setting our cocoa strategy, via the Smarter Cocoa Charter, and measuring and reporting our progress. The Global Sustainability team for cocoa prepares information reports for the

Responsible Cocoa Committee, which are discussed by the committee before being taken to the Executive Committee for approval.

We collected data for our sustainability key performance indicators (KPIs) baseline in 2021 and we plan to monitor these commitments biannually from origins operations and share our findings with the Committee, who communicates them to the Board. The data collection will cover trade related to third party deliveries, working groups established to monitor implementation and align on methodologies, in-country visits to review data collection processes and data quality verification.

**How cocoa sustainability is governed**



Our core policies to guide sustainability at ECOM and across our supply chains are:

- [ECOM Code of Conduct](#)
- [Ethics Concerns Policy](#)
- [Modern Slavery Statement](#)
- [Environmental and Social Policy](#)
- [Supplier Code of Conduct](#)

### Ethics at ECOM

We expect all our employees, contractors, sub-contractors, suppliers, agents and other third-party representatives to maintain high standards of integrity. We retain internal and external Ethics Concerns Policies (one for internal use and one for public use) which reinforce our commitment to ethical behaviour and encourage a culture where wrongdoing is safely reported at an early stage.

Our external [Ethics Concerns Policy](#) sets out our approach to the reporting of suspected wrongdoing, inappropriate behaviour and/or dangers relating to modern slavery, bribery, fraud and criminal activity, tax evasion, environmental damage and bullying and harassment, among others.

Contact details for the reporting of concerns are provided in the Policy (which is publicly available via our website and is available in English, French, Spanish and Portuguese) and all reports are confidentially addressed. The internal policy is communicated to the employees via the ECOM Group's intranet.

In 2021, both our external and internal policies were reviewed by external legal counsel and tested for compliance with the EU Whistleblowing Directive.

### Upholding the human rights of ECOM employees

#### Health and safety

We prioritise the safety of our people regardless of what division of our operations they work in. Our approach to health and safety differs according to whether employees work in the field, in offices or in manufacturing. However, while different workplaces require different health and safety processes, we ensure that our policies and approach align with local laws wherever we operate.

#### Discrimination

We do not tolerate discrimination in any form and work to create inclusive workplaces that embrace diversity across race, gender, age, religion, orientation, ability and more. Our internal and external Ethics Concerns Policies provide details for the reporting of discrimination, amongst others.

### Freedom of association

Every employee at ECOM has the right to freedom of association and collective bargaining, and any choice to associate with trade unions does not impact employees less favourably. We also expect our suppliers to operate in such a non-discriminatory way.

### Anti-bribery

We operate globally and are therefore subject to a multitude of applicable anti-bribery and corruption laws. We maintain an Anti-Bribery and Corruption Policy and a Gifts, Donations and Entertainment policy to standardise our approach to ethical business activities for the ECOM Group. The policies apply to all employees, agents and other authorised representatives of the ECOM Group.

ECOM carries out due-diligence screening on its counterparties for sanctions and other concerns. We screen counterparties daily to ensure we are not inadvertently contracting with entities of questionable integrity or who may be on sanctions lists.

When a counterparty is flagged, the compliance team assesses the alert and escalates this to the relevant business unit to determine if the business relationship should continue. Where a counterparty is flagged as a state-owned entity/politically exposed person, the compliance team checks to see if agents are being used in relation to that business relationship. If so, this is escalated to the relevant business to check and ensure that a robust agency agreement is in place and that ECOM's ABC policy has been shared with the agent.

In 2021, 13 state-owned entity/politically exposed person alerts were escalated to business units, which confirmed that all have agency agreements in place and that the ABC policy has been communicated to the agents. A further 11 other alerts (enforcements, money laundering, fraud, labour violations) were escalated and business confirmed either a false positive or that business units were aware of the risk and were actively managing the exposure as relevant.

We continue to carry out annual risk assessments across ECOM to ensure anti-bribery and corruption compliance.



### Policy training

We recognize the importance of ensuring that our employees are informed and understand our policies. In 2021, ECOM provided Anti-bribery and Corruption (ABC) training through an improved digital platform that included interactive material and case studies to ensure comprehension of the materials. The training was provided in four languages to 1,380 employees and had a 80% completion rate. ECOM's local SMS teams also facilitate anti-corruption training to our staff at origin level. We are also committed to training 100% of cocoa [farmer communities](#) in ECOM's origin-sourced cocoa supply chain in [child protection and education](#). In respect of corporate training, in 2020, the modern slavery statement training was provided to 237 people in top and middle management, with a 79% completion rate. The next modern slavery training will be given in 2022, and we are striving to carry out additional trainings to continue to keep our employees informed of relevant policies.

### Ensuring compliance with our policies

ECOM relies on a combination of third-party certification audits, external client visits, surprise staff visits and long-term engagement with our suppliers to monitor compliance with ECOM's Modern Slavery Statement and the implementation of ECOM's Supplier Code of Conduct throughout the supply chain.

In addition, we are an active member in cocoa-industry initiatives, including numerous leadership roles. We are also a signatory of various pre-competitive sector initiatives, which help us ensure that our monitoring systems and engagement are optimised. One example is our participation as a board member and implementing partner of ICI. We work closely with ICI to train our staff, [implement](#) CLMRS as well as take advantage of the learnings of their programmes on child labour and more recently forced labour.

# 7 Global Reporting Initiative

# Global Reporting Initiative: Content Index

This report and the following information have been prepared in reference to the Global Reporting Initiative (GRI) standards.

