Annual Report



Swiss Platform for Sustainable Cocoa

CONTENT

1. FOREWORD & SUMMARY	4
2. REPORTING AND INFORMATION	6
2.1 Monitoring the share of sustainable cocoa	6
2.2 Case study of sustainable procurement by an SME	12
2.3 Towards a European cocoa sustainability monitoring system	14
3. NETWORK AND KNOWLEDGE EXCHANGE	15
3.1 General Assembly 2023: «From Innovation to Scale»	18
4. PROJECTS	19
4.1 Landscape Approaches: A Case Study of the Sambirano Valley	20
4.2 Unlocking Innovation: Learning Report	22
5. INTERNATIONAL COLLABORATION	23
5.1 Policy dialogue with cocoa-producing countries	23
5.2 European Collaboration	25
6. ORGANISATION	26
6.1 Structure of the association	26
6.2 SWISSCO members	28
7. FINANCES	32



FOREWORD

Dear members and partners,

We look back on a year that was marked by a sharp rise in the price of cocoa traded on the global market. The extraordinary situation we are seeing has once again made us realise how exposed the cocoa value chain is to important price fluctuations.

The high prices have overturned the framework conditions of our efforts for sustainable cocoa sourcing: previous assumptions have become invalid or need to be adjusted. And some of our priorities have shifted. As we outline in our issue brief <u>The Cocoa Price – A Key Factor</u> for a Living Income for Farmers, a smart mix of solutions for actors in the value chain is needed to improve the economic conditions of farming families.

Amidst this turbulence, the Swiss Platform for Sustainable Cocoa steadfastly pursues its focus on finding sector-wide solutions involving all actors along the global cocoa value chain, guided by our Roadmap 2030. We have worked intensively over the past year across our target areas, promoting dialogue and trust as key enablers for sustainable solutions. This effort extends not only to Switzerland but equally importantly to our partners in cocoa-producing countries and our European counterparts.

You will find in this Annual Report a comprehensive update on our activities and performance over the past year. Our community of practice is thriving, inspiring other sectors while acknowledging the challenges we face. Regarding the sourcing of sustainable cocoa, we are proud to have already achieved last year our goal of importing 80 % sustainable cocoa into Switzerland by 2025. Nonetheless, it is important to recognise that company certification and verification programmes are a significant step, but broader joint efforts are needed to effectively address the social and environmental challenges in cocoa-producing countries.

On behalf of the Board, I would like to express our sincere gratitude to all members and partners for remaining committed to fostering collaboration across the cocoa value chain. Let us keep the focus on tackling challenges together, in a spirit of shared responsibility, to create a viable and resilient cocoa sector for present and future generations.



President of the Swiss Platform for Sustainable Cocoa (SWISSCO)

SUMMARY

Below, find a summary of our milestones in 2023 categorised by our four core areas of action.



1. Reporting and Information

In 2023, 82 % of the cocoa bean equivalents imported into Switzerland came from sustainable production, compared to 75 % in the previous year. Thus, we have already reached our goal of having a sustainable share of 80 % by 2025. We will continue our efforts to attain 100 % by 2030.

All National Initiatives on Sustainable Cocoa in Europe (ISCOs) reported advancements in traceability, living income, deforestation-free supply chains, and combating child labour using shared core indicators. SWISSCO participated in a trial run of the ISCO monitoring, involving 19 of its member companies, resulting in the first joint ISCO Monitoring Brief.



2. Network and Knowledge Exchange

In June 2023, the General Assembly, co-hosted by Villars Maître Chocolatier, focused on the scalability of innovative approaches. The event showcased insights from members and partners of the Cocoa Platform, highlighting innovative methods within the cocoa sector.

In October 2023, members convened at Lindt & Sprüngli to share their experiences and challenges regarding the Science Based Target Initiative's (SBTi) Net Zero and SBTs standards, along with associated guidelines.



3. Projects

The Platform's members remain engaged in public-private partnerships. In the current project cycle from 2023 to 2026, 21 new landscape, innovation, and peer learning & collaboration projects have been approved by SECO, amounting to CHF 5.8 million and involving 41 members. In 2023, the Platform published a learning report summarising the accomplishments and insights gained from the initiatives of the previous project cycle (2018–2022).



4. International Collaboration

A Board Mission to Ghana facilitated a powerful statement regarding Switzerland's commitment to promoting sustainability in cocoa. A significant step in our policy dialogue with Ghana was the renewal of a Memorandum of Understanding (MoU) between the Swiss Ambassador to Ghana and the Chief Executive of the Ghana Cocoa Board (COCOBOD).

2. REPORTING AND INFORMATION

As one of its core tasks, the Swiss Platform for Sustainable Cocoa (SWISSCO) continued to collect data on sustainable cocoa imports and conducted member surveys in 2023. This section presents the results and outlines successes and challenges in achieving the goals of the Roadmap 2030.

2.1 Monitoring the share of sustainable cocoa

SWISSCO has set the goal that by 2025, at least 80 % of all cocoa products physically imported into Switzerland come from sustainable agricultural production. By 2030, the share shall reach 100 %. To monitor the achievements of these goals, the Cocoa Platform relies on official import statistics and member surveys.

How the data is collected

First, the total amount of cocoa imported into and exported from Switzerland is identified based on Swiss foreign trade statistics. However, these statistics do not provide specific information on production methods and certifications.

In a second step, the Coordination Office has therefore been conducting an annual member survey since 2018, asking the members to provide qualitative details about their imports. As all members with imports (sectors A and B, see chapter 6.2) fulfil this task, the missing data on production methods and certifications in the results come from imports covered by trade statistics but made by non-members.

In a third step, the share of all types of imported cocoa products are converted into so-called cocoa bean equivalents by the conversion factors set by the International Cocoa Organization ICCO (see table 1). This allows a comparison between cocoa products based on the amount of raw cocoa beans required for each product.

SWISSCO's definition of Sustainable Cocoa Production

Sustainable cocoa is cocoa produced and sourced from a system that i) strives for decent living conditions for cocoa farmers and their families, ii) promotes climate mitigation and adaptation, and protects biodiversity, and iii) strives for an economically viable and transparent cocoa value chain, both for present and future generations.

In order to meet this definition, cocoa imports must either be certified by common labels such as Fairtrade Max Havelaar, Rainforest Alliance or organic. Another option are companyspecific sustainability programs that are verified by an external body. However, company-specific programmes that are not verified by a third party are not considered sustainable and are referred to as self-declared.

