

2024-2025 . **SUSTAINABILITY REPORT**

01	FOREWORD Sustainability as a core value	5
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02	WALTER MATTER IN A NUTSHELL A century-old history	6
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03	ACTIVITY REVIEW Advancing long-term impact beyond uncertainty	12
-----------	--	----

04	DUE DILIGENCE Assessing and addressing risks	18
-----------	---	----

05	ENVIRONMENT Conserving natural resources	28
-----------	---	----

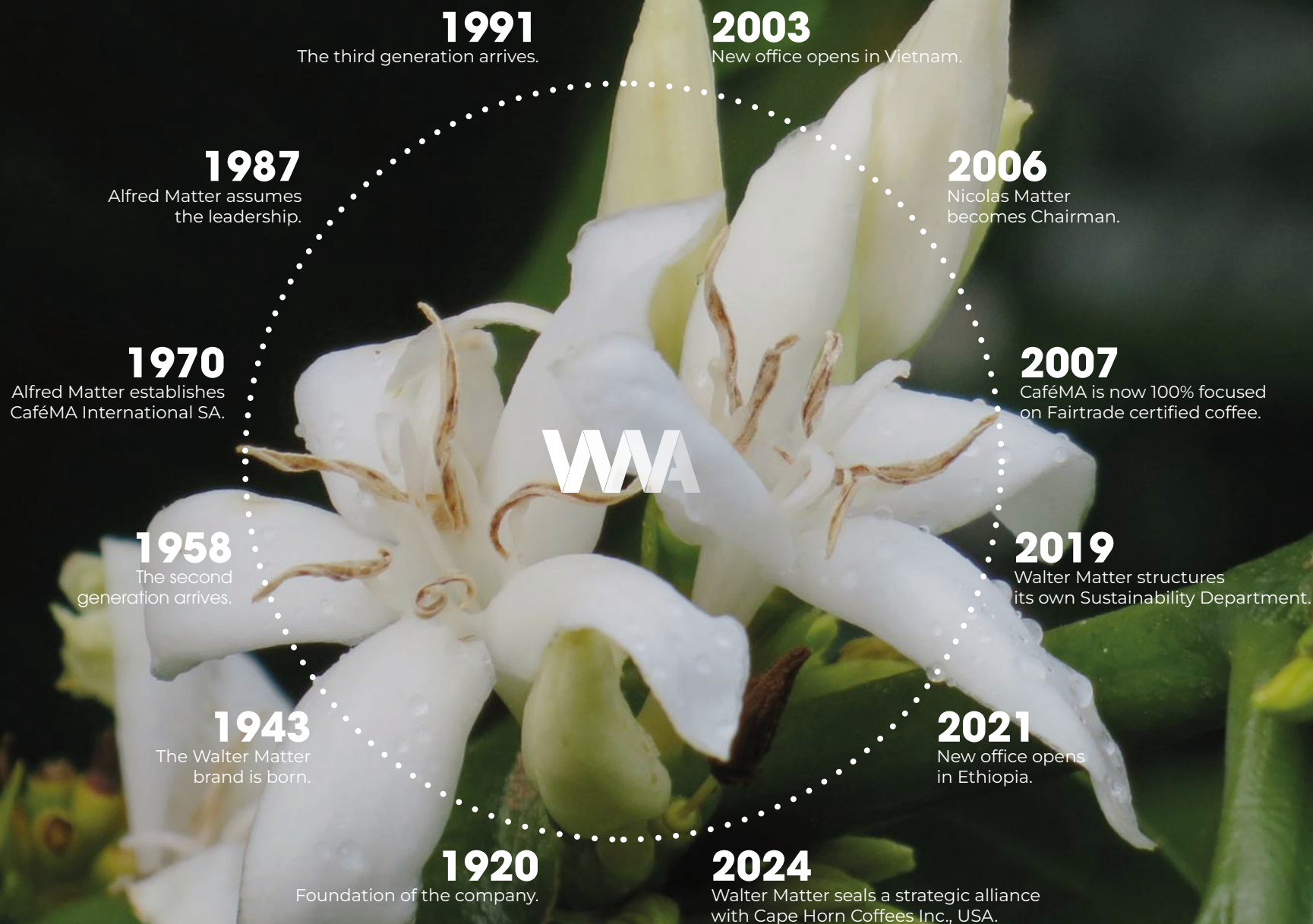
06	PEOPLE Protecting the most vulnerable	40
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Sourcing the finest coffee and cocoa for over a century

For 106 years, three generations of the same family have led Walter Matter, building lasting relationships with their clients and offering them the finest coffee and cocoa sourced from every corner of the world. Today, 55 dedicated colleagues spread across 5 countries and 4 continents work daily to source, trade and deliver from more than 30 origins.

Balancing century-old tradition with the demands of modern trade,

Walter Matter is widely recognized for its expertise and its unwavering commitment to the coffee and cocoa producers it works with. Many of these relationships extend over several decades, reflecting a partnership approach built on trust, transparency and shared success. Walter Matter's long-standing reputation for trustworthiness thus becomes a tangible advantage for its partners and for its clients.



