



2022
Source report



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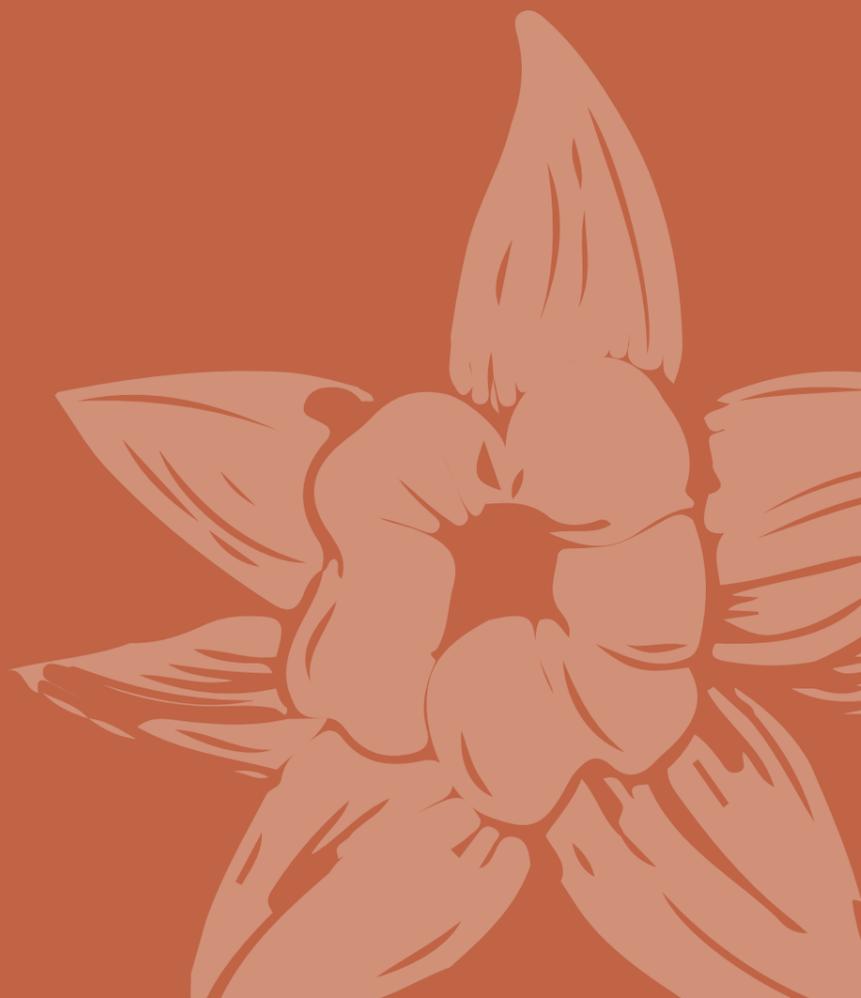
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A word from Gigi & Laurence

The World Bank submitted its audit report on Madagascar in May 2022. This confirms many of our observations and encourages us to persevere in our actions in the field and in our sustainable development approach.

The poverty rate remains close to **80%**, nearly twice the average for countries in sub-Saharan Africa. The report highlights **6 major national priorities**, including the reduction of food insecurity and the stimulation of national agricultural production.

It also highlights the importance of **improving the performance of public schools** following the deterioration of learning outcomes. The learning gap in Madagascar is 10 percentage points higher than the average for sub-Saharan Africa and 6.8 points higher than the average for low-income countries.

Because we are deeply attached to our industry and in particular to its base of small-scale growers, without which

vanilla would not exist, and because we are passionate about vanilla, the emblematic spice of Madagascar, we have been working alongside producers, in the field and on a daily basis, for 17 years.

We do not want piecemeal sustainable development, and still less to make do with fine speeches which, for some, mean nothing in practice. Because we care about the sustainability and quality of vanilla in Madagascar, we are supporting the **training of young people, the producers** of today and tomorrow, in all aspects of their life and their profession.

The **educational** component dominates: education of young people from primary school through to vocational education, training of adult producers, **training of women** in budget management, raising awareness of **combating child labor**, raising awareness of the environment. These actions are part of the presidential project and are made possible through the **daily work** of our teams, the support of our business partners and specialized NGOs. The graduation ceremony for the first year group from our "Mahadera" vocational training center took place in the presence of the local authorities, the Deputy Governor of the **SAVA** region, the head of the fokontany (village chieftain), the mayor and regional director of the Ministry of Agriculture and Livestock, the regional director of the Ministry of Technical Education and Vocational Training. This marked the culmination and recognition of 3 years of training.

The **environment** is also a key concern for Authentic Products. The environmental situation has deteriorated. Madagascar remains highly vulnerable to the **overexploitation of natural resources**, with their depletion resulting from the unregulated expansion of extraction industries, illegal trafficking, and unrestricted access to shared resources, such as forests and fisheries. The economic downturn has also pushed people to resort to poaching, deforestation and other illegal activities. Authentic Products takes action on environmental awareness and training. The company is a member of the **ALAMINO** forest protection network and a partner of the **MNP** (Madagascar National Park). Finally, Authentic Products is on the World Bank list for the **REDD+** project.

The actions taken by Authentic Products include a school trip to the Marojejy National Park, **environmental training and awareness-raising**, setting up

nurseries, planting trees, agroforestry, and donation of low-consumption ovens. The **traceability and transparency** of our procurement, and digitization of data for our Authentic Vanille project, are some of the tools offering security to our business partners and for monitoring the progress of our efforts on the ground.

Finally, the attention paid to the **quality** of our people and our product. Our men and women, our partner producers, are the greatest assets of Authentic Products and our vanilla industry. As an example, our **EHSQ policy** includes top-up health insurance for our permanent staff, wage indexation against inflation, as well as **Red Cross** and **HACCP** training. We also benefit from **organic, fair trade, FDA, and SEDEX certification** and, from 2023, **UEBT-Rainforest Alliance** certification. We capitalize on the human resources at the center of our commitments.