Swiss imports and exports of cocoa and cocoa products

The Swiss foreign trade statistics record the amount of cocoa and cocoa products imported into Switzerland by classifying them according to the World Customs Organisation Harmonised System codes (HS-Codes). A total of 11 categories are distinguished:

HS-Code	Commodity	Conv.	HS-Code	Commodity	Conv.
1801	Cocoa beans	1	1806.1	Cocoa powder, sweetened	0.4
1803.1	Cocoa paste/liquor	1.25	1806.2	Chocolate in blocks > 2 kg	0.4
1803.2	Cocoa cake	1.18	1806.31	Chocolate, filled	0.2
1804	Cocoa butter	1.33	1806.32	Chocolate, not filled	0.4
1805	Cocoa powder, unsweetened	1.18	1806.9	Other (Other food preparations containing cocoa, chocolate other than blocks, slabs or bars (e.g. balls, Easter bunnies etc.) finished products = < 2 kg)	0.2
1704.901	White chocolate	0.2			

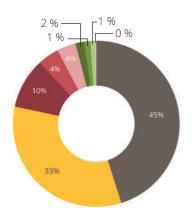
Table 1: HS-Codes for cocoa and cocoa products, including white chocolate, with corresponding ICCO conversion factors (conv.) for the conversion into cocoa bean equivalents.

Imports 2023

Based on the Swiss foreign trade statistics, 143,233 metric tons of cocoa and cocoa products were imported into Switzerland in 2023. This corresponds to 126,234 tons of cocoa bean equivalents. Cocoa beans (45%) and cocoa butter (33%) account for the largest share of imports, followed by cocoa paste (10%) and cocoa powder (4%). Only a small part is imported in the form of semi-finished or finished products (see figure 1).

Exports 2023

Overall, in 2023, Switzerland exported 171,091 tons of cocoa and cocoa products, which corresponds to 78,687 tons of cocoa bean equivalents. This means that around half of the imported equivalents are re-exported. These exports mainly consist of chocolate products such as unfilled chocolate and cocoa paste such as chocolate bars (see figure 2), which contain additional ingredients such as sugar and milk powder. This explains why the volume of exported cocoa bean equivalents is much lower than the absolute volume without conversion.

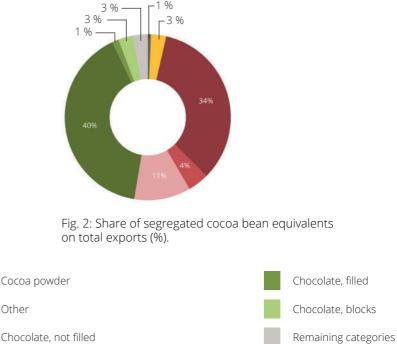


Cocoa beans

Cocoa butter

Cocoa paste

Fig. 1: Share of segregated cocoa bean equivalents on total imports (%).



Chocolate, not filled

Source: Swiss foreign trade statistics (data extracted on April 30, 2024).

REPORTING AND INFORMATION

Other

Sustainably produced cocoa and cocoa products imports

As shown in the figure below, 95 % of the Swiss imports of cocoa bean equivalents are covered by SWISSCO members. The remaining 5 % are imported by nonmembers. No data is available on the sourcing and production method of these imports; hence they are shown as missing data. If the Cocoa Platform had information about the production methods of these 5 %, the total amount of sustainably produced imports could in fact be higher.

Total share of sustainably produced cocoa imports

In 2023, 82 % of all cocoa bean equivalents imported into Switzerland were sourced from sustainable production (see figure 3). This constitutes a 7 % increase compared to 2022. Further, the imported volume of certified cocoa has increased by nine percentage points from 28 % in 2022 to 37 % in 2023.

The percentage of conventional cocoa imported has dropped by 4 %. Moreover, the gap of missing data has been reduced by 2 %.

The total share of sustainably produced cocoa imports into Switzerland is calculated as follows:

Cocoa sourced from sustainable production [%] =

certified+verified cocoa bean equivalents

total imported cocoa bean equivalents

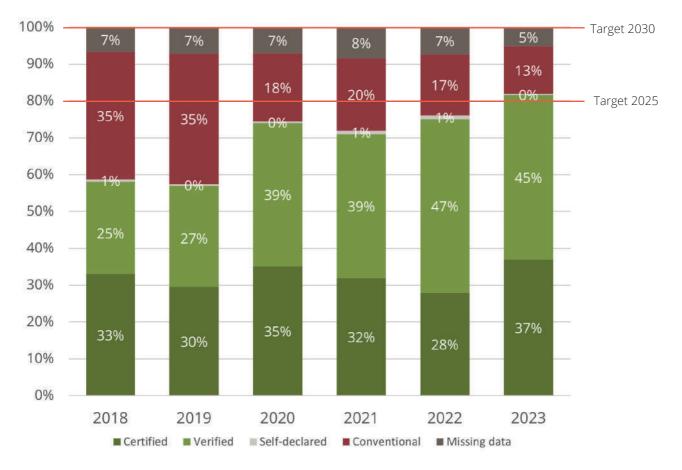


Fig. 3: Share of certified, verified, self-declared (not verified by a third-party) and conventional cocoa bean equivalents on total imports (in %). Source: Member survey on sourcing statistics. Missing data results from imports recorded by Swiss trade statistics but not covered by SWISSCO members.

REPORTING AND INFORMATION

Looking at the share of different certification schemes, it becomes evident that a large portion of the certified cocoa products imported in 2023 (based on MT data) is certified by Rainforest Alliance (62 %). However, double or even triple certifications are possible, which is why the shares together make up more than 100 %.

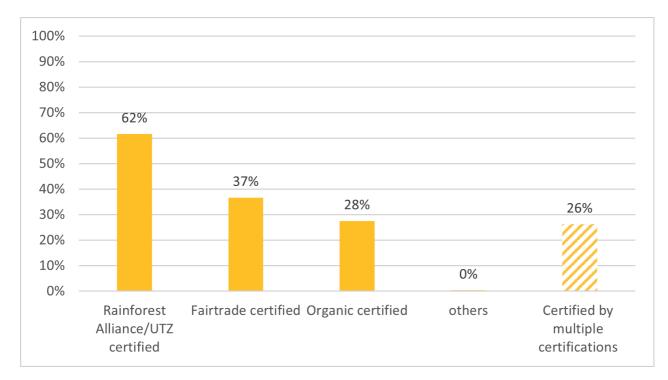


Fig. 4: Share of different certification schemes of total imports of certified cocoa products (in %). Source: Member survey on sourcing statistics.