A few key figures

26

coffee countries
of origin

10

cocoa countries
of origin

55 +

employees worldwide

95 000 MT

coffee sourced
in 2024 and 2025

109 000 MT

cocoa sourced
in 2024 and 2025

43 %

women staff
on average

1

representative office
in Vietnam

1

representative office
in Ethiopia

25 %

women at
Management Board

1

strategic alliance
in the USA

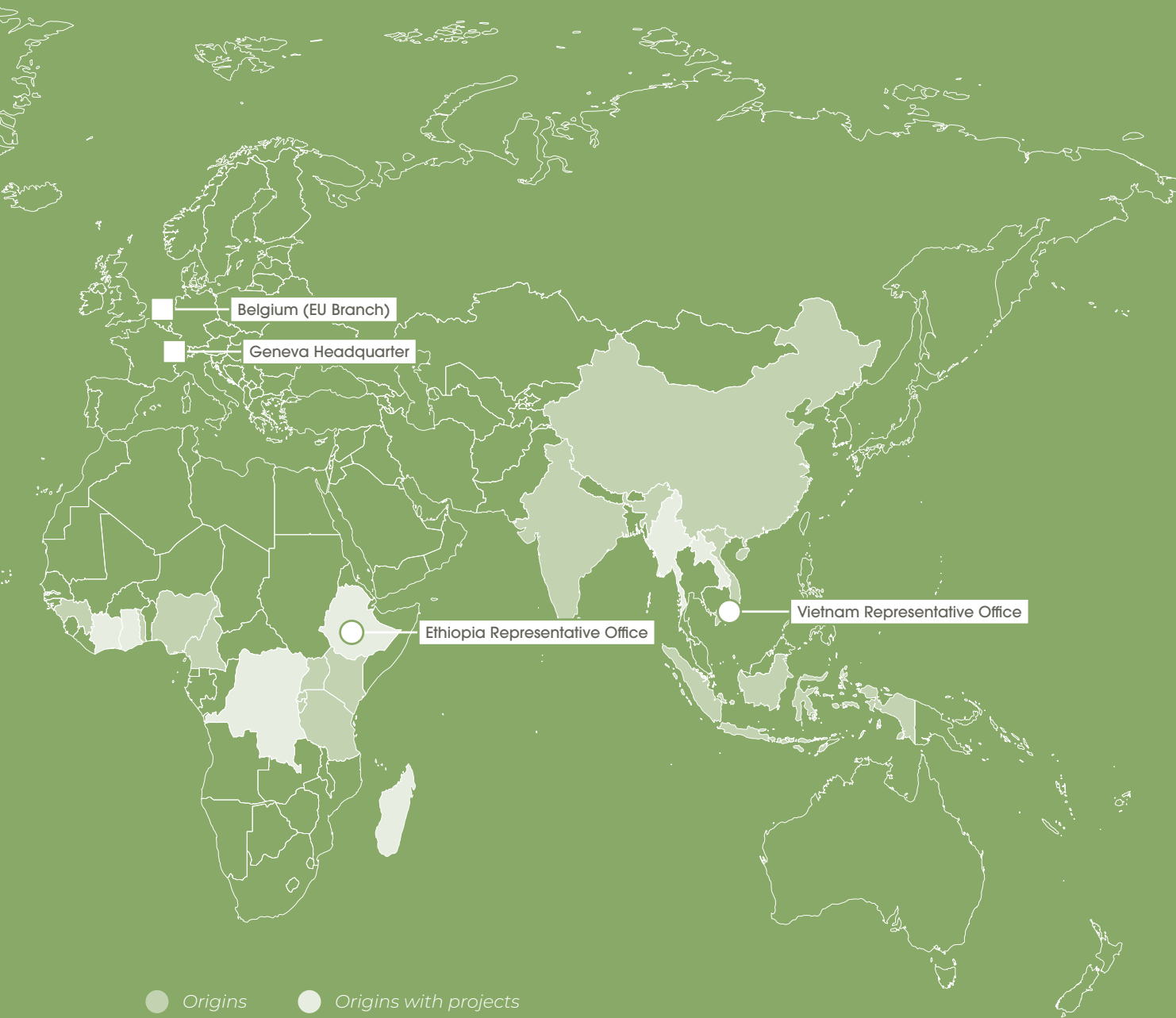
280 +

coffee and cocoa
suppliers

25 %

of staff aged
under 35 on average





AMERICA

1. Bolivia
2. Brazil
3. Colombia
4. Costa Rica
5. Dominican Republic
6. Ecuador
7. El Salvador
8. Grenada
9. Guatemala
10. Haiti
11. Honduras
12. Mexico
13. Nicaragua
14. Peru

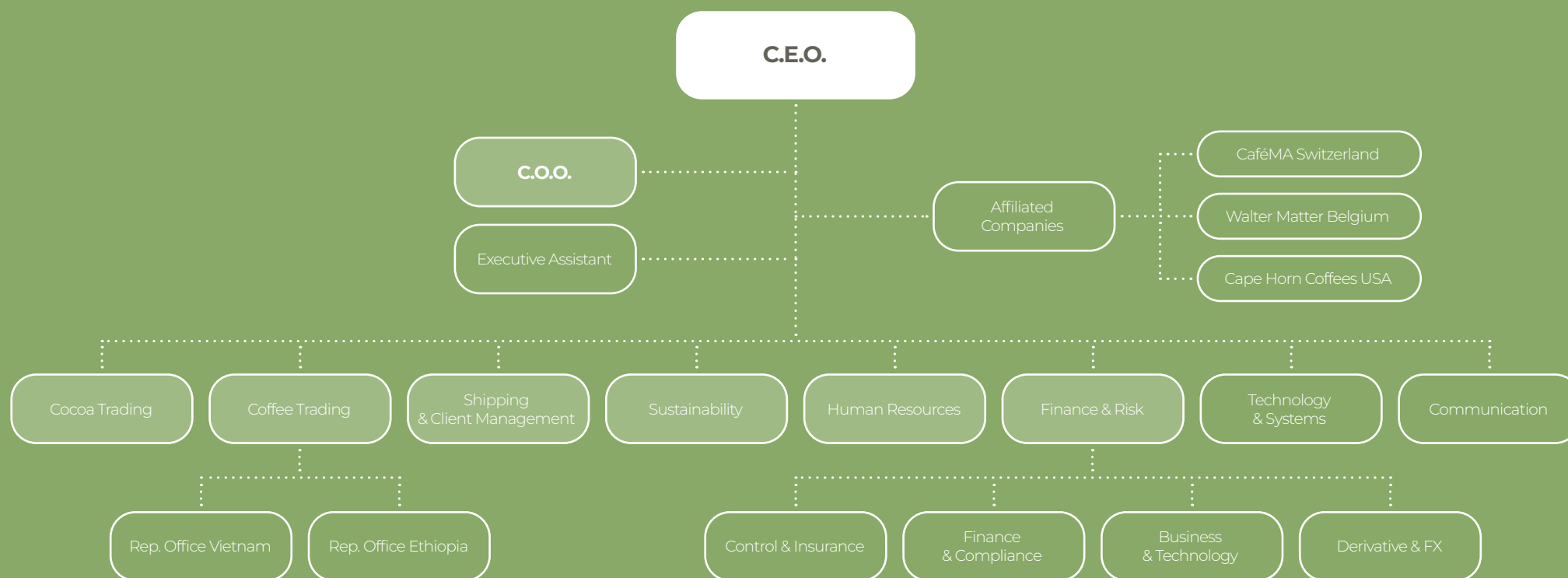
AFRICA

15. Burundi
16. Cameroon
17. Ethiopia
18. Ghana
19. Guinea
20. Ivory Coast
21. Kenya
22. Madagascar
23. Nigeria
24. R.D. Congo
25. Rwanda
26. Tanzania
27. Togo
28. Uganda

ASIA

29. China
30. India
31. Indonesia
32. Laos
33. Myanmar
34. Vietnam

Walter Matter's governance



○ Department led by a Board Member

Sustainability standards: decision-making

Walter Matter's Management Board brings together the company's senior operational leadership and holds primary responsibility for the sound and ethical conduct of business operations.

The Board meets monthly and reports directly to the CEO. It operates by consensus whenever possible. If not, the decision is referred to the CEO. Thus, sustainability governance is embedded at the highest operational level, ensuring accountability across all business functions.

WHO

Chief Operating Officer
Chief Financial Officer
Head of Coffee Trading
Head of Cocoa Trading
Head of Logistics
Head of Human Ressources
Head of Sustainability
(Other departments if relevant)

HOW

Monthly council to assess and decide ESG related topics.

Decision made by consensus, or referred to the C.E.O. if no consensus is reached.

WHAT

Responsible Business Policy
Business Principles
Assess and Address Policy
Gender Equality policy
Grievance procedure
Internal rules for personnel
Directions on the use of IT equipment
Data Protection Policy



03. ACTIVITY REVIEW

// ADVANCING LONG-TERM IMPACT BEYOND UNCERTAINTY

Despite a year defined by volatility, our commitment to sustainability remained steadfast. While immediate operational challenges demanded significant attention, we continued to invest in the systems, partnerships, and initiatives needed to drive lasting positive impact throughout our cocoa and coffee value chains.

Strengthening resilience across our supply chains

Sustainability in the cocoa and coffee sectors means creating value for everyone across the supply chain – from farmers and communities at origin to customers and consumers – both today and in the future.

Achieving this vision requires long-term commitment. However, the 2024–2025 reporting period was marked by exceptional volatility and uncertainty. Geopolitical developments, market and regulatory instability and supply chain disruptions posed significant challenges across our business, often overshadowing broader discussions on long-term environmental and social impact.

Against this backdrop, we continued to strengthen our sustainability approach while adapting to a rapidly changing operating environment. A major focus during the reporting

period was preparing for the European Union Deforestation Regulation (EUDR). Significant investments were made in systems and processes to improve traceability and due diligence throughout our supply chains. Building on the successful pilot of our deforestation monitoring system in 2024, we scaled our EUDR sourcing in 2025, substantially increasing both the speed of verification and the volume of data processed.

Beyond the focus on forest, EUDR has acted as a catalyst for broader sustainability action. It has reinforced the importance of addressing issues such as human rights, workers' rights, land tenure, among other risks that are prevalent in agricultural supply chains. Through closer engagement with suppliers, we have strengthened our understanding of supply chain risks and developed more robust

systems for collecting and analysing sustainability data. Enhanced traceability and geospatial information are also creating new opportunities to support targeted interventions at origin.

With the support of our partners, we have channelled over USD 1'000'000.00 into sustainability initiatives in 2024 and 2025, benefiting over 12'000 farmers and their families across Ethiopia, Madagascar, Ghana, and Côte d'Ivoire. These programs focused on key issues including traceability, income diversification, agroforestry, access to education, and child labour remediation. The continuation and expansion of many of these initiatives beyond 2025 reflects the strength of our partnerships at origin and the continued commitment of our customers for positive impact.