All these long-term actions, which we have been introducing gradually and continuously since 2005, through our own resources and with contributions from our commercial partners, make Authentic Products a key, if not essential, player for thousands of families and local policies.

“ We thank all those who have supported us for many years from the bottom of our hearts and we invite those who share our belief in our projects to join us. ”

KEY FIGURES

10%

of the world market, per year

77%

of our sales on export markets

27%

of the vanilla is certified organic or fair trade

10%

of production for the gourmet sector

90%

of production for the industrial sector

4

sustainability programs in 2021

4,000
(m²)

of drying area

4,000
(m²)

of buildings

6,359

member producers in 2021

3,629

children given schooling across all our projects

(Tsara Kalitao, Mahadera, Savanille)

827
(KGCO₂)

sequestered/year

(on 5 hectares i.e. 10,000 trees over an average of 20 years)

1.

T

**THE CHALLENGES OF 2021:
AN OVERVIEW**



A strongly disrupted socio-economic context

The last two years have been marked by the Covid-19 epidemic. This has raised questions about the environmental limits of the exploitation of land resources, and also social limits, in particular regarding our vulnerability to the virus.

The sudden downturn in local economies, due to globalization with a major dependence on China, has jeopardized trade on a global scale. Faced with these major changes, companies have had to be able to **adapt their business model**.

Companies today must demonstrate **transparency** and **authenticity** in their commitments to meet societal demand. The increase in market prices makes vanilla a “secondary” choice in consumer purchasing patterns and reinforces the need to stand out with an **ethical** and **responsible** product.

Now that organic is nothing but a prerequisite and the proliferation of labels can be confusing for consumers, Authentic Products stands out for the quantified proof of its commitments and actions in the field, the numerous accounts from local people and its long-term sustainable projects.

In general, studies show that the effects of the **health crisis** on people’s well-

being, both financial and otherwise, have had a greater impact on households in the poorest countries.

The 2020 recession has doubly affected Madagascar. The Covid-19 pandemic triggered one of the deepest recessions in the island’s history with a 7.1% drop in GDP in 2020 (World Bank data). This recession, three times greater than in the rest of Sub-Saharan Africa, has resulted in a 9.1% fall in per capita income. It hit the major sectors in Madagascar: tourism, mining, transport and public services. In this rather unstable context, Authentic Products is committed to remaining agile and resilient while remaining close to its partner producers on site. The strength of Authentic Products lies in its ability to **secure its operation in Madagascar** with a subsidiary in Antsirabe Nord and strong expertise on the ground based on several years’ experience.

[*https://blogs.worldbank.org/voices/how-covid-19-affects-households-poorest-countries-insights-phone-surveys](https://blogs.worldbank.org/voices/how-covid-19-affects-households-poorest-countries-insights-phone-surveys)

LAWS THAT ARE CHANGING AND BECOMING CLEARER

The Covid-19 crisis has undoubtedly put the spotlight on environmental and social awareness of our vulnerability to nature and its degradation.

In Europe, a policy initiative called the Green Deal was launched in 2020. The European Green Deal aims to transform Europe into a modern, efficient, competitive hub, which guarantees the **end of net greenhouse gas emissions by 2050** and economic growth decoupled from the use of resources. A series of proposals has been made to allow leaders to adapt their climate, energy and transport policies with the aim of reducing net emissions at least 55% by 2030.

Reducing greenhouse gas emissions is one of the goals in combating global warming. In this spirit, and although it is not required under the regulations, Authentic Products has been practicing **carbon accounting since 2019 on all scopes: 1, 2 and 3.**

It intends to drastically reduce its environmental impact by favoring sea freight over air freight. Over the next few years, Authentic Products will need to challenge all its stakeholders to increase its effectiveness in combating climate change (by setting up a recognized **carbon contribution** strategy within its operation in Madagascar, for example).

In France, the **“climate and resilience” act** adopted in July 2022 stems from the work of the Citizens’ Convention on Climate, and adopts some of its proposals. It anchors ecology in society. It aims to speed up the transition of our development model towards a

more resilient, fairer and more united carbon-neutral society. It aims to train and support all stakeholders in making this change. It concerns all areas of life. To this end, the act provides for various measures regarding production and work (aligning public procurement with the **national low-carbon strategy**), travel (reducing city pollution), housing (energy renovation of buildings), food (limiting meat in the diet), and also consumption (creation of an **“eco-score”** environmental label). This last measure allows citizens the to know the impact of their food, from farm to fork.

This goal of product transparency and ethics has been taken on board by Authentic Products and one of its main partners **Firmenich** with the creation of a traceability application* for geolocation of farms and providing farmers’ profiles, their agricultural practices and associated environmental data.

* As the data collected is private, its collection, processing and storage complies with the European regulations (GDPR).



“ **Authentic Products has been practicing carbon accounting since 2019 on all scopes: 1, 2 and 3.** ”

PROTECTING THE PLANET IS NO LONGER OPTIONAL

In recent years, the climate issue has been put at the forefront of societal development, whether through local, national or international policies. Its scope is not limited to the environment. It encompasses society as a whole and the multiple factors that make it up.

In the agricultural field, it can be seen in the deterioration and impoverishment of the soil, but it also affects food security, health, biodiversity, etc. The alarming effects of **climate change** are described in the second volume of the sixth **IPCC** report, published on 28 February 2022. The situation described highlights the vulnerability of ecosystems and the role that human activities have played in reaching this point.

TAKING ACTION IS NO LONGER OPTIONAL ”

Madagascar remains one of the sad examples of the **systemic consequences of global warming**. The effectiveness of agricultural practices is disrupted by the new variables it introduces. Traditional practices have been overturned. Our agricultural models need to be reviewed to incorporate these new variables.