General Disclosures			
Standard	Disclosure	2021 Location and Notes	
Organisation Profile	102-1	Name of the organisation	This report covers ECOM Cocoa which is part of ECOM Agroindustrial Corp. Limited.
	102-2	Activities, brands, products, and services	Welcome > About ECOM's Cocoa Division > <a href="#">page 11</a> .
	102-3	Location of headquarters	Avenue Etienne Guillemin 16, 1009 Pully, Switzerland.
	102-4	Location of operations	Welcome > About ECOM's Cocoa Division > <a href="#">page 11</a> . Welcome > The ECOM Value Chain for Cocoa > <a href="#">page 12</a> .
	102-5	Ownership and legal form	ECOM Agroindustrial Corp. Ltd. is a private limited company.
	102-6	Markets served	Welcome > About ECOM's Cocoa Division > <a href="#">page 11</a> .
	102-7	Scale of the organisation	Welcome > About ECOM's Cocoa Division > <a href="#">page 11</a> . Welcome > The ECOM Value Chain for Cocoa > <a href="#">page 12</a> .
	102-8	Information on employees and other workers	Welcome > About ECOM's Cocoa Division > <a href="#">page 11</a> . Welcome > 2021 Overview > <a href="#">page 7</a> .
	102-9	Supply chain	Welcome > The ECOM Value Chain for Cocoa > <a href="#">page 12</a> . Manage Change Through Transparency and Traceability > <a href="#">pages 42–47</a> .
	102-10	Significant changes to the organisation and its supply chain	There were no significant changes during the reporting period.
	102-11	Precautionary principle or approach	<a href="#">ECOM's Environmental and Social Policy</a> .
	102-12	External initiatives	Welcome > The ECOM Value Chain for Cocoa > <a href="#">page 12</a> .
	102-13	Membership of associations	Welcome > The ECOM Value Chain for Cocoa > <a href="#">page 12</a> .
Strategy	102-14	Statement from senior decision-maker	CEO Statement from Alain Poncelet > <a href="#">pages 5–6</a> .

## General Disclosures

Standard	Disclosure	2021 Location and Notes
<b>Ethics and Integrity</b>	102-16	<p>Values, principles, standards, and norms of behaviour</p> <p>Governance &gt; Ethics and Governance &gt; Ethics at ECOM &gt; <a href="#">page 51</a>.</p> <p><a href="#">For more information please see ECOM's Code of Conduct.</a></p> <p><a href="#">ECOM's Ethics Concerns Policy.</a></p>
<b>Governance</b>	102-18	<p>Governance structure</p> <p>Governance &gt; Ethics and Governance &gt; How we manage sustainability &gt; <a href="#">page 50</a>.</p>
<b>Stakeholder Engagement</b>	102-40	<p>List of stakeholder groups</p> <p>Welcome &gt; The ECOM Value Chain for Cocoa &gt; <a href="#">page 12</a>. Sustainability at ECOM Cocoa &gt; Our Material Issues &gt; <a href="#">page 17</a>.</p> <p>ECOM is a vertically integrated company and therefore our stakeholders include all parties along the cocoa value and supply chain: customers, donors/investors, employees, <a href="#">farmer organisations</a>, farmers, financial institutions, governments, industry associations/platforms, industry-level organisations, media, NGOs/certification bodies and suppliers.</p>
	102-41	<p>Collective bargaining agreements</p> <p>Governance &gt; Ethics and Governance &gt; Upholding the Human Rights of ECOM Employees &gt; <a href="#">page 51</a>.</p>
	102-42	<p>Identifying and selecting stakeholders</p> <p>Welcome &gt; The ECOM Value Chain for Cocoa &gt; <a href="#">page 12</a>. Sustainability at ECOM Cocoa &gt; Our Material Issues &gt; <a href="#">page 51</a>.</p> <p>ECOM engages with stakeholders who have a shared vision for the future of the cocoa industry. We assess and identify stakeholders affected or involved in our managed project portfolios and our operations. Stakeholders are identified and registered; they are then analysed and prioritised based on impact on the business.</p>
	102-43	<p>Approach to stakeholder engagement</p> <p>Welcome &gt; The ECOM Value Chain for Cocoa &gt; <a href="#">page 12</a>. Sustainability at ECOM Cocoa &gt; Our Material Issues &gt; <a href="#">page 17</a>.</p> <p>ECOM defines specific stakeholder engagement plans based on identifying, registering and analysing their needs. We document the results of engagements and conduct approved activities based on those engagements. ECOM ensures monitoring and recording of engagements with stakeholders and incorporates feedback and grievance mechanisms.</p>
	102-44	<p>Key topics and concerns raised</p> <p>Sustainability at ECOM Cocoa &gt; Our Material Issues &gt; <a href="#">page 17</a>.</p>
<b>Reporting Practice</b>	102-45	<p>Entities included in the consolidated financial statements</p> <p>There are no publicly available financial statements for ECOM Cocoa since the reporting scope is at group level. The annual sales volume for cocoa is \$2.5 billion.</p>

## General Disclosures

Standard	Disclosure	2021 Location and Notes
102-46	Defining report content and topic boundaries	Welcome > <a href="#">page 3</a> .  Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
102-47	List of material topics	Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
102-48	Restatements of information	Not applicable as this is ECOM Cocoa's first GRI standard sustainability report.
102-49	Changes in reporting	Not applicable as this is ECOM Cocoa's first GRI standard sustainability report.
102-50	Reporting period	1 January–31 December 2021.
102-51	Date of most recent report	Not applicable as this is ECOM Cocoa's first GRI Standard sustainability report.
102-52	Reporting cycle	In line with the calendar and fiscal year.
102-53	Contact point for questions regarding the report	sustainability@ecomtrading.com.
102-54	Claims of reporting in accordance with the GRI Standards	Welcome > <a href="#">page 3</a> .  Global Reporting Initiative (GRI) Content Index > <a href="#">page 54</a> .
102-55	GRI content index	Our GRI content index is featured in this report (ECOM Cocoa Sustainability Report 2021).
102-56	External assurance	Welcome > <a href="#">page 3</a> .  The organisation has not sought external assurance for the report. The Materials may not have been independently verified. No representation, warranty, assurance or undertaking (express or implied) are or will be made, and no responsibility or liability (including for direct, consequential or indirect loss) is or will be accepted by the ECOM Group or any of its officers, employees or agents in relation to the use, adequacy, accuracy or completeness of the Materials.