About the EUDR

The European Union Deforestation Regulation (EUDR) aims to ensure that 7 agricultural commodities placed on the EU market – including coffee and cocoa – do not contribute to deforestation or forest degradation after 31 December 2020 and are produced in accordance with all relevant local laws. It imposes strict plot-level traceability, due-diligence, data sharing and reporting obligations on operators, thereby strengthening transparency and accountability across global supply chains.

About Due Diligence

Human Rights and Environmental Due Diligence (HREDD) is a management system that allows to address risks along the value chain. It entails ongoing efforts to identify, prioritize and mitigate potential social and environmental negative impacts and continuously improve company practices. HREDD is subject to international standards and best practices, such as the UNGP or the OECD guidelines. With the Corporate Sustainability Due Diligence Directive (CS3D), HREDD

becomes a legal obligation for larger companies based in the EU.

The Corporate Sustainability Reporting Directive (CSRD) on the other hand, strengthens extra-financial reporting obligations for EU-based companies. It requires standardized and audited disclosures based on the principle of double materiality, covering environmental, social, and governance impacts, including those related to supply chains.

Working with certifications

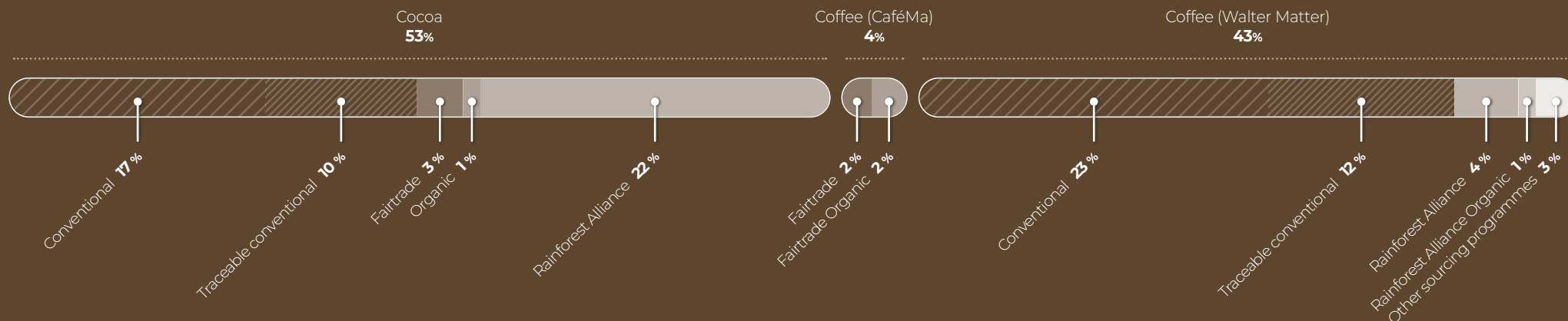
Walter Matter has worked with certification since the early 2000s, and its sister company CaféMA is fully dedicated to Fairtrade and Fairtrade organic coffees. In 2024-2025, certified cocoa and coffee represented 38% of Walter Matter and CaféMA coffee and cocoa business.

We remain convinced of the added value of these labels, which serve as an incentive for producers, traders and processors to enhance environmental, social, and economic practices. Therefore, we support farmers' organisations and exporters in obtaining certifications either through technical support, pre-financing or purchase commitments, as effective mechanisms to improve value chains.



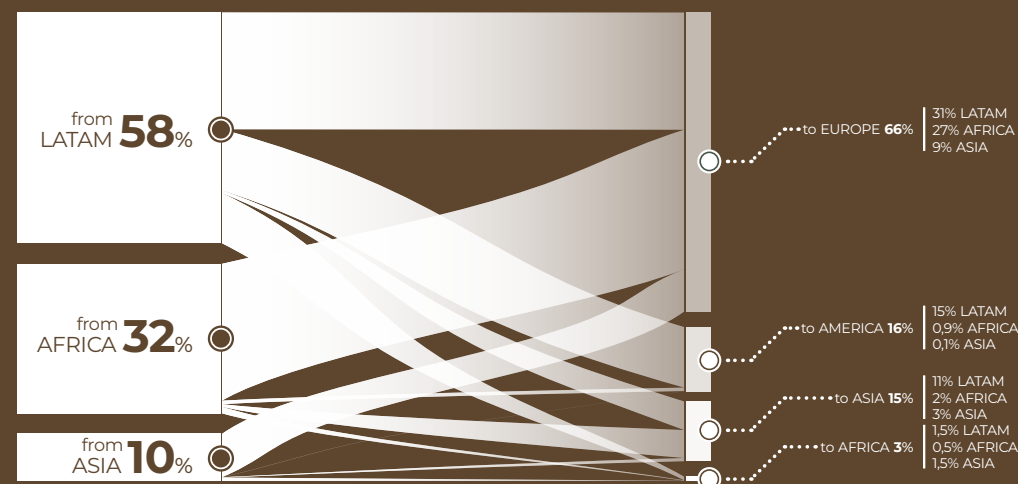
Purchases distributed by certification

% of global purchases, 2024-2025



Purchases flows

% of global purchases, Continent of origin to Continent of destination, 2024-2025



Working collectively

By joining several multi-stakeholder associations, we have taken an active role alongside other key players in the industry.



FEDERATION OF
COCOA COMMERCE



Swiss Platform for
Sustainable Cocoa



eca
european cocoa association



Swiss Sustainable
Coffee Platform



International
COCOA
Initiative



Our commitment to sustainability

Our Responsible Business Policy (RBP) is aligned with international treaties and objectives and covers our business' most pressing issues:

- Compliance and business integrity
- Human rights
- Health and safety
- Environmental protection
- Collaboration and transparency

Our RBP is complemented by Human Rights and Environmental Protection statements. Because good conduct should start from within, we ask all our staff and subcontractors to uphold our Business Principles and act according to the highest ethical standards.



In 2025, we have renewed our assessment by Ecovadis, which rates and benchmarks environmental, social and ethical performance, looking at the practices implemented in our own operations and in our supply chains.

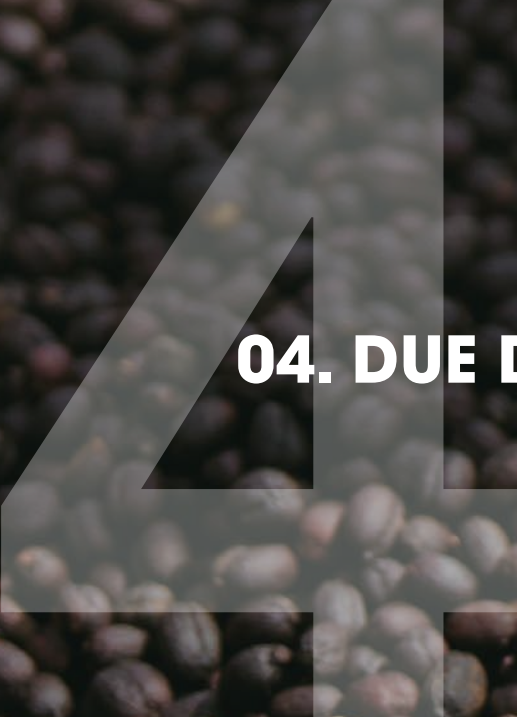
We remain in the top 35% companies (80th percentile), awarding us the bronze medal.

BRONZE | Top 35%

ecovadis

Sustainability Rating

JAN 2026



04. DUE DILIGENCE

// ASSESSING AND ADDRESSING RISKS

In 2024 and 2025, we continued to strengthen our due diligence and traceability systems to better identify and mitigate environmental, social, and governance risks across our supply chains. Due diligence is a key driver of sustainable sourcing, helping us build transparent, resilient, and responsible value chains while supporting respect for human rights, environmental stewardship, and long-term value creation.

Striving for structure in complexity

The diversity and complexity of supply chains make the implementation of due diligence processes challenging but essential. Mapping social, environmental, governance, and ethical risks requires a fine balance between structured data collection and qualitative analysis.