Share based on different product categories

The share of sustainable imports varies significantly between the different cocoa product categories. Looking at the most relevant import product for Switzerland, cocoa beans (see figure 5), 99 % were sourced from sustainable production in 2023. The share of sustainably sourced cocoa paste/liquor remained high at 98 %. For cocoa powder, the share remained the same as 2021 and 2022, at 67 %.

The amount of sustainably sourced cocoa butter has increased by 13 % compared to 2022 and is now accounting for 69 %.

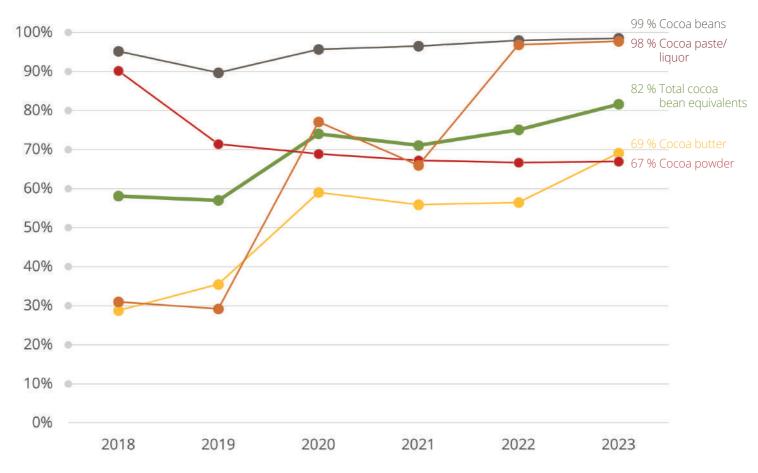


Fig. 5: Share of sustainably sourced cocoa bean equivalents for different product categories (in %). Source: Member survey on sourcing statistics.

Differences between companies

Significant differences can be observed when examining the share of sustainably produced cocoa imports among the various members of the Cocoa Platform. In 2023, 68 % of the members have already imported 80–100 % certified or verified cocoa bean equivalents, while 19 % of companies import less than 50 % sustainable cocoa products (see figure 6). The figure further shows that the total number of members with sustainable imports is increasing (with the exception of 2020), which means that more and more companies are committing to import 100 % sustainably sourced cocoa products by 2030.

Overall, the share of companies with lower shares of sustainable sourcing (brown and red colours) has decreased over the years.

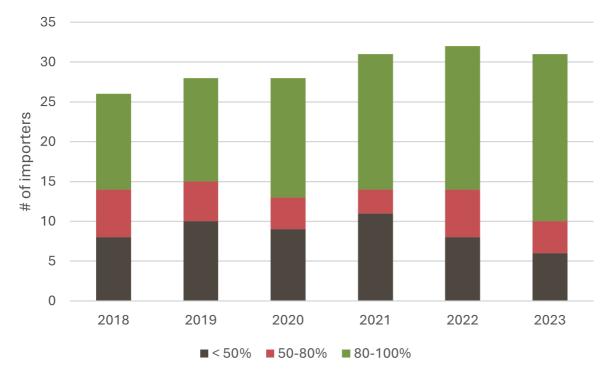


Fig. 6: Share of sustainably sourced cocoa bean equivalents of the 31 importing member companies that reported their sourcing data. However, as companies import different amounts of cocoa bean equivalents this increase does not automatically correlate with the overall increase in the total share of sustainable imports.

Summary of results 2023

In 2023, 82 % of cocoa bean equivalents imported into Switzerland were sourced from sustainable production. This result in 2023 represents a 7 % increase compared to the previous year.

99 % of the cocoa beans imported into Switzerland were from sustainable production. In the meantime, the amount of sustainably sourced cocoa butter has increased by 13 % compared to 2022 and is now accounting for 69 %.

95 % of all cocoa products imported into Switzerland are covered by SWISSCO members. This means that the share of missing data has decreased from 7 % in 2022 to 5 % in 2023.

The number of our members with high shares of sustainably produced imports is increasing. We have already achieved in 2023 our goal of importing 80 % sustainable cocoa into Switzerland by 2025. However, it is important to acknowledge that while company certification and verification programs are a significant step, broader collaborative efforts are necessary to effectively tackle the social and environmental challenges in cocoa-producing countries.

«We are faced with dilemmas that we cannot solve alone.»

What can a small and medium-sized enterprise (SME) do to improve in sustainability? Interview with the CEO of Maestrani Swiss Chocolates about his efforts and successes, and why the willingness of all those involved in a company to live sustainability is essential.

Christoph Birchler, Maestrani has had 100 % of its processed cocoa certified thanks to its collaboration with various sustainability labels. How did you proceed?

We are pioneers in the field of sustainable cocoa. Maestrani launched the first organic chocolate on the market back in 1987. Every cocoa bean processed at Maestrani has been certified since 2016. When I joined Maestrani just over three years ago, we looked at the issue as part of the new management team. We said to ourselves: the current certification is not strict enough for us, we want to go one step further. So we sought cooperation with Fairtrade Max Havelaar. And now we are one of the first branded goods manufacturers to use Fairtrade Max Havelaar or even more highly certified cocoa.

How is the collaboration with Fairtrade Max Havelaar working?

We have a very good and close cooperation with Fairtrade Max Havelaar. We made a conscious decision to work with a partner that has its structures at the source. According to our analysis, Fairtrade Max Havelaar is the organisation with the tightest network and the strictest guidelines. They are also very active on the ground. Last year, we met the people responsible for Max Havelaar in Peru. It turned out that there is a professional organisation behind it with people who have a common mission and try to do their best.

Maestrani wants to switch its entire brand range to its «All Natural» standard by 2026. What does this standard involve?

The «All Natural» initiative summarises four added sustainability values. Firstly, that our cocoa is 100 % Fairtrade certified. Secondly, we consciously avoid palm oil and use alternatives. Thirdly, all our «All Natural» products are based on 100 % natural ingredients. And fourthly, that we offset the CO₂ that we cannot reduce.

Additional programmes are needed to enable cocoa farmers to break out of the poverty trap. What is Maestrani doing to achieve the Cocoa Platform's goal of a living income?

Our journey towards greater sustainability is a gradual one, to constantly improve. Together with Fairtrade Max Havelaar, for example, we are setting up programmes in the countries of origin where we support regions or individual cooperatives. If we look at the situation in the cocoa-producing countries, the living conditions of cocoa farmers are still not good enough. But our current commitments via Fairtrade Max Havelaar are the best we can do at the moment. However, the discussion surrounding the raw materials crisis shows that our scope for influence as a small player is limited. We are not strong enough on our own to completely change the system so that the farm-gate price that cocoa farmers receive is enough to secure a living income.