**Economic****Market Presence 2016**

Standard	Disclosure	2021 Location and Notes
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
	103-2	The management approach and its components Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
	103-3	Evaluation of the management approach Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
GRI 202: Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage Data not yet monitored or collected by ECOM.
	202-2	Proportion of senior management hired from the local community Data not yet monitored or collected by ECOM.

**Indirect Economic Impacts 2016**

GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
	103-2	The management approach and its components Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> . Improve Farmer and Worker Livelihoods > <a href="#">pages 19-30</a> .
	103-3	Evaluation of the management approach Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported Improve Farmer and Worker Livelihoods > Human Rights > <a href="#">page 21</a> . Improve Farmer and Worker Livelihoods > Engagement With Farmers and Communities > <a href="#">pages 26-30</a> .  There were no significant new infrastructure investments in 2021.
	203-2	Significant indirect economic impacts Welcome > The ECOM Value Chain for Cocoa > <a href="#">page 12</a> . Improve Farmer and Worker Livelihoods > <a href="#">page 20</a> . Improve Farmer and Worker Livelihoods > Human Rights > <a href="#">page 21</a> . Improve Farmer and Worker Livelihoods > Engagement with Farmers and Communities > <a href="#">pages 26-30</a> .  There were no significant negative indirect impacts in 2021. Community development investments made by ECOM in infrastructure provided for suppliers are often available for the community as a whole (for example schools, boreholes, medical centres, etc.).  Through our affiliation in Cocoa and Forest Initiatives and groups such as the European Cocoa Association, we have an indirect impact on policy agendas as these initiatives work closely with governments to influence relevant policies (e.g., Forest classification in CIV/Ghana, due-diligence legislation in the EU, etc.).

**Economic****Procurement Practices 2016**

Standard	Disclosure	2021 Location and Notes
<b>GRI 103: Management Approach</b>	103-1	Explanation of the material topic and its boundaries
	103-2	The management approach and its components
	103-3	Evaluation of the management approach
<b>GRI 204: Procurement Practices</b>	204-1	Proportion of spending on local suppliers

Sustainability at ECOM Cocoa > Our Material Issues > [page 17](#).

Sustainability at ECOM Cocoa > Our Material Issues > [page 17](#).  
Manage Change Through Transparency and Traceability > Responsible Supply Chains > [page 45](#).  
Governance > Ethics and Governance > [pages 49-52](#).  
Governance > Ethics and Governance > Ensuring Compliance With Our Policies > [page 52](#).

[For more information please see ECOM's Code of Conduct.](#)

[For more information, please see ECOM's Supplier Code of Conduct.](#)

Sustainability at ECOM Cocoa > Our Material Issues > [page 17](#).  
Manage Change Through Transparency and Traceability > Responsible Supply Chains > [page 45](#).  
Governance > Ethics and Governance > [pages 49-52](#).

[For more information, please see ECOM's Ethics Concerns Policy.](#)

100% of procurement of cocoa in each ECOM entity is spent on suppliers local to that country (i.e., farmers in the country). Close to 100% of procurement of any goods or services complementary to the running of each origin operation is also from local providers unless unavailable in the local market. However, we do not currently track this data point as explained.

'Local' is defined as nationals of the country in question. 'Significant locations of operations' is defined as all operations where ECOM Cocoa's Environmental and Social survey was conducted.

**Economic**

## Anti-corruption 2016

Standard	Disclosure	2021 Location and Notes
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries
	103-2	The management approach and its components
	103-3	Evaluation of the management approach

Sustainability at ECOM Cocoa > Our Material Issues > [page 17](#).

Governance > Ethics and Governance > [pages 49-52](#).  
Sustainability at ECOM Cocoa > Our Material Issues > [page 17](#).  
Improve Farmer and Worker Livelihoods > Human Rights > Due Diligence > [page 21](#).

We provide annual training to employees, third parties and other representatives on our Anti-Bribery Policy and our Corruption and Gifts, Donations and Entertainment Policy. We screen the parties whom we do business with for political connections using LexisNexis Bridger.

In 2021 we worked with external legal counsel to update the ABC policy for current legislation and trends. We have refreshed our Gifts, Donations and Entertainment policy to update monetary thresholds for the gifts and hospitality and added a new section dealing with charitable and/or political donations.

ECOM is also a member of all relevant trade committees/bodies.

[For more information please see ECOM's Supplier Code of Conduct.](#)

[For more information, please see ECOM's Ethics Concerns Policy.](#)

Governance > Ethics and Governance > [pages 49-52](#).  
Sustainability at ECOM Cocoa > Our Material Issues > [page 17](#).  
Improve Farmer and Worker Livelihoods > Human Rights > Due Diligence > [page 21](#).

We revise the ABC policy periodically and carry out the risk assessment. There is a designated Trade Practices Committee who reviews the ABC policy and procedures on a regular basis. We engage external legal counsel periodically as and when the need arises.

