

OUR COCOA

REPORT 2023

Our principles, programmes and
our own production

The Ritter Sport logo is a white square with a thin gold border. It contains the word "Ritter" in a blue, stylized script font, and the word "SPORT" in a blue, bold, sans-serif font below it.

**Ritter
SPORT**

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WITH FAIR- NESS, TRUST AND RESPECT



Cocoa farming in an agroforestry system on El Cacao

OUR PATH TO A TRANSPARENT SUPPLY CHAIN

Our passion is really good chocolate. For which we need high-quality cocoa. We are firmly of the opinion that we can only source good cocoa when the people who grow it live good lives.

That is why we assume responsibility – for the entire supply chain: from cocoa growing to the finished product.

For more than 30 years, we have been promoting sustainable cocoa farming. This is a win-win situation for both sides: for us as a chocolate manufacturer in Germany and for the people in the countries where our cocoa is grown.

Our goal is transparent supply chains. Only when we know where our cocoa comes from and by whom it is grown can we apply effective measures locally to improve social, economic and ecological conditions over the long term.

This report documents what we do within the scope of our cocoa programmes in the various countries of origin, what we have achieved to date, and what our next goals are. We clarify the principles we apply when sourcing cocoa and present some of the people who grow this cocoa for us. As well as the team responsible for every aspect of cocoa in our company.



OUR PRINCIPLES OF COCOA SOURCING

We align our actions towards these principles*. They do not outline what we have already achieved and go further than purely operative goals. Even if we do everything we can, realisation thereof depends on many factors and everyone involved along the entire supply chain.

ONLY THE VERY BEST QUALITY

Our cocoa is permanently improved by continuous quality control and feedback mechanisms right back to the source. It has a characteristic flavour profile and is a prerequisite for us for delicious chocolate.

NO ILLEGAL CHILD LABOUR

There must not be any abusive forms of child labour or other forms of forced labour in our supply chain.

FAIR CONDITIONS FOR EVERYONE

We create sustainable economic partnerships with cocoa producers, their organisations and everyone involved in the supply chain.

PROTECTION OF THE RAINFOREST

No forest may be destroyed for our cocoa.

CLIMATE-FRIENDLY COCOA FARMING

We establish sustainable growing systems such as the agroforestry system which promote the conservation of natural resources and development thereof.

*See also Ritter Sport Commitment for sustainable cocoa farming, page 58

OUR SUPPLY CHAINS –

AS SHORT AND DIRECT AS POSSIBLE

SUPPLY CHAINS IN COCOA

THE CLASSIC APPROACH:



OUR APPROACH:



Where possible, our goal is to work with one selected partner in order to keep the supply chain as short as possible.

THE DIFFERENCE:

Transparent supply chains which are as short as possible permit traceability of the cocoa and an effective influence on social, ecological and economic conditions in the countries of origin.

Respect and appreciation for people and nature are important to us. In order to comply with our corporate responsibility, we have been working intensively for many years on more transparency along our supply chain.

We are in favour of a legal regulation of human rights and environmental due diligence obligations of companies at European level. That is why we were early supporters of a supply chain due diligence law.

CEO ANDREAS RONKEN:

"We are convinced a statutory regulation contributes to equal competitive conditions. This ensures that the same standard applies for all and no company could shirk its responsibility without sanctions or achieve profits at the expense of man and the environment."



OUR TEAM



LYDIA FRECH – OUR “FRAU KAKAO”

As Raw Materials Sustainability Manager, she is also responsible for managing our cocoa programmes in all countries of origin. Lydia Frech knows the complexity of the challenges in the cocoa sector and her experience opens up new perspectives for us.

FRANK GELTENBORT – FAIR TRADE BUT NOT WITH EVERYONE

Frank Geltenbort is responsible for procuring our most important raw material: cocoa. What sounds like a world of numbers has a lot to do with our special understanding of fair dealings with everyone involved in the value chain.



HAUKE WILL – LORD OF THE TREES

There are probably only a few chocolate manufacturers who have an “agricultural production manager”. And very few have their own cocoa farm. We have both: El Cacao and Hauke Will. He is in charge of one million cocoa trees on our plantation. After more than 10 years at El Cacao, Hauke simply knows everything – from growing small cocoa trees to harvesting the ripe fruit. This know-how makes him a competent partner for cocoa farmers in other regions as well.



UTA BOAS – GOURMET

Hardly anyone can describe the taste nuances of different cocoa varieties as aptly as Uta Boas. Her expertise is in every bar of Ritter Sport. Because the type and above all quality of the cocoa have a significant influence on how the chocolate tastes.

THE MOST IMPORTANT FACTS AT A GLANCE

100 % CERTIFIED SUSTAINABLE

We have been sourcing exclusively certified cocoa (90 % Rainforest Alliance Cocoa Program, 10 % Fair-trade Cocoa Program) for our entire range since 2018. By the way, we are the first major chocolate manufacturer to do so.

Certified means that our cocoa has been grown in accordance with certain requirements such as no illegal child labour or the protection of natural resources. Compliance with these requirements is regularly monitored by independent experts.

Certification is the minimum requirement we have on our cocoa.

TRACEABLE

Since 2022 our cocoa is traceable back to the producer organisation in the respective country of origin. This is not a matter of course, considering the usually extremely complex supply chains in cocoa. But it is very important for us: knowing where the cocoa comes from is the basic prerequisite for being able to respond to the many challenges associated with specific programmes on the ground. This is our way of working for better living conditions for cocoa farmers. With this, we have reached the status of segregation and are going even further. In fact, our goal is to achieve traceability back to the farm by 2025.

ASSURED ORIGIN

To protect the forests, we have already mapped 100 % of the areas under cultivation of our cocoa farmers from the programmes by the end of 2023. 88 % of this by polygon mapping.