That's why multi-stakeholder approaches such as the Cocoa Platform are important, where companies can network and learn from each other. What do you recommend to other members on their journey to greater sustainability?

It starts with recognising the major prevailing problems in the cocoa supply chain and trying to make the best of them. The exchange of expertise in associations and platforms is very important, especially for medium-sized companies: it is worth getting involved. The approach is right: we have to tackle the challenges together. We support each other and try to find solutions. Because we are faced with dilemmas that we cannot solve alone. To tackle these, however, we need broader support that goes beyond the Cocoa Platform: politicians, development aid, and the World Bank, but also we as representatives of the private sector can play an important role here.

Maestrani's sustainability strategy proves that SMEs can achieve greater sustainability even under the current difficult conditions. What can other SMEs do to achieve the goals that the Cocoa Platform has set itself?

The will of all those involved is essential. At Maestrani. I feel that the endeavours towards greater sustainability are a personal mission, because there are people behind the Maestrani family business and, as a family business, we don't have to justify ourselves to the stock exchange or a large number of shareholders. Owners, shareholders, and management are very personally connected – and that is one of the advantages of an SME. Both the owners and the management feel responsible for their actions and actively try to tackle these important sustainability issues and make something good out of them.

Over time, our attitude has developed into our strong commitment to sustainability. A lot of positive things can come from this: If there is a consensus that these issues are important, it is easier for management and individual managers to live sustainability. In this respect, it is therefore essential that we do not look away and fulfil our responsibility.



an exchange with cocoa farmers in Peru.

Christoph Birchler on

Why is sustainability important to you?

On the one hand, there are personal reasons: I have two children. They once came to me and asked: «Daddy, do children have to work for your chocolate?». I was able to answer with a clear conscience: «I do everything I can to prevent this». It is difficult to rule out child labour one hundred per cent, but I try to do my best.

A second reason is that I am convinced that we as a society should develop a positive idea of the future. We must be able to imagine a positive future: We are the generation that has the knowledge and the technologies to realise such a world. Now we have to tackle it.

The third reason is an entrepreneurial one: I believe that in the medium and long term, those brands that achieve a certain standard of sustainability will be favoured by consumers. The situation we have today is that consumers are already penalising those brands that neglect sustainability. Whether consumers will also honour those brands that make the extra effort in the future remains to be seen. However, I believe that in the long term, consumers will expect manufacturers to actively tackle the challenges of sustainability.

The interviewee

Christoph Birchler has been CEO of the 170-year-old family business Maestrani Swiss Chocolates in Flawil since November 2020. Birchler sees sustainability as his personal mission: under the motto «Fair Taste», he wants to sell enjoyable products that can be consumed with a good conscience. The business economist worked for Barilla Switzerland and France in various roles for more than 15 years. He is married and has two teenage sons.

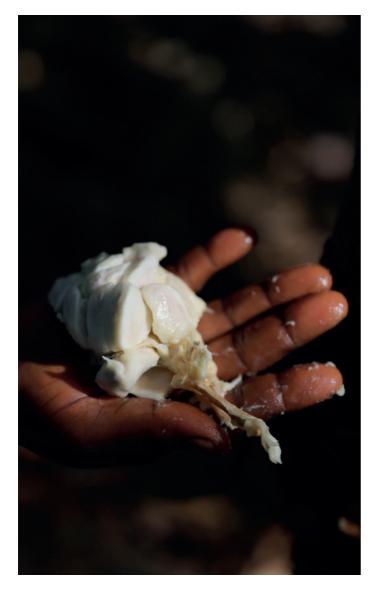
2.3. Towards a European cocoa sustainability monitoring system

The European National Initiatives on Sustainable Cocoa (ISCOs) made strides towards harmonising cocoa sustainability monitoring.

The Swiss Platform for Sustainable Cocoa is pleased to have contributed to the first publication of a joint Monitoring Brief of the ISCOs. Monitoring is pivotal in achieving the sustainability goals we have set for ourselves. SWISSCO's inclusion in the monitoring round in 2023 saw 19 of its member companies report on traceability, living income, deforestation-free supply chains, and combating child labour using common indicators. The ISCOs have identified the following key elements in their Joint Monitoring Brief:

Improving Supply Chain Transparency

Traders possess more origin data than retailers and manufacturers. Retailers often lack knowledge of cocoa origins due to ineffective information transfer or complexity in supply chains. The EU Deforestation Regulation (EUDR) is expected to prompt increased sharing of traceability data.



Common Understanding of Independently Verified Cocoa

In recent years the share of independently verified cocoa in company schemes among ISCO members has increased steadily. Currently, the ISCOs are collaborating to establish a shared understanding of what «independently-verified cocoa» means and which criteria apply.

Deforestation and the EUDR

Among ISCO members, only 25 % of cocoa meets the EU Deforestation Regulation's deforestation-free criteria. Members who are further ahead on their journey to greater sustainability show higher deforestation-free cocoa rates with robust environmental risk assessments. Full implementation of risk management and due diligence yields 75 % deforestation-free cocoa on average. The EUDR, effective from December 30, 2024, may significantly affect reporting in the next cycle as it requires companies to provide evidence of deforestation-free products.

Closing Cocoa Farmers' Income Gaps

ISCO members aim to close cocoa farmers' income gaps through living income strategies, but data quality and coverage must improve. Côte d'Ivoire shows better coverage than Ghana, with 44,204 tons compared to 2,458 tons where Living Income Reference Prices were paid. Intensified efforts are needed to address and report on closing living income gaps.

Improving Child Labour Monitoring and Remediation Systems

In 2022, Child Labour Monitoring and Remediation Systems (CLMRS) covered 751,794 households in Ivory Coast, Ghana, Cameroon, and Nigeria, identifying 106,620 cases of child labour, with 60.5 % receiving support. Data on follow-up visits and withdrawal rates were omitted due to reliability concerns. Inconsistent reporting underlines the need for ISCO members to boost wCLMRS effectiveness. Holistic approaches to tackle child labour and better impact measurement in monitoring systems are essential.

Access the <u>Joint Monitoring Brief</u> by scanning the QR code below:



3. NETWORK AND KNOWLEDGE EXCHANGE

The sustainability challenges in the cocoa sector are numerous and require collaborative efforts and innovative solutions. To achieve measurable impacts, members of the Cocoa Platform participate in internal member events and both working groups of the European Initiatives on Sustainable Cocoa (ISCOs). On the following pages, you will find an overview of our events in 2023.