**Economic**

## Anti-corruption 2016

Standard	Disclosure	2021 Location and Notes
GRI 205: Anti-corruption	205-1	<p>Operations assessed for risks related to corruption</p> <p>Improve Farmer and Worker Livelihoods &gt; Human Rights &gt; <a href="#">page 21</a>. Improve Farmer and Worker Livelihoods &gt; Engagement With Farmers and Communities &gt; <a href="#">pages 26-30</a>.</p> <p>There were no significant new infrastructure investments in 2021.</p>
	205-2	<p>Communication and training about anti-corruption policies and procedures</p> <p>Governance &gt; Ethics and Governance &gt; <a href="#">pages 49-52</a>. Governance &gt; Ethics and Governance &gt; Anti-bribery &gt; <a href="#">page 51</a>.</p> <p>The ABC policy is communicated to all employees of ECOM (circa 6,000) in 43 countries. The policy is available on the Intranet in six languages (English, Spanish, Portuguese, French, German and Dutch).</p> <p>We do not currently collect data for the percentage of employees/partners the anti-corruption policy has been communicated to. Our Supplier Code of Conduct (which contains the ethical compliance provisions) is embedded in all contracts with third parties.</p> <p>We provide annual training to our staff through ECOM's Sustainable Management Services initiatives at origin level and at other points in the supply chain.</p> <p>The targeted ABC training was assigned to 1,380 employees (senior and mid management, accountants, treasury and any employees who have contracting access). The training was assigned via the ETMS system (in English, French, Spanish and Portuguese), 79% of the employees completed the training. Next training will be given in 2022.</p>
	205-3	<p>Confirmed incidents of corruption and actions taken</p> <p>There were no confirmed incidents of corruption during the reporting period.</p>

**Economic****Anti-competitive behaviour 2016**

Standard	Disclosure	2021 Location and Notes
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
	103-2	The management approach and its components Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .  <a href="#">For more information please see ECOM's Ethics Concerns Policy.</a>  <a href="#">For more information, please see ECOM's Supplier Code of Conduct.</a>
	103-3	Evaluation of the management approach Governance > Ethics and Governance > <a href="#">pages 49</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .  ECOM is a member of all relevant trade committees/bodies.
GRI 206: Anti-competitive behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices There were no legal actions taken for anti-competitive behaviour, anti-trust or monopoly practices during the reporting period.

**Environmental****Energy 2016**

Standard	Disclosure	2021 Location and Notes
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
	103-2	The management approach and its components Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> . Protect and Regenerate Nature and Climate > Climate Change and Resilience > <a href="#">pages 38-41</a> .  <a href="#">For more information please see ECOM's Environment and Social Policy.</a>
	103-3	Evaluation of the management approach Governance > Ethics and Governance > <a href="#">page 49</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> . Protect and Regenerate Nature and Climate > Climate Change and Resilience > <a href="#">pages 38-41</a> .

**Environmental****Energy 2016**

Standard	Disclosure	2021 Location and Notes
GRI 302: Energy	302-1	<p>Energy consumption within the organisation</p> <p>Protect and Regenerate Nature and Climate &gt; Climate Change and Resilience &gt; <a href="#">pages 38–41</a>.</p> <p>Total fuel consumption from non-renewable sources: 419,875.14 GJ/year (natural gas, diesel, gasoline, LPG).</p> <p>Total fuel consumption from renewable sources: 890.87 GJ/year (solar, wood or wood residual, and cocoa husk).</p> <p>Total:</p> <ul style="list-style-type: none"> <li>• Electricity consumption: 52,224,701.50 kWh/year.</li> <li>• Heating consumption: 353,665.04 GJ (fuel used for boilers and furnaces at cocoa plants).</li> <li>• Cooling consumption: N/A.</li> <li>• Steam consumption: N/A.</li> </ul> <p>ECOM does not currently collect data on an annual basis for electricity, heating, cooling and steam sold.</p> <p>Total energy consumption: 608,774.93 GJ.</p> <p>Methodology: Data collected through annual Environmental &amp; Social monitoring survey 2021 for cocoa processing facilities. The fuels used and electricity are collected in the following units: electricity used (kWh/year), wood or wood residuals (metric ton/year), cocoa husk (metric ton/year), natural gas (m<sup>3</sup>/year), diesel (L/year), LPG (m<sup>3</sup>/year), petrol (m<sup>3</sup>/year). Assumption and calculation: Total kWh from fuels obtained by multiplying heat content of the fuel by quantity.</p>
	302-2	<p>Energy consumption outside of the organisation</p> <p>Data not yet monitored or collected by ECOM.</p>
	303-3	<p>Energy intensity</p> <p>Energy intensity ratio: 1.24 GJ/MT.</p> <p>Product output in metric tons (i.e., this would vary according to facility type, but could be dry cocoa beans, cocoa butter, cocoa cake, cocoa powder, etc.).</p> <p>Types of energy included in the intensity ratio are electricity and fuel.</p> <p>Energy intensity ratio includes energy consumption within the organisation.</p>
	303-4	<p>Reduction of energy consumption</p> <p>Data not yet monitored or collected by ECOM.</p>
	302-5	<p>Reductions in energy requirements of products and services</p> <p>Data not yet monitored or collected by ECOM.</p>

