

February 9, 2024

2023 Achievement of Meiji Cocoa Support Program

Meiji Cocoa Support

Meiji Cocoa Support (MCS) is Meiji's original cocoa farmer support program started in 2006. In order to increase the sustainability of cocoa bean production, we visit the production areas and collaborate with various partners to solve the social issues such as improving the lives of farmers and preserving and restoring the local environment as well as technical support for improving the quality of cocoa beans. Furthermore, in order to maintain and promote these activities, we purchase cocoa beans at a premium price when procuring them.

Meiji Sustainable Cocoa Beans

"Meiji Sustainable Cocoa Beans" is cocoa beans produced in areas where farmer support is provided through MCS.

Sourcing Rate of Meiji Sustainable Cocoa Beans

Meiji aims to procure 100% of Meiji Sustainable Cocoa Beans by FYE 3/2027.

FYE 3/2021	FYE 3/2022	FYE 3/2023	FYE 3/2024 Target	FYE 3/2027 Target
40%	42%	62%	65% or more	100%

Activities of Meiji Cocoa Support

Meiji Cocoa Support has expanded to Africa, Central and South America, and Asia, and is currently operating in the following nine countries.

Africa	<ul style="list-style-type: none"> • Republic of Ghana • Republic of Madagascar
Latin America	<ul style="list-style-type: none"> • Federal Republic of Brazil • Dominican Republic • Republic of Ecuador • United Mexican States • Republic of Peru • Bolivarian Republic of Venezuela
Asia	<ul style="list-style-type: none"> • Socialist Republic of Vietnam

1. Establishing Traceability to the Farms

We consider traceability to be the most important factor in achieving sustainable cocoa sourcing, and is working to establish traceability to the farms for all suppliers by FYE 3/2027.

Country	FYE 3/2023	FYE 3/2022
Federal Republic of Brazil	100%	100%
Dominican Republic		
Republic of Ecuador		
United Mexican States		
Socialist Republic of Vietnam		
Republic of Ghana	52%	47%

2. Efforts to Eliminate Child Labor

We are gradually introducing a Child Labor Monitoring and Remediation Systems (CLMRS*) or equivalent system to all suppliers in order to aim for zero child labor.

STEP 1: Republic of Ghana by FYE 3/2027 ► STEP 2: Other suppliers by FYE 3/2031

*CLMRS is a child labor monitoring and remediation systems developed by the NPO "International Cocoa Initiative" aiming to eliminate child labor and forced labor in cocoa production areas. These systems identify, monitor, remediate and prevent cases of child labor.

Rate of CLMRS introduced*

Target	Oct. 2022 - Sep. 2023
Republic of Ghana	47.6%
All suppliers	36.7%

* Calculated from the amount of cocoa beans procured by the farmers who have introduced the system.

<Achievements in Republic of Ghana>

CLMRS	Oct. 2022 - Sep. 2023
Covered by CLMRS (# of farmers)	5,460
Child labor cases identified (# of cases)	650
Thereof remediated (# of children)	650

3. Efforts against Deforestation

We are taking action to ascertain the actual conditions of all suppliers' farms by mapping with GPS,

and strive to conserve and restore forests in order to aim for deforestation.

STEP 1: Republic of Ghana by FYE2026 ► STEP 2: Other suppliers by FYE2030

Rate of ascertaining actual conditions through GPS mapping*

Target	Oct. 2022 - Sep. 2023
Republic of Ghana	54.9%
All suppliers	57.5%

* Calculated from the amount of cocoa beans procured by the farmers who have introduced the system.

<Achievements in Republic of Ghana>

(1) Education

Based on the concept of the Cocoa & Forests Initiative, we provide information and education on forest protection, restoration and on agricultural production process management to the farmers.

	Oct. 2022 - Sep. 2023
Training on Climate Smart Cocoa (# of farmers)	4,495
GAP (Good Agricultural Practice) training (# of farmers)	3,704

(2) Monitoring on Deforestation

In cooperation with the local partners, we are monitoring whether the farms we procure are involved in deforestation through GPS mapping and on-site surveys.

	Oct. 2022 - Sep. 2023
Covered by GPS mapping (# of farmers)	5,365
Located in protected areas (# of farms)	54
Thereof in the process of remediation and removed from supply chain (# of farmers)	54

(3) Forest Conservation

With the aim of maintaining and restoring the forest and ecosystems in cocoa farms and surrounding areas, we distribute various seedlings to help protect cocoa trees and improve farmland soil.