> Practioner's Meeting on Monitoring, Evaluation and Learning & Gender April 5, 2023

The MEL Community of Practice convened to exchange experiences and expectations regarding SWISSCO's project monitoring and explore approaches like LandScale for measuring landscape-level impact.

ISCO Working Group Monitoring & Evaluation February 2, 2023

ISCO Working Group Living Income April 13, 2023

> ISCO Working Group Forests & Agroforestry April 20, 2023

ISCO Working Group Child labour March 23, 2023 Event Develop measures for the conservation of tropical forests June 28, 2023

SWISSCO General Assembly May 25, 2023

See page 18 for more information

The EU's Deforestation-Free Products Regulation addresses agricultural expansion's role in deforestation. SWISSCO convened stakeholders from various commodity sectors to outline actions.

ISCO Working Group Traceability & Transparency May 31, 2023 ISCO Working Group Monitoring & Evaluation October 5, 2023

ISCO Event on Child Labour & Landscape Approaches September 14, 2023

This first in-person ISCO Working Group Event addressed integrating child labour concerns into landscape approaches which can enhance collaboration, prevent child labour from transitioning to other sectors in the same landscape, and optimise resource use. Task Group Climate Meeting October 25, 2023

SWISSCO members met in the facilities of Lindt & Sprüngli to exchange their experiences and challenges with the Science Based Target Initiative's (SBTi) Net Zero and SBTs standards andassociated guidelines.

Practioner's Meeting on Monitoring, Evaluation & Learning November 2, 2023

Outcomes and learnings from the 2018–2022 SECO co-financed project cycle. Participants were asked to finetune the identified cross-project and crosscountry learnings. The results can be read in the <u>Learning Report</u>.

ISCO Working Group Living Income October 12, 2023

> ISCO Working Group Traceability & Transparency November 15, 2023

3.1. General Assembly 2023: «From Innovation to Scale»

The fifth General Assembly Meeting of the Swiss Platform for Sustainable Cocoa took place on May 25, 2023, and was co-hosted by Villars Maître Chocolatier.

Aligned with the ending of the SECO co-financed project cycle, focusing on innovative value chain projects, the 2023 General Assembly revolved around the topic of scalability of innovative approaches. The event featured insights from the Platform's members and partners, showcasing innovative approaches such as Koa's blockchain payment system, Delica AG's Frey Chocolate project, Elucid's initiatives for health services, and HALBA's agroforestry approach.

A dynamic panel discussion explored the intricacies of scaling such innovations, emphasising the need for corporate courage, engagement, and an enabling environment to foster scalability. The consensus echoed the belief that, with concerted efforts, scaling innovative approaches is not only possible but holds the key to sustainable growth in the cocoa industry and beyond. As SWISSCO government member, SECO enjoys privileged access to our peers in producing countries, which we can use in what we call «policy dialogue». The objective of such a dialogue is for the governments in partner countries to provide a policy environment that allows innovative initiatives to thrive and scale.

Martin Saladin, Head of Operations, Economic Cooperation and Development at SECO

The only way to improve the lives of farmers and tackle the challenges we face, especially regarding climate change, is through collaboration among all stakeholders: the industry, civil society, consumers, and most importantly, the farmers. Please, always talk to the farmers. Moreover, we need to share our success stories and failures to learn from each other what didn't work to improve in the future.

Barbora Tumova, Cocoa and Agroforestry Expert at FiBL



NETWORK AND KNOWLEDGE EXCHANGE

4. PROJECTS

Investments through projects in cocoa-producing countries are an important part of achieving the goals as outlined in our Roadmap 2030.

The Cocoa Platform manages and monitors funds from the State Secretariat for Economic Affairs (SECO) to cofinance projects of its members. So-called public-private partnerships are an effective means of mobilising and aligning resources. The collaboration with SECO allows us to make a real difference and to promote cooperation and shared learning.

SECO provides a total amount of CHF 13 million for the years 2023 to 2026. The three project financing programmes below promote sustainability along the cocoa supply chain:

- 1. Sustainable Sourcing Landscape Projects These projects encourage members to work with a variety of local actors and international organisations from different sectors to address challenges such as poverty, deforestation or child labour in one landscape or region.
- 2. Innovative Value Chain Projects These projects support innovative ventures that contribute to a sustainable cocoa sector and measurably improve the livelihoods of cocoa farming households.
- **3.** Peer Learning & Collaboration These projects foster peer learning, knowledge transfer, and common approaches through joint efforts among members and international partners.

By the end of 2023, our<u>website showcasing all our</u> projects got a makeover!

Now, you can easily filter projects by country and programme type. Try it out and scan the QR code below:



6

Landscape Projects in five countries: Ivory Coast, Ghana, Madagascar, Peru and Colombia

in XY countries

Innovative Value Chain Projects in four countries: Ghana, Peru, Togo and Dominican Republic

9

Peer Learning & Collaboration Projects and small actions

CHF 5.8 million

Contribution of SECO for the project cycle approved in 2023

41

Number of SWISSCO members involved in the new project cycle

4.1. Landscape Approaches: A Case Study of the Sambirano Valley

Landscape projects are the best way of developing an entire sourcing region sustainably. However, they are also complex because they involve a large number of stakeholders. In this interview, entrepreneur Philippe Mena, regional project coordinator Myrs Rasolofo and Helvetas Senior Advisor for Climate Change, Maya Wolfensberger, talk about the implementation of the project «Climate resilient cocoa landscape» in the Sambirano Valley in northern Madagascar.

What is the main objective of the «Climate resilient cocoa landscape» project?

Myrs Rasolofo: The aim is sustainable management of the landscape of the Sambirano Valley in collaboration with all our partners so that all the beneficiaries can benefit sustainably from the resources of the Valley.

The Sambirano Valley is directly affected by climate change. How is it manifesting itself?

Myrs Rasolofo: Climate change in the Sambirano Valley is mainly reflected in a longer dry period, more intense rainfall and a shorter rainy season. This has an impact on cocoa production: plots are flooded, cocoa trees suffer from water stress and are invaded by pests and diseases. All this leads to a long-term reduction in cocoa production.

Madagascar has lost around 44 % of its forest over the last 60 years. How can the project help protect the forest?

Myrs Rasolofo: To mitigate deforestation, the project aims to safeguard forests within protected areas. It provides support to the managers of these areas to

help them in their tasks. In collaboration with two organisations, we are working to limit farmers' access to these areas. In addition, the project is engaged in reforestation efforts to increase the forest area. These forests can take the form of agroforests, where cocoa trees are combined with other trees. We are also carrying out reforestation initiatives specifically dedicated to charcoal production, thereby increasing the supply of charcoal in the valley.