OUR COCOA PROGRAMMES AND PARTNERSHIPS

90 % (as of 2023) of our cocoa comes from partnerships with producer organisations in cocoa-growing countries. So we know who grows our cocoa and how they grow it. Direct contact with cocoa farmers is important because the partnership model is always linked to so-called cocoa programmes. The aim of these programmes is to bring about a positive change in the social, ecological and economic conditions of cultivation through specific measures on the ground and in cooperation with our partners.

OUR OWN COCOA FARM

Our fine cocoa from Nicaragua. We have been developing our own cocoa farm, El Cacao, in south-eastern Nicaragua since 2012. It spans a net cultivated area of around 1,200 hectares where we grow cocoa in a sustainable agroforestry system. The plantation is managed according to the principles of integrated agriculture. Another 1,200 hectares are rainforest, which we protect permanently. In 2022, El Cacao supplied about 400 tonnes of cocoa. In the long term, El Cacao is to cover around 20 to 25 % of our cocoa mass requirements.

OUR INVESTMENT

In addition to building our own El Cacao cocoa farm, we invest around seven million euros annually in cocoa programmes in Central and South America and West Africa. This is equivalent to about 1.2 % of our annual turnover* and is many times more than what our major international competitors invest in the sustainability of their cocoa.

* Basis: turnover 2023, 565 million euros

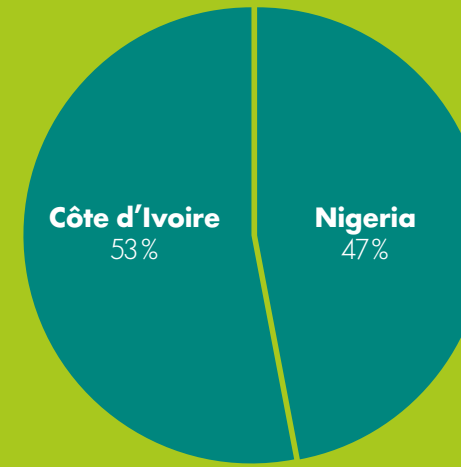
OUR COCOA PROGRAMMES

“Programme” sounds very technical. In fact, the opposite is true. For us, cocoa programmes mean entering into reliable partnerships. The aim of these programmes is to work together with our local partners through specific measures to achieve positive change in the social, ecological and economic conditions associated with cocoa farming.

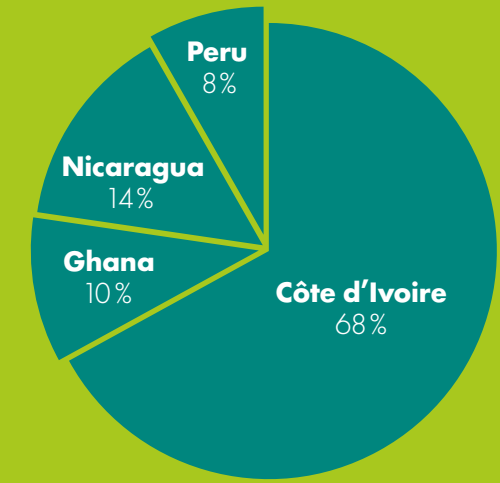
Our cocoa comes from Nicaragua, Peru, Côte d’Ivoire, Ghana and Nigeria. Together with our local partners, we have developed programmes tailored to the respective needs.



COCOA BUTTER



COCOA MASS



Before cocoa can become chocolate, it is processed into cocoa mass and cocoa butter. While cocoa mass is decisive for the individual taste of chocolate, cocoa butter has no influence on it. It is, however, responsible for the right degree of melting.

Because the specific cocoa variety and its individual sensory properties are not that important for the butter, cocoa butter is often produced in large quantities, which makes transparency and traceability much more difficult.

We have the same demands on our cocoa butter as we do on our cocoa mass. We want to know where the cocoa for it comes from, who grows it and how. That is why we source 100% certified sustainable cocoa butter. We can also trace the cocoa beans processed for it back to the producer organisation.

WEST AFRICA

THE INITIAL SITUATION ON THE GROUND

We source cocoa from **CÔTE D’IVOIRE, GHANA AND NIGERIA**. Even if there are individual differences in each location, the situation is comparable in each of these three countries thanks to their geography.

Low productivity in cocoa farming means that many cocoa farmers are still in a difficult economic situation, which can lead to cases of illegal child labour.

Child Labour Monitoring and Remediation Systems (CLMRS) help to identify cases of illegal child labour, develop specific solutions, and prevent illegal child labour in the future.

Reported cases of recorded child labour from CLMRS established in our programmes in 2022:

Country	Number of households in the supply chain	Number of child labour cases recorded in the CLMRS	Number of cases in remediation**
Côte d’Ivoire	13.826	279	483
Ghana	526	32	52
Nigeria	8.597	7	59
Summe	22.949	318	594

** Remedial measures and the review of their effectiveness are designed to last 2-3 years, so the figures tend to be higher than the cases in the current year

The difficult economic situation of many farmers can lead to further deforestation in order to open up more and more land for cocoa cultivation. Climate change further exacerbates the situation, for example by causing rainfall to be too high or too low, which can lead to falling productivity.



OUR COCOA PROGRAMMES

CÔTE D'IVOIRE

LOCATION: West Africa, on the Gulf of Guinea

CAPITAL: Yamoussoukro (seat of government: Abidjan)

INHABITANTS: 25.7 million (Germany: 83 million)

AREA: 322.463 km² (Germany: 357.022 km²)

LANGUAGE: French



SENSORY COCOA

Our cocoa from the Ivory Coast forms the basis of many of our chocolates. It has a very balanced aroma with a not too strong cocoa note and subtle roasted nuances. This makes it an important companion for our filled chocolates and gives the individual fillings precedence in terms of taste.



We use cocoa from the Ivory Coast for these varieties, for example.