To mitigate climate change, the **FAO** supports developing countries in their reduction of GHG emissions. These emissions come from deforestation and forest degradation. Reducing them comes through a program of conservation, sustainable management of forests and enhancement of forest carbon stocks.



This is the **REDD+** program: Reducing Emissions from Deforestation and forest Degradation. REDD+ is an international mechanism, regulated by international negotiations on climate change, to encourage developing countries to protect and restore their forest carbon stocks. It relies on policy approaches and an incentive system to reduce emissions from deforestation and degradation (REDD) and to assist in the **conservation of existing forest carbon stocks**, sustainable forest management and enhancement of forest carbon stocks (+) in developing countries. In a country like Madagascar, where **deforestation** is endemic, the REDD+ mechanism is an opportunity to obtain international funding for sustainable forest management.

Authentic Products has been applying these same practices for several years, with its vast **program of reforestation** and carbon storage. The company has thus created

nurseries for trees specifically selected through sustainable projects. These **actions on the ground** aim to improve the resilience of Madagascar's inhabitants by providing them with fuelwood and construction timber, **diversifying cash crops** and creating long-term jobs. The activities mentioned above are not limited to combating global warming and deforestation, but are aimed at **preserving the planet** in general and Madagascar in particular.

2.



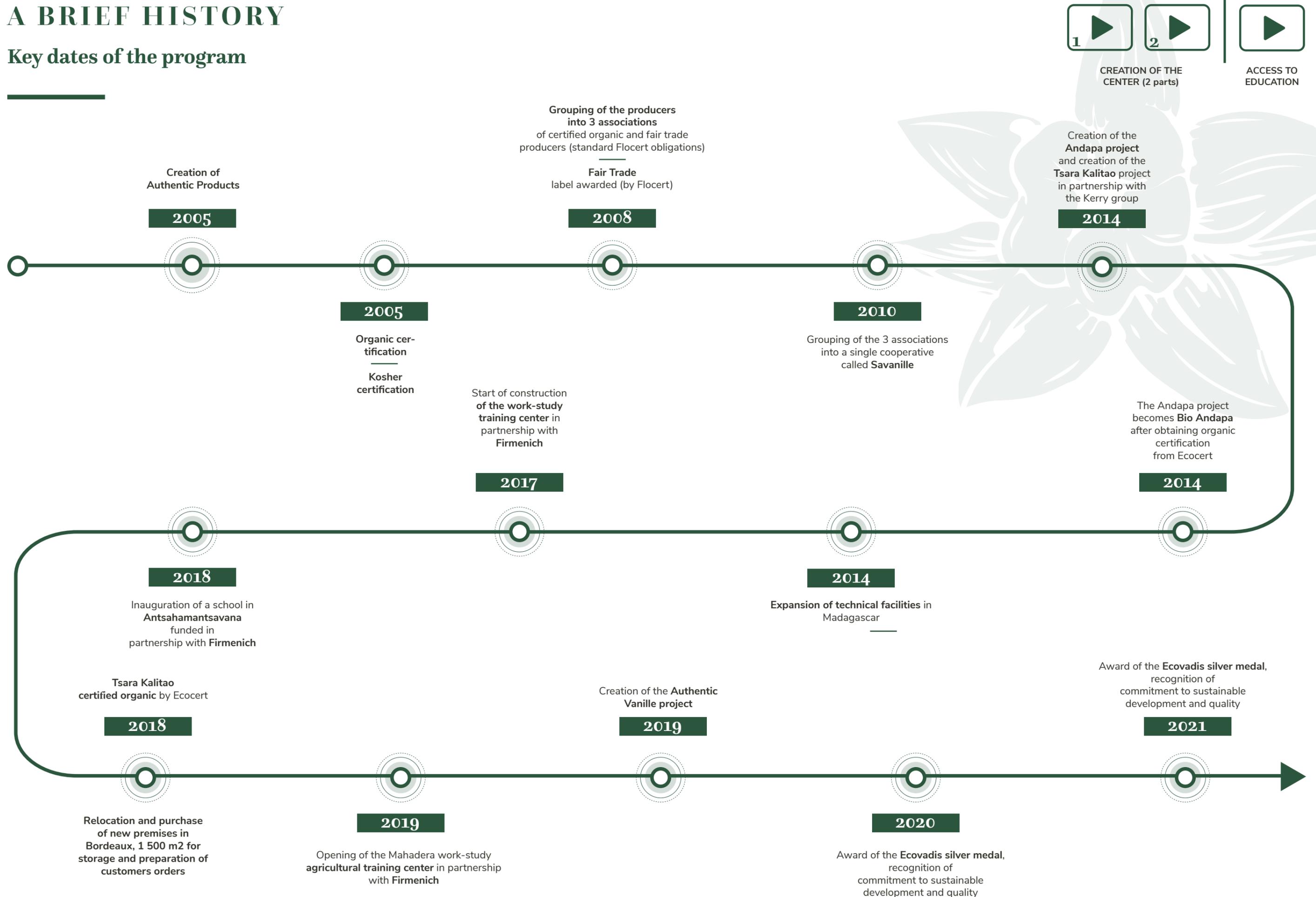
THE ROOTS OF THE SOURCE PROGRAM

Source is above all a global sustainability program based on **4 concrete commitments**: access to education, commitment to the climate and biodiversity, assistance to local populations and development, and product quality.

Through these four commitments, concrete actions are organized in the field in the form of various **sustainable projects**: Mahadera, Authentic Vanille, Tsara Kalitao and Savanille.

