



ETG ACTION PLAN (ESAP) AND ASSOCIATED TARGETS

ETG is committed to sourcing cocoa from traceable and NDPE-compliant supply chains by 2025, implementing an inclusive landscape approach to drive impact. In the first year of &Green's investment, ETG will focus on establishing a framework for designing landscape-based interventions to address NDPE-related risks in sourcing regions where they are the highest. By 2025, ETG will utilize this framework to select the high-risk landscapes it will focus on, develop tailored sustainability programs, and set outcome and impact targets in alignment with &Green's MRV framework. Concurrently, ETG will work on achieving farm-level traceability and NDPE compliance for the cocoa it is currently sourcing conventionally to cover 100% of its supply chain by the end of 2025.

Additionally, ETG is dedicated to enhancing its E&S performance in its sourcing and exporting operations in Ivory Coast by implementing the IFC Performance Standards at a local level. In the first two years, ETG will prioritize addressing the most urgent risks – mainly related to health and safety – associated with its own warehousing operations, as well as with subcontractors and cooperatives. By 2026, ETG aims to achieving full compliance with the IFC PS, by adapting the group ESMS to the local context of its Ivory Coast operations.

ETG's commitments are described in the ESAP as:

- A.** Strategic items related to supply chain and Organisational Health and Safety practices associated with its cocoa operations in Ivory Coast which contain description of the milestones and respective timelines.
- B.** Environmental and social returns, expected to result from the implementation of the strategic items of this ESAP, with quantitative targets and respective timelines; and
- C.** Improvements in the management E&S risks associated to ETG-Nutrisco's operations in Ivory Coast, expected to be implemented by ETG in order to achieve compliance with IFC Performance Standards, within 3 years of the start of the loan period.

ETG will report its progress of ESAP implementation using the template to be provided by &Green (as an annex to the contract).

The frequency and the scope are provided below:

REPORTING SCOPE	2024 – 2025	2026 FORWARD
A. Progress on implementation of the strategic items, as per Table 1	2 per year: Self-report by ETG ("E&S progress report"), and Annual independent verification ("E&S Verification Report")	Annual independent verification
B. Monitored figures of environmental and social return targets	Annual independent verification ("E&S Verification Report")	Annual independent verification
C. IFC Performance Standards compliance	Annual independent verification ("E&S Verification Report")	Annual independent verification



Definitions

The following definitions will apply:

Baseline: a reference against which any future changes associated with a project can be assessed and offer information for subsequent monitoring of biodiversity performance. This reference serves the basis of comparison for setting and achieving targets.

[Cocoa Sourcing Guidelines]: a policy that covers NDPE principles (i.e. Deforestation-free, No Peatland Degradation and Exploitation-free commodity production and sourcing) and commits to establish a 100% farm-level traceability and NDPE compliance in Cocoa, Ivory Coast by YE 2025.

Compliance target date: date by which ETG must demonstrate compliance against the commitments of its Cocoa Sourcing Guidelines.

Cut-off date (related to deforestation-free commitments): the date after which deforestation renders a given area or production unit non-compliant with deforestation-free commitment. For commodities sourced by ETG from the areas located in Ivory Coast, the cut-off date is 2020, or earlier.

Deforestation: loss of forest cover as a result of: i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; iii) severe and sustained degradation.

Deforestation-free: ETG can demonstrate through independent verification that cocoa purchased by the company comes from production areas that are compliant with ETG's [Cocoa Sourcing Guidelines] (revised version approved by &Green). An overall margin of 5% non-compliance of the total volume of cocoa purchased from suppliers is considered acceptable in a given period of reference.

Disclosure: all annual third-party verification reports will be disclosed on &Green's website.

Forest (as per national definition¹): any land constituting a dynamic and heterogeneous environment, excluding plant formations resulting from agricultural activities, with a minimum area of 0.1-hectare bearing trees whose crown covers at least 30% of the surface and which can reach a minimum height of 5 meters when mature.

Minimal level of deforestation: a small amount of deforestation that is negligible in the context of a given site because of its small area and because it does not significantly affect the conservation values of natural ecosystems and services. Minimal levels of deforestation at the site scale do not necessarily violate deforestation-free commitments².

NDPE-compliance: In compliance with Cocoa Sourcing Guidelines.

NDPE-risk: Risk of non-compliance with the Cocoa Sourcing Guidelines.

No Exploitation of People and Local Communities: Respect of human rights and support the Universal Declaration of Human Rights.

Production area: clearly delineated part of a rural property used for cocoa production.

¹ [FREL](#) (2017).

² In accordance with the definition set by the Accountability Framework Initiative (Afi)



Remediation and remedy: the process of providing remedies for a negative impact and the substantive outcomes that can counteract, or make good, the negative impact. These outcomes may take a range of forms such as apologies, restitution, rehabilitation, restoration, financial or non-financial compensation, as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition.

