



Independent Limited Assurance Report to the Directors of the World Cocoa Foundation Incorporated.

The Board of Directors of the World Cocoa Foundation Incorporated (“WCF”) engaged us to provide limited assurance on the information described below and set out in WCF’s CocoaAction Annual Report 2016 for the year ended 31 December 2016.

Selected Information and Compilation Methodology

The scope of our work was limited to assurance over the information

marked with the symbol  in WCF’s CocoaAction Annual Report 2016 (the “Selected Information”).ⁱ

The Selected Information and the Compilation Methodology against which it was assessed are summarised in Appendix 1. Our assurance does not extend to information in respect of earlier periods or to any other information included in the CocoaAction Annual Report 2016, nor does it consider the accuracy and completeness of the underlying data contained within the central CocoaAction data tables.

Note that as well as the Compilation Methodology shown in Appendix 1, all of the Selected Information is also subject to the General Data Definition and Collection Process, also shown in Appendix 1.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2016 has not been compiled and processed using data submitted by each of the CocoaAction member companies, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of our report.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (revised) ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’, issued by the International Auditing and Assurance Standards Board. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Our Independence and Quality Control

We applied the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Control (UK & Ireland) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

Our work was carried out by an independent and multi-disciplinary team with experience in data analysis, sustainability reporting and

assurance.

Understanding reporting and measurement methodologies

The Selected Information needs to be read and understood together with the Reporting Criteria, which WCF is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time. The Compilation Methodology used for the reporting of the Selected Information is as at 30 October 2017.

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, we:

- made enquiries of WCF’s management, including the Monitoring & Evaluation team and those with responsibility for reporting;
- evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting the Selected Information, including the processes to obtain and assess data submitted by the CocoaAction member companies;
- re-performed the consolidation of all CocoaAction member company submissions into one set of central data tables;
- independently designed, developed and applied SQL scripts to these central data tables to re-perform the compilation and analysis procedures performed by WCF;
- compared the results of our independent data analysis scripts with those produced by WCF, investigating any material differences identified;
- inspected the Python analysis script used by WCF; and
- considered the disclosure and presentation of the Selected Information.

Our work did not involve assessing the quality of the underlying data, nor performing any review procedures to check that data had been appropriately measured and recorded.

WCF’s responsibilities

The Directors of WCF are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing an objective Compilation Methodology for preparing the Selected Information;
- compiling and processing the Selected Information based on the compilation methodology; and
- the content of the CocoaAction Annual Report 2016.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;

ⁱ The maintenance and integrity of World Cocoa Foundation’s website is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the

reported Selected Information or Reporting Criteria when presented on World Cocoa Foundation’s website.

- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of WCF.

This report, including our conclusions, has been prepared solely for the Board of Directors of WCF in accordance with the agreement between us, to assist the Directors in reporting WCF's consolidated performance and activities. We permit this report to be disclosed as part of the CocoaAction Annual Report 2016 for the year ended 31 December 2016, to assist the Directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors and WCF for our work or this report except where terms are expressly agreed between us in writing.

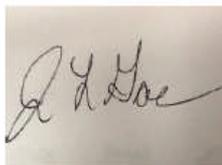
PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
Embankment Place, London
30 October 2017

Appendix 1 - Management's Statement

The Directors of World Cocoa Foundation are and shall be responsible for this Management's Statement and for the processing and compilation of data submitted by the CocoaAction member companies in preparation of selected Key Performance Indicators (KPIs) as at 30 September 2016, in accordance with the reporting criteria set out in Appendix 2. In doing so we have:

- designed, implemented and maintained internal controls and processes over processing and compilation of data submitted by the CocoaAction member companies in preparation of selected Key Performance Indicators (KPIs) that are free from material misstatement, whether due to fraud or error;
- established objective reporting criteria (the "compilation methodology") for preparing the selected KPIs and applied them consistently;
- presented information, including the compilation methodology, in a manner that provides relevant, reliable, comparable and understandable information; and
- compiled, processed, prepared and reported the selected KPIs based on the compilation methodology.