**Environmental****Biodiversity 2016**

Standard	Disclosure	2021 Location and Notes	
<b>GRI 103: Management Approach</b>	103-1	Explanation of the material topic and its Boundaries	Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
	103-2	The management approach and its components	Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> . Protect and Regenerate Nature and Climate > Nature and Biodiversity > <a href="#">page 34</a> .
	103-3	Evaluation of the management approach	Governance > Ethics and Governance > <a href="#">page 49</a> .
<b>GRI 304: Biodiversity</b>	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Protect and Regenerate Nature and Climate > Nature and Biodiversity > Piloting Digital Tools to Protect Biodiversity > <a href="#">page 35</a> .  Protect and Regenerate Nature and Climate > Nature and Biodiversity > Sierra Leone > <a href="#">page 35</a> .  ECOM's operational sites are not managed in, or adjacent to protected areas and areas of high biodiversity value outside of protected areas. As part of our Smarter Cocoa Charter, we aim to carry out deforestation and biodiversity risk assessments in 100% of our ECOM <a href="#">origin-sourced supply chains</a> by the end of 2023 to understand the risks of biodiversity impacts within our cocoa supply chain.
	304-2	Significant impacts of activities, products, and services on biodiversity	Protect and Regenerate Nature and Climate > Nature and Biodiversity > <a href="#">pages 34-37</a> .
	304-3	Habitats protected or restored	Protect and Regenerate Nature and Climate > Nature and Biodiversity > <a href="#">pages 34-37</a> .
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Protect and Regenerate Nature and Climate > Nature and Biodiversity > <a href="#">pages 34-37</a> .  ECOM has piloted biodiversity proximity mapping in West Africa, which uses layers including Sites of Biodiversity Importance, Protected Areas, Range Rarity, and Species Threat Abatement and Restoration (STAR), of which some include IUCN criteria.

**Environmental****Emissions 2016**

Standard	Disclosure	2021 Location and Notes
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries
	103-2	The management approach and its components
	103-3	Evaluation of the management approach
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions

Sustainability at ECOM Cocoa > Our Material Issues > [page 17](#).

Governance > Ethics and Governance > [pages 49](#).  
Sustainability at ECOM Cocoa > Our Material Issues > [page 17](#).  
Protect and Regenerate Nature and Climate > Climate Change and Resilience > [pages 38-41](#).

Governance > Ethics and Governance > [pages 49-52](#).  
Sustainability at ECOM Cocoa > Our Material Issues > [page 17](#).  
Protect and Regenerate Nature and Climate > Climate Change and Resilience > [pages 38-41](#).

Gross direct (Scope 1) GHG emissions in metric tons of CO<sub>2</sub> equivalent: 0.06 million metric tons CO<sub>2</sub>e (all operations) in 2019.

- Scope 1 emissions are inclusive of total ECOM Group operations.
- 2020 and 2021 data are not available due to the fact that the necessary information is not of adequate quality to report. This is because ECOM's data-collection systems were disrupted as a result of COVID-19. The baseline data is therefore from 2019.
- Gases included in the calculation: all (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>).
- The carbon neutral approach was used for this calculation, therefore, biogenic carbon in the commodities was not considered.
- Databases used in analysis:
  - Ecoinvent 3.7.1
  - World Food Life-cycle database
  - World Apparel and Footwear Life-cycle database
  - DEFRA GHG conversion factors 2021
  - IEA emission factors 2021
  - US Input-Output EF database 2002, combined with inflation factor for 2019.
- Consolidation approach for emissions: operational control.
- Carbon footprint was calculated by a third-party specialist.
- Impact assessment method: The EF 3.0 method for climate change was used.



**Environmental****Emissions 2016**

Standard	Disclosure	2021 Location and Notes
GRI 305: Emissions (cont)	305-2	Energy indirect (Scope 2) GHG emissions
		Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO <sub>2</sub> equivalent: 0.02 million metric tons CO <sub>2</sub> e (all operations) in 2019.
		<ul style="list-style-type: none"> <li>Scope 2 emissions are inclusive of total ECOM Group operations.</li> </ul>
		See details in GRI 305-1 for details on data scope, methodology and considerations.
	305-3	Other indirect (Scope 3) GHG emissions
		Gross other indirect (Scope 3) GHG emissions in metric tons of CO <sub>2</sub> equivalent: calculations are ongoing.
		Protect and Regenerate Nature and Climate > Climate Change and Resilience > <a href="#">pages 38–41</a> .
305-4	GHG emissions intensity	Data not yet monitored or collected by ECOM.
305-5	Reduction of GHG emissions	Data not yet collected by ECOM. A reduction roadmap is in development in 2022.
305-6	Emissions of ozone-depleting substances (ODS)	Data not yet monitored or collected by ECOM.
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	Data not yet monitored or collected by ECOM.

**Environmental****Environmental Compliance 2016**

Standard	Disclosure	2021 Location and Notes
<b>GRI 103: Management Approach</b>	103-1	Explanation of the material topic and its Boundaries
	103-2	The management approach and its components
	103-3	Evaluation of the management approach
<b>GRI 307: Environmental Compliance</b>	307-1	Non-compliance with environmental laws and regulations

Sustainability at ECOM Cocoa > Our Material Issues > [page 17](#).

Governance > Ethics and Governance > [pages 49-52](#).  
Sustainability at ECOM Cocoa > Our Material Issues > [page 17](#).  
Manage Change Through Transparency and Traceability > Responsible Supply Chains > [pages 45-47](#).  
Protect and Regenerate Nature and Climate > Nature and Biodiversity > [pages 34-37](#).

[For more information, please see ECOM's Environmental and Social Policy.](#)

[For more information, please see ECOM's Environmental and Social Policy.](#)

Governance > Ethics and Governance > [pages 49-52](#).  
Sustainability at ECOM Cocoa > Our Material Issues > [page 17](#).  
Manage Change Through Transparency and Traceability > Responsible Supply Chains > [pages 45-47](#).  
Protect and Regenerate Nature and Climate > Nature and Biodiversity > [pages 34-37](#).

There were no instances of non-compliance with environmental laws and regulations during the reporting period.

**Environmental**

## Supplier Environmental Assessment 2016

Standard	Disclosure	2021 Location and Notes
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries
	103-2	The management approach and its components
	103-3	Evaluation of the management approach
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria
	308-2	Negative environmental impacts in the supply chain and actions taken

Sustainability at ECOM Cocoa > Our Material Issues > [page 17](#).