A BRIEF HISTORY

Key dates of the program



FOCUS ON THE SAVA REGION

The SAVA region is located in the north-east of Madagascar and includes the districts of Sambava, Antalaha, Andapa and Vohemar. It is particularly active in growing **vanilla**, which represents its main economic activity and its primary source of income. **This region provides more than two-thirds of Madagascar's vanilla production.** Vanilla continues to be grown extensively in this region, mainly in the undergrowth where it is sheltered from the sun. Unfortunately, the densely planted SAVA region is subject to illegal logging and the annual “**tavy**”, a traditional slash-and-burn technique practiced by ethnic groups in Madagascar.

The region therefore holds an important place in vanilla

production, mostly for export. Among the advantages that make Madagascar vanilla a sought-after, high-quality product is its high **vanillin** content. The main component of vanilla, it is the indicator of a harvest carried out at full ripeness and is the most important criterion for industrial clients. The extensive farming method practiced by the island's producers can be considered “**organic**” by nature and represents a major advantage.



VOHEMAR

SAMBAVA

ANTALAHA

ANDAPA

SAVA

INTEGRATION OF THE PROGRAM WITH THE UN'S SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The UN Sustainable Development Goals represent a **universal call** to action to end poverty, protect the planet and its biodiversity and improve the living conditions of all human beings throughout the world.

These goals define **17 priorities** for 2030 on the themes mentioned above. They were adopted in September 2015 by the UN as part of the **2030 Agenda**.

The diagram opposite developed by the Stockholm Resilience Center proposes a new way of taking the **SDGs** into account: no longer considering them as a contribution from companies, but rather as a **base integrated into the biosphere on which everything is based**. This amounts to considering biodiversity and ecosystems as a universal foundation essential to human life and its fulfillment. This presentation of the SDGs better expresses the limits of the planet and the priority giving to living things in a **systemic approach** of strong sustainability.

SUSTAINABLE DEVELOPMENT GOALS





The Source program makes a major and direct contribution to several Sustainable Development Goals:



SDG4

Quality education: the work-study vocational training center created by Authentic Products in partnership with Firmenich gives **87 teenagers** the chance to become independent by running their own farm after three years. The Tsara Kalitao education project (in collaboration with Kerry Group) currently has **3,312 children** on the roll and the Savanille school **230 pupils**.



SDG6

Clean water and sanitation: **52 wells** are operational and provide local people with access to drinking water and hence better health.



SDG10

Reduced inequalities: Vanilla producers and their families are at the heart of concerns to offer them fair remuneration and decent work. **Additional premiums are paid** to producers involved in one or more sustainable projects.



SDG13

Climate action: To date, **10,000 trees** have been planted by Authentic Products in the SAVA region and they will ultimately improve the climate resilience of local populations (fuelwood and construction timber). Sustainable agricultural practices such as **agroforestry** are taught at the training center to enable students to adapt their future farms to climatic hazards while respecting the surrounding ecosystems.

LOCAL AND REGIONAL POLICIES

The Source program is integrated into the country's environmental policies, particularly in terms of reforestation strategy. With **44% of primary forests having disappeared over the past 60 years**, there is an urgent need to replant everywhere. The Ministry of the Environment and Sustainable Development intends to carry out a vast reforestation campaign* which will require the participation of all stakeholders.

Recent reforestation initiatives have sometimes suffered from bad practices and a lack of involvement of local communities in the projects. **"Reforestation 2022"**, officially launched on 19 January 2022, covers 23 regions of Madagascar and calls on civil servants, teachers, students, associations, NGOs and politicians to come together to **restore the island's forest cover for future generations**.

To strengthen reforestation initiatives and ensure appropriate practices, Madagascar has developed a practical guide to successful reforestation. Around a hundred stakeholders from various backgrounds (scientific, government, private sector, donors, NGOs, civil society, etc.) have developed this unique document, consisting of 10 principles for successful reforestation initiatives**.

*<https://www.environnement.mg/archives/4653>

**<https://www.rfi.fr/fr/afrique/20220404-madagascar-se-dote-d-un-guide-pratique-pour-reussir-les-initiatives-de-reforestation>



“ 44% of primary forests have disappeared over the past 60 years ”

3.

SOURCE

SOURCE, A FIELD-BASED PROGRAM

Quote from Axel,

Sustainable Development Manager for Authentic Products in Madagascar

“We always work with the 3 pillars of sustainable development in mind:

1) economic: by buying vanilla at an advantageous price compared with the prices practiced locally, and guaranteeing producers an outlet for their products every year (as long as they meet the specifications);

2) social: through direct access to clean water, access to specific education adapted to the local context (via the Mahadera center) and community spirit;

3) environmental: through agroforestry and the restoration of degraded land by planting trees on farms. These 3 pillars are connected and inseparable.”

Making education accessible to all



children given schooling across all projects (Tsara Kalitao, Mahadera, Savanille)

2020 3,420

2021 3,629



producers made aware of child labor issues

2020 1,940

2021 5,232



hours of training provided on child labor

2020 406

2021 626

Climate action



trees in the nursery for reforestation

2020 12,000

2021 17,000



kgCO₂ sequestered/year (for all 5 hectares, i.e. 10,000 trees over an average of 20 years)