Cocoa and coffee are produced in a vast, highly diverse social and environmental contexts. In our digital era, we can access many databases, often free and public, that aim at categorising and rating multiple risks, often at country level. While these databases are often not specific to our sector or to the regions we source from, they provide crucial contextual information to assess the most salient risks at each origin.

Since 2023, we have been buying members of Sedex, an online collaborative platform that helps companies manage and improve ethical and sustainable practices within their supply chains. Sedex “inherent risk” score rates sector and country-specific issues linked to labor standards, health and safety, environment and business ethics. Based on their proprietary methodology integrating and assessing multiple data sources from public institutions, media and NGOs, this scoring methodology provides us with a general insight of the main issues affecting coffee or cocoa production in each origin we source from.





Public indexes and databases

included in our country-level risk assessment

The **World Bank's** Worldwide Governance Indicators (WGI) provide composite scores across six governance dimensions – political stability, government effectiveness, rule of law, control of corruption, among others – covering more than 200 economies since 1996.

Transparency International's Corruption Perceptions Index (CPI) adds a focused, widely referenced country-level benchmark. Fairtrade International's Risk Map offers an interactive tool filterable by producing country and commodity type, flagging the most salient human rights and environmental risks associated with coffee and cocoa production.

Indigenous Navigator's platform, developed by a consortium of indigenous organisations and international NGOs, enables

indigenous communities to monitor and document the implementation of their rights against UN standards (UNDRIP).

Minority Rights Group International's mapping tool, produced by an NGO with UN consultative status, assesses risks of violence and marginalisation faced by minority and indigenous groups worldwide.

LandMark Global map of indigenous and community lands, developed by a consortium including the World Resources Institute and the Rights and Resources Initiative, documents territories formally recognised or claimed under national legislation.

ACLED Conflict Watchlist's periodic publication, produced by a recognised reference in conflict data, identifies geographic areas at highest risk of short-term escalation.

Looking at supply chains in context

Due to the complexity and fragmentation of cocoa and coffee supply chains, the prevalence of smallholders in most producing countries and the persisting social, environmental and governance issues affecting farming communities, it is crucial to perform an in-depth assessment of the specific situation of each supplier.

First deployed in 2024 and enhanced in 2025, our Supply Chain Questionnaire covers 13 key areas and collects detailed information and evidence highlighting potential risks and documenting mitigation measures. It allows us to calculate

a risk score for each supplier based on their answers and the evidence provided. This automated quantitative evaluation is refined with a qualitative revision of answers, often followed by feedback and further information exchange with each supplier, depending on their specific situation.

This structured approach ensures that due diligence is a practical, measurable process that strengthens compliance, but also a dialogue that promotes responsible sourcing, and supports risk mitigation at origin, considering the specificity of each supply chain and its operating environment.





Partner profile

Gather basic information on the organization and its operations.



Supply chain composition

Understand types of suppliers and certifications.



Traceability

Ensure products can be tracked through the supply chain.



Sustainable sourcing

Verify adoption and implementation of responsible sourcing standards.



Environmental protection

Assess measures to reduce environmental impact.



Labor conditions and human rights

Ensure respect for workers and community rights.



Land use right

Confirm legal or customary rights to the land used.



Indigenous peoples & FPIC

Protect rights and obtain Free, Prior, and Informed Consent where relevant.



Legal compliance

Verify adherence to national laws and regulations.



Business integrity

Ensure ethical conduct and compliance with sanctions.



Conflict-affected areas

Identify risks and mitigation in sourcing from conflict zones.



Food safety

Confirm compliance with regulations and safety standards.



Grievance mechanism

Provide a system to report and address issues.

Building reliable traceability systems

With millions of often unregistered smallholders, many independent players involved in purchasing, transporting and processing, and a persisting prevalence of informal transactions, first-mile cocoa and coffee traceability remains a challenge. We thus have invested in setting up traceability systems in some of our most fragmented supply chains.



PROJECT TRACEABILITY IN MADAGASCAR

In May 2024, with the technical support of Helvetas, Walter Matter has launched a traceability project in Madagascar with two of its suppliers: ETS Théodule and Madagascar Flavors.

The objective was to equip both suppliers with an efficient and transparent traceability system to ensure conformity with the EUDR regulation. An operational team for each supplier has been set up by Helvetas and is responsible for georeferencing plots and coordinating traceability efforts at farmers' and collectors' level. This project was very well received by our suppliers since they now have all the tools needed to access the European market under the upcoming EUDR regulation.



Farmer's testimony

In the fertile lands of the Ambanja district, where cocoa shapes the lives of thousands of families, Narcisse Tongalaza, 40, a father of one and a resident of Ambodisakoana, devotes his daily life to cocoa farming. Like his father before him, he grew up among trees bearing golden pods, nurtured by the hope of an abundant harvest and a better future.

L'Établissement Théodule, his main buyer, recently imposed new rules

to remain compliant with European market requirements, notably the European Union Deforestation Regulation (EUDR). For Narcisse, this was a turning point. **"I realized that if I wanted to keep going, I had to adapt,"** he says. He therefore embarked on the georeferencing of his plot, a technical but necessary process. **"Before, I farmed without asking too many questions, I sold my harvest and that was it. Today, I write everything down in my notebook: how many cocoa beans I harvested, when, and even the quality of each batch."**

This change has transformed the way he works. He now knows exactly how much cocoa he produces each month and each year. **"Before, I didn't know exactly how much I harvested. Now, I can track how my production evolves, identify slow periods, and manage my sales better,"** he explains with satisfaction.

But Narcisse did not stop there. Aware that these new requirements are here to stay, he actively encourages other producers to follow his example. **"At first, some were skeptical. They**

said it was a waste of time," he admits. Seeing how easily he sells his cocoa and the trust he has gained from L'Établissement Théodule, many are beginning to take an interest in traceability.

For Narcisse, the future of Ambanja's cocoa depends on this transition. **"It's not just a constraint. It's an opportunity to prove that our cocoa is traceable, that it meets standards, and that it deserves its place on the international market."**

RESULTS

2'200

MT cocoa traced

1'566

plots georeferenced

3'026

hectares georeferenced

1'833

farmers involved

1'104

farmers trained

13

main collectors

25

sub-collectors trained

35

group briefing sessions

9

technical agents recruited

1

traceability manager recruited

PROJECT TRACEABILITY IN ETHIOPIA

In April 2024, the Ethiopia Traceability Project, implemented by Walter Matter in collaboration with S.A. Bagersh and the Swiss Agency for Development and Cooperation (SDC), was entering its closing phase.

Through a small action supported by SDC, and in cooperation with the Ethiopian Coffee and Tea Authority, Walter Matter and S.A. Bagersh worked with three wet mills in Ethiopia's Sidama region to pilot a coffee traceability approach with the potential for wider replication. The initiative connects smallholder farmers directly to international buyers and promotes value creation across the entire supply chain.

The Ethiopia Traceability Project replaced manual, paper-based records of coffee cherry transactions with a

digital system built on open-source technology. This platform enables real-time data exchange between mills, exporters, and global buyers, including transparent information on prices paid to farmers. Data can be collected offline via mobile devices and later uploaded to a cloud-based system for broader access and coordination. To encourage participation, the initiative combined data-sharing requirements with practical incentives, such as farmer training and agricultural inputs, as well as efforts to strengthen mill competitiveness by improving digital skills and access to technology.