Governance > Ethics and Governance > [pages 49-52](#).  
Sustainability at ECOM Cocoa > Our Material Issues > [page 17](#).  
Manage Change Through Transparency and Traceability > Responsible Supply Chains > [pages 45-47](#).  
Protect and Regenerate Nature and Climate > Nature and Biodiversity > [pages 34-37](#).

[For more information, please see ECOM's Supplier Code of Conduct.](#)

[For more information, please see ECOM's Environmental and Social Policy.](#)

Governance > Ethics and Governance > [page 49](#).  
Sustainability at ECOM Cocoa > Our Material Issues > [page 17](#).  
Protect and Regenerate Nature and Climate > Nature and Biodiversity > [pages 34-37](#).  
Manage Change Through Transparency and Traceability > Responsible Supply Chains > [pages 45-47](#).

Governance > Ethics and Governance > [pages 49-52](#).

Manage Change Through Transparency and Traceability > Responsible Supply Chains > [pages 45-47](#).

Rainforest Alliance [certified](#) cocoa across our supply chain as well as our origin sourced supply chain in Ghana and Cote d'Ivoire are assessed in relation to deforestation and proximity to protected areas. As part of our Smarter Cocoa Charter, we aim to carry out deforestation and biodiversity risk assessments in 100% of our ECOM [origin-sourced supply chains](#) by the end of 2023 to understand the risks of biodiversity impacts within our cocoa supply chain.

Governance > Ethics and Governance > [pages 49-52](#).

Protect and Regenerate Nature and Climate > Nature and Biodiversity > [pages 34-37](#).

Manage Change Through Transparency and Traceability > Responsible Supply Chains > [pages 45-47](#).

**Social****Non-discrimination 2016**

Standard	Disclosure	2021 Location and Notes
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
	103-2	The management approach and its components Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
	103-3	Evaluation of the management approach Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken Improve Farmer and Worker Livelihoods > Human Rights > <a href="#">page 51</a> .

**Freedom of Association and Collective Bargaining 2016**

GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
	103-2	The management approach and its components Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .  For more information, please see ECOM's Environmental and Social Policy.
	103-3	Evaluation of the management approach Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
GRI 407: Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk Governance > Ethics and Governance > Upholding the Human Rights of ECOM employees > <a href="#">page 51</a> .

**Social****Child Labour 2016**

Standard	Disclosure	2021 Location and Notes
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
	103-2	The management approach and its components Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> . Improve Farmer and Worker Livelihoods > Human Rights > Child Labour > <a href="#">page 22</a> .  <a href="#">For more information, please see ECOM's Supplier Code of Conduct.</a>  <a href="#">For more information, please see ECOM's Modern Slavery Policy.</a>  <a href="#">For more information, please see ECOM's Ethics Concerns Policy.</a>
	103-3	Evaluation of the management approach Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> . Improve Farmer and Worker Livelihoods > Human Rights > Child Labour > <a href="#">page 22</a> .
GRI 408: Child Labour	408-1	Operations and suppliers at significant risk for incidents of child labour Improve Farmer and Worker Livelihoods > Human Rights > Child Labour > <a href="#">page 22</a> .
<b>Forced or Compulsory Labour 2016</b>		
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
	103-2	The management approach and its components Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> . Improve Farmer and Worker Livelihoods > Human Rights > <a href="#">pages 21-25</a> .  <a href="#">For more information, please see ECOM's Modern Slavery Policy.</a>
	103-3	Evaluation of the management approach Governance > Ethics and Governance > <a href="#">page 49</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> . Improve Farmer and Worker Livelihoods > Human Rights > <a href="#">pages 21-25</a> .
GRI 409: Forced or Compulsory Labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour Governance > Ethics and Governance > <a href="#">page 49</a> .

## Social

### Human Rights Assessment 2016

Standard	Disclosure	2021 Location and Notes
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
	103-2	The management approach and its components Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> . Improve Farmer and Worker Livelihoods > Human Rights > <a href="#">pages 21-25</a> . Improve Farmer and Worker Livelihoods > Human Rights > Our Policies to Protect Human Rights > <a href="#">page 21</a> .
	103-3	Evaluation of the management approach Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> . Improve Farmer and Worker Livelihoods > Human Rights > <a href="#">pages 21-25</a> . Improve Farmer and Worker Livelihoods > Human Rights > Our Policies to Protect Human Rights > <a href="#">page 21</a> .
GRI 412: Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Improve Farmer and Worker Livelihoods > Human Rights > <a href="#">pages 21-25</a> . Improve Farmer and Worker Livelihoods > Human Rights > Our Policies to Protect Human Rights > <a href="#">page 21</a> . Improve Farmer and Worker Livelihoods > Engagement with Farmers and Communities > <a href="#">page 26</a> .  All ECOM employees have received the ECOM's Code of Conduct via e-mail.  ECOM has committed to awareness training of 100% of <a href="#">farmer communities child protection and the prioritisation of education training</a> whether or not the country has been determined to be high risk of child labour. Programmes have already been rolled out in Nigeria, Côte d'Ivoire, Ecuador, Peru, Cameroon and Ghana.  Operations in Ghana, Côte d'Ivoire, Nigeria, Cameroon and Sierra Leone operate based on the fact that all countries have been determined to be at high risk for breaches of human rights in the form of child labour and forced labour (Cameroon and Nigeria are ranked medium for forced labour). ECOM conducts risk assessments for child labour in all origins except Sierra Leone because our origin operations are limited to OFIR where we have full autonomy to hire and monitor staff. This risk has been established through various industry level reports, for example through the NORC study which focused on CDI and Ghana.  ECOM's operation in Ecuador has implemented a child-labour risk study among its providers. Both Ecuador and Peru were covered by the Social Progress Index (SPI) which is a human rights impact assessment.
	412-2	Employee training on human rights policies or procedures Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Governance > Ethics and Governance > Policy Training > <a href="#">page 52</a> .  Sustainability staff in each country are required to complete training on human rights.