Cocoa farmer from the producer organisation CASIB COOP-CA

CÔTE D'IVOIRE

PROGRAMME 1

Programme partner:	CEMOI CÔTE D'IVOIRE
Participating producer organisations:	ECAKOOG, SCOOPAKAM
Participating farmers:	2.100
Supply volume:	1.200 tonnes of cocoa mass
Programme start:	2015

PROGRAMME HIGHLIGHTS:

- Increasing productivity, i.e. yields on existing farmland
- Promoting agroforestry systems as a sustainable farming method
- Improving access to water

WHAT WE HAVE ACHIEVED SO FAR:

- In collaboration with our partners, five wells were drilled, giving local people access to water.



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It is quite a paradox: on the one hand, climate change means that at the end of each dry season, some trees die, productivity decreases, and the quality of the cocoa also suffers. At the same time, I see that training in the area of good agricultural practice is making a difference. So we are managing to increase yields and improve quality.”

Sylvain Konan N'dri, farmer, 42 years old, married, four children



- 1,222 female farmers and 398 male farmers are implementing diversification activities, i.e. they also grow other agricultural products such as rice, beans or maize. This reduces dependence on cocoa and generates additional sources of income.
- More than 200 farmers actively participate in the production of compost. They have produced 498 tonnes of compost since 2022. This will enable them to use an alternative to cost-intensive fertilisers in future and provide their cocoa plantations with important nutrients, which will increase productivity in the medium term.
- In 2023, we distributed a further 34,218 seedlings to 153 female farmers and 1,801 male farmers in addition to the more than 50,000 shade trees already planted. The coexistence of cocoa and shade trees in the agroforestry system protects the cocoa from too much sunlight (keyword: drought due to climate change), improves the microclimate and biodiversity on the plantation, and creates additional income opportunities, e.g. through the subsequent sale of wood.
- All 2,100 farmers participating in the programmes received training on the new forestry legislation in the Ivory Coast.
- 540 families were supported in having birth certificates issued for their children, which are still not very common in rural regions and are a prerequisite for children to be able to complete school, for example.

THE NEXT GOALS:

- In 2024, we will distribute a further 30,000 shade tree seedlings that were already planted in 2023.
- To enable 300 children to attend school, six classrooms have already been completed in the Divo region and three more are currently under construction. Once the new school building has been completed, the Ministry of Education will assign teachers to the Ivory Coast.

CÔTE D'IVOIRE

PROGRAMME 2

Programme partner:	Fuchs & Hoffmann Kakaoprodukte GmbH and SUSCOM-CI
Participating producer organisations:	SCOOWEND COOP-CA, CASIB COOP-CA, COOP-CA ADA, BARA COOP-CA
Participating farmers:	3,052
Supply volume:	4,000 tonnes of cocoa mass
Programme start:	2022

PROGRAMME HIGHLIGHTS:

- Professionalisation of the producer organisations
- Increasing productivity by coaching farmers and establishing trained groups for pruning
- Business training courses for farmers
- Fighting illegal child labour
- Boosting women in rural communities
- Protecting the rainforest through polygon mapping, deforestation monitoring, and reforestation
- Distribution of seedlings and training in agroforestry

WHAT WE HAVE ACHIEVED SO FAR:

- We have grown 19,789 shade tree seedlings and distributed a good 90% of them to farmers.
- The establishment of a Child Labour Monitoring and Remediation System (CLMRS) has begun. To this end, 98% of all farming families were visited and 3,485 families (more than those participating in the programme) were included in the CLMRS. Twelve local Child Protection Committees have been

established, in which 95 members have developed specific action plans on behalf of the programme. A holistic approach was chosen for this, which not only raises awareness of the issue of child labour among the farmers participating in the programme, but also within the communities as a whole.

- Together with the producer organisations, we identify their needs for targeted training measures on management topics such as leadership, finance and administration.
- 97% of farmers have taken part in Farmer Business Schools on topics such as income diversification. 18 farmer coaches have received training on good agricultural, environmental and social practices. They then pass this knowledge on to participating farmers.
- 36 Village Savings and Loan Associations (VSLA) with 1,022 members (905 women, 117 men) have been established.

THE NEXT GOALS:

- Initial remedial measures from the Child Labour Monitoring and Remediation System will be implemented.
- The planted shade trees will be mapped and monitored.
- We will develop business plans for income diversification with the Farmer Business Schools and begin implementation thereof.



It was wonderful and gratifying for me to be part of the signing of our future cooperation and to see what is made from our cocoa. The visit to Waldenbuch and the warm welcome we received made me very happy. I hope that we will build a strong and lasting partnership."

Sylla Djakaridja, Director CASIB COOP-CA, 43 years old, married, 4 children



CÔTE D'IVOIRE

PROGRAMME 3

Programme partner:	Cargill Cocoa & Chocolate, Cargill BV
Participating producer organisations:	AGRIAL COOP-CA, COPAWEB COOP-CA, ECAPA GZ COOP-CA, SOCAAN COOP-CA
Participating farmers:	approx. 5,000
Supply volume:	approx. 4,000 tonnes of cocoa butter
Programme start:	2021

PROGRAMME HIGHLIGHTS:

- Cultivation of cocoa in resilient agroforestry systems instead of in vulnerable monocultures
- Promotion of biodiversity
- Improvement of infrastructure
- Diversification of income opportunities, especially for women
- Deforestation monitoring and broad-based awareness-raising measures on deforestation, for example in the form of theatre performances in the communities



I have learned to diversify my farming activities, i.e. I combine cocoa farming with other crops. This enables me to increase my income. One of the things I hope from the partnership with Ritter is that it will support me in my role as a woman in cocoa farming and help me develop into a real leader."