Philippe Mena: Madagascar has suffered a considerable loss of forest cover. However, this deforestation is not mainly attributable to cocoa cultivation. Instead, most of the deforestation is due to rice plantations, a basic food for the Malagasy people. This situation is the result of extreme poverty, which puts a great deal of pressure on the forests and biodiversity. Of course, it is impossible to totally exclude deforestation linked to cocoa plantations, but in my opinion, it remains fairly marginal. **Maya Wolfensberger:** It's also crucial to mention cannabis cultivation in protected areas, as this is a

major factor in deforestation in these areas. This problem is all the more worrying because cannabis growers are often well-armed, which poses security



View over the Sambirano Valley in northern Madagascar. In contrast to many past and current conservation and livelihood initiatives, the project «Climate resilient cocoa landscape» engages a wide variety of local interest groups.

PROJECTS

challenges for the project and the stakeholders involved. Avoiding deforestation in these protected areas is not a simple task.

Philippe Mena: As has already been mentioned, we have lost 44 % of our forest cover over the last 60 years. At the same time, our GDP has fallen by 50 % over the same period. There is certainly a correlation between these two phenomena. It is imperative to fight poverty while preserving the environment.

Maya Wolfensberger: I completely agree. We can also see, for example through the levels of deforestation, that during the pandemic, when poverty was even more prevalent, satellite images showed a significant increase in the rate of deforestation.

The *Comité de Gestion de Bassin Versant* (COGEBS) is considered to be the main local stakeholder in the project. This organisation is the only structure in the landscape that acts as an intermediary between the interests of the stakeholders involved. Can you give an example of a success story?

Myrs Rasolofo: As its name suggests, the COGEBS is a committee responsible for the management of the Sambirano basin. Its success lies in mobilising all the players involved. Before the COGEBS was set up, there was nobody capable of carrying out this function. Bringing these stakeholders together has enabled us to create a common vision for the whole area, which I believe is COGEBS's main success. Then there is grassroots community leadership, particularly for urgent actions such as protecting water sources. COGEBS is involved in everything that concerns the common interest, by organising meetings in the villages to find solutions to urgent problems, with the support of other stakeholders who are not directly involved in these incidents. In addition, COGEBS is lobbying at the regional level for greater involvement in the management of the basin. The region is prepared to contribute to the running of COGEBS. The committee also lobbies ministries for the conservation of the Sambirano basin. It acts as an interest group and puts pressure on local authorities to enforce environmental regulations at local level, protect at-risk areas and support reforestation.

What role does the private sector play in the landscape?

Philippe Mena: Our role is to guarantee a supply chain that complies with European legislation, in particular the Regulation on Deforestation Free Products (EUDR), while at the same time protecting the environment. We have been active in this field for over 15 years in collaboration with our Swiss partner, Max Felchlin AG. We focus not only on the environment but also on improving the purchasing power of our farmers. We place the farmer at the centre of our concerns, which necessarily includes environmental protection. The economic development of the communities in which we operate enables us to address the environmental aspects of the villages. One

concrete example is the supply of domestic energy. Our approach aims to reduce our farmers' expenditure, bearing in mind that charcoal accounts for up to 12 % of the family budget, which is a considerable amount. We are seeing beneficial effects on the forest. **Maya Wolfensberger:** The role of the private sector is to implement actions throughout the value chain, complementing the landscape approach, which encompasses a broad spectrum of interventions. The private sector acts as the driving force behind concrete actions at the farm level.

Philippe Mena: I couldn't agree more. We need the participation of as many stakeholders as possible to make progress in this direction.

Do I hear you saying that the private sector should be more involved in landscape projects?

Philippe Mena: Absolutely. Under European legislation, we are required to comply with these standards to protect the environment. Involving local stakeholders is essential, as it was done with COGEBS. This ensures that the project is sustainable. Many projects come to an end when the initiators leave. For the project to succeed, the involvement of local cooperatives and organisations is vital. I hope that we in the private sector are all moving in the same direction.

Myrs Rasolofo: The private sector, through businesses, guarantees a sustainable income and employment in the region. Without these businesses, there would be fewer jobs and less income. The role of the private sector is crucial to the sustainable development of the landscape.

What advice would you give to other members of the Swiss Platform for Sustainable Cocoa who want to set up a landscape project?

Myrs Rasolofo: A landscape project takes time. We are currently in the second cycle of the project. In the first cycle, we worked to involve the various stakeholders in developing a shared vision. That takes time. This is not a project that can be completed in one or two years. Getting people involved requires a lot of investment: time, discussion and leadership.

4.2. Unlocking Innovation: Learning Report

From 2018 to 2022, SWISSCO members partnered with SECO in public-private collaborations to pilot innovative ideas in the cocoa value chain. In 2023, a report that summarises the learnings was published.

Approximately CHF 26 million was invested in 15 innovative projects across Ghana, Ivory Coast, Peru, Colombia, Costa Rica, Togo, Uganda, and Madagascar, benefiting nearly 90,000 farming households. A variety of interventions were carried out, including cash transfers to combat child labour, health insurance offerings, traceability enhancements, income diversification initiatives, environmental payments, tailored support services, and dynamic agroforestry systems. At the end of 2023, the Cocoa Platform published a Learning Report. The most significant lessons learned from the projects were:

Towards a Living Income for cocoa farmers

Pricing plays a critical role in achieving a living income; low farm gate prices limit yield improvements. Diversification is key for resilience, but tailored support is necessary for female farmers facing unique challenges.

Agroforestry and Climate-smart agriculture

Engagement tailored to farmers' preferences enhances adoption; new financing models and regulatory clarity are crucial to enable a transition towards sustainable farming practices.

Transparency through Traceability Solutions

Bridging the technological gap requires skills empowerment; incentives and data management ensure traceability without compromising farmer privacy.

Addressing Child Labour

Cash transfers are effective in reducing child labour; predictive models aid intervention efficiency, but data collection and capacity building are essential for widespread use.

Financial Inclusion

Overcoming trust and technical barriers is key for mobile payment adoption; Village Savings and Loans Associations (VSLAs) empower women and foster local economic development, offering an alternative financial system for remote areas.

With the launch of the next SECO co-financed phase (2023–2026), focusing on landscape projects, the Cocoa Platform urges enhanced cross-sectoral coordination and collaboration, particularly in shared geographical areas.