Jennifer Golden
Director of Monitoring & Evaluation
October 28, 2017
On behalf of the World Cocoa Foundation



Digitally signed
by Jill S. Harris
Date: 2017.10.28
09:21:55 -04'00'
Adobe Acrobat
version: 11.0.20

Jill S. Harris
Chief Financial Officer
October 28, 2017
On behalf of the World Cocoa Foundation

Appendix 2 - General data definition and collection process

- WCF issued guidance to each of the member companies on what data should be collected, and why (as outlined in detail in the Monitoring and Evaluation guide, which can be found at http://www.worldcocoafoundation.org/wp-content/uploads/20160427-HR_CocoaAction-MandE-Guide-1.pdf);
- Each of the member companies collected the data, by visiting a sample of the CocoaAction farms in their portfolios, and obtained some form of independent validation, verification or assurance over the collected data;
- Each of the member companies then submitted their data, using a consistent data submission template, developed by WCF;
- WCF performed some manual review and validation of the data submissions at this point, and some of the data was re-submitted as a result;
- WCF then consolidated each of these data submissions into one central data tables;
- WCF used this dataset to create company-specific reports (detailing the KPIs themselves, alongside trends, potential outliers etc) and used these reports to present the data back to each of the member companies, discuss the results and identify potential errors or inaccuracies;
- Having been confirmed with the member companies, changes were then applied to the central data tables to correct for any errors or inaccuracies identified; and
- Python scripts were applied to analyse the data in the central data tables and produce the following performance indicators, based solely upon the data held in the central data tables.

Ref	Selected Information	Page	Compilation Methodology
i	Total farmers supplied with CocoaAction productivity package interventions	16	The total number of farmers reported by each of the CocoaAction member companies as being involved in a CocoaAction-linked scheme run by a member company.
ii	Total number of farms in sample data collection	16	The total number of farms on the central data tables, representing all farms sampled and visited as part of the data collection exercise performed, the results from which populate the KPIs reported in the CocoaAction Annual Report 2016.
iii	Total number of female managed farms in sample data collection	16	The total number of farms sampled and visited as part of the data exercise performed, which were reported as being managed by female farmers.
iv	Average age of all farmers	16	The mean average age of the farmers reported by each of the CocoaAction member companies as being involved in a CocoaAction-linked scheme run by a member company. (Self-reported ages of below 10 and above 100 were excluded on the assumption of being erroneous).
v	Average farm size	16	The average size, in Hectares, of the farms on the central data tables, based upon farm mapping from satellite receivers. This KPI was compiled by removing outlier farms and dividing the total farm area, in Hectares, by the number of farms on the central data tables. Note that outlier farms (over 40 Hectares and below 0.1 Hectares) were removed for the purposes of this calculation.
vi	Estimated typical tree density considering any cocoa tree (mature or immature)	16	The typical tree density for the farms on the central data tables. This KPI was compiled by: <ul style="list-style-type: none"> • At two distinct inspection points for each farm on the central data tables, taking the distances between a randomly selected cocoa tree and the next two nearest cocoa trees; • Calculating the average area that a cocoa tree occupies to calculate how many trees are likely to be represented on a hectare of the cocoa farm, using the formula: $10,000 / ((\text{Distance}1a \times \text{Distance}1b + \text{Distance}2a \times \text{Distance}2b) / 2)$ • Using these values to perform a Kernel Density Estimation; and • Taking the Mode of these results.