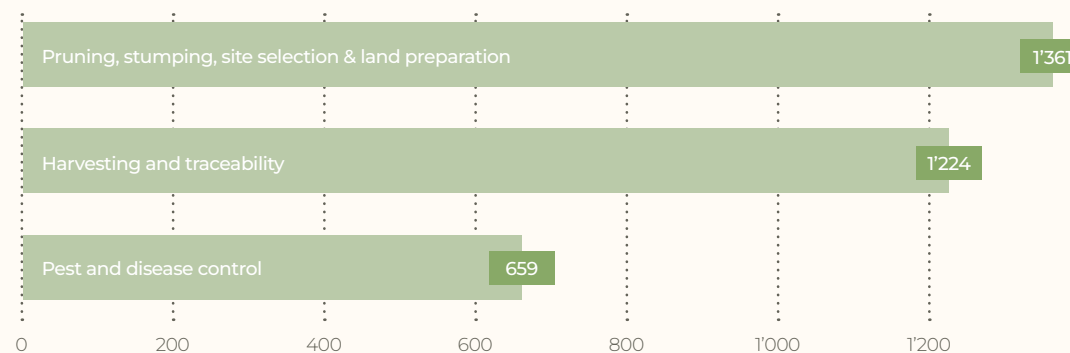




RESULTS

1'361 + beneficiaries
485 women
8 wet mill staff
13 public agents
17 collectors

88'200 + coffee seedlings
18'000 + shading tree seedlings
13'200 + avocado seedlings
1'215 MT coffee traced



People trained by topics



05. ENVIRONMENT

// CONSERVING NATURAL RESOURCES

Coffee and cocoa production depend on healthy ecosystems, making the protection of natural resources essential to the long-term resilience of our supply chains. Through agroforestry, reforestation, climate-smart agriculture, and enhanced environmental monitoring, we promote production systems that support biodiversity, protect soils and water resources, and strengthen communities' adaptability to climate change.

Agriculture in balance with nature

Coffee and cocoa production depend on healthy ecosystems, making the protection of natural resources essential to the long-term resilience of our supply chains. Through agroforestry, reforestation, climate-smart agriculture, and enhanced environmental monitoring, we promote production systems that support biodiversity, protect soils and water resources, and strengthen communities' adaptability to climate change.





PROGRAMME

SUSTAINABLE COCOA IN MADAGASCAR

2024 and 2025 mark respectively the 5th and 6th years of our project in Madagascar. Located in the Sambirano valley in the region of Diana, the project is the result of a partnership including Walter Matter, the Société Commerciale et Industrielle de Madagascar (SCIM) and Helvetas for technical assistance on the ground.

Farmers receive yearly training on good environmental, social, economic and agricultural practices aiming at strengthening their expertise on agroforestry, crop diversification, pest and diseases management while enhancing their resilience towards poverty, climate change and soil degradation. Teaching is done through group sessions, individual

coaching, and the use of demo plots to demonstrate good practices. The 34 groups of producers also receive appropriate farming tools to bolster their efficiency and productivity.

A core part of the project is the distribution to farmers of cocoa and shade tree seedlings. This task is done in partnership with the FOFIFA (the

Malagasy National Centre for Applied Research on Rural Development) who produces various seedlings in their nurseries for thousands of farmers in the valley. It also produces seedlings for reforestation purposes, an effort that was done in 2024 with the technical assistance of Helvetas and the support of Madagascar National Parks.

In 2025, an important milestone was accomplished: all involved farmers have been certified by Rainforest Alliance. This is a great achievement as it enables the intensification of efforts towards a more sustainable agricultural model and better economic opportunities for producers.

RESULTS

734 hectares
966 farmers
1'603 plots
287 women

- 100% of farmers have received a group training session on good agricultural practices (GAP), good social practices (GSP), good environmental practices (GEP) and climate smart agriculture (CSC)
- 900 farmers have received a group training session on agroforestry practices
- 1 374 individuals have received training that promotes additional income generation opportunities
- 57% of the farmers have had an increase in their yield by the end of 2025

	By the end of 2024	By the end of 2025
Improved (high yielding, disease resistant) cocoa seedlings distributed to farmers	26'961	38'928
Number of permanent shade trees distributed for on-farm planting	1'576	1'963
Other seedlings	-	960
Farmers that had an increase in their yield (compared to the previous year)	54%	57%

PROJECT LANDSCAPE IN MADAGASCAR

The SWISSCO Landscape Project is a public-private and multisectoral partnership that aims at increasing the climate resilience of cocoa-producing communities in the Sambirano valley in Northern Madagascar. Walter Matter participates in this initiative along with 9 other companies and academic partners. The project is co-founded by the State Secretariat for Economic Affairs (SECO) through the SWISSCO association and is implemented locally by Helvetas.

The project follows a “landscape” model in which a precise geographical area is targeted to tackle environmental and social issues beyond supply chains through the combination of the partners' efforts.

The project has a variety of objectives:

- Conserve the ecosystem functions in the landscape through an adequate mix of on and off-farm interventions.
- Address the ongoing deforestation, loss of soil and water retention in priority zones.
- Improve living conditions of cocoa farmers through diversified income and land tenure security.
- Create incentives to maintain sustainably managed cocoa plantations.





In 2024, 130 hectares have been reforested with 335 500 local and diverse tree species.

4 200 cooking stoves have been distributed, financed by the obtention of a carbon fund. The responsibility of this task has been given to the FIVEDISAB (Women Federation Associations), reinforcing their autonomy and decision-making power.

On the topic of land security, 46 land titles are being finalized to enable securing sustainable investments and strengthening farmers' resilience to economic and climate challenges. 84 trainers have been trained on best practices in agroforestry and climate-smart agriculture, enabling

them to raise awareness among 3'265 producers in the Sambirano valley.

Initiatives have been set up to assist farmers in diversifying their agricultural incomes. Efforts are mainly poured into several agricultural commodities such as vanilla, ginger, pepper, tubers, coconut trees, poultry farming and beekeeping.

Finally, an executive director has been elected at the 'Comité de Gestion du Bassin Versant du Sambirano' (COGEBS), enhancing governance and coordination of activities.

In 2025, 125 hectares have been reforested with 311'561 tree plantings, restoring the soil and allowing the sustainable

production of wood for energy purposes. 8 km of erosion-prone areas have been stabilised through reforestation.

158 additional land titles have been granted, further reinforcing the community needs for land security. 30% of all the land titles have been registered at the name (or conjointly) of women farmers, which is higher than the national average.

6 805 farmers have been trained on climate smart agriculture (33% were women) thanks to the work of 92 trainers. Additionally, a training module on dynamic agroforestry has been launched and will take place in 5 demo plots across the Sambirano.

RESULTS

255
hectares reforested

647'061
trees planted

204
landtitles granted

10'070
producers trained

92
trainers

5
demo plots

4'200 +
cooking stoves
distributed

PROJECT AGROFORESTRY IN GHANA

In partnership with August Storck KG, Federated Commodities Ltd (FEDCO) and Walter Matter, an agroforestry project was launched in the crop season 2023/2024 with the aim of supporting cocoa farmers in Asankragwa and Samreboi.

The objective is to promote sustainable cocoa production through agroforestry by integrating shade trees (Ofram and Emire) and hybrid cocoa seedlings to enhance productivity and biodiversity.

The second phase that extended to 2025 introduced Dynamic Agroforestry (DAF), climate-smart cropping systems (CSCS) and the development of market systems for selected crops with the goal of enhancing the sustainability of the cocoa production value chain by promoting cocoa agroforestry, improving on-farm environmental conditions and supporting

compliance with internationally accepted sustainability standards.

Cocoa and shade trees have been grown in nurseries and distributed to farmers so that they can rehabilitate old or degraded cocoa farms using improved cocoa seedlings and establish or increase shade tree cover to improve on-farm environmental conditions, enhance ecosystem services and support long-term farm resilience.

In total, 81'297 seedlings grown in local nurseries have been distributed to 5'100 farmers to be planted on 25 ha of cocoa farms (with a 95% survival rate).

RESULTS

5'100

farmers involved

25

hectares of
cocoa farms

204

landtitles
granted

81'297

seedlings grown

95 %

seedlings
survival rate



PROJECT AGROFORESTRY IN CÔTE D'IVOIRE

The Ecoogreen agroforestry project, initiated by Ecookim in partnership with August Storck KG, and IDH's LND Fund Technical Assistance facility aims to enhance the resilience of cocoa farmers to climate change, combat deforestation, and improve local ecosystems. On the technical side, the local company 'Foncier, Foresterie, Agriculture' (FOA) is responsible for the implementation and teaching of agroforestry practices, reforestation, and the obtention of land titles. The project benefits the cocoa producers of the 'Compagnie Cacaoyère du Bandama' (CCB) cooperative in Bin-Houyé.