Bertine Adjoua, farmer, 42 years old, married, four children



WHAT WE HAVE ACHIEVED SO FAR:

- 261 women have completed a coaching programme that provides them with the skills and knowledge to start their own business, for example in the retail trade in spices or clothing, and thus improve their families' income. 90 of them have been trained as coaches.
- Together with the producer organisations and our local partners, six new wells were drilled and another was renovated. A hospital building has been completed and equipped. This has improved the infrastructure for around 25,000 people in the Daloa and Bloléguin regions. A school building with three classrooms, a canteen and sanitary facilities was completed in the community of Kouamebakro.
- Since 2019, we have distributed 134,255 shade trees to 1,033 farmers to promote cultivation in the agroforestry system.
- We have installed 40 beehives. They not only provide additional income opportunities, but also raise awareness of how important biodiversity is for any form of agriculture. Together with the producer organisation COOPAWEB, training was provided on the way bees live, forms of honey production, and the care of beehives. So far, 20,050 bee colonies have been distributed to over 100 farmers.
- 6,173 people have attended a theatre play designed to raise awareness of issues such as agroforestry and deforestation.
- All farmers in the programme have taken part in training courses on safe forms of pest and disease control in cocoa cultivation.

THE NEXT GOALS:

- The distribution of shade trees will continue with another 70,000 seedlings.
- The producer organisation SOCAAN will continue to participate in the Coop Academy, a pilot project focusing on financial and management expertise. Phase 2 focuses on digitalisation and traceability.
- A coaching programme specifically for women supports them in further expanding their income-generating activities and gaining access to local markets. Further activities are being launched: introduction of new coaching tools, increased monitoring of cooperative engagement, provision of modules from the "School of Men", offer of financial aid for women.

OUR COCOA PROGRAMMES

GHANA

LOCATION: West Africa, on the Gulf of Guinea

CAPITAL: Accra

INHABITANTS: 30.79 million (Germany: 83 million)

AREA: 238,537 km² (Germany: 357,022 km²)

LANGUAGE: English



SENSORY COCOA

Our cocoa from Ghana is characterised by its mild and unadulterated cocoa note, which can develop particularly well through green roasting - a roasting process at low temperatures.



We use cocoa from Ghana for these varieties.



Cocoa farmer of the producer organisation Cocoa Abrabopa

GHANA

PROGRAMME

Programme partners:	Fuchs & Hoffmann Kakaoprodukte GmbH and Ascot Amsterdam B.V.
Participating producer organisations:	Cocoa Abrabopa Association
Participating farmers:	555
Supply volume:	1,100 tonnes of cocoa mass
Programme start:	2021

PROGRAMME HIGHLIGHTS:

- Increasing household incomes by improving productivity and diversifying incomes
- Promotion of cultivation in the agroforestry system through distribution of shade trees, associated registration of shade trees, and formalisation of land rights
- Fighting illegal child labour

WHAT WE HAVE ACHIEVED SO FAR:

- A pilot project with 28,000 shade trees has been completed. Around 14,000 seedlings were distributed in both the 2021/22 and 2022/23 seasons. From the first planting period, 12,740 trees have grown, which corresponds to a rate of 91%. Monitoring for the 2022/2023 planting period has not yet been fully completed.
- 756 farmers (200 more than are participating in the programme) have received training on the importance, planting and care of shade trees.
- We have conducted a study on household income, its composition, and differences between individual cocoa-producing households. Building on this, a pilot project was implemented with 55 farmers to specifically improve their income. In this project, four groups from four villages were supported financially and in terms of content to generate additional income by developing new business areas, for example by setting up a transport service. Among other things, 20 cargo tricycles were handed over for this purpose. This not only makes it possible to tap into new local markets that

were previously inaccessible, but also to save on transport costs. Part of the savings will be used to set up a maize farm.

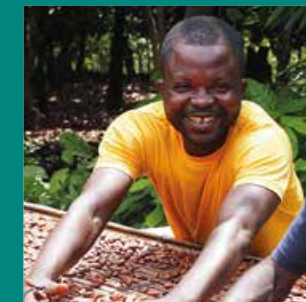
- In this context, business management training courses were also organised for more than 500 farmers. As with all measures in our programmes, we attach particular importance to not prescribing approaches and solutions, but to developing them together with our partners.
- A needs analysis involving 432 households from 26 communities has identified that access to clean drinking water, the cost of transporting cocoa beans and agricultural inputs, and a lack of alternative income opportunities are among the greatest challenges facing farmers.
- A year ago, a Child Labour Monitoring and Remediation System was established to help identify cases of illegal child labour, find specific solutions, and prevent child labour in the future. The first phase involves raising awareness of the issue. 2,663 adults and children have taken part in a total of 80 events. In the second phase, 35 discovered cases of child labour were investigated. Based on these cases, the producer organisation CAA has developed education and health packages to prevent child labour in the future.
- In order to improve gender equality and relationships within the supply chain, farmers received training on the impact of gender equality on production and poverty reduction. With the aim of strengthening the farmers' groups in the project area, training was also provided on grievance management. A total of 765 farmers took part.

THE NEXT GOALS:

- Continuation of the Child Labour Monitoring and Remediation System
- Comprehensive monitoring of the 14,000 shade tree seedlings distributed in 2022/23
- Continuation of the pilot project on income generation (see above)
- The recording of land rights is being continued.
- Where boreholes have been drilled but the water quality is insufficient, water treatment plants are being installed.

