



AGROECOLOGY POLICY

BACKGROUND and AIMS:

To help you get to grips with our ethical commitments, it is important we define agroecology and set out why we have pledged to embed it in cocoa-growing areas. According to the UN and FAO, agriculture is sustainable when it meets the needs of present and future generations while also turning a profit, protecting environmental health and guaranteeing social and economic equity.

This agricultural approach emphasizes using land, water and biological resources responsibly and minimizing negative impacts on the environment, people, society and the economy.

Agroecology's fundamental principles include:

- Management and preservation of water and natural resources
- Embedding environmentally-friendly farming practices such as limiting chemical inputs, rotating crops, practicing agroforestry and planting cover crops for healthy soil
- Preserving biodiversity by encouraging crops, animals and natural habitats to live side by side, so that we can support biological diversity and strengthen ecosystems
- Respecting animal welfare
- Achieving profitability by creating economically viable agricultural systems for farmers, which should encourage greater long-term financial stability
- Taking social responsibility by factoring in the impact of agricultural practices on local communities and improving living conditions, food security and rural development

The cacao tree grows in the Tropics and is mainly cultivated in developing countries. It has often been impacted by intensive, environmentally unfriendly farming practices, mainly due to:

- Intensive farming, which has been implemented to meet global demand for cocoa and is accelerating deforestation and soil impoverishment
- Sometimes insufficient yields caused by diseases, pests and difficult weather conditions, leading to the use of pesticides
- Poverty's impact on producers, forcing them to prioritize short-term results
- Lack of knowledge about sustainable farming practices

At Valrhona, we know that agroecology is a priority if we are to sustain cocoa-growing over the long term, so we have a responsibility to help our producers to adopt this practice.

A COLLECTIVE COMMITMENT:

THE CACAO FOREST PROGRAM

Since 2015, we have been a founding member of the Cacao Forest project, a pioneering multi-sector initiative that aims to build a sustainable cocoa industry through agroforestry.

The Cocoa & Forests Initiative defines agroforestry as: "A land-use system in which cacao trees are planted with other tree species within the same farming area. These species may vary over time as the cacao trees grow taller and other tree species are

harvested. Agroforestry systems involve both ecological and economic interactions between different species."

Between 2015 and 2022, several agroforestry models were tested in the Dominican Republic. They were developed using applied research aided by various operators' expertise (including CIRAD and Earthworm). The nature and scale of the work are unprecedented, drawing on multi-disciplinary research ranging from agronomy to socio-economics and design to cross-sector innovation, enabling all kinds of work on plantations which help to make a difference on a regional level. By 2022, various agroforestry models had been identified and were ready to be rolled out across the country.

Since 2023, the Cacao Forest program has been developing a proposal for Ivory Coast.

Follow the link for more details about the project: www.cacaoforest.org

VALRHONA'S COMMITMENTS and ACTIONS:

1. DEVELOPING PROJECTS WITH OUR PARTNERS AND THEIR PRODUCERS

Valrhona is committed to rolling out agroecological farming practices with its partners (including cooperatives, private operators and producers), as well as communities and local authorities.

The approach is specific to each region, as it depends on the area and production methods' maturity. Projects will be developed with each of our partners, supported by a local partner with a leading knowledge of agroecology.

Valrhona funds training programs for partner suppliers and producers in Ivory Coast, Ghana, Haiti, the Dominican Republic and Peru. These programs include training in good farming practices.

2. DEVELOPING AGROFORESTRY

As agroforestry is an agroecological practice, we are keen to develop our expertise in the latter alongside our partner suppliers. Several projects developed with our partners have produced solid results since 2018. This gives us confidence in our approach, and we are looking forward to pursuing our commitment to agroforestry's development in the cocoa industry.

3. PESTICIDE REDUCTION

Valrhona is committed to reducing pesticide use, as this is an integral part of agroecology. We have pledged not to use highly toxic pesticides, which can have harmful effects on the environment, producers' health and cocoa quality.

KEY PERFORMANCE INDICATORS FOR 2030:

1. Valrhona is committed to financing at least one project every year to support agroecology, in partnership with NGOs and research organizations, so that we can foster a sustainable and resilient cocoa industry.