The project started in May 2024, with the recruitment and training of staff and the collection of data to align with local needs. Shortly after, a nursery was set up to produce 11'450 seedlings. Six species were cultivated, chosen for their adaptability to cocoa farming and their ecological benefits. A total of 11'020 trees were planted across 441 hectares, benefiting 312 farmers (60 women).

Planting brigades composed of local workers ensured compliance with technical standards and farmers were directly involved in the process. Post-planting monitoring began in

September 2024 to assess tree survival rates and growth with preliminary results showing a 89% survival rate of monitored trees. Another nursery was established in 2025, as well as a hotbed. It allowed to produce 11'001 seedlings of 9 forest species chosen for their adaptability to cocoa farming, their ecological benefits and farmers' preferences. This activity was implemented by 25 women and 19 men, with FOA's support. Seedlings were distributed in priority to previous beneficiaries whose plots were not fully covered with shade trees, and then to new beneficiaries chosen based on their commitment to the

project and the cooperative. In 2025, 10'690 seedlings were planted on 668 cocoa plantation ha belonging to 290 farmers (42 women). Since 2024, 21'710 seedlings were planted on 1'109 hectares belonging to 602 cocoa farmers members of the CCB cooperative.

In terms of reforestation, FOA and CCB identified potential areas for reforestation in collaboration with local representatives of the 'Water and Forest Services'. 30'000 seeds of 11 species were selected with the participation of the community to produce 15'600 seedlings in a nursery.

The land was prepared by community members, under the supervision of FOA. In 2025, 10'400 seedlings were planted on 13 ha, with a density of 800 trees/ha. Since 2024, 22'784 seedlings were planted on 31 ha. Monitoring and maintenance are necessary to replace dead seedlings and ensure their healthy growth. A first monitoring round was done in September 2025, where 7% of seedlings were replaced (93% survival). For farmers providing land for reforestation to own the trees and secure their agricultural land, the project facilitates the obtention of land titles.

RESULTS

38'051

seedlings produced

32'494

trees planted

1'109

hectares covered

31

hectares reforested

602

farmers benefited

95 %

average trees' survival rate

Our tailored approach to deforestation monitoring

Our EUDR compliance journey started in early 2024, when we joined forces with the Lausanne-based GEOAI startup Picterra. We agreed on a data collection and validation protocol and progressively defined a deforestation risk assessment methodology fundamentally oriented towards scientific accuracy and methodology transparency.

With the crucial support of our suppliers, we collected an increasing number of farm plot geolocation data. With Picterra expertise, each data set was assessed against strict data quality criteria and then subjected to a deforestation risk assessment. We provided detailed maps and feedback to suppliers and discussed options to address risk areas.

As our plot database grew, we continuously refined our methodology

to avoid false positives or negatives, updated reference layers, automated data correction wherever possible, and integrated deforestation assessments into our daily operations.

Despite an intense climate of uncertainty due to the multiple postponements and the reopening of the regulation, we remained focused on optimizing our process and scaling up our verification capacity. By January 2025, Picterra's announced "Tracer", a compliance tool developed as the result of our partnership, which we are now using to verify our EUDR purchase in full autonomy.

As this report is being drafted, we continue to collaborate with Picterra to enhance Tracer, while exploring the potential of remote sensing beyond regulatory obligations.

A rewarded GeoAI deforestation risk assessment tool

TRACER is a tool jointly developed by Walter Matter and its technology partner Picterra, a Swiss start-up specialized in geospatial artificial intelligence (GeoAI). It was designed to automate and strengthen the reliability of deforestation risk assessments based on geolocation data, combining Walter Matter's field expertise with Picterra's technological capabilities.

TRACER is built on three complementary pillars. From a technological standpoint, the GeoAI platform rapidly analyses plot-level data by cross-referencing it with publicly available forest maps and deforestation alert layers, delivering clear, verifiable, and time-traceable results. From a process perspective, its development is based on continuous collaboration between Picterra and

Walter Matter, closely anchored in operational realities and the specific constraints of the coffee and cocoa supply chains. Finally, from a methodological perspective, TRACER prioritizes transparency, relying primarily on public data sources and, where necessary, on very high-resolution private imagery libraries to record additional evidence of compliance within the platform.

In less than two years, TRACER has enabled the assessment of more than 300 000 plots across over 25 countries, covering coffee and cocoa shipments from nearly 100 suppliers.

The quality of the tool and the robustness of the procedures implemented have been recognized by the industry. Walter Matter was awarded the Commodities Innovation Award 2025 in the "Innovative Partnership" category, jointly with Picterra.



Achieved with Tracer



26
countries covered



140
suppliers involved



329 000 +
farm plots assessed



634 000 +
ha assessed

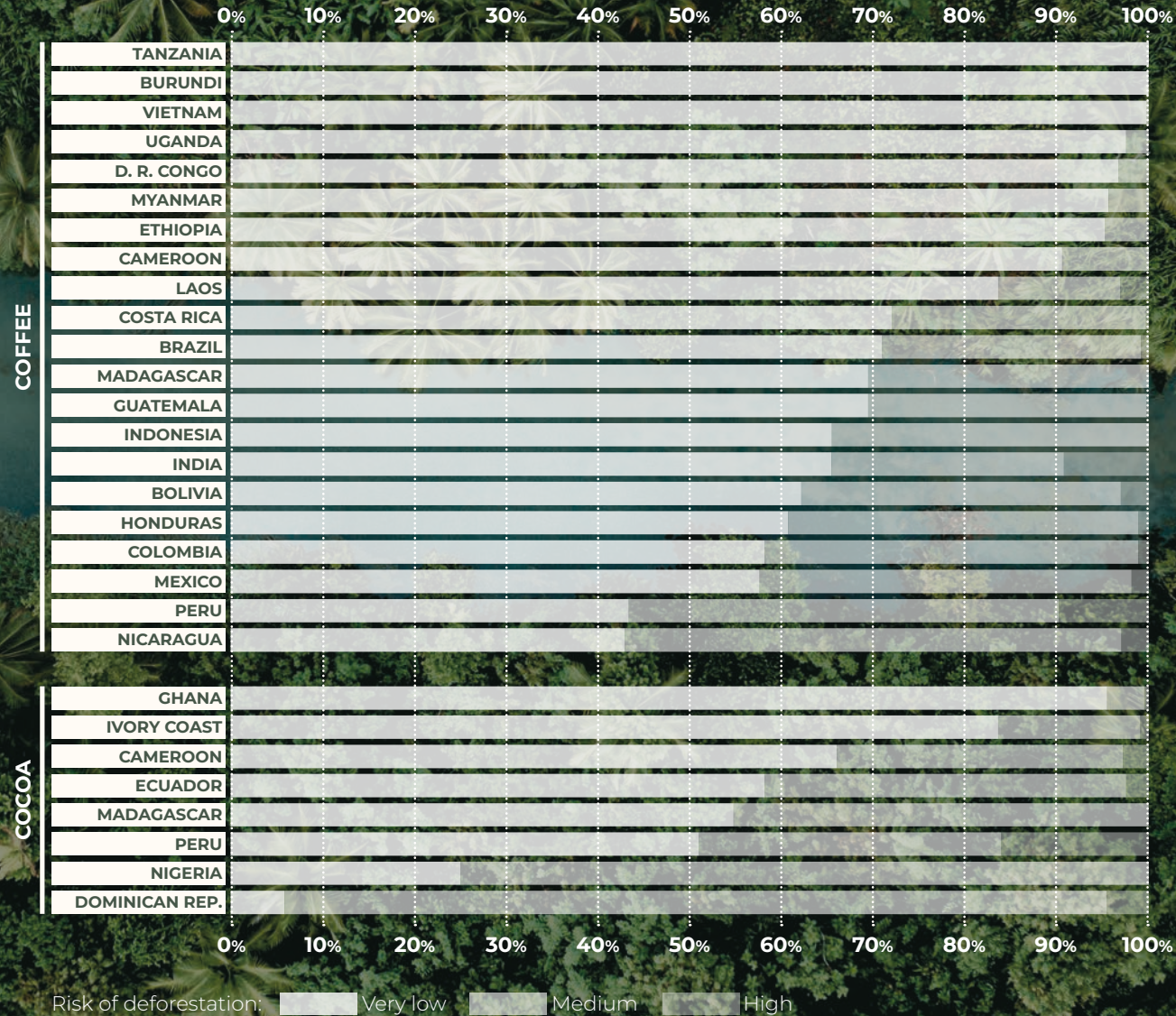
98%
of assessed plots
are deforestation free

95%
of assessed surface
is deforestation free



Deforestation Risk Assessment

% of Plots, TRACER, 2024-2025



A TALK WITH FRANK DE MORSIER

PICTERRA'S CO-FOUNDER



How does the technology combine satellite imagery and artificial intelligence to detect and quantify deforestation risks in coffee and cocoa production areas?