“**My cocoa yields are decreasing from year to year. I have the impression that the temperatures have risen and there is no stable rainfall. I have therefore started to plant shade trees that protect the cocoa from too much sun and improve the microclimate on my plantation.**”

Francis Obeng, farmer, 38 years old, divorced, six children



NIGERIA

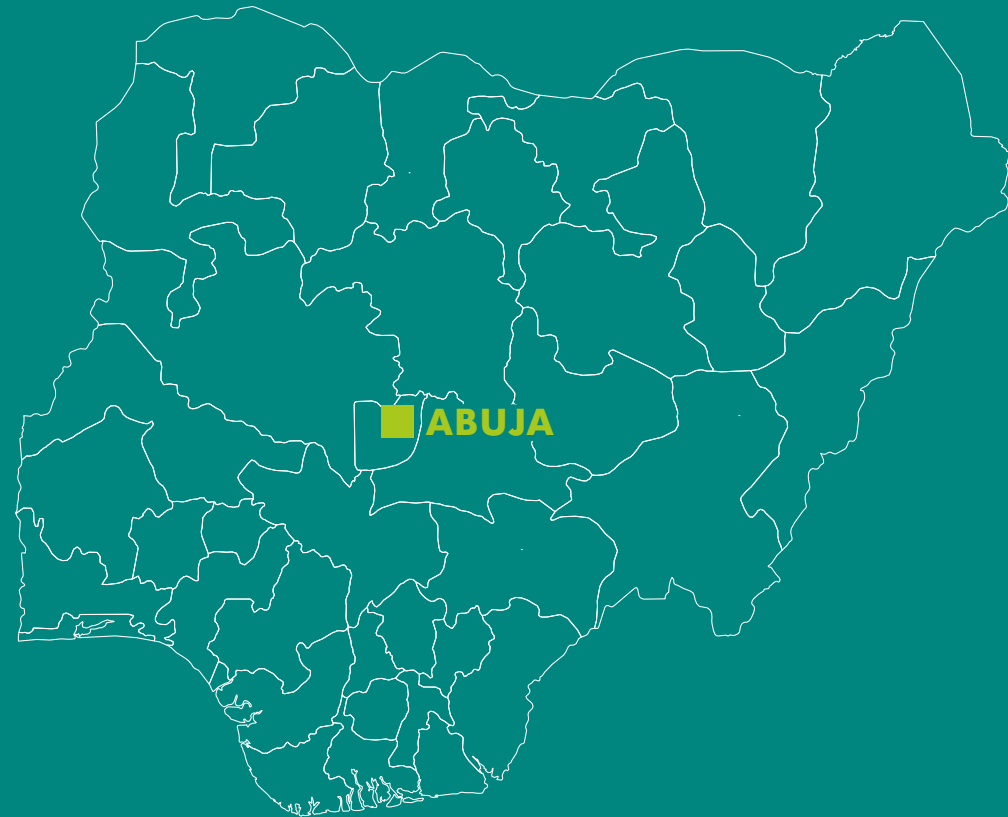
LOCATION: West Africa, on the Gulf of Guinea

CAPITAL: Abuja (largest city is Lagos, 22 million inhabitants)

INHABITANTS: 214.3 million (most populous country in Africa; Germany: 83 million)

AREA: 923,768 km² (Germany: 357,022 km²)

LANGUAGE: English, Hausa, Igbo, Yoruba



SENSORY COCOA

Cocoa butter has no influence on the individual taste of a chocolate variety, but it is responsible for the perfect degree of melting. We also owe the firmness and the right bite of the chocolate to the cocoa butter.



Cocoa drying in the programme in Nigeria

NIGERIA

PROGRAMME

Programme partner:	Olam International Limited
Participating producer organisations:	OAA, OAI, High Yield, Better Lives, Born to Win
Participating farmers:	8,200
Supply volume:	4,000 tonnes of cocoa butter
Programme start:	2018

PROGRAMME HIGHLIGHTS:

- Increasing productivity by modernising the businesses and renewing the plantations
- Encouraging the conversion of previous monocultures into agroforestry systems
- Measures to improve the quality of the cocoa
- Diversification by tapping new sources of income
- Fighting illegal child labour
- Realisation of infrastructure projects, e.g. building wells

WHAT WE HAVE ACHIEVED SO FAR:

- Since 2019, we have installed almost 5,000 fermentation boxes or drying tables. Fermentation and drying of the cocoa beans are part of the so-called post-harvest treatment and have a



I have already attended some training sessions where I have received tips on how to increase the yields of my cocoa trees, for example by removing trees that are too close together and by carrying out regular pruning. I am trying to put this into practice because I want to be one of the best cocoa farmers."

Tiamiyu Silifatu, farmer, 70 years old, widowed, six children



significant influence on the quality of the cocoa. The better the quality, the higher the price and the higher the quantity of beans that can be sold at a good price. A permanent increase in quality, for example through more professional post-harvest treatment, will therefore result in a long-term improvement in the income and thus the economic situation of the farmers. The utilisation rate of the fermentation boxes (42%) and drying tables (57%) is continuously monitored so that the necessary optimisations can be made in consultation with the farmers.

- Improving the income situation is also the goal of a first completed campaign to diversify sources of income. It is intended to open up opportunities for women in particular to develop new sources of income and thus contribute to the family's overall income. While snail farming has now been discontinued due to a lack of success, fish farming projects are developing very promisingly. Three fish ponds have been created in the Olorunredo region and the farmers have been trained in the basics of fish farming and pond maintenance. Those involved have invested the first proceeds in enlarging the ponds to ensure continuation of the project.
- In order to rejuvenate the cocoa trees on the plantations and thus increase yields, over 1.5 million cocoa seedlings have been distributed to 1,072 female farmers and 4,830 male farmers from 190 communities since 2019 as part of the programme. The higher the yields of the existing plantations, the less need there is for farmers to expand their cultivation areas. This reduces the risk of deforestation.
- The distribution of more than 120,000 shade trees serves to convert existing monocultures into agroforestry systems that are more resilient in times of climate change. In four tree nurseries in the states of Ondo, Osun and Cross River, 278,100 shade tree seedlings were raised and distributed to 4,251 farmers with a total cultivated area of 8,890 hectares.
- Six wells have been drilled since 2020, facilitating access to clean water for around 5,500 families. In 2023, nine solar-powered street lamps were also installed to improve safety in the communities. In a region where it gets dark early, this means that goods can still be sold after dark, for example.