Access the <u>Learning Report</u> by scanning the QR code below:





5. International Collaboration

5.1. Policy dialogue with cocoa-producing countries

In 2023, several missions of the Cocoa Platform to Ghana, Peru, Colombia, and Ivory Coast underscored the importance of partnership and policy dialogue with representatives from cocoa-producing countries.



Board Mission to Ghana

In March 2023, the first Board Mission to Ghana facilitated a powerful statement regarding Switzerland's commitment to promoting sustainability in cocoa. Discussions were held with Ghana civil society and company representatives.

A significant step in our policy dialogue with Ghana was the renewal of a Memorandum of Understanding (MoU) between the Swiss Ambassador to Ghana, Simone Giger, and the Chief Executive of the government body Ghana Cocoa Board (COCOBOD), Hon Joseph Boahen Aidoo during this Board mission. The renewal reaffirms our commitment to strengthening bilateral dialogue and collaboration in sustainable cocoa production. The MoU includes a detailed Joint Work Plan (see infobox on page 24).

Mission with CHOCOSUISSE to Ghana

In November 2023, a mission together with the Swiss Association of Swiss Chocolate Manufacturers CHOCOSUISSE focused on gaining insights into the implementation of the EU Deforestation Regulation (EUDR). The mission included an engagement with representatives of the innovative Koa factory that upcycles the cocoa pulp into fruit juice, and insights into traceability systems at COCOBOD and Cargill. Furthermore, the Cocoa Platform and COCOBOD signed a partnership agreement to jointly conduct a study on determining the living income of cocoa farmers.



Joint Work Plan with Ghana

Regarding the promotion of sustainable cocoa, Switzerland and Ghana have agreed to work together in these six areas:

Fighting Cocoa Swollen Shoot Disease (CSSV)

The Cocoa Research Institute of Ghana (CRIG) is testing a CSSV detection tool developed by SWISSCO member SwissDeCode.

Joint Study on Cocoa Farmers' Income

To define adequate strategies to achieve a living income for farmers, Ghana and Switzerland seek to reach a joint understanding of the context and possible solutions. That is why a study on farming household income was initiated in collaboration with COCOBOD.

Dynamic Agroforestry (DAF)

The Sankofa project, which prioritises DAF, has received significant interest from Ghanaian authorities. Knowledge exchange with CRIG researchers is ongoing, with steady progress evident in the CRIG demonstration plots at Tafo, aimed at enhancing resilient cocoa production and diversifying farmers' income. Establishing a DAF Centre of Excellence is being considered.

Tackling Child Labour

COCOBOD and the Ghana Ministry of Employment are interested in collaborating on a systemic approach to addressing child labour. A new landscape project, implemented by UNICEF and ICI with support of SWISSCO and SECO, was launched in March 2024.

National Cocoa Traceability System

Ghana is developing a national traceability system to comply with EU regulations. SWISSCO is exploring ways to support Ghana in this effort.

Health Insurance for Cocoa Farming Families

Building on the success of the Akwaaba pilot project implemented by SWISSCO members Felchlin and Elucid, similar health coverage aims to benefit other cocoa farmers. Following a comprehensive analysis, COCOBOD will oversee the project and engage partners.



Fighting Cocoa Diseases

The Cocoa Swollen Shoot Disease (CSSV) has spread in West Africa, causing significant crop losses. Combating this disease is a collaborative effort between cocoa producers and importing countries. SwissDeCode, a member of the Cocoa Platform, developed a rapid test for identifying asymptomatic, infected trees, aiding in disease containment.



Agroforestry: Ghana meets Bolivia

Sharing best practices in cocoa farming advances our cause. Thus, in July 2023, Ghanaian experts from COCOBOD, the Cocoa Research Institute of Ghana (CRIG) and the Cocoa Health and Extension Division (CHED) visited a research centre in Alto Beni (Bolivia) for a dynamic agroforestry course. The course aimed to strengthen ties between our Sankofa Project in Ghana and COCOBOD, providing insights into state-of-the-art agroforestry methods.

5.2 European Collaboration

The year 2023 was also full of inspiring exchanges on a European level. The European Initiatives for Sustainable Cocoa (ISCOs), which also include the Swiss Platform for Sustainable Cocoa, aim to coordinate their activities at both strategic and operational levels to make the best use of synergies and promote transnational knowledge sharing.

Together with our sister initiatives in Germany, Belgium, the Netherlands, and France, we organised several meetings: the so-called ISCO Working Groups that cover topics such as living income, child labour, forests & agroforestry, traceability & transparency, as well as monitoring & evaluation. Collaboration with the ISCOs has further strengthened throughout the year 2023. The joint working groups are well-attended, and members appreciate the exchange with European colleagues, as well as the efficiency and time savings achieved through consolidating the working groups at the European level.

However, the ISCO collaboration still has room for further alignment – especially regarding the ISCOs' overall vision. Therefore, a vision revision process will be initiated in 2024 to ensure that the partnership continues to evolve and effectively addresses the needs of the ISCO's members. This process aims to maximise synergies and efficiencies, ultimately enhancing the livelihood of cocoa farmers and the sustainability of the cocoa supply chain.



The first in-person ISCO Working Group Event in September 2023 in Geneva addressed integrating child labour concerns into landscape approaches.

6. ORGANISATION

The Swiss Platform for Sustainable Cocoa is a multi-stakeholder initiative organised as a non-profit association. Solutions are developed in a participatory process and decisions are made by our members at the General Assembly.

6.1 Structure of the association

The day-to-day business of the association is managed by the Coordination Office in Bern. It is responsible for the management of the activities, monitoring, reporting, and communication and constitutes the hub between the members, the board, the national and international partners and the public. The board, composed of an independent president and representatives of the member sectors, is entrusted with the strategic management of the association. Due to the large constituent size of their sector, the chocolate manufacturers and cocoa traders (sector A) are represented by two board members.

All members of the Cocoa Platform come together annually for the General Assembly. During the assembly, decisions are made by the full members (associated members have no voting rights); elections are held, and key players share their experiences and provide updates on the latest findings regarding selected topics.



