

January 30, 2023

Meiji Cocoa Support Program

Meiji Cocoa Support (MCS)

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 (KPI)

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

FYE 3/2021	FYE 3/2022	FYE 3/2023 Forecast	FYE 3/2024 Target	FYE 3/2027 Target
40%	42%	approx. 63%	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. Promoting 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 farms for all the producing areas.

Country	Status
Federal Republic of Brazil	Traceability to the farms: 100%
Dominican Republic	
Republic of Ecuador	
United Mexican States	
Socialist Republic of Vietnam	
Republic of Ghana	Farmer profiling: 4,743
	Farm mapping: 4,585

(From October 2021 to September 2022)

2. Efforts to Eliminate Child Labor <Republic of Ghana>

In Ghana, where the risk of child labor is said to be high, we are gradually introducing a Child Labor Monitoring and Remediation Systems (CLMRS*) and other measures to eliminate it.

*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.

Child labor Household Monitoring (# of households)	3,629
Child labor cases identified (# of cases)	20
Thereof in the process of remediation	15
Thereof remediated	5

(From October 2021 to September 2022)

3. Efforts against Deforestation <Republic of Ghana>

We are taking action to end deforestation and promote forest restoration and protection in the cocoa growing areas.

(1) Education

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

farmers.

Training on Climate Smart Cocoa (# of farmers)	3,221
GAP (Good Agricultural Practice) training (# of farmers)	3,883

(From October 2021 to September 2022)

(2) Monitoring on Deforestation

In cooperation with the local partners, we are monitoring whether the farms we procure are involved in deforestation through mapping and on-site surveys. If any farms are found to be violating on forest reserves, we remove them from our supply chain.

Farm mapping and visit survey (# of farmers)	4,585
Located in protected areas (# of farms)	43
Located in protected areas (# of farmers)	36
Thereof farmers sanctioned (# of farmers)	28

(From October 2021 to September 2022)

(3) Forest Conservation

With the aim of maintaining and restoring the forest and ecosystems in cocoa farms and surrounding areas, we distribute various seedlings and fertilizers 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>

The production of cocoa faces serious social issues such as destruction of natural environment and loss of biodiversity through deforestation. For more than 10 years, Meiji has been working on "Agroforestry Farming method" to create forests with cocoa farmers in Tomé-Açu, Brazil, who conduct 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.

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/sustainable-sourcing.html>

(1) Distribution of Cocoa Seedlings

We establish seedling centers near the cocoa farm and distribute high-quality seedlings to the farmers in the area.

	Total	FYE 3/2022	FYE 3/2021	FYE 3/2020
Bolivarian Republic of Venezuela	144,630	26,000	29,900	39,780
United Mexican States	7,500	—	—	—

(2) Distribution of Fertilizer

	Total	FYE 3/2022	FYE 3/2021	FYE 3/2020
Federal Republic of Brazil	17,958	860	5,127	3,060

(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 purchasing point. 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 both technology and profits.

	Total	FYE 3/2022	FYE 3/2021	FYE 3/2020
Republic of Peru	35	6	5	—

Bolivarian Republic of Venezuela	20	5	5	—
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(5) Support of Farm Work

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

		Total	FYE 3/2022	FYE 3/2021	FYE 3/2020
Republic of Ecuador	Pruning machine	22	—	—	22
	Pruning tool set (Saws, Scissors etc.)	86 sets	86 sets	—	—
	Weeding machine	15	—	—	15
	Protective clothing	630	—	370	—

(6) Recyclable Waste Sorting Boxes

We provide recyclable waste sorting boxes to improve the farm environments and build local recycling systems.

	Total	FYE 3/2022	FYE 3/2021
Dominican Republic	96	60	36

(7) Chocolate Classes / Art Classes

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 <Republic of Ghana>

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 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.

The number of VSLA newly established	2
The number of VSLA participants	60
 Thereof women	41
The amount saved	EUR 2,340
Amount used for loans from savings	EUR 2,044

(From October 2021 to September 2022)