THE NEXT GOALS:

- Diversification activities are to be further improved and expanded and implemented with additional farmers.
- The distribution of cocoa and shade tree seedlings will continue in order to promote the rejuvenation and reorganisation of the cocoa plantations.
- The utilisation rate of the fermentation boxes and drying tables is to be increased by further educating farmers about the benefits of using them.
- Further infrastructure measures are to be implemented: building three wells and installing additional street lamps.
- Biodiversity training for farmers

NICARAGUA

■ THE INITIAL SITUATION ON THE GROUND

Cocoa farming has a long tradition in Nicaragua. However, the socio-economic situation of many farmers remains difficult. In addition, Nicaragua is already particularly affected by climate change due to its geographical location.



OUR COCOA PROGRAMMES

NICARAGUA

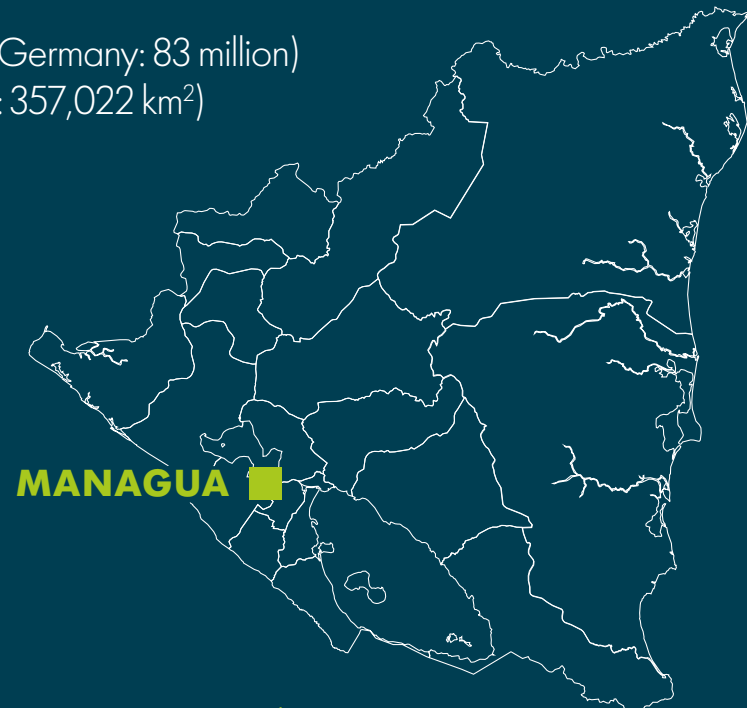
LOCATION: Central America, between the Caribbean and the Pacific, north of Costa Rica and south of Honduras

CAPITAL: Managua

INHABITANTS: 6.6 million (Germany: 83 million)

AREA: 120,254 km² (Germany: 357,022 km²)

LANGUAGE: Spanish



SENSORY COCOA

A strong cocoa note with a slightly nutty aroma is typical of our Nica cocoa. It impresses with its low acidity, which makes it ideal for pure chocolate enjoyment.



We use cocoa from Nicaragua for these varieties.



Juana Antonia López López, cooperative Ríos de Agua Viva

NICARAGUA

PROGRAMME: CACAO-NICA

Programme partner:	Ritter Sport Nicaragua S.A.
Participating producer organisations:	LA CAMPESINA, RIOS DE AGUA VIVA, NUEVA WASLALA, UNCRISPROCA, PUEBLOS EN ACCIÓN, FLOR DE DALIA, COOPESIUNA, COOPROCAFUC, COOSEMUCRIM, COOMUVEMAR, COOMUSASC, COMPOR, SOPPEXCCA, COMUCOR, AMFVG, COOMULBAN, CACAONICA, HERMANDAD CAMPESINA, FLOR DE PANCASAN, ASHIERCA
Participating farmers:	3.200
Supply volume:	1.200 t Kakaomasse
Programme start:	1990

PROGRAMME HIGHLIGHTS:

- Strengthening the cooperatives in which farmers come together to carry out joint tasks
- Improving centralised post-harvest handling in the cooperatives in order to increase the quality of the cocoa and achieve better prices
- Supporting and promoting diversified cocoa cultivation in the agroforestry system
- Increasing productivity and improving the quality of cultivation
- Advice and assistance with certification (Fair Trade and Rainforest Alliance)

- Utilisation of digital systems for cocoa traceability and implementation of precision agriculture
- Protecting the rainforest through polygon mapping of farms and deforestation monitoring

WHAT WE HAVE ACHIEVED SO FAR:

Our Cacao-Nica programme has now been up and running for more than 30 years. Two studies by the renowned Südwind Institute (2015 and 2022) have shown that Cacao-Nica has led to an improvement in farmers' livelihoods and that our approach of increasing the quality of cocoa and thus stabilising the economic situation of farmers is successful.

In 2016, Nicaragua was recognised by the International Cocoa Organisation (ICCO) as a country of origin for fine cocoa, and in the last ten years the amount of cocoa harvested in Nicaragua has increased sevenfold. Today, around 11,000 families can live wholly or partly from cocoa cultivation. Our Cacao-Nica programme has contributed to this development.

- Since 1990, Cacao-Nica has led to a revitalisation of cocoa cultivation in ecological agroforestry systems. Just under 80 participating farmers have now grown to around 3,000.
- Since 2008, we have been operating our own purchasing and drying station for exporting the cocoa.
- Since 2007, we have been running our own experimental garden, where we propagate local cocoa varieties and distribute branches to farmers as grafting material. The 2023 target of distributing 50,000 branches was far exceeded with over 600,000 branches actually distributed.
- The quality and quantity of cocoa grown by our Cacao-Nica partners has increased over the years. In 2010, we purchased 300 tonnes of cocoa as part of the programme; in 2023, we purchased 1,090 tonnes.
- 3,915 farmers have received training from experts on cocoa cultivation in the agroforestry system.
- Polygon mapping to protect the rainforest has been carried out for 1,910 farms since 2021. At the end of 2023, 97% of all farms larger than four hectares had been mapped with polygons.