**Social****Human Rights Assessment 2016**

Standard	Disclosure	2021 Location and Notes
<b>GRI 412: Human Rights Assessment (cont)</b>	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening
		<p>All framework agreements with key customers contain human rights provisions.</p> <p>All purchase contracts made by ECOM's London Office include 'General Conditions of Purchase of Cocoa Beans and Products' that include a requirement that sellers shall: (a) comply with all applicable anti-slavery and human-trafficking laws, statutes, regulations from time to time in force; and (b) comply with the ECOM Supplier Code of Conduct.</p> <p><a href="#">For more information, please see ECOM's Supplier Code of Conduct.</a></p> <p><a href="#">For more information, please see ECOM's Modern Slavery Policy.</a></p> <p><a href="#">For more information, please see ECOM's Ethics Concerns Policy.</a></p>

**Local Communities 2016**

<b>GRI 103: Management Approach</b>	103-1	Explanation of the material topic and its Boundaries	Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
	103-2	The management approach and its components	Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> . Improve Farmer and Worker Livelihoods > Engagement with Farmers and Communities > <a href="#">pages 26-30</a> .
	103-3	Evaluation of the management approach	Governance > Ethics and Governance > <a href="#">page 49</a> . Improve Farmer and Worker Livelihoods > Engagement with Farmers and Communities > <a href="#">pages 26-30</a> .
<b>GRI 413: Local Communities</b>	413-1	Operations with local community engagement, impact assessments, and development programmes	Improve Farmer and Worker Livelihoods > Engagement with Farmers and Communities > <a href="#">pages 26-30</a> . Sustainability at ECOM > What Sustainability Means to Us > <a href="#">page 16</a> . Sustainability at ECOM > The Smarter Cocoa Charter > <a href="#">page 18</a> .
	413-2	Operations with significant actual and potential negative impacts on local communities	Welcome > The ECOM Value Chain for Cocoa > <a href="#">page 12</a> . Improve Farmer and Worker Livelihoods > Human Rights > <a href="#">pages 21-25</a> . Improve Farmer and Worker Livelihoods > Engagement with Farmers and Communities > <a href="#">pages 26-30</a> . Protect and Regenerate Nature and Climate > Nature and Biodiversity > <a href="#">pages 34-35</a> .

**Social****Supplier Social Assessment 2016**

Standard	Disclosure	2021 Location and Notes	
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
	103-2	The management approach and its components	Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> . Manage Change Through Transparency and Traceability > Responsible Supply Chains > <a href="#">page 45</a> . Improve Farmer and Worker Livelihoods > Human Rights > Due Diligence > <a href="#">page 21</a> .  ECOM review with E&S Committee regularly and will introduce revisions where necessary or appropriate. We notify our suppliers of any important changes, but suppliers will always find the most up-to-date version of ECOM's Supplier Code of Conduct on the ECOM website at <a href="http://www.ecomtrading.com">www.ecomtrading.com</a> .
	103-3	Evaluation of the management approach	Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Manage Change Through Transparency and Traceability > Responsible Supply Chains > <a href="#">page 45</a> .
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Manage Change Through Transparency and Traceability > <a href="#">pages 42-47</a> . Governance > Ethics and Governance > <a href="#">pages 59-52</a> .  ECOM is developing a due diligence toolkit in partnership with SourceMap which will be piloted in 2022.
	414-2	Negative social impacts in the supply chain and actions taken	Governance > Ethics and Governance > Human Rights > <a href="#">page 21</a> .

**Public Policy 2016**

GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
	103-2	The management approach and its components	Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
	103-3	Evaluation of the management approach	Governance > Ethics and Governance > <a href="#">pages 49-52</a> . Sustainability at ECOM Cocoa > Our Material Issues > <a href="#">page 17</a> .
GRI 415: Public Policy	415-1	Political contributions	ECOM did not make any political contributions in 2021.



**Social****Socioeconomic Compliance 2016**

Standard	Disclosure	2021 Location and Notes
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries
	103-2	The management approach and its components
	103-3	Evaluation of the management approach
GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area

Sustainability at ECOM Cocoa > Our Material Issues > [page 17](#).

Governance > Ethics and Governance > [pages 49-52](#).  
Sustainability at ECOM Cocoa > Our Material Issues > [page 17](#).  
Improve Farmer and Worker Livelihoods > [page 19](#).  
Manage Change Through Transparency and Traceability > Responsible Supply Chains > [pages 45-47](#).

In addition to the policies detailed in this report, in 2021 we refreshed our Gifts, Donations and Entertainment policy to update monetary thresholds for the gifts and hospitality and added a new section dealing with charitable and/or political donations.

Governance > Ethics and Governance > [page 49](#).  
Manage Change Through Transparency and Traceability > Responsible Supply Chains > [pages 45-47](#).

Governance > Ethics and Governance > [page 49](#).

In 2021, 13 state-owned entity/politically exposed person alerts were escalated to business units, which confirmed that all have agency agreements in place and that the ABC policy has been communicated to the agents. A further 11 other alerts (enforcements, money laundering, fraud, labour violations) were escalated and assessments confirmed either a false positive or that business units were aware of risk and were actively managing the exposure as relevant.