Restoration: the process of assisting the recovery of an ecosystem, and its associated conservation values, that has been degraded, damaged, or destroyed. The most appropriate restoration method as well as monitoring criteria to verify restoration progress will be defined as a part of the &Green MRV protocol.

Sourcing landscape: Estimated area over which ETG exerts influence on production practices, based on supply chain management activities (including actions associated with sourcing operations and sustainability programs).

Suppliers: suppliers (individual and/or aggregate) from whom ETG purchased cocoa, in Ivory Coast, in the period of reference.

- Direct supplier: A supplier which has a direct business relationship with the ETG (also referred to as a first-tier supplier).
- Indirect supplier: A supplier which does not have a direct business relationship with the ETG and provides a product or service through a direct supplier (also referred to as a second-tier supplier) or more middle entities involved (third-tier supplier).

Indirect supply chain: Supply chain for which ETG purchases cocoa from intermediates such as local exporters and local traders, with whom ETG contracts to purchase cocoa, in Ivory Coast, who are themselves buying cocoa from farmers or cooperatives.

Direct supply chain: Supply chain in which ETG purchases cocoa from cooperatives, with whom ETG contracts to purchase cocoa, in Ivory Coast.

Traceability: The ability to follow a product or its components through stages of the supply chain (e.g., production, processing, manufacturing, and distribution).

Reporting period: The reporting period is the time from the Report Start Date to the Report End Date. For &Green, this is respective calendar year.



STRATEGIC ACTIONS

The action plan as per Table 1 contains the contractually binding targets with expected deliverables, due dates, and verification methods.

Table 1. Strategic targets on supplier management and OHS practices

SYSTEM CHANGES	TARGETS	DUE DATE	VERIFICATION DURING THE LOAN PERIOD
1. Sustainable supply chain management: Adopting a landscape-based approach.	1a. Update Cocoa Sourcing Guidelines that captures NDPE commitments, scope of applicability, definitions, cut-off dates, exclusion list and compliance target date.	03/2024	1 st verification: Guidelines reflect &Green's NDPE and the terms included in the ESAP to the satisfaction of &Green, which will not be unreasonably withheld. Annual verification: Guidelines are implemented.
	1b. Develop a risk map covering NDPE risks associated with the supply chain (based on the updated Cocoa Sourcing Guidelines).	04/2024	1 st verification: check if the developed risk map captures NDPE risks. Annual verifications: check if the risk map is consistently updated and fully integrated in the supply chain management.
	1c. Establish a GIS-based platform to monitor the NDPE compliance of suppliers. Required features: <ul style="list-style-type: none"> - 100% Farm-level geo-spatial information of supply chain, collected by ETG, or if appropriate using CCC's national traceability system. - Forest monitoring of supply chain and in the sourcing landscapes, compatible with GlobalForestWatch Pro monitoring system. - GIS layer with internationally protected areas such as KBAs based on The World Database of Key Biodiversity Areas. - GIS layer with child labour risks information, collected by ETG through ICI-aligned Child Labour Monitoring and Remediation Systems (CLMRS) and categorised at community level. 	12/2025	1st verification: check if the system is operational, contains all the required features and has all necessary technical documentation. Annual verifications: check if the monitoring process and system are fully embedded in the supply management process.
	1.d. Develop guidelines for applying a landscape-based approach to manage NDPE risks associated with the supply chain. Features should include: <ul style="list-style-type: none"> - Technical specification of sourcing landscapes (including for setting boundaries) - Methodology for classifying sourcing landscapes based on risk levels using the risk map/GIS-based platform (including criteria, weights, thresholds, etc.) - Methodology for developing risk-mitigation program(s) for the sourcing landscapes with high NDPE risk, leveraging certification schemes, client's targets and existing pre-competitive initiatives. - MRV framework for setting targets and assessing performance a farm- and landscape-level, consistent with &Green's MRV requirements. 	09/2024	1 st verification: check if the guidelines contain all the features required in the ESAP and leads to designing effective risk-mitigation programs for addressing deforestation-risk, child labour-risk and improving the livelihood of farming communities. Annual verification: check if the guidelines are adopted and fully integrated in the supply chain management.