2020 827

2021 827



hectares dedicated to reforestation

2020 5



hectares dedicated to construction timber

2020 4



hectares dedicated to fuelwood

2020 4



contribution in USD for reforestation

2021 11,480



Protecting biodiversity

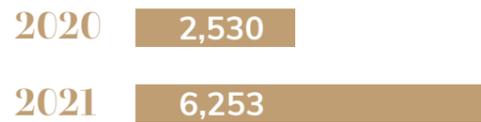
 organized visits to protected areas



 hectares monitored for biodiversity

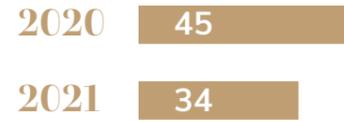


 \$ invested in protection of biodiversity

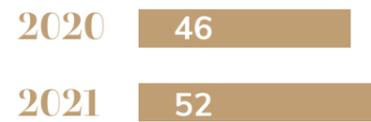


Helping Communities & Local Development

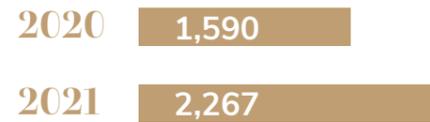
 women trained in budget management



 wells built



 hours of technical training



 US\$ of bonuses paid to producers according to fair trade standards



 kilograms of fingerlings sold

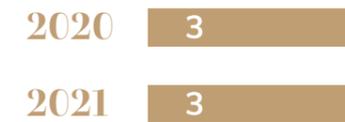


Quality & Product Excellence

 % organic and/or fair trade



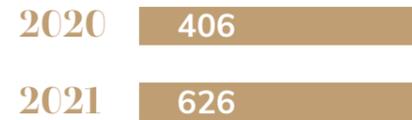
 hygiene training courses



MAKING EDUCATION ACCESSIBLE TO ALL



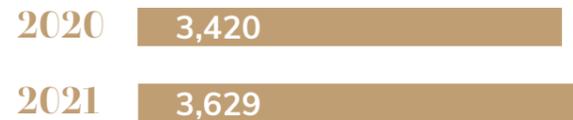
 hours of training provided on child labor



 producers made aware of child labor issues



 children given schooling across all projects (Tsara Kalitao, Mahadera, Savanille)



A difficult context

Fragility factors have been observed in Madagascar for several years and the results in terms of health and education have deteriorated. There are many fears linked to disrupted learning and the health crisis has increased the **dropout** rate and the risk of student disengagement.

Added to this is gender-based violence, which has also increased, as has the disruption of services dedicated to the protection of young girls.

This weakening of the education system

remains very worrying and investment in **quality education** is one of the pillars of financial empowerment, but also in combating global warming (especially the education of girls).

The Education Sectoral Plan developed by the three ministries responsible for the education system in Madagascar proposes a 2030 deadline for achieving United Nations SDG no. 4. The scenario, which assumes external funding to achieve **SDG4**, specifies an increase in the gross preschool enrollment rate from **23% in 2015 to 83% in 2030**.



JAED



CHARMELA



LARISSA



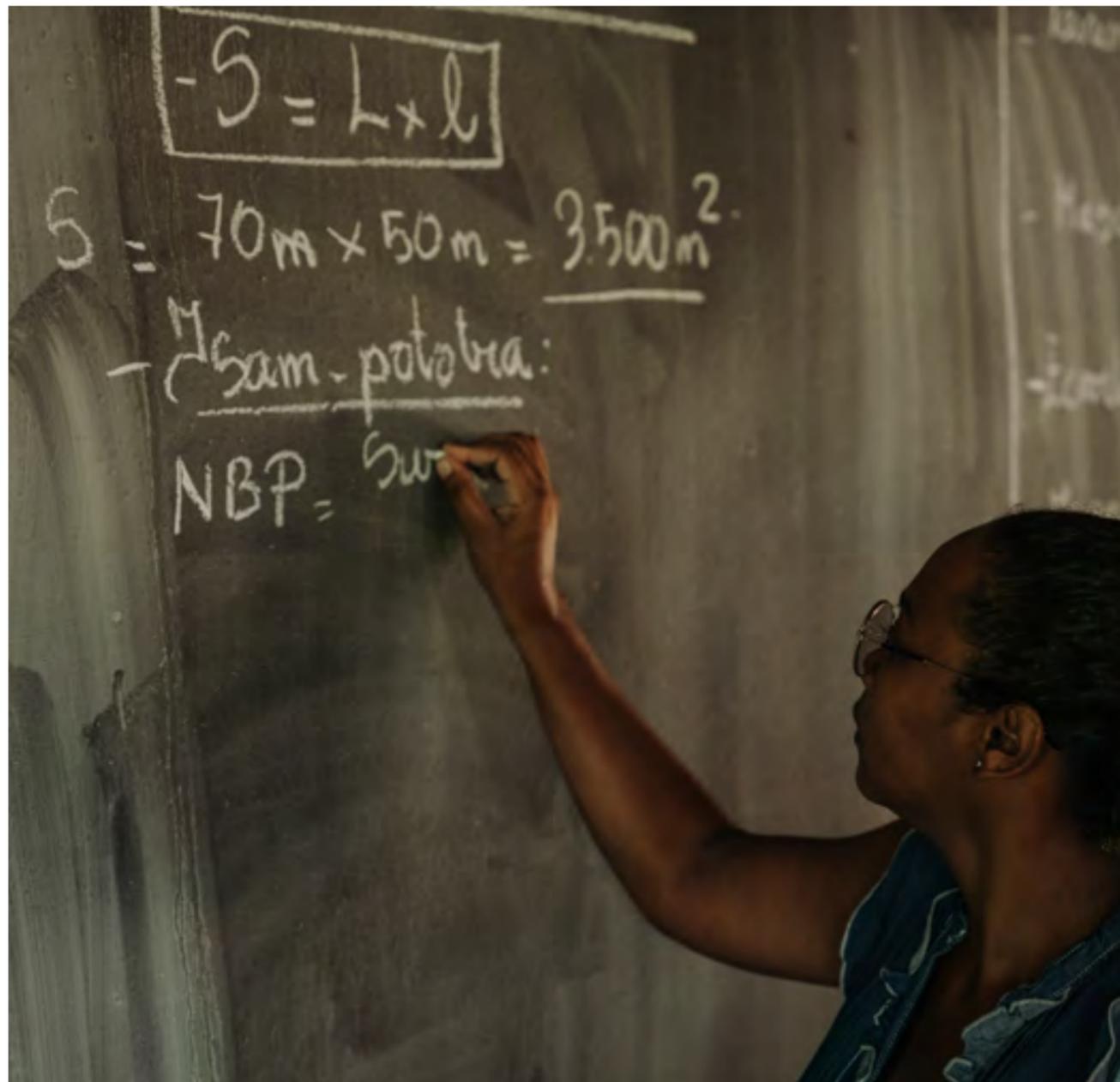
MAHADERA
TEACHER

Significant investment by Authentic Products and its partners

Thanks to investments by Authentic Product and its partners (**Kerry Group and Firmenich**), significant work has been carried out on education, child labor awareness and training.