Frank De Morsier – Picterra Tracer combines multi-source satellite imagery (Sentinel-1 & 2, Landsat, Planet) with AI-based land use change detection models to assess deforestation risks at plot level. For each farm polygon submitted, the system automatically checks its validity, auto-correct some typology and geometric aspects, and then cross-references the plot's boundaries against multiple forest baselines to monitor change of canopy covering the reference period relevant to EUDR (post-2020). Our models flag areas of potential canopy loss and classify risk levels based on the severity and recency of detected changes, returning a transparent, reproducible report for each plot.

How were the deforestation risk assessment methodology parameters defined?

F. de M. – Our approach is inspired by and compatible with the methodology underlying WHISP (“What’s in that plot?”), which has become an emerging standard in the EUDR compliance ecosystem. We have worked to align Tracer’s logic with the same open, science-backed principles: transparent forest baseline selection, documented reference dates, and reproducible spatial intersection methods. The specific parameters (e.g. minimum canopy cover thresholds, change confidence levels) were refined iteratively through our collaboration with Walter Matter, stress-testing the methodology against real operational data across 26 countries and nearly 500,000 plots.

What technical or contextual specificities have you observed when assessing deforestation risk in coffee and cocoa sectors compared to other commodities?

F. de M. – Coffee and cocoa present distinct challenges compared to, say, soy or palm. Both commodities are predominantly grown by smallholders with fragmented land holdings — often less than 2 hectares — which means plot geometries are small,

irregularly shaped, and frequently submitted with coordinate errors or format inconsistencies. Additionally, agroforestry systems are common in both sectors: coffee and cocoa are often grown under tree shade, which can create false positives with standard canopy-loss detection models. We have built specific preprocessing and geometry correction workflows to handle these realities, and we apply additional contextual checks with a larger set of data layers than for other commodities before flagging plots to avoid penalising farmers for legitimate shade-grown practices.

How can Tracer be integrated into companies’ due diligence tools (for instance, to feed risk scoring models or prevent negative environmental impact?)

F. de M. – Tracer is designed to be modular and interoperable. It can be used as a standalone assessment platform or integrated via API into existing supply chain management, risk scoring, or ERP systems. The outputs, plot-level risk classifications, supported by satellite evidence, and summary reports, are structured to feed directly into broader due diligence frameworks. For downstream partners, the machine-readable results can populate risk matrices, compliance dashboards, or the very specific GeoJSON files for the EU

TRACES due diligence system enabling both supplier engagement and customer reporting and compliance within a single workflow.

How do you see the role of AI and land use change monitoring evolving in the coming years to enhance transparency and sustainability in coffee and cocoa supply chains?

F. de M. – We see three major evolutions ahead. First, monitoring frequency will increase as satellite revisit times improve and AI processing costs fall, enabling high quality near real-time alerts rather than consolidated annual reviews. Second, the scope will expand beyond deforestation to encompass broader land health signals: vegetation stress, carbon footprints of land and soils, biodiversity proxies or farming practices, all increasingly relevant to both climate risk and regenerative agriculture commitments. Third, and perhaps most importantly, the tools will become more accessible. What started as a dedicated partnership with people ready to get into geospatial technicalities will tomorrow be available to broader types of actors throughout the value chain requiring much less background knowledge. Our goal is to ensure that the methodology remains open and explainable as these capabilities scale, so that transparency is not lost as AI becomes more powerful.

A young boy with dark hair, wearing a light blue short-sleeved shirt, dark blue shorts, and sandals, stands on a dirt path. He is looking down at something in his hands. He has a backpack on his back. The path is surrounded by dense green foliage and trees. A large, semi-transparent number '6' is overlaid on the left side of the image, with the text '06. PEOPLE' inside it.

06. PEOPLE

A young boy with a backpack is walking on a dirt path through a forest. He is wearing a white shirt and dark shorts. The path is surrounded by dense green foliage and trees. The lighting is warm, suggesting late afternoon or early morning.

// PROTECTING THE MOST VULNERABLE

Coffee and cocoa production is predominantly carried out by smallholder farming families. Protecting the most vulnerable people begins with safeguarding the well-being, development, and future opportunities of children. This means preventing and remediating child labour, improving access to education, and supporting families whose economic circumstances can place children at risk. Through partnerships and long-term engagement, we strive to create conditions in which every child can develop safely and reach their full potential.

Preventing Child Labour, promoting opportunity

According to the International Cocoa Initiative (ICI), an estimated 1,56 million children are in situation of child labour in Côte d'Ivoire and Ghana, among which 45% live in cocoa-growing households and work on family farms alongside their close relatives. Since we source roughly 18% of our cocoa from these countries, we dedicate significant efforts to preventing and remediating child labor while improving access to education.

Child labour is defined by the International Labour Organization as “work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical and mental development”. Not all work done by children is classified as child labour. For instance, carrying out light, non-hazardous tasks on the family farm for a limited period, under adult supervision, and without compromising schooling, is considered acceptable child work. This type of work is often necessary for the welfare of many families. It provides children with skills and experience and prepares them to eventually take over the family farm. However, when activities are considered hazardous, when children work long hours, or when the work interferes with a child's schooling, it is considered child labour and is illegal.



PROJECT CHILD LABOUR MITIGATION AND REMEDIATION IN GHANA

Launched in 2018, the Ghana sustainability project continued in 2024 and 2025, focusing on child labor mitigation and remediation. August Storck KG, Federated Commodities Ltd (FEDCO) and Walter Matter have intensified efforts to tackle child labor through the engagement of 3'142 households across 90 communities in the Asankragwa and Samreboi districts. Household visits are conducted to raise awareness about the risks of child labor, assess vulnerabilities, identify children engaged in hazardous work, and support at-risk households with economic and educational interventions. 5'971 children are currently covered by the program, among which 2'384 children (40%) in 1'205 households are considered at risk of child labor and classified in risk level (from high to low risk) which allows us to prioritize remediation measures.

The most common forms of child labor identified were carrying heavy loads, hazardous tasks such as using sharp tools and clearing forests, and long working hours often at the expense of school attendance. 42% of households cited a lack of income as a key driver of child labor, and 58% highlighted barriers to education, including the long distance to schools and limited transport options. While 72% of children in

Asankragwa and 91% of children in Samreboi attend school regularly, 34.12% of students in Asankragwa and 40.12% in Samreboi are not attending school during the cocoa harvest season, indicating potential child labor exploitation.

Between August and September 2025, 2'384 children (1'363 in Asankragwa and 1'021 in Samreboi) were supported with

450 bicycles, 800 school uniforms, 15'000 books, and 10'000 pens (remediations for 100% of the cases identified). Parents also received sensibilization sessions and education on child labor laws in Ghana.

A critical need that was identified within producers' communities is the provision of housing for teachers to support their ability to teach in schools. Addressing

this issue, FEDCO commissioned the construction of a teachers' bungalow featuring four one-bedroom apartments, each equipped with a kitchen, to provide suitable accommodation and ensure teachers' proximity to schools. This initiative aims at improving teacher attendance and, in turn, enhance educational outcomes for schoolchildren.