# Global Reporting Initiative: Glossary of Terms

KPI	Word	Definition
-	Certified	Cocoa that has been certified by Rainforest Alliance (RA/UTZ), Fairtrade or Organic.
-	ACEU methodology	The ACEU methodology is a risk model that assesses the risk of deforestation. It accounts for indicators including travel time to cities, suitability of the land for agriculture, density of past deforestation events and the level of protection of the protected areas and forest reserves.
SL-3	Child protection and the prioritisation of education training	Informal or non-formal education based on a curriculum and delivered to farmers using best-practice methods for adult learning. It is focused on increasing knowledge, understanding and skills. It can be delivered one-on-one or in groups, and can be continual or a one-off. Training curriculum includes all 4 core topics as per industry standards 1) What is child labor, 2) What type of work are children allowed/not allowed to do, 3) What activities are hazardous and 4) What are the associated risks.
NC-4	Climate-smart agriculture training	Help farmers to adapt to the negative impact of climate change on cocoa production and to adapt agricultural practices, if necessary. Practices that will help farmers mitigate and adapt/build resilience to climate change, through improved cocoa agricultural practices on-farm (e.g., farm establishment, planting material and sources, inputs and pest control, weeding, pruning, shade management) and also actions that contribute to forest degradation and deforestation and increase threats to the forest and farming system (e.g., climate change, fires, etc.). It is not one action; it is rather an approach consisting of several possible actions as it is not a 'one size fits all' approach that is the same for every cocoa farmer; it depends on the specific impact of climate change (the identified climate threat) in a certain area and the capacity of the farmer to respond to this and apply suitable practices.
NC-3	Origin-sourced supply chain	All cocoa beans purchased through an ECOM-managed operation in origin country. Beans do not have to be sustainable or under a programme. Examples include Mexico, Colombia, Ecuador, Peru, Côte d'Ivoire, Ghana, Nigeria, Nicaragua, Cameroon, Indonesia, Uganda, Sierra Leone, and Vietnam.

KPI	Word	Definition
-	Environmental, Social and Governance (ESG)	Refers to company practices around, impacts on and efforts to manage environmental, social and governance performance in such a way as to minimise negative impacts and amplify positive outcomes, both materially and from a reputational perspective.
-	Farm	The total amount of productive cocoa land the farmer manages and harvests from. In many cases there is a collection of multiple plots for one farmer.
SL-7	Farmer-centred services	The following services: access to agro-inputs, and finance of harvest/trade credit, Village Savings and Loan Associations (VSLAs), premium over the market of their price, crop-price information, hybrid cocoa-seedling distribution, shade-tree distribution, 1-1 coaching for farm development plans, 1-1 technical visits to farms, Personal Protective Equipment (PPE) distribution, demonstration plots, collection/destruction of empty chemical containers, pruning services and equipment leasing.
-	Farming household	Refers to all the occupants of the same dwelling who share meals, without the occupants necessarily being related to each other. In many cases, the occupants are under the responsibility of one member, considered the head of household. However, a household may consist of only one member.
SL-3; TR-1; TR-2	Farmer organisations/communities	Farmer-based organisations ('FBOs'), 'Groups', 'Co-operatives'; 'other professional groups of farmers'; other groups that are recognised as formal or informal institutions with a cocoa-aggregating and sale role and ideally provide support/technical services to members and influence cocoa farming or broader life in the community.
-	Global Volume	The total number of beans equivalent (cocoa beans, liquor, nibs, butter, powder, and cocoa content in non-pure cocoa) produced from all sources globally in a year.
SL-2	Implement	Can be done directly by the organisation itself or its suppliers, or indirectly by building capacity among local communities or by supporting local public actors.

KPI	Word	Definition
SL-6	Improving agricultural practices training	Agricultural methods that include pruning, pest and disease management, weed management, shade management, and harvest management. These practices are promoted to farmers to improve sustainable cocoa production, basic environmental and operational conditions necessary to produce safe, clean and healthy cocoa beans.
SL-8	Income diversification programmes	Programmes that increase the proportion of income derived from non-cocoa farm sources.
SL-1; SL-2; TR-2	Partner-sourced supply chain	All cocoa beans purchased through a third party/non-ECOM-managed origin operation. Cocoa can be certified or conventional.
TR-3	Sustainable	A farm which operates under the interventions or investments made to support cocoa sustainability related to economic sustainability (farmer livelihoods, income, productivity, alternative income generation, or living income measurements), social sustainability (working toward elimination of child labour and forced labour, community development, women and youth empowerment), or environmental sustainability (working toward elimination of deforestation, reforestation or climate-smart agroforestry). It must be third-party verified and include components of traceability. It does not include Organic but does include RA/UTZ or Fairtrade certified.
NC-2	Sustainable programmes	Interventions or investments made to support cocoa sustainability related to economic sustainability (farmer livelihoods, income, productivity, alternative income generation or living income measurements), social sustainability (working toward elimination of child labour and forced labour, community development, women and youth empowerment), or environmental sustainability (working toward elimination of deforestation, reforestation or climate-smart agroforestry). It must be third-party verified and include components of traceability. It does not include Organic but does include RA/UTZ or Fairtrade certified.
TR-1; TR-2	Traceability to farmer	Product traceability in the cocoa sector is the “ability to follow the physical movement and/or mass conformity of sustainably produced cocoa through specified stage(s) of production, processing and distribution” (International Organization for Standardization (ISO), ARS). In a traceable supply chain to farmer level, polygons are the standard for all farms with unique farmer IDs tracked to first purchase point. The beans can be segregated or used in mass balance.

KPI	Word	Definition
TR-1; TR-2	Traceability to farmer organisation/ community	Product traceability in the cocoa sector is the “ability to follow the physical movement and/or mass conformity of sustainably produced cocoa through specified stage(s) of production, processing and distribution” (ISO, ARS). In a traceable supply chain to group level, GPS points with unique group IDs tracked to first purchase point. The beans can be segregated or used in mass balance.



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