INDEPENDENCE
OF YOUNG PEOPLE



“

Education and by definition the intellectual and financial independence of the people of Madagascar are levers in combating poverty.

Savanille project (Authentic Products)

Authentic Products has been active in the SAVA region for more than 15 years and its Madagascar operation (located in Antsirabe Nord) is involved in local actions in the field with vanilla producers and also their families. Education is a fundamental priority for the company. In this spirit, the **Savanille cooperative**, created in 2008, includes a school that provides lessons at pre-primary to primary levels. The school now has **230 children** on the roll. Authentic Products ensures the upkeep of the infrastructure and the greening of the schoolyard.

Education and by definition the **intellectual and financial independence of the people of Madagascar** are levers in combating poverty. In the absence of education, children are sometimes forced to work to help support their families.

Although child labor is officially prohibited on the island, **nearly a quarter of children** between the ages of 5 and 17 work in different sectors where their lives can be at risk. Combating child labor in the villages and raising awareness among parents is essential to enable children to continue to go to school. To this end, facilitators from Authentic Products have been trained by the **NGO Save The Children**. In 2021, they provided **626 hours of training** on the subject in the villages **and raised awareness among 6,403 member producers**.



“ 3,312 children thus received schooling in 2021.”

Mahadera project (Authentic Products & Firmenich)

Since 2019, nearly **USD 400,000** has been paid by donor customers (Firmenich, Frontier, etc.) for the construction and fitting out of the **Agricultural vocational Training Center (CFPA)** and its boarding school, which can accommodate 90 students per year.

Since 2019, at a cost of nearly **USD 50,000**, Authentic Products has purchased nearly 25 ha for setting up Mahadera and its infrastructure.

In 2021, **\$80,471** was invested by Firmenich group and Authentic Products in the Mahadera Agricultural Vocational Training Center (CFPA) to cover operating costs and additional investments (boreholes, pumps, etc.).

The creation of the Mahadera CFPA contributes to technical education, vocational training and skills development for young people. The goal is simply to prepare them as best as possible for entry into the world of work and to facilitate their independence.

40-hour modules for adults offer **training in financial**

management and raising local-breed chickens.

The **Mahadera NGO** was created in 2019 and offers a **3-year training course**. It is organized as follows: 2 common years focused on the **dangers of monoculture, adaptation to climate change through the diversification of crops, and cash crops**. The last year is devoted to a vocational project chosen by the students. This last step is essential to train the **“producers and farmers” of the future** who will be able to cultivate and manage their farms and respect the fragile environment of their island.

Tsara Kalitao project (Kerry Group & Authentic Products)

€44,740 invested by **Kerry Group** to support the Tsara Kalitao project;
3,312 children thus received schooling in 2021.

As part of this project, in addition to training in good practices, the supply of crop diversification plants and assistance in securing plots before the start of the season, emphasis was placed on **primary school education of children**.

In the latest **World Bank** report in 2022, the recommendations include a set of reforms aimed at strengthening the mechanisms for selecting, evaluating and motivating teachers. School results can also be improved through citizen mobilization.

Kerry Group's contribution in support of actions in the field carried out by Authentic Products has allowed funding of

teacher training, payment of bonuses to teachers according to the success rate in the exam at the end of the primary stage, payment for children's schooling and the holding of parents' workshops to raise awareness and involve parents in the **education of children**.

Part of the funding was used to buy seeds for a miniature vegetable garden in the primary school and a school trip to **Marojejy National Park**.



ASSOCIATIVE PROJECTS

ACTION IN FAVOR OF THE CLIMATE

Over the past 60 years, Madagascar has lost nearly **44%** of its forest cover. Since the 1960s, **100,000 hectares** of primary forest have gone up in smoke each year.

Deforestation of the country is partly explained by the need for arable land for farmers who practice slash-and-burn agriculture, in particular for the cultivation of rice, the staple diet in Madagascar (soil fertilization from the ashes).

This deforestation is therefore both the cause and the consequence of multiple symptoms: unsuitable agricultural practices, poor forest management and the population's **need for fuelwood and construction timber**.

Authentic Products takes action in favor of the climate through a global reforestation project comprising three areas: a reforestation program, the development of agroforestry and the distribution of low-consumption stoves.

The challenges of agricultural production and forest management in Madagascar:



Problem of slash-and-burn cultivation



Need for fuelwood and construction timber



Diversification of cash crops



Training and improvement of the living conditions of farmers and their families



Development of agroforestry



A reforestation program



SYLVIO ON THE SUBJECT OF FOREST MADAGASCAR



AXEL ON THE SUBJECT OF FOREST MADAGASCAR

 trees in the nursery for reforestation

2020 12,000

2021 17,000

 kgCO₂ sequestered/year (for all 5 hectares, i.e. 10,000 trees over an average of 20 years)

2020 827

2021 827

 hectares dedicated to construction timber

2020 4

 hectares dedicated to reforestation

2020 5

 hectares dedicated to fuelwood

2020 4

Primary forest

Forest that has never been exploited or cleared by man.

Secondary forest

Creation of buffer zones in partnership with the Madagascar Ministry of Water and Forests. After the destruction of a primary forest, whether tropical or temperate, a secondary forest forms, with an initial biodiversity that is greatly reduced but which increases over time provided there is no predation before the return of the primary forest. Included in this forest are vanilla plots replanted on degraded soils.