2. A pesticide monitoring plan is drawn up annually. This enables us to manage risks around pesticide residues so that we can guarantee strict compliance with regulations in the countries where our products are sold.

OUR PROGRESS TO DATE:

PESTICIDE MANAGEMENT PLAN

We have highly demanding management plans for our ingredients and chocolates, guaranteeing compliance with European regulations.

We carry out checks both at production bases and on finished products. These controls are release authorization tests, which means that if a batch isn't compliant, it can't be sold. We haven't had a product recall in five years.

THE TRAINING PROGRAM IN IVORY COAST

In 2017, we financed a training center in Daloa. We wanted to increase participation rates to 55% by giving producers and community leaders access to training as close as possible to where they live. Below is a summary of how good farming practices making an impact in 2022.

Agricultural Good Practice	Session	Target participants	Real participants
Protection of plans and forests, inventory and restoration of the existing ecosystem / knowledge of protected animals and trees, preservation of forest species	2022	2335	1942

OUR PARTNERS' FOREST INVENTORIES

The Millot Plantation in Madagascar

In 2022, 40 forest inventories were carried out on sample plots, each with a radius of 30m:

- 5 main species have been identified: *Albizia lebbbeck*, *Terminalia mantaly*, *Spathodea campanulata*, *Artocarpus heterophyllus* and *Cananga odorata*
- An average of 91 trees per hectare were counted,
- The basal area is calculated at 21m² per hectare. This figure is much higher than the 8m² threshold for agroforestry set out by the Agroforestry Standard being developed by Nitidæ.

Thanks to these data, we can classify the Millot plantation as an agroforestry system.

The M. Libânio plantation in Brazil

In 2023, 69 forest inventories were carried out on sample plot, each with a 30m radius: 165 plant species were identified throughout the plantation, including eight species classified as endangered by the IUCN (International Union for Conservation of Nature). 34.5 hectares have been classified as regenerated land since 1993, 4,200 trees have been planted since 2000, An average of 82 trees were recorded per hectare.

The Xibun River Estate in Belize

In 2023, 33 forest inventories were carried out on sample plots, each with a 20m radius: 21 plant species were identified, including 17 shade trees, 1,179 trees have been planted since 2016, An average of 36 trees per hectare were recorded.

AGROFORESTRY PROJECTS

Regenerating creole gardens in Haiti

Since 2017, in partnership with Agronomes et Vétérinaires Sans Frontières (AVSF), Valrhona and the Valrhona Foundation have committed €395,801 to regenerating "creole" (or mixed) gardens.

The aim of this project is to improve farmers' living conditions over the long term by regenerating their cocoa plots. Plots are regenerated by pruning cacao trees, grafting trees, replanting, introducing food crops and fruit trees, and composting. These techniques help each plot produce higher yields, as well as diversifying producers' income.

The project also aims to bring together these different approaches and develop a model for agroecological cocoa farming on a national scale, so that as many Haitian families as possible can implement action on their own plots.

Impact:

- 134 hectares of renovated creole gardens
- More than 216 producers have benefitted directly from the project
- Cocoa yields have increased by up to 80% in some areas
- Income from plots has increased by as much as 65%
- Plots are better at resisting adverse weather conditions

A demonstration plantation in Indonesia

In Indonesia, in 2023 we set up a demonstration plantation based on dynamic agroforestry. This cultivation system reflects ecosystems' natural processes and structures on the archipelago and focuses on optimizing all crop production rather than maximizing cocoa yields alone. This proposed model mimics the cacao tree's original habitat and offers numerous benefits such as soil improvement and regeneration, a reduced risk of diseases and pest infestations, erosion management and the total eradication of the need for agrochemicals (Halba, 2022).

The project is also helping to develop forest and fruit species endemic to the archipelago and Southeast Asia, with the aim of increasing biodiversity and diversifying producers' incomes. In partnership with the Indonesian Coffee and Cocoa Research Institute (ICCRI), Valrhona is also committed to using this plantation to protect rare Indonesian cocoa varieties.

KPI: From 2025, the aim is to offer training in dynamic agroforestry and regenerative agriculture to producer partners and their cocoa-growing network in Indonesia on the site.