- 916 hectares of cultivated land have been rehabilitated and 1,475 farmers have received improved planting material (460,000 cocoa trees).
- 3091 farmers from the programme use at least two best practices such as pruning or fertilisation in the agroforestry system.

THE NEXT GOALS:

- Polygon mapping of all businesses is to be completed by 2024. A digital platform will be available to all cooperatives in the Cacao-Nica programme and help to improve farm management using modern technologies, for example by recording climate data, carbon footprint, or data required for certification.
- In 2024, we will provide a further 954 farmers with planting material to rehabilitate their farmland.
- Productivity is to be increased from 300 to over 400 kilograms per hectare by 2024.
- The high prices for fertilisers have led to falling cocoa yields for many smallholder farms. Biochar, a carbon-containing soil additive to improve soil fertility, could be a cost-effective and sustainable alternative. We are therefore launching a biochar pilot project with the NGO Solidaridad.
- Together with the NGO Corewoman, we are organising training courses on gender equality. The aim is to reach all producer organisations participating in the programme by 2028.

NICARAGUA

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Climate change is already clearly noticeable here in Nicaragua. With the Cacao-Nica Programme and sustainable agricultural methods or diversification of cultivation, we are helping to establish a resilient system that will function in the long term and enable farmers to cope with the challenges of climate change."

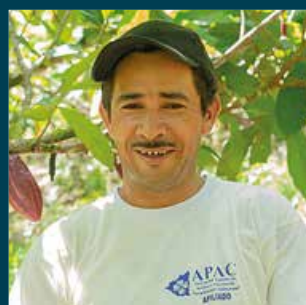
Elizabeth Rizo, Managing Director Cocoa Purchasing at Ritter Sport Nicaragua S.A.



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We are clearly feeling the impacts of climate change. I have the feeling that the seasons are out of control. On the one hand, there are more and more heavy rains and floods, while on the other hand, there are more extreme dry periods. I try to counteract this on my finca by reforestation. The training provided by the cooperative helps me to protect the cocoa from diseases, for example by pruning the trees more professionally. I now also grow my own planting material to increase the productivity of my cocoa trees through grafting."

Leonel Pineda, farmer, 39 years old, married, five children



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For me, cocoa means freedom and independence. After my divorce, I was able to buy a few hectares of land with a microloan from the Cacao-Nica programme. Today we grow 14 hectares of cocoa, my family can live off it and I can finance my children's education."

Rosibel Mesis, farmer, 52 years old, divorced, four children



Our purchasing and drying station in Matagalpa, Nicaragua

PERU

■ THE INITIAL SITUATION ON THE GROUND

In the early 2000s, there were international programmes that actively promoted the switch from coca cultivation (the raw material for cocaine) to cocoa. There was a deliberate focus on high-yielding varieties. Today, the aim is to keep cocoa cultivation attractive for farmers in the long term, i.e. to secure yields.



OUR COCOA PROGRAMMES

PERU

LOCATION: western South America

CAPITAL: Lima

INHABITANTS: 32.5 million (Germany: 83 million)

AREA: 1,285,000 km² (Germany: 357,022 km²)

LANGUAGE: Spanish



SENSORY COCOA

Apart from the aromas of dried fruits, the combination with strong spicy notes is typical for our Peruvian cocoa. Here, the flavours of the Amazon cultivation area can be found in full force.



We use cocoa from Peru for these varieties



PERU

PROGRAMME

Programme partners:	Fuchs & Hoffmann and Minka
Participating producer organisations:	ASOTOC, Asociación Cacaotera de Tocache
Participating farmers:	300
Supply volume:	600 tonnes of cocoa mass
Programme start:	2022

PROGRAMME HIGHLIGHTS:

- Sustainable cocoa production that secures yields using environmentally-friendly and resource-conserving methods
- Sustainable fertilisation culture with natural, non-synthetic fertilisers
- Maintaining and increasing land yields in order to prevent land being abandoned and the emergence of migratory agriculture, which always requires new land
- Further training for farmers on the management of their own plantations, including agronomic and social issues as well as business management and environmental protection
- Reforestation with five native tree species
- Polygon mapping of businesses

WHAT WE HAVE ACHIEVED SO FAR:

- The number of farmers participating in the programme has increased from 240 to 300.
- By mid-2023, all 300 farms were equipped with GPS points and polygons. If more farms are added, they will also be mapped.
- Soil samples were analysed to assess the condition of the plantations: based on the results, a soil fertility and plant health package was put together for the farmers. 280 farmers have already applied this to their plantations.



We feel that the soil is getting tired and that the yields will decrease if we don't start fertilising our plantations. The cocoa trees are like human beings: if we don't eat well, we can't be strong and we get sick. Cocoa trees also need nutrients to produce a lot and not be affected by monilia and other fungal diseases. That is why we need a soil test first and then the right fertiliser. I only want to use organic fertiliser."

Maria Meneses Huacachi, farmer, 39 years old, married, two children



- Together with our local partners, we have modernised three post-harvest treatment centres (fermentation and drying), which has led to a significant improvement in the quality of the cocoa.
- 261 farmers have already participated in the first training courses and 505 one-to-one coaching sessions have taken place.

THE NEXT GOALS:

- Further support for farmers through packages to improve soil fertility and plant health
- The planting of shade trees has not yet taken place; it will start in 2024 with 12,900 seedlings. The mapping of the farms carried out in 2023 also helps to ensure the coordinated and verifiable cultivation of shade trees via farm plans.