Filippo Veglio

Head of Social & Environmental Sustainability UEFA

President



Urs Furrer

Director CHOCOSUISSE

Board member Sector A: Manufacturers and traders



Alessa Homann

West Europe Sustainability Business Development Manager Barry Callebaut

> Board member Sector A: Manufacturers and traders



Petra Heid

Head of Sustainability HALBA / Coop Group

Board member Sector B: Food retailers



Monica Rubiolo

Head of Trade Promotion State Secretariat for Economic Affairs SECO

> Board member Sector C: Public sector

(non-voting observer)



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Board member Sector D: Non-profit organisations



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Manager Monitoring

and Climate

Coordination Office



Nicoletta Lumaldo

Manager Innovation and Member Engagement

Coordination Office



Sophie Tüllmann

Manager International Partnerships

Coordination Office

ORGANISATION

6.2. Our members

The Swiss Platform for Sustainable Cocoa counted 93 members at the end of 2023. The members of the Platform are organised in six sectors: chocolate traders, manufacturers and importers; food retailers; the public sector (with the State Secretariat for Economic Affairs SECO as the only member); non-profit organisations; research institutions; and associated members (see figures 7 and 8). Each member sector represents a stakeholder group along the cocoa value chain. The associated members are international organisations that are active in the cocoa sector.

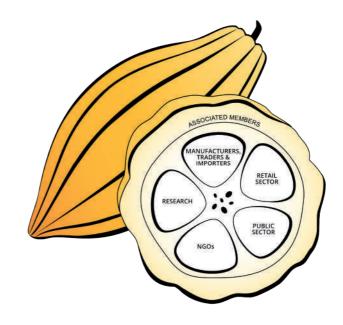


Fig. 7: The member sectors of SWISSCO each represent a stakeholder group along the cocoa value chain.

New members in 2023

The Swiss Platform for Sustainable Cocoa welcomed 11 new members in 2023, from all the different sectors. The Platform counted 93 members at the end of 2023: 81 full members and 12 associated members.

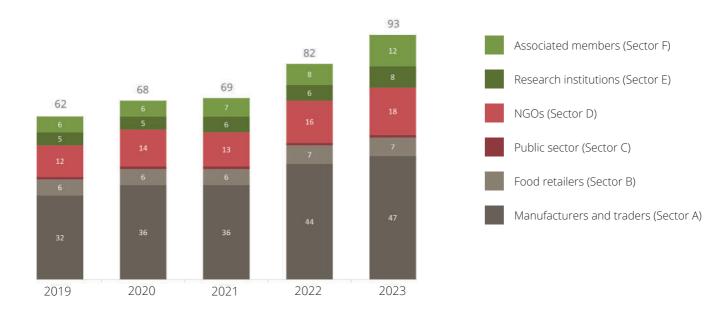


Fig. 8: Member growth and distribution by member sector since 2019.

Overview of the members of the Swiss Platform for Sustainable Cocoa



Sector B: Food retailers



ORGANISATION

Sector C: Public sector

Schweizerische Eidgenossenschaft Confédération suisse Confederazione Svizzera Confederaziun svizra Federal Department of Economic Affairs, Education and Research EAER State Secretariat for Economic Affairs SECO

Swiss Confederation

Sector D: Non-Governmental Organisations (NGOs)





idh

World Cocoa

Foundation

ORGANISATION

RCH

FRISCO

Elucid

Quantis

Forum Nachhaltiger Kakao

responsAbility

I am very confident that this will pave the way for other partners to emulate this approach in the implementation of their programmes and projects to support the child labour-free zone approach that harnesses the benefits of complementarity of efforts to achieve greater impact.

Ignatius Baffour Awuah

4

Ghana's Minister of Employment and Labour Relations, at the launch of three multi-stakeholder initiatives to end child labour

8. FINANCES

Balance sheet

Assets	CHF
Cash Bank EEK	324,393
Cash Bank Raiffeisen (Projects)	533,506
Receivables	44
Total assets	857,943

Liabilities	CHF
Payables	7,023
Other short-term liabilities	34,449
Accrued expenses and deferred income	535,000
Current liabilities	576,473
Capital	322,913
Surplus of the year	-41,442
Organisational capital	281,471
Total liabilities	857,943



Statement of operations

Income	CHF
Membership fees	273,486
SECO Contribution Office	200,000
SECO Contribution Projects (2023–2026)	275,000
SECO Contribution Remaining Funds (Projects 2018–2022)	98,398
Project support services by members	59,100
Total income	905,984

Expenditures	CHF
Staff costs	-450,124
Expenses Board	-24,000
Personnel expenses – office	-474,124
Office costs	-37,728
Communication	-12,870
External consulting services	-6,076
Events	-17,303
Logistics, general and travel expenses	-42,807
Other operating expenses – office	-116,783
Monitoring, impact measurement and information sharing	-61,659
Small Grant Facilities	-36,739
Innovative Value Chain Projects Fund (as of 2023)	-216,000
Peer Learning and Collaboration Fund (as of 2023)	-41,971
Other operating expenses – projects/peer learning network	-356,368
Total expenditures	-947,276
Operating result	-41,292
Financial income	-
Financial expenses	-150
Surplus of the year	-41,442

IMPRINT

Publisher

Swiss Platform for Sustainable Cocoa Gutenbergstrasse 14 3011 Bern Switzerland

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Design concept and layout

Selina Mostosi, <u>www.sm-art-polydesign.ch</u> Joël Frei

Auditor PwC Schweiz

Printer

bacher-onlinedruck.ch Climate neutral and printed on 100 % recycled paper.

Photographs

Dennis Nipah/SWISSCO/Fairpicture (cover image, pages 4, 9,14, 22, 31 & rear page) SWISSCO Coordination Office (pages 18, 23, 25, 26, 27, 32)

> The photographs on the following pages by courtesy of: Christoph Birchler/Maestrani Swiss Chocolates (page 13) Felana Rajaonarivelo/Helvetas (page 20) Lawrence Attipoe/International Trade Centre (page 20) Sanja Fabrio/SwissDecode (page 24)

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Swiss Platform for Sustainable Cocoa (SWISSCO): Annual Report 2023

Access our annual reports by clicking this link, which will lead you to our website, or scan the QR code below.



Who are we?

The Swiss Platform for Sustainable Cocoa (SWISSCO) is a multi-stakeholder initiative bringing together nearly 100 members from the cocoa value chain. These members include chocolate manufacturers and traders, retailers, NGOs, research institutions, and the Swiss Government, represented by the State Secretariat for Economic Affairs (SECO).

Together, our members account for more than 90% of Switzerland's cocoa imports. Our association aims to actively improve the living conditions of cocoa farmers, protect natural resources, and promote biodiversity in cocoa-producing countries.

Launched in 2017, the Cocoa Platform is financed by member fees and contributions from SECO to strengthen public-private partnerships. This funding enables the implementation of projects that drive real innovation in the sector and create tangible impact, thus linking the high-quality reputation of Swiss chocolate with sustainability.





