Chemical Management Policy Tony's Open Chain

Introduction

95% of the 1.56 million children working illegally in cocoa in Côte d'Ivoire and Ghana conduct dangerous work, like spraying pesticides and the number of children being exposed to pesticides has increased from 15% to 50% (NORC report, p. 78). Cocoa farmers suffer from health problems because of misuse of pesticides due to a lack of protective measures, such as insufficient protective equipment. Ecosystems and biodiversity are threatened by the overuse of pesticides which causes an environmental imbalance. Yet, the usage of pesticides can also help control pests and diseases in cocoa, which is an essential part of sustainable cocoa farming and protecting farmers' valuable crop. This shows the usage of pesticides in cocoa requires close attention and careful consideration which we conduct via Tony's Sourcing Principle 'Quality & Productivity'.

Policy objective

Tony's Open Chain (TOC) addresses the root cause of the issues in cocoa through responsible purchasing practices (Tony's 5 Sourcing Principles). Adhering to these principles ensures that TOC has full traceability, always pays a higher price, invests in strong farmers, nurtures long-term relationships with partner cooperatives, and is committed to quality and productivity. The aim of this policy is protect farmers and their families by avoiding/ reducing on-farm chemical use, ensuring safe use of agro-chemicals if these need to be applied and ensuring healthy and strong cocoa trees.

Scope and applicability

This policy aims to reducing on-farm chemical use for all farms in the TOC supply chain. All farmers are covered.

Key principles and values

Farmers cocoa harvest is a very important (if not only) income for farmers and it is therefore of key importance to reduce losses of cocoa due to pests and diseases. On the other hand, farmers' and their children's health and safety is equally important. TOC supports cooperatives and farmers in protecting their crop and protecting their health and safety.

Regulatory framework

Overall, the use of chemicals is limited, only occurring when it's strictly necessary. In these instances, all partner cooperatives adhere to Rainforest Alliance standards, irrespective of their certification status, whether they are Rainforest Alliance certified, Fairtrade certified, or both. We also work with one organically certified partner co-op where organic standards apply. The certification standards set out a

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list of banned and allowed substances, and outline measures to prevent and reduce the use of chemicals.

Measures outlined by the certification standards:

- The soil of the production area is not left exposed, it is protected by cover crops, crop residues or mulch.
- Measures are taken to prevent diseases and break disease cycles.
- Only allowed substances allowed may be used.
- Extremely toxic chemicals are banned (see the Fairtrade and/or RA banned list of agrochemicals).
- Measures are taken to respect the Maximum Residue Levels, pre-harvest intervals and to limit human exposure.
- Agrochemicals are used in a safe, effective and efficient way.
- Advanced measures for agrochemical management are in place to guarantee safe storage and use, thereby preventing human exposure to the substances
- Provide targeted financing to farmers and partner cooperatives.

For detailed reference: <u>SA-P-SD-9-V1.4-Rainforest-Alliance-Exceptional-Use-Policy.pdf</u>

Goals and targets

The goal is to have all children and farmers in the cocoa supply chain protected from exposure to hazardous agro-chemicals and have agrochemical use done exclusively by adult labourers with personal protective equipment. We are piloting an approach to see which natural alternatives (that are officially registered and permitted) are available and gauge the interest from farmers. Where natural crop protection is available, we sensitize on their availability and promote this approach to cooperatives and farmers.

Strategies and actions

In addition to meeting third party certification standards, TOC aims to have all farmers sensitized on safe use of crop protection, offer them professional and safe service of crop protection) via labour brigades.

We train farm coaches on integrated pests and disease management to reduce the need for chemical crop protection to a minimum. Where possible we promote natural crop protection. We work with CABI on a training for farm coaches / cooperative agronomists in the 2023-2024 crop year. We train and equip labour brigades to have crop protection application done solely with adult labour wearing personal protective equipment.

Promote healthy soils

Healthy soils help reduce or fully prevent the need for chemical fertilisers, pesticides or insecticides. On-farm composting of organic soil matter and cocoa pod shells is promoted in all farm development plans because it helps recycle nutrients (natural fertilisation) for cocoa trees which diminishes the need for fertilisers. Composting also supports a healthy soil microfauna which reduces the chances of pests and diseases to develop because the soil microfauna kills any harmful microbes therefore prevents other insects or pests from growing exponentially, which reduces the need for pesticides and insecticides. Additionally,

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hedges are planted, leaves and branches are spread out on slopes, and ridges of soil are created to prevent soil erosion.

Tree pruning and maintenance

To prevent fungal outbreaks and pest attacks and to maintain healthy cocoa trees, mature cocoa pods need to be harvested and cocoa trees must be well-pruned to create good aeration in the canopy and a lower humidity on the farm. Old and diseased cocoa trees should be removed from the plantation and replaced by young and healthy cocoa trees.

Use specialised labour

For tasks that require specific training or equipment, such as spraying agrochemicals or pruning cocoa trees, specialised labour groups are made available through centralised extension services organised by the partner cooperative.

Create good growing conditions for cocoa

Shade helps mimic natural and ideal conditions under which cocoa trees developed evolutionary and it makes sure the trees do not get continuous full sun exposure which makes cocoa trees susceptible to pests and diseases. The farm development plans outline a provision of 30% shade tree/native vegetation coverage per farm and we aim for 18 shade trees per hectare. Farmers are supported via the provision of free seedlings, as well as planting and maintenance assistance from the partner co-op. To prevent high humidity of the plantation and competition among cocoa trees, the optimal tree density and cocoa tree spacing is also mapped out in the farm development plans.

Enhance biodiversity

Biodiversity is a key natural factor to prevent the use of chemicals on cocoa farms. A wide variety of plant and tree species hosts different birds, animals and insects to keep a natural balance on the plantation and to prevent pests and diseases from growing exponentially. That's why the farm development plans include a recommendation to select at least six different shade tree species out of the 16 available species. On top of that, farmers usually plant many different fruit trees and other useful trees on their own accord. Tony's Open Chain aims to have 100% of our cocoa grown in an agroforestry setting with all farms at 18 shade trees per hectare, including a minimum of six species per farm, by 2025.

Monitoring and reporting

We monitor the presence of pests and diseases through our farm assessment and farm development plans (part of mandatory farm coaching for all farm(er)s. Through our labour brigades we monitor how many farmers have opted for safe crop protection.

Stakeholder engagement

We are in our first year of partnering with CABI, an NGO focusing on natural crop protection. (Crop health - CABI.org)

Capacity building and funding

All efforts to improve quality and productivity on cocoa farms that supply to TOC are supported by a co-op fee of €51/mt. On top of the co-op fee, TOC has invested

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in setting up co-op extension services, as well as shade tree nurseries at the co-ops in both Ghana and Côte d'Ivoire.

TOC funds and support

TOC supports the partnership with CABI on natural crop protection. TOC has three people dedicated to the Sourcing Principle 'Quality & Productivity', an expert agronomist in Amsterdam and one counterpart in each of the respective country teams in Ghana and Côte d'Ivoire.

Enforcement and compliance

Compliance with the applicable cocoa standards is conducted by third party audits.

Review and adaptation

We review our policy of chemical management and pesticides annually and adapt where necessary to new insights and changing conditions.

Conclusion

The TOC chemical management policy protects farmers and their families from exposure to agrochemicals. TOC works to protect farmers' cocoa harvest by reducing the need for agrochemicals over time and offers natural crop protection alternatives where available.