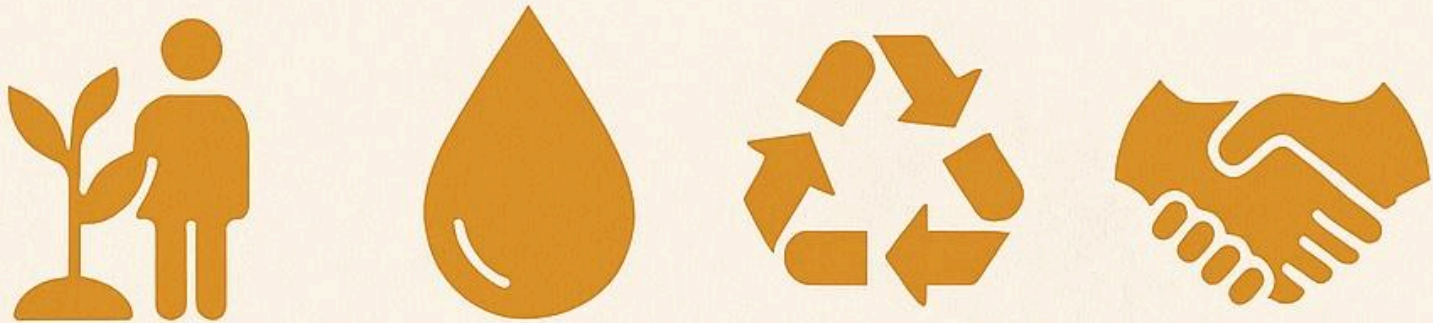


SUSTAINABILITY REPORT 2024

CAGAON



About the Report



This sustainability report presents an overview of CAGAON's environmental, social, and economic impacts related to its cocoa cultivation and processing operations in Ghana.

The report covers the calendar year 2024 and focuses on activities across the company's farms, processing facilities, and supply chain partnerships. It highlights key areas such as labor practices, water use, waste management, local community relations, and responsible sourcing.

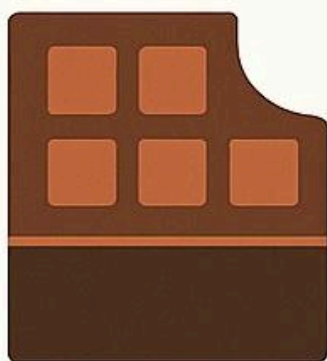
Topics were selected based on their significance to CAGAON's operations and their importance to stakeholders, including employees, farmers, communities, regulators, and customers. Each topic is addressed with a clear management approach supported by data and field experience.

This report reflects CAGAON's commitment to ethical cocoa production, rural development, and continuous improvement across its value chain.

Company Overview



CAGAON is a Ghana-based company specializing in the cultivation, processing, and export of high-quality cocoa products. Founded in 2016, the company operates a network of company-owned farms and works with over 1,200 smallholder farmers across the Ashanti and Western regions.



CAGAON's operations include cocoa bean cultivation, fermentation and drying, processing into semi-finished products, and packaging for international markets. The company supplies chocolate manufacturers and specialty buyers in Europe, North America, and Asia.



With a workforce of over 300 employees and seasonal laborers, CAGAON places strong emphasis on local employment, fair wages, training, and gender inclusion. The company also maintains field extension teams to provide agronomic support to its farmer partners.



CAGAON's mission is to produce ethical cocoa through sustainable farming, environmental responsibility, and long-term community partnerships. The company is committed to improving traceability, promoting agroforestry, and reducing the social and environmental footprint of cocoa production in Ghana.

General Disclosures

CAGAON



Organizational Profile

CAGAON is registered under Ghanaian commercial law as a private limited company. Its operations span cocoa farming, primary processing, and export activities, with head-quarters in Kumasi and field operations in multiple cocoa-growing regions.



Ownership and Governance

The company is privately owned and managed by a board of directors: Governance responsibilities are divided between executive leadership and independent advisors with oversight over sustainability, finance, and operations.



Reporting Period

This report covers January 1 to December 31, 2024. It is issued annually in digital format and intended for use by partners, communities, clients, regulators, and sustainability stakeholders.



Contact

For questions or feedback regarding this report, please contact sustainability@cagaon.com



Scope of the Report

The report includes data and insights from CAGAON's owned farms, its processing facility in Kumasi, and activities involving its network of smallholder suppliers. Environmental and social impacts from upstream inputs and outbound logistics where relevant.



Strategic Context

Sustainability is embedded in CAGAON's long-term business model, guiding decisions in agricultural practices, resource use, labor relations, and market access.