Exploitable forest

Plots dedicated to fuelwood (Acacia) and construction timber (Intsia) without impacting the fragile reconstruction of the secondary forest and imperatively protecting primary forests (major carbon stocks).

Authentic Products is developing its **reforestation program**, from the nursery to the field, with the help of the local people. They make state and/or private land available on a voluntary basis. Authentic Products produces the saplings (**17,000 trees** currently in the nursery), organizes their transport, monitors their planting and then their upkeep at least once a year. This also allows the company to advise on land management, in the event of conflict. In total, **5 hectares** (i.e. **10,000 trees**) have already been planted as part of the Authentic Vanille project in areas that have suffered deforestation. Authentic Products works in collaboration with the **Forest Madagascar** nursery, which offers plants of 50 different varieties.

The species chosen for reforestation are 80% **Acacia mangium** and 20% **Intsia bijuga**. Acacia grows very quickly and in addition to being adapted to many soil types, it contributes to their upkeep and good health. Of the **8,000 acacias** planted, some will be used for fuelwood and will be cut on the basis of 1 line

out of 2 as from 3 years of maturity, then at 5 years (with regeneration under shelter of the remaining trees) and at 10 years.

The **2000 Intsia** planted have a slower growth rate and will be used more for construction timber. This species was historically known to the population in Madagascar and has agronomic advantages: fixing atmospheric nitrogen in the soil and improving soil fertility.

The supply of **fuelwood** and **construction timber** is an important lever in the Authentic Products **strategy to combat deforestation**. The trees supplied should make it possible to avoid slash-and-burn and/or felling of trees to meet the daily needs of the population. To this end, Authentic Products has developed a strategy to combat deforestation:





Development of agroforestry



In Madagascar, the forests are mainly located in a strip in the east of the country. There are also a few scattered patches of forest. Because vanilla needs to be protected from direct sunlight by shade-giving plants, **agroforestry** is particularly suited to its cultivation. This is why the practice is particularly strongly developed in the SAVA region, an excellent vanilla-producing region. The vanilla plots include orange trees, coconut, etc. 100% of plots with certified vanilla are monitored.

It should be noted that in 2021, this monitoring did not yet include the overall monitoring of biodiversity.

Authentic Products intends to expand the range of species planted and diversify its vanilla plots in collaboration with partner producers. Authentic Products has **nurseries** with clove, citrus, jackfruit, coconut and other local fruit trees. Planting will take place in December 2022. Member producers will be encouraged, in return for the supply of the plants, to plant 10 trees/2,500 m² of vanilla. For now, Authentic Products has **5 nurseries** within the Authentic Vanille project and **1 nursery** in the Savanille area.

“ Authentic Products intends to expand the range of species planted and diversify its vanilla plots in collaboration with partner producers.

Distribution of low-consumption stoves



Each year, a Madagascar household consumes **four to six metric tons** of wood for cooking on an open fire. Energy-efficient stoves **provide a 50 to 70 per cent fuel saving**. They are therefore a significant asset in combating deforestation. They also improve the air quality in homes and reduce the risk of domestic accidents.

This project is carried out in partnership with the **NGO ADES** which has developed these low-consumption stoves, among other initiatives aimed at preserving biodiversity in Madagascar. Initially experimental, these stoves are now widely distributed.

In 2022, **1,000 stoves will be distributed** in two phases: 450 in the first phase and 550 to be delivered in the AUT VNL Tsarabaria area. Distribution of 4,000 additional stoves is planned in the third phase, via the **Mahadera NGO** fund, so that all member producers can benefit from this equipment.

Manufacture and principle of ADES stove (Association for the Development of Solar Energy)

The stoves are made of clay soil from the local rice fields, which makes this equipment all the more energy efficient. The earth is worked, molded, dried and then fired in a ceramic kiln. A metal seal completes the construction of these **low-consumption stoves**, which are produced locally, in a semi-industrial process. In 2022, **ADES** has set itself the goal of producing 75,000 stoves (solar or low consumption) in order to abate **500,000 metric tons of CO₂** emissions.



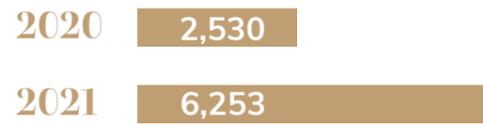
PROTECTING BIODIVERSITY



organized visits to protected areas



\$ invested in protection of biodiversity



hectares monitored for biodiversity



The island of Madagascar is a true Garden of Eden for flora and fauna, with **294 species of birds**, 107 of them endemic, and **247 species of amphibians**, 245 of them endemic (WWF figures). There are also **primates**, the best known being lemurs, insects, chameleons and gigantic baobabs, with **7 species** present on the island (compared with 1 on the entire African continent). This extraordinary natural wealth is severely threatened by the destruction of the environment. It is estimated that only **10%** of the island's wooded forest area remains. Wildlife trafficking and poor agricultural practices are other causes of species extinction in Madagascar.