RESULTS

90

communities covered

3'142

households covered

5'971

children covered

40 %

considered at risk

450

bicycles distributed

15'000

books distributed

10'000

pens distributed

PROJECT CHILD LABOUR MITIGATION AND REMEDIATION IN CÔTE D'IVOIRE

A very similar project than the one implemented in Ghana was implemented in Cote d'Ivoire for the crop year 2023/2024, extending into 2025, being this time the result of a collaboration between August Storck KG, Walter Matter and Ecookim (a union of cooperatives). The objectives of the Child Labour Monitoring Remediation System (CLMRS) are the same: conduct household visits, raise awareness, assess vulnerability to child labor and identify affected children, and remediate cases through the support of high-risk households.

To respond to the challenges, Ecookim and CCB agents received practical training by the International Cocoa Initiative (ICI) on the design and functioning of CLMRS. They also received guidance on how to apply this knowledge in communities (via awareness raising) and on the ground (for identified cases).

In total, interviews were conducted in 1'801 households from the CCB cooperative,

covering 3'071 children. Data collection was centered around the idea of understanding children's education, work involvement, and vulnerability to hazardous activities.

626 children were found at risk of child labor, comprising 233 girls and 393 boys. The most prevalent hazardous tasks are clearing fields, carrying heavy loads, cocoa pod breaking with a sharp object, harvesting with a

machete or sickle, and removing tree stumps.

In this context, remediation activities were conducted. Educational support was provided through the distribution of 940 school kits to children to encourage school attendance. The team also worked on the issuance of birth certificates, a necessity to take school exams. Additionally, 50 school desks have been distributed to selected

schools. At community level, Community Service Groups (CSG) were established to provide affordable adult labor alternatives to replace child labor, targeting 10 communities with hazardous labor practices.

In total, 427 cases (68%) were fully remediated, and 199 are still under monitoring for continued remediation.

RESULTS

2'714

children covered
in 2024

3'071

children covered
in 2025

626

children found at risk
in 2024 and 2025

68 %

cases fully remediated
in 2024 and 2025

32 %

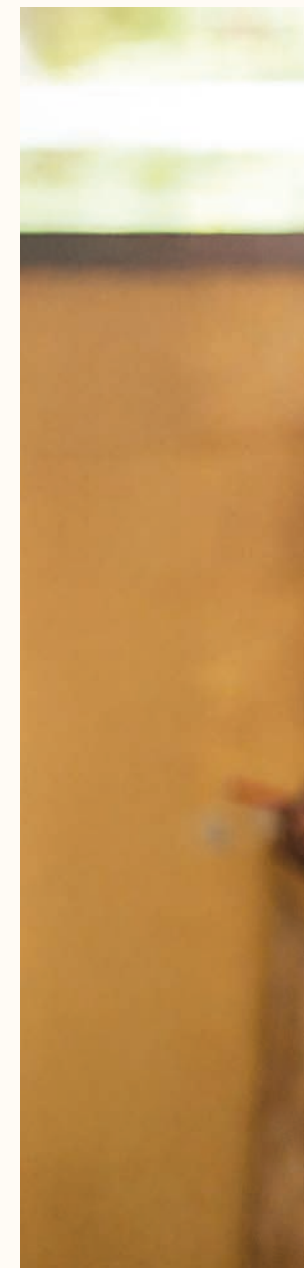
cases still under
monitoring

940

school kits
provided

50

school desks
provided





PROGRAMME

CHILD LABOUR MITIGATION AND REMEDIATION IN MADAGASCAR

In June 2024, a Child Labor Monitoring System (CLMRS) was launched to equip our partner SCIM with the tools to deal with child labor in the supply chain. Helvetas provided the technical support and expertise to set up the system. A control system has been established to monitor and remediate cases of child labour. The system leverages the already established Child Community Protection Committees (CCPC), which are trained to identify and evaluate cases of child labour. Baseline data has been partially gathered (work still in progress), and a sensibilization campaign has been conducted among the farmers. Child labour cases that have been identified are under remediation, ranging from the interruption of hazardous work activities, the distribution of school kits, the payment of school fees, or the proposition to pursue youth professional training cursus. The team has also worked on providing family with proper birth certificates that are mandatory for the children to pursue secondary education.

Despite all the efforts, many difficulties remain. Schools are often very far away from some of the households and are not necessarily well maintained. Teachers are underpaid and must make a living through other activities, which harms their availability and commitment to teaching. Some farming households

are heavily dependent on the contribution of their children on the farm to maintain an acceptable productivity. Some children above a certain age find little value in going to school, preferring working in sometimes hazardous conditions (for example, herding zebu, using machete to cut down cocoa beans, carrying heavy charges etc...).

In front of these issues, we are intensifying our remediation efforts and aim at striking the right balance between respecting local social constructs and the will of emancipation of youth but also sensibilizing towards the importance of education, safe working conditions and the respect of the Malagasy national

law regarding child labour. Our goal is for all children of the programme to have access to education and training opportunities, and a safe and prosperous environment to grow in.

RESULTS

13 communities targeted	342 families covered	943 children covered	50 cases identified	175 high risk children identified	500 + birth certificates obtained
5 schools renovated since 2023	10 classrooms refurbished since 2023	1'704 children having access to refurbished/constructed schools	8 SCIM staff trained to CLMRS methodology		



A TALK WITH MYRS RASOLOFO PROJECT MANAGER AT HELVETAS

What are the benefits of implementing a CLMRS in the Sambirano Valley?

Myrs Rasolofo – Implementing a CLMRS (Child Labour Monitoring and Remediation System) in the Sambirano region would help mitigate child labour risks in the cocoa sector, particularly regarding school dropouts, work on cocoa plantations, and the use of sharp tools. The system would also reduce the reputational risk associated with cocoa sourced from this area – similar to what occurred with vanilla in the Sava region a few years ago. Additionally, it would support the government in raising awareness, identifying cases, and implementing remediation measures at the farm level.

What were the main difficulties in implementing the CLMRS in the supply chain?

M. R. – The main challenge lies in building trust between SCIM and the producers. Some producers are reluctant to disclose their situation

and issues for fear of potential repression or sanctions from SCIM and/or the authorities. The limited number of remediation actions carried out by the team so far has not yet been sufficient to dispel the producers' distrust.

How was the CLMRS activities perceived by the local community?

M. R. – Overall, the community's response has been positive – they care about the children's future and are willing to collaborate on the proposed solutions (remediation, infrastructure, etc.). However, the involvement of children in light tasks related to cocoa – the main livelihood of their parents – has sparked debate. The community is well aware of children's rights. Nevertheless, tradition holds that educating children includes teaching them agricultural skills, such as helping their parents in the fields, transporting crops, or breaking open cocoa pods. This practice can sometimes lead to children being encouraged to work in order to earn a small amount of pocket money. Another topic of discussion was the

influence of technology (smartphones, social media) on local culture, which the community feels is making it more difficult to raise children according to their traditional values.

What are the main local challenges that remain to address child labor in Madagascar?

M. R. – The main challenges are:

- Low household income,
- Limited availability of schools and teachers,
- Lack of vocational training opportunities for young people in rural areas,
- Behavioural change – for example, prioritising boys over girls, and the prevalence of underage and unmarried girls with children.

What could stakeholders (private sector, government, associations etc...) do better to broaden the impact of the CLMRS?

M. R. – Strengthening local structures dedicated to combating child labour – such as the CVPE

(Village Child Protection Committee) and the RPE platform (Child Protection Assembly) at the district level – is essential to ensuring the lasting positive impact of the CLMRS. The main priority would be to secure sustainable funding for these structures so that they can operate efficiently.

The influence of these structures extends beyond cocoa supply chains, and their members are generally respected and listened to by the community. Material support (for awareness-raising activities) and logistical resources (such as listening centres) could be considered to strengthen their role and interventions within the community.

In the current national context, where the State struggles to keep its administrative apparatus functioning due to a lack of resources, it is difficult to expect government-led initiatives aimed at reducing child labour risks. Nonetheless, regional and local officials are well aware of the issues and are willing to collaborate.



Thanks to the collective strength, we have been able to overcome major challenges, and we remain confident in achieving even more in the future.

We sincerely thank all our partners, suppliers, clients, and employees for their commitment to improving our practices.



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