Corporate Social Responsibility Policy

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Introduction Cocoanect BV

Cocoanect BV is a cocoa trading company, connecting farmers, cooperatives, and local exporters to the world’s leading chocolate makers as well as bean to bar chocolatiers. We match expectations of the different actors, and build long-term dedicated supply chains to secure excellent quality, traceability, and sustainability of cocoa beans from origins all around the world.

Cocoanect’s extensive supplier network covers all major cocoa producing countries, with local representation in West Africa, Latin America, and Asia. Through our origin offices we have close ties with farmers and local exporters in order to secure bean quality, traceability, and timely shipments.

Cocoanect aims for more sustainable practices in the cocoa supply chain, especially at the farmer level. This ambition is driven by both our ethical ambition to tackle social and environmental issues (e.g. child labour, gender inequality, nature degradation) as well as a commercial incentive to secure the future supply of our cocoa beans and business.

In 2015, Cocoanect has launched its first sustainability operations in Ivory Coast to support farmer groups with good agricultural-, social-, and environmental practices, and to increase access to agri-inputs and improved planting materials. Since then, activities have been expanded to Ghana, Nigeria, and Cameroon.

This document provides Cocoanect’s Corporate Social Responsibility (CSR) policy, which is meant to guard our CSR vision, targets, and implementation.

This CSR policy was developed in collaboration with Cocoanect’s key-staff from the Trade-, Logistics-, and Procurement Departments. We expect to continue improving and expanding our CSR activities.
2. Our Company Principles

At Cocoanect, our daily operations embrace 4 key principles:

1. Integrity
   • We conduct our business with high ethical standards and we respect international laws and conventions to secure:
     • We treat people and markets fairly, with dignity and respect.
     • We don’t accept forced labour, child labour, or bribery. We recognize the International Labour standards of Child Labour (ILO).
     • We offer our employees reasonable working hours and compensations, with freedom of association.
     • We do not tolerate any ethnic- or gender discrimination, and respect the rich diversity of cultures of our partners.
     • We provide a safe workplace with protective equipment and safe traveling conditions where needed.
     • We support health, safety, and personal development trainings for our employees.
     • We have a zero-tolerance policy for any form of sexual harassment. Our full Sexual Harassment Policy is available as a separate addendum to this CSR policy.

2. Partnership
   • Cocoanect’s business fully relies on our operations to connect cocoa producers, local exporters and organisations with chocolate makers. We strongly value long term personal and business relationships.
   • We approach our partners in a positive manner and we act on the basis of trust.
   • We act as long term and trustful partners throughout our value chain.
   • Through dedicated long-term partnerships, we secure stable and reliable business for all parties involved.
   • We encourage transparency and open communication about the daily operations of our partner suppliers.

3. Entrepreneurship
   • Cocoanect considers the fast-changing world as a window of innovation and up-scalable business cases that can contribute to more sustainable supply chains.
   • We are constantly looking for more opportunities for success and we regard taking and managing risk as our core business.
   • We are dedicated to learning new ways to successfully implement our long term goals. We think “outside in”.
   • We continue exploring new partnerships throughout the supply chain, and therefore build a holistic and multi-party driven approach in tackling sustainability issues.

4. Impact
   • We strive for real, structural and measurable impact in creating a sustainable economic, social and environmental supply chain.
   • We strive to make a positive difference in the communities where we work and live.
   • We take steps to lessen our environmental impact and contribute to global environmental improvement.
   • We aim for continuous information flows in our supply chain to secure full operational control and quantification of outcomes.
   • We listen to the needs of our suppliers, and support bottom-up initiatives even if the direct positive outcome at our side is less prominent.
   • We foster innovation by getting away from the beaten track. We don’t limit ourselves to the low hanging fruits, but embrace new approaches and out of the box thinking.
3. Our CSR in Practice

3.1 Office operations

We ensure that all our staff and partners understand and respect our business ethics. We do this by:

- Demanding all our employees in the Netherlands and in cocoa origins to sign our internal business Code of Ethics and Conduct.
- Asking our cocoa suppliers to respect and sign our Supplier Code of Conduct.
- Verifying the implementation of social- and environmental practices at the warehouse- and export facilities of our suppliers. Suppliers are encouraged to implement internationally verified standards on food safety, product traceability, and labour conditions such as ISO, HACCP, and the UTZ Chain of Custody. On a yearly basis, we administrate certificates of our suppliers and discuss potential improvement.

At Cocoanect’s headquarters in Rotterdam and the representation offices in the cocoa origins, we develop local policies and monitor key indicators to protect the wellbeing of our employees. We do this by:

- Monitoring workload and working pressure among our employees.
- Planning quarterly meetings to evaluate our employee’s perception on daily operations and working pressure.
- Monitoring the frequency of sickness and accidents at all our offices.
- Supporting health insurances of our local employees in origins where access to health care is poor.
- Developing local traveling policies in origins with bad road conditions.
- Financially supporting social events with our employees (and partners) around birthdays, company jubilees, and cultural/religious holidays.

3.2 Supply chain operations

The majority of our CSR activities takes place at the farmer level of our cocoa supply chains, where we see the highest opportunity for improvement of ethical standards. We identify issues and knowledge gaps in our supply chains and transform them into opportunities. We do this by:

- Consulting our suppliers and experts to identify gaps, develop solutions, and implement programs in a cost-efficient manner.
- Building dedicated sustainable supply chain to protect supply chain actors against volatile price movements in the cocoa market.
- Applying an inside-out approach; we first pilot pioneering strategies with a small group of farmers to secure impact and efficiency before up-scaling.
- Sharing our findings with the cocoa industry to ensure up-scaling and optimization of efficient methodologies.
- By differentiating ourselves from existing initiatives, we build knowledge that will contribute to continuous innovation and holistic approaches in the cocoa industry.
- Tracing our cocoa down to the farmer level to secure the origin of our cocoa, protect quality, and increase transparency.
3.3 Beyond Beans

Cocoa farmers in development countries face many socio-economic issues, and Cocoanect does not have the capacity to address them all. Therefore, we have launched our “Beyond Beans” program to build partnerships with our clients, suppliers, development organizations, and governmental institutions in order to build more sustainable supply chains.

Vision:
We believe that the world of today has the knowledge, people, and tools in place to build profitable and self-sustaining cocoa communities, where farming is regarded as a respected profession and sustainable entrepreneurship is the norm. Beyond Beans aims to be a catalyst in achieving this vision, by connecting the right stakeholders and introducing innovative solutions from other sectors to the cocoa supply chain.

Strategy:
The activities we initiate under Beyond Beans fall under four pillars:

1. Profit: Farmers need the right tools, technology, inputs and skills to turn their farming practices into a profitable future-proof business and become leaders in their profession. We will motivate farmers to develop their businesses and practices.

2. Communities: Only in thriving communities will it be possible to ensure a sustainable future for cocoa. Approaching farming as a family business herein is essential. Empowering the women and youth in the farming communities, will not only support the well-being of individuals, families and rural communities, but also contribute to overall economic productivity and sustainability.

3. Environment: In farming every decision made, influences the short- and long-term dynamics on a farm and its surrounding landscapes. We guide farmers in creating sustainable environmental farm and household management practices, where nature conservation and a profitable business co-exist.

4. Partnerships: No single organization can deliver all value to achieve our goals. We strongly believe that we can be the connector and pollinator in this system, by bringing the right partners and solutions together.

Cocoanect aims to source at least 50% of our cocoa bean volume from our own Beyond Beans projects by 2020, and 85% by 2025.