SYSTEM CHANGES	TARGETS	DUE DATE	VERIFICATION DURING THE LOAN PERIOD
	1e. Develop and roll out risk-mitigation program for the sourcing landscapes with high NDPE risk. Features of the program should include interventions, targets, milestones, and baselines indicators.	03/2025	1 st verification: check if the program design can contribute to the effective risk mitigation, sets appropriate targets based on &Green MRV requirements and is supported by all necessary documents for implementation. Annual verification: check if the program is being implemented.
2. Sustainable supply chain management: increasing compliance of 3 rd party suppliers.	2a. Develop and roll out standard operating procedures (SOP) for strengthening the performance of 3 rd party suppliers (local exporters and traders) with respect to ensuring traceability and NDPE-compliance of their supply chain.	12/2024	1 st verification: SOP contributes to achieving 100% farm-level traceability and NDPE compliance of indirect supply chains. Annual verifications: SOP is implemented.
	2b. Achieve and maintain traceability and NDPE compliance of the 100% of the cocoa sourced at farm-level.	12/2025	All verifications: check the consistency of the process and results.
3. E&S performance: Improving OHS practices in the cocoa value chain.	3a. Implement 'EHS Insight' program across ETG's Nutrisco operations in Ivory Coast, including at a minimum of the following modules: Audit management, CAPA, Compliance Tasks, Incident Management, Work hours, Training record and Safe operating procedures.	12/2024	All verifications: key modules related to OHS practices are consistently implemented and evidenced.
	3b. Develop and enforce E&S requirements for contractors performing export, warehousing, and transport services for ETG operations in Ivory Coast to mitigate potential OHS risk (either newly developed or based on the existing group-level CoC).	06/2025	1 st verification: E&S requirements are aligned with IFC PS 2 and contribute to mitigation of OHS risks at contractor's level All verification: E&S requirements are enforced.
	3c. Develop and roll out an internal audit procedure for the cooperatives ETG sources from. This should include checklists with consistent criteria for work safety, pesticide use, use of security and armed forced.	12/2025	1 st verification: Internal audit procedure for cooperatives contribute to mitigating health and safety risks associated to handling of harmful pesticides, misuse of security and armed forced and road accidents. All verification: E&S requirements are enforced.



ENVIRONMENTAL AND SOCIAL RETURNS

ETG commits to achieve expected environmental and social returns through implementation of the ESAP. The quantitative targets related to the ESAP items are presented in Table 2. The targets included in brackets are subject of change and will be set following the development ETG's landscape-based approach (item 1e). The framework to monitor, report and verify the KPIs is provided in the MRV framework (supporting annex), which further details the breakdown of each KPIs and targets.

Table 2. ESAP: Targets on Environmental and Social Returns

KPI	TARGET	UNIT	BSL 2023	2024	2025	2026	2027	2028	2029	2030
1A. Forest Conserved	Strengthen the protection of forested areas, through community-based interventions.	ha	0	0	0	[80,967]	[80,967]	[80,967]	[80,967]	[80,967]
1B. Forest Restored	Restore forest areas through community-based interventions.	ha /year	0	N/A	N/A	[165]	[165]	[165]	[165]	[165]
2. Sustainable Intensification	Support the intensification of cocoa farms, either through extension services (i.e., certification training, agroforestry training, or other).	ha /year	128,343	128,343	128,343	[128,343]	[128,343]	[128,343]	[128,343]	[128,343]
3. Social inclusion	Support the inclusion and livelihood of farmers, through extension services (i.e., certification training, NDPE sensitisation, VSLA, or other).	Number of farmers reached/ year	48,150	48,150	48,150	[48,150]	[48,150]	[48,150]	[48,150]	[48,150]



COMPLIANCE WITH IFC PERFORMANCE STANDARDS

ETG commits to increasing its IFC PS compliance levels year on year and achieve a minimum of 90% compliance with all applicable Performance Standards three years after signing the loan agreement, for ETG’s Nutrisco’s operations, in Ivory Coast. Other recommended actions, derived from IBIS’s IFC PS gaps assessment, are provided in the IFC PS Compliance Matrix (version Nov_2023), and serve as a guidance to the company in its compliance processes.

ETG will provide annual review reports for the year 2024 submitted to its Lenders and share specific deliverables applicable to Group level and relevant to the Nutrisco’s operations in Ivory Coast. From 2025 onwards, an &Green independent verification will be carried out annually until the end of the loan period. As a result, the 2024 E&S independent verification (expected in the first HY2025) will comprise of an updated review of ETG’s compliance against the IFC PS, resulting in an updated IFC PS compliance matrix.

Table 3. ESAP: Targets on IFC PS Compliance

THEME	TARGET	2024-2025	2026	2027	2028	2029	2030	20231
IFC PS1: ESMS	90% by year 2026	Not specified	90%	90%	90%	90%	90%	90%
IFC PS2: Health, safety, labour	90% by year 2026	Not specified	90%	90%	90%	90%	90%	90%
IFC PS3: Water, air, land	90% by year 2026	Not specified	90%	90%	90%	90%	90%	90%
IFC PS4: Communities	90% by year 2026	Not specified	90%	90%	90%	90%	90%	90%
IFC PS5: Displacement	90% by year 2026	Not specified	90%	90%	90%	90%	90%	90%
IFC PS6: Biodiversity	90% by year 2026	Not specified	90%	90%	90%	90%	90%	90%
IFC PS7: Indigenous Peoples	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
IFC PS8: Cultural Heritage	90% by year 2026	Not specified	90%	90%	90%	90%	90%	90%