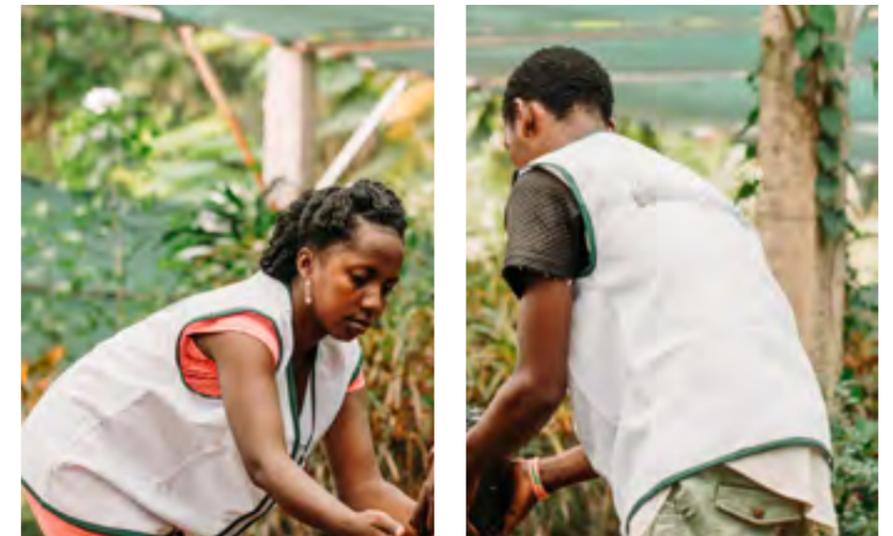
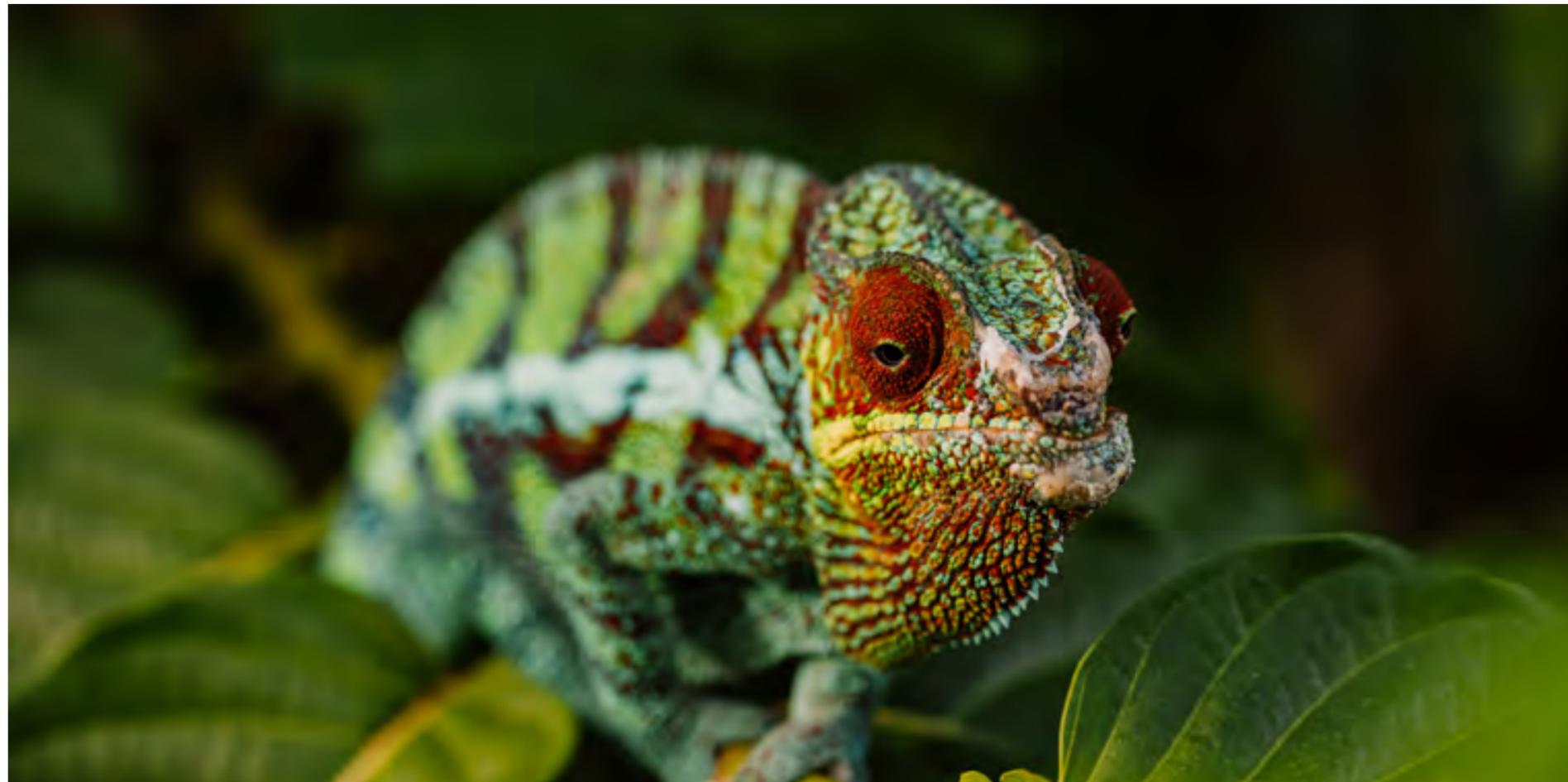
The SAVA region, where Authentic Products operates, has a large area of protected forest. This covers **482,000 hectares**, 20% of the total area of the region. Most of this forest is in the Andapa and Sambava districts, which have **239,334 ha and 231,412 ha** of forest respectively. The **Sambava** district has the largest area of protected forest at 34,619 ha, or just under **75%** of the region's protected forests. The **Tsarabaria** area (central-eastern part of the SAVA region), although not part of the protected area, is home to a wide variety of flora (bitter melon, jackfruit, ylang-ylang, valavelogno) and fauna (fody, guineafowl, lizard).

In September 2021, Authentic Products launched an initial inventory of the fauna and flora in 5% of its members' plots, through a local association (the Independent and Qualified Guides of Antalaha). (See annex 1)

The census of fauna and flora species in the areas where Authentic Products is present is carried out by independent guides from September to November every 5 years. This

census makes it possible to identify the species present on the **IUCN** red list.

To preserve this extraordinary biodiversity, it is vital to educate people from an early age on the importance of protecting the environment. In this context, Authentic Products works in close collaboration with **Kerry Group**, an Irish company specializing in the production and marketing of ingredients and products for the food and pharmaceutical industries. Together, they created the