	Total	Oct. 2021 - Sep. 2022
Multipurpose trees	124,680	2,000
Cocoa seedlings	231,684	—
Vegetable seedlings	100,000	—
Shade trees	25,500	15,000

4. Agroforestry Farming <Federal Republic of Brazil>

Since 2009, Meiji has been working on "Agroforestry" to create forests with cocoa farmers in Tomé-Açu, Brazil, who conduct joint quality research on cocoa beans. This enables sustainable production, which is difficult with monoculture, as well as the harvesting of crops other than cocoa leading to a stable income.

Click here for the details of agroforestry:

https://www.meiji.com/global/sustainability/cocoa/forest_protection/

5. Together with Local Communities

By working together with the local communities to solve the problems faced by the people of cocoa production areas, we hope all people involved in cocoa, including those who live in the region and the region itself, can lead a sustainable life. For that reason, we always stay close to the people in the production areas and provide support that leads to improved living, productivity, and profitability according to the actual situation at the time.

Click here for the details of the activities by region:

<https://www.meiji.com/global/sustainability/cocoa/mcs/>

(1) Distribution of Cocoa Seedlings

Country	Cumulative total since start	Achievements for the recent 3 years		
		FYE 3/2023	FYE 3/2022	FYE 3/2021
Bolivarian Republic of Venezuela	170,380	25,750	26,000	29,900
Socialist Republic of Vietnam	7,000	7,000	—	—
United Mexican States	7,500	—	—	—

(2) Distribution of Fertilizer

Country	Cumulative total since start	Achievements for the recent 3 years		
		FYE 3/2023	FYE 3/2022	FYE 3/2021
Federal Republic of Brazil	20,298	2,340	860	5,127

(3) Free Lending of Agricultural Equipment (Tool Bank)

In 2017 and 2019, in collaboration with exporters, we established the "Cocoa Agricultural Tool Bank" and maintain at the Peruvian cocoa bean collection station. This allows cocoa farmers to borrow agricultural equipment for pruning, weeding, and pesticide application free of charge.

(4) Technical Support for Fermentation Methods

To bring out the characteristic flavor of cocoa, the variety, fermentation, and drying process are important. We donate cocoa fermentation boxes to produce high-quality cocoa beans using Meiji's proprietary fermentation method suitable for the cocoa-producing area in the region. Through continuous activities, we support farmers in terms of technology and profits.

Country	Cumulative total since start	Achievements for the recent 3 years		
		FYE 3/2023	FYE 3/2022	FYE 3/2021
Republic of Peru	51	16	6	5
Bolivarian Republic of Venezuela	25	5	5	5

(5) Support of Farm Work

We provide agricultural equipment and protective clothing to improve work efficiency and reduce exposure to pesticides at farms.

Country	Provided equipment	Cumulative total since start	Achievements for the recent 3 years		
			FYE 3/2023	FYE 3/2022	FYE 3/2021
Republic of Ecuador	Pruning machine	29	7	—	—
	Pruning tool set (Saws, Scissors etc.)	86 sets	—	86 sets	—
	Weeding machine	27	12	—	—
	Protective clothing	630	—	—	370

(6) Recyclable Waste Sorting Boxes

In the Dominican Republic, environmental degradation has become a problem in areas where the government's garbage collection service is not perfect. In order to support building the local recycling system for recyclable waste in the surroundings of cocoa growing areas, we have

promoted environmental education for the residents and provided recyclable waste sorting boxes. These activities have raised the awareness of local residents and improved the environment of cocoa farms and surrounding areas.

Country	Cumulative total since start	Achievements for the recent 3 years		
		FYE 3/2023	FYE 3/2022	FYE 3/2021
Dominican Republic	132	36	60	36

(7) Chocolate Classes / Art Classes

In Ghana, we hold "chocolate class" for the children in Ghanaian villages to learn about cocoa, and to make chocolate by hand using the cocoa harvested in their own village. In addition, we hold "art class" where students can use paints and crayons to draw pictures and make handicrafts on the theme of cocoa, in an attempt to raise their interest in cocoa. Through these activities, we provide opportunities to deepen understanding of the attractiveness and value of cocoa, as well as the importance of cocoa farming.

(8) Empower Farmers by VSLA

VSLA is a Village Savings and Loan Association set up and operated by farmers in communities where access to the services of banks and microfinance is difficult. Farmers in Ghana form their own groups and manage the members' savings and loans. Members can use the borrowed funds to purchase agricultural materials, start a new business, or raise their children. In addition, regular meetings are held to discuss matters such as money management, helping to strengthen mutual understanding and solidarity among members. In this way, we also support the self-reliance of the farmers and the communities.

VSLA	Oct. 2022 - Sep. 2023	Oct. 2021 - Sep. 2022
The number of VSLA newly established	5	2
The number of VSLA participants	106	60
Thereof women	69	41
The amount saved	GHS 35,136	GHS 18,725
Amount used for loans from savings	GHS 11,175	GHS 16,350

(GHS = Ghana Cedi)