Material Topics

1. Identifying Priorities

CAGAON conducted a materiality assessment to identify the sustainability topics most relevant to its operations and stakeholders. The process included:

- Internal workshops with farming, processing, and sustainability teams
- Input from smallholder farmers, workers, and community leaders
- Review of legal obligations, cocoa sector trends, and buyer expectations
- Evaluation of environmental and social risks in the cocoa value chain

The goal was to prioritize topics with the highest potential impact on people, the environment, and long-term business performance.

2. Key Topics Identified

- **Water Use and Management**
- **Waste Management**
- **Labor Conditions and Employment**
- **Occupational Health and Safety**
- **Anti-corruption and Ethics**
- **Responsible Sourcing and Supplier Assessment**
- **Training and Capacity Building**
- **Community Engagement**
- **Child Labor and Human Rights**
- **Climate Resilience and Agroforestry**

3. Management Approach

Each topic is addressed through targeted actions, including policies, field programs, training, and continuous monitoring. Details are provided in the topic-specific sections of this report.



Water Use and Management

Management Approach

CAGAON uses water for cocoa farming and post-harvest processing, CAGAON uses water mainly for fermentation, irrigation in dririgation in dry periods. The company operates in areas where seasonal water avilability can be a challenge, especially during harmattan months.

Key Actions

- Rainwater collection tanks at fermentation centers
- Hand-washing and sanitation systems using low-flow fixtures
- Avoidance of water abstraction from sensitive streams or protected zones
- Farmer field schools on soil moisture retention and mulching



Rainwater collection tanks at fermentation centers



Avoidance of water abstraction from sensitive streams or protected zones



Farmer field schools on soil moisture retention and mulching

2024 Highlights

CAGAON reduced total freshwater use per ton of cocoa processed by 11 %.

Waste Management

Management Approach

CAGAON generates waste from cocoa pod husks, fermentation residues, packaging materials. and facility maintenance. The company recognizes the importance of managing waste to reduce environmental impact and improve operational efficiency.

Key Measures

- Cocoa husks are composted and reused as organic fertilizer
- Plastic sacks and packaging are collected and recycled through partners
- Waste bins are color-coded and used across all facilities
- Workers receive training on safe waste handling and reduction practices

2024 Progress

In 2024, 68% of all organic waste generated by CAGAON farms and facilities was composted or reused. The company also eliminated polystyrene use in product packaging







Labor Conditions and Employment

Management Approach

CAGAON employs over 300 workers and collaborates with more than 1,200 smallholder farmers. The company recognizes to fair labor practices, safe* working conditions, and equitable treatment anduding seasonal and contract raor.

CAGAON adheres to Ghanaian labour law and international labor standards. It promotes decent work, equal opportunity and zero tolerance for forced or child labor.

Key Practices

-  All workers receive written contracts outlining roles, pay, and benefits
-  Minimum wage compliance and annual wage reviews
-  Gender inclusion policies for hiring and promotion
-  Rest areas, clean water, and sanitation available at all work sites

2024 Highlights

In 2024, CAGAON increased the percentage of women in supervisory roles by 18%. All field workers were enrolled in the national health insurance scheme, and 94% of staff participated in at least one labor rights training session.

Occupational Health and Safety

Management Approach

CAGAON prioritizes the safety and well-being of all employees and farm workers. The company implements safety protocols across its farms, fermentation sites, and processing facilities to reduce physical, chemical, and biological risks.

A dedicated health and safety team conducts regular assessments, delivers training, and ensures compliance with national regulations and internal safety standards.

Safety Measures

- Mandatory use of PPE in high-risk areas (e.g., drying platforms, machinery zones)
- First aid kits and trained responders present at each site
- Routine safety drills for fire and chemical exposure scenarios
- Risk signage and hazard markings across all facilities

2024 Results

In 2024, CAGAON recorded a 30% reduction in minor workplace injuries compared to 2023. No major incidents occurred, and safety training hours per employee increased by 25%.



Safety Measures



Mandatory
use of PPE



First aid
kits and
trained
responders



Routine
safety drills




Risk signage
and hezard
markings


Anti-corruption and Ethics


Management Approach


CAGAON is committed to conducting business with integrity, transparency, and zero tolerance for corruption. This is especially critical in the cocoa sector, where risks related to informal payments, and procurement fraud are high. CAGAON improves corruption across its value chain- from farm-level operations to export transactions.


Key Practices

- 


Code of Ethics signed by all employees as all employees
- 

Anti-bribery clauses included in contracts and tenders
- 

Annual training on ethics and anti-corruption for staff in finance, procurement, and operations
- 

Whistleblower channel on report misconduct unanimously
- 

2024 Outcomes

- 

In 2024, no confirmed cases of corruption or ethical violations were reported. The whistleblower system received 3 submissions all resolved with internal review
A refresher ethics workshop held for 100 +

Responsible Sourcing and Supplier Assessment

Management Approach

CAGAON sources cocoa from a wide network of smallholder farmers and cooperatives. Ensuring environmental and social responsibility across its value chain—to comply where partners meet these expectations. Waste is essurted at source, with organic and relcued through partners met these expectations.

