



TRADING GMBH

Responsible Sourcing Policy

Albrecht & Dill Trading GmbH

10 November 2020

General

Albrecht & Dill Trading GmbH is a trading house for cocoa beans, powder, cake, butter, and cocoa mass. The company exists since 1806 in Hamburg which makes us one of Germany's first cocoa trading houses. We import and export about 80.000 tons of cocoa a year. Most of our cocoa beans come from West Africa, but we also source in Ecuador, Peru, Colombia, Madagascar, Papua New Guinea, Grenada and many other countries. We sell both base (mainstream) and fine flavour cocoa beans, with or without certification (Fairtrade, Rainforest Alliance, UTZ and/or Bio/Organic). Our clients are chocolate manufacturers and other companies who use our raw cocoa beans or semi-finished products.

Vision

We believe that trading cocoa is not just a matter of buying and selling raw commodities, it's a business partnership connecting people.

We develop long lasting relationships based on trust and integrity, so we can jointly build sustainable and secure supply chains that deliver value to all partners. It's our shared responsibility!

Sustainability ambition

We are committed to improve the living situation of cocoa-growing communities by focusing on education, income & enhancing farming practices.

With continued due diligence, together we can move the industry forward and make the transition to a sustainable cocoa sector. A sector in which farming communities, global cocoa businesses, and the environment can thrive.

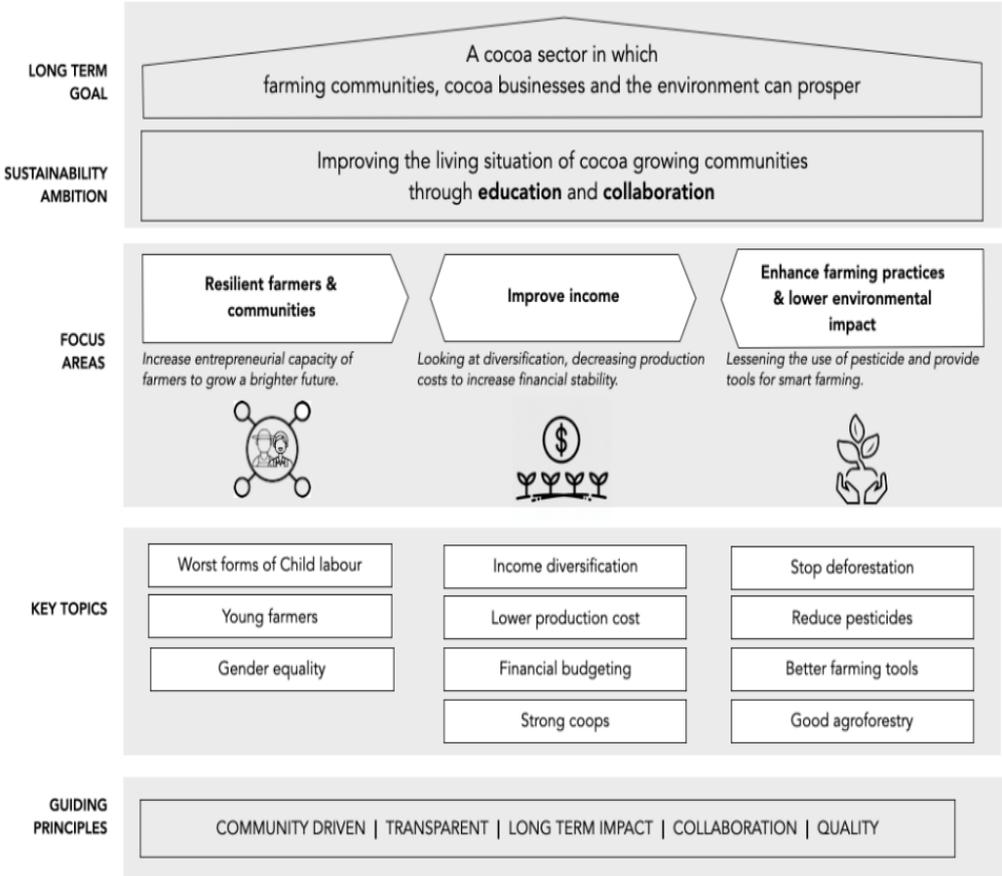
Sustainability is in our DNA

Our company was one of the first in the industry to implement a sustainability project (including full traceability) in Ecuador in 2011. In the past decade, hundreds of farmers have passed through our training programs, which has helped them to professionalize their farms and increase their income. The program continues to date, and we are taking the lessons learned in Ecuador to West Africa, for further implementation.

Although sustainability has been in our DNA for a long time, we have come to realize that much more work could be done. As traders we have a responsibility to contribute in improving the impact of cocoa farmers and their families, just like other market participants in the cocoa sector. We are committed to do so and believe that focusing on education, income & enhanced farming practices is the right way forward.

In 2020 we developed a new sustainability framework which fits the values of our company.

Sustainability framework



Focus areas and commitments

We have worked out 3 focus areas for the coming years and defined the commitments for 2030.

1. Resilient farmers & communities

At Albrecht & Dill we believe that farmers are entrepreneurs, who aim to make a profit and need to invest in the future. We want to empower farmers by helping them to increase entrepreneurial capacity and we believe that education is a great way to do so. By promoting gender equality, tackling the root causes of child labour and by motivating young adults to get involved in the agricultural sector, we want to improve the living situation of cocoa farming communities.

By 2030, we want to have a sustainable farm schooling program in place across our supply chains, particularly in West Africa, similar to what we have accomplished in our projects in Ecuador.

In continuum to help with some of our objectives such as working to prevent the worst forms of child labour we partner with various local organizations who are specialized in tackling these very complex issues.

2. Improve income

We see that farming cocoa has its financial challenges, but we also recognize that there are many complexities at play here beyond our control. We support farmers by looking at diversification of their income, lowering production costs, assisting them with making financial budgets, empowering cooperatives, strengthening our supplier relations, and making sure that farmers become economically more stable. Transparency in our supply chains is hereby of utmost importance.

By 2030, we want to increase our traceable sourcing volume two-fold.

3. Enhance farmer practices & lower environmental impact

We want to lower the negative impact from cocoa farming by lessening farmer dependency on the use of pesticides, look at ways on reducing cadmium levels in cadmium rich areas, provide tools and education on smarter farming, and support organizations who are working to halt deforestation linked to cocoa production.

By 2030, we want none of the cocoa beans in our supply chain to come from deforested areas.

In addition, we want to look at our carbon footprint, reducing it by 50% by championing agroforestry practices.

Child labour

We 100% oppose child labor in the cocoa supply chain. Wherever these practices may exist, we set up activities to eliminate those. Through more traceability in our supply chains, collaborations with specialized organizations, and engagement with experts in the field, we do what we can to eliminate child labour, particularly in West Africa. We do so by looking at the main underlying issues of child labour (education and poverty) and trying to make a positive impact. We expect the same from our suppliers, who acknowledge and accept our Supplier Code of Conduct.

Eliminating (the worst forms of) child labour is something we cannot do alone. This is so complex, that governments, dedicated organizations, cooperative leaders, and many different stakeholders need to come together in a multi-layered stakeholder approach to tackle the innermost issues that may result in child labour.

Albrecht & Dill Trading GmbH is part of the German Initiative on Sustainable Cocoa. We are supportive of the Pro-Planteurs program, which helps 27.000 farming families in Ivory Coast with all kinds of education. There is a special role for women in the project. Being drivers of change, supporting women to increase their income, can have a positive effect on reducing child labour.

Deforestation

We recognize that farming commodities like cocoa has an impact on forests. In Ivory Coast, where many of our beans come from, a big part of the rainforests has disappeared in the last 50 years. We believe that deforestation is linked to poverty and education. We continually aim to decrease deforestation caused by cocoa production and back farmers to grow smarter, i.e. increasing yield and promoting crop diversification, both very supportive to income.