			The Kernel Density Estimation is a statistical technique that calculates the probability density function of a distribution (i.e. estimates how probable it is that any value in a distribution occurs).
vii	Percentage of farmers applying at least four out of the five GAPs, including pruning.	17	The percentage of farms on the central data tables which were found to have achieved the Cocoa Tree Pruning Good Agricultural Practice, plus at least three of the remaining four Good Agricultural Practices, being: <ul style="list-style-type: none"> • Cocoa Pest and Disease Management • Cocoa Weed Management • Cocoa Shade Management • Cocoa Harvest Management <p>The method of compilation for each of these individual Good Agricultural Practices is defined below.</p>
viii	Good Agricultural Practice 1 – Cocoa Tree Pruning Adoption Rate	18	This indicator measures the percentage of farms on the central data tables which achieved an aggregate pruning assessment score of more than 70% (i.e. a score of 11 or more out of a possible 15 points, based on pruning being assessed on a scale of 1-3 at five observation plots for each farm [5 x 3]).
ix	Good Agricultural Practice 2 - Cocoa Pest and Disease Management Adoption Rate	18	This indicator measures the percentage of farms on the central data tables which achieved an aggregate pest and disease management score of more than 70% (i.e. a score of 53 or more out of a possible 75 points, based on management of five different pests and diseases being assessed on a scale of 1-3 at five observation plots for each farm [5 x 5 x 3]).
x	Good Agricultural Practice 3 – Cocoa Weed Management Adoption Rate	18	This indicator measures the percentage of farms on the central data tables which were assessed as having achieved the top possible score of 3 (“Evidence of adoption and sufficient”) in relation to their adoption of weed management practices.
xi	Good Agricultural Practice 4 – Cocoa Shade Management Adoption Rate	18	This indicator measures the percentage of farms on the central data tables which were assessed as either: <ul style="list-style-type: none"> • Not requiring shade management; • Requiring shade management and had been assessed as having applied sufficient shade management; or • Requiring shade management, had been assessed as having applied <i>insufficient</i> shade management <i>and</i> were assessed as being in the processing of implementing additional shade management actions.
xiii	Good Agricultural Practice 5 – Cocoa Harvest Management Adoption Rate	18	This indicator measures the percentage of farms on the central data tables which achieved an aggregate harvest management score of more than 70% (i.e. a score of 11 or more out of a possible 15 points, based on harvest management being assessed on a scale of 1-3 at five observation plots for each farm [5 x 3]).
xiii	Percentage of farmers adopting rehabilitation techniques using recommended planting materials on at least 3% of their farms	21	This indicator measures the percentage of farms on the central data tables where it was found that at least 3% of the total trees on the farm (based upon tree density and farm size as compared to the number of new planting materials used) had been replanted or rehabilitated. <p>In this context, replanting or rehabilitation may refer to different techniques such as:</p> <ul style="list-style-type: none"> • Removal of old trees, which are then replaced by new planting materials; or • Planting of new cocoa trees next to older cocoa trees, and subsequently removing the old trees once the new ones are nearly old enough to produce cocoa pods.
xiv	Soil Nutrient replenishment when fertilizer ready	23	This indicators measures the count and percentage of farms on the central data tables that are “fertilizer ready” (defined below) and applying fertilizer at the target of 25% of the farm area (calculated using quantity per dosage multiplied by farm size). <p>Fertilizer readiness is measured based on tree age being 25 years or below, tree density 800 per hectare or above, cocoa yield being 400 kg/ha or above, and pest management being implemented (based on indicator viii – Good Agricultural Practice 2, defined above).</p>
xv	Average yield of CocoaAction farmers self-reported (sample)	24	This indicator measures the mean average metric tons of dried cocoa beans produced per hectare of overall farm area on the central data tables, as self-reported by the sampled farmers during the data collection exercise.
xvi	Average yield of CocoaAction farmers company-reported	24	This indicator measures the mean average metric tons of dried cocoa beans produced per hectare of overall farm area, as reported on a company level using company specific methods (such as pod counts and harvest logs) as opposed to farmers’ own self-reported yields.
Xvii	Performance of community needs assessments	24	The number of cocoa-growing communities for which CocoaAction member companies reported to CocoaAction that they had performed a community needs assessment. <p>A community needs assessment identifies the resources already available to a cocoa-growing community, and through various methods of community engagement, ascertains the community’s needs in relation to primary education, child labor and women’s empowerment.</p>
xviii	Number of farmers registered in Child Labor Monitoring and Remediation Systems	24	The number of CocoaAction farmers for which CocoaAction member companies reported to CocoaAction that they had registered, surveyed and / or assessed regarding child protection through use of a Child Labor Monitoring and Remediation System.
xix	Number of women who participated in Income Generating Activities	24	This number of women in CocoaAction cocoa-growing communities in Cote d’Ivoire who, per CocoaAction member company reporting to CocoaAction, undertook Income Generating Activities.