Supplier Oversight

Pre-engagement screening of new cooperatives and aggregators



Environmental risk assessments for new sourcing regions

Annual field audits focused on environmental and labor compliance



Training on sustainable farming and recordkeeping for farmer groups



2024 Performance

In 2024, CAGAON’s cocoa supply came from farms assessed for environmental and social compliance. Three cooperatives received capacity-building support to address gaps in recordkeeping and waste management

Training and Capacity Building

Management Approach

CAGAON invests in training as a foundation for improving productivity, sustainability, and social responsibility across its workforce and supplier network. The company provides ongoing education for employees, farmers, and community partners.

Training covers a wide range of topics, from good agricultural practices and occupational safety to ethics, environmental protection, and financial literacy.

Capacity Building Initiatives

- On-site workshops for farmers on pruning, pest control, and fermentation
- Monthly safety and hygiene briefings for factory workers
- Digital training modules for field supervisors and quality inspectors
- Support for youth apprenticeships in cocoa processing and logistics

2024 Highlights

In 2024, over 1,000 individuals received training through CAGAON programs. Farmer productivity increased by an average of 12% in trained communities, and 40 women participated in the company's first women-in-agriculture leadership course.



Training and Capacitybuilding

Community Engagement

Management Approach

CAGAON views strong community relationships as essential to its long-term success. The company engages with rural communities near its farms and facilities to promote social inclusion, transparency, and shared development.

Engagement is rooted in dialogue, respect, and responsiveness to local needs—especially in areas related to education, infrastructure, and health.

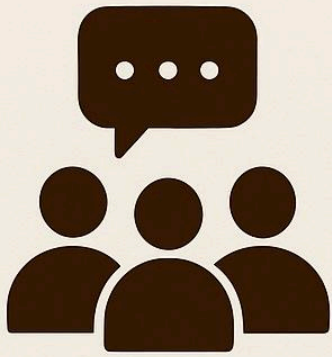
Engagement Practices

- Quarterly village meetings with farmers, elders, and youth groups
- Local hiring and sourcing of basic services from nearby communities
- Community feedback mechanisms and grievance response process
- Partnerships with NGOs for education, sanitation, and reforestation

2024 Impact

In 2024, CAGAON supported the rehabilitation of two village wells and co-funded a school garden program reaching 300 children. All grievance reports received were resolved within 30 days, and satisfaction rates improved in annual community surveys.

Community Engagement



Quarterly
village
meetings



Local hiring
and sourcing



Community
feedback
mechanisms



Partnerships
with NGOs

Climate Resilience and Agroforestry

Management Approach CAGAON recognizes that cocoa farming is highly vulnerable to climate change impacts such as irregular rainfall, higher temperatures, and pest outbreaks. The company promotes climate-smart practices and agroforestry to build resilience in its supply chain.

Agroforestry systems—combining cocoa trees with shade trees and food crops—help improve soil health, reduce erosion, and enhance biodiversity, while providing farmers with diversified income.

Actions and Practices



Distribution of native shade tree seedlings to farmers



Technical support for soil conservation, composting, and intercropping

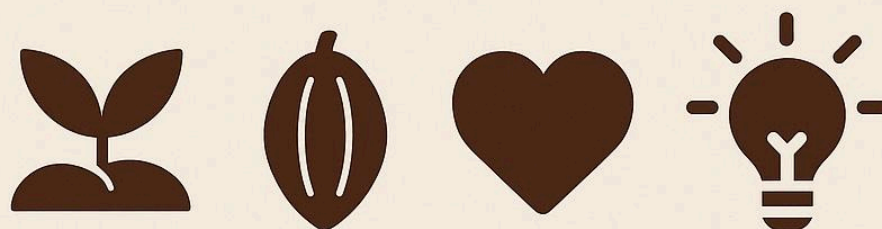


Use of climate data to guide planting and pruning schedules



Collaboration with research centers on drought-resistant cocoa varieties

In 2024, over 20,000 shade trees were planted across CAGAON’s network. 60% of trained farmers reported improved yields in agroforestry plots, and the company reduced the use of synthetic fertilizers by 17%



Closing Statement

At CAGAON, sustainability is not a separate goal—it is embedded in how we grow, process, and trade cocoa every day. This report reflects our progress, challenges, and aspirations to build a more responsible cocoa sector that benefits people, the environment, and future generations.

We understand that our work is far from finished, Climate risks, economic pressures, and social expectations continue to evolve. That's why we remain committed to listening, learning, and acting transparently.

We thank our employees, farmers, partners, and communities for walking this path with us. Together, we will keep building

CAGAON Team Ghana – December 2024