EL CACAO

OUR OWN COCOA FARMING

Cocoa is so close to our hearts that we even grow it ourselves: on our own farm El Cacao in Nicaragua.

In a good ten years, something special has been created here: a model plantation – a good place for cocoa, man and nature. With El Cacao, we strive to set new social and ecological standards in cocoa farming. We want to show that it is possible to grow cocoa under socially and ecologically good conditions and yet at marketable prices and in first-class quality. To achieve this, we are rethinking every step of cocoa production: from the cultivation of the cocoa plants to fermentation and drying of the cocoa beans.



EL CACAO

WHAT MAKES EL CACAO SO SPECIAL:

LAND USE AND CLIMATE PROTECTION PROJECT

El Cacao spans an area of 2,500 hectares. But we only use half of that area for growing cocoa. The other half are forest and wetland areas that are permanently conserved and protected.

For agricultural use, we have reforested fallow former pasture land with over one million cocoa trees and around 30,000 shade trees.

This makes El Cacao a climate-positive plantation and an officially recognised Gold Standard climate protection project.

FOREST CONSERVATION AND BIODIVERSITY

Around 1,200 hectares comprise forest and wetland areas that are permanently preserved. Protection of the rainforest is doubly important to us: for the global climate as well as for the microclimate on the plantation.

The fact that almost half of El Cacao remains untouched and that we protect these forest and wetland areas also serves biodiversity. A monitoring system regularly documents the biodiversity of both the agricultural land and the forest and wetland areas.

AGROFORESTRY AND INTEGRATED AGRICULTURE

El Cacao is a good site for cocoa, people and nature. That is why we do not grow our cocoa just any old way, but in an agroforestry system, an ecologically sensible mixed culture. Various native tree and shrub species are planted between the cocoa trees. They provide shade and wind protection for the cocoa, contribute to improving the quality of the soil, and create a habitat for a wide variety of animals.

We farm El Cacao according to the principles of Integrated Farming, which include, for example, energy efficiency, the avoidance of climate-relevant emissions (climate-positive), sustainable soil fertility, composting and biodiversity.

El Cacao is not an organic plantation. The economic risk of purely organic production would simply be too high.





WHAT MAKES EL CACAO SO SPECIAL:

SECURE JOBS

450 people now work on El Cacao. They receive fair wages and extensive social benefits such as health and pension insurance as well as private accident and life insurance. Health care measures and high safety standards in occupational health and safety literally make El Cacao a safe place to work. The farm's own medical station ensures that employees receive medical care. El Cacao generally applies social standards that go far beyond what is required by law. A good place for nature AND people.

TRAINING AND FURTHER EDUCATION

In order to improve the material living conditions of our employees on El Cacao in the long term, we focus on qualification through education and vocational training. We have set up our own "La Academia" for this purpose.

QUALITY AND KNOW-HOW

Around one million cocoa trees of eleven different varieties can be found today on El Cacao. They were all lovingly hand-raised in our own tree nurseries and later planted out. It takes three to five years before a cocoa tree bears its first fruit. The cocoa tree itself is not particularly easy to care for and requires a lot of attention from our colleagues. From the cultivation and care of the trees to post-harvest treatment, standardised procedures, e.g. in the fermentation and drying of the cocoa beans, and the know-how of our employees ensure the consistently high quality of El Cacao's fine cocoa.

COMPREHENSIVE COCOA FRUIT UTILISATION

At El Cacao, we work to utilise the entire cocoa fruit and not just the cocoa beans, as is usually the case. The shells are composted and return important nutrients to the soil. We use the pulp for innovative products such as our CacaoVida drinks. This process is still relatively new and not yet standardised, so cocoa juice is not yet available in large quantities.

WHAT DRIVES US

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El Cacao is something special. With the Ritter family, we have an owner here who is willing to leave half of the land to nature. One who is willing to invest in young people. El Cacao is something special because it's about developing a truly sustainable plantation without any stary-eyed idealism but rather with an unambiguous desire to make it all an economic success. El Cacao is exactly what I had been looking for."

Volker Schukert, Director Agriculture at Ritter Sport Nicaragua S.A.



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El Cacao is a great opportunity. For me personally, because I can develop career-wise. But also for the whole country, because here we have the opportunity to advance cocoa cultivation in my home country under good ecological and social conditions. And we can already see how this benefits the entire region."

Yadira Ramirez, employee in post-harvest treatment on El Cacao



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The greatest success in ten years of El Cacao is that we have succeeded in merging Nicaraguan cocoa knowledge and German know-how to jointly create something entirely new: a plantation that is good for cocoa, people and nature. When we say that El Cacao should set new standards in cocoa cultivation, it sounds very theoretical. But it has very practical implications. We are also building up knowledge here from which farmers in other regions of the world benefit, knowledge that makes us a competent partner on an equal footing."

Hauke Will, Director Agricultural Production at Alfred Ritter GmbH & Co. KG



EL CACAO

FACTS AND FIGURES

LOCATION: Eastern Nicaragua, in the region of Kukra Hill and El Rama, approx. 330 kilometres from the capital Managua

TOTAL AREA: 2500 ha

CULTIVATED AREA: 1200 hectares

PROTECTED FOREST AND WETLAND AREAS: 1200 hectares

INFRASTRUCTURE AREAS: 100 hectares

EMPLOYEES: 450

TREE STOCK: 1 million cocoa and 30,000 shade trees

2012: acquisition of fallow land

2018: first harvest (50 tonnes)

2019: full reforestation

ANTICIPATED FULL YIELD: 2,500 tonnes (20-25% of our cocoa mass requirements)

TOTAL INVESTMENT: around 50 million euros





REFERENCES AND COMMITMENTS

POLICY STATEMENT

CODE OF CONDUCT

COCOA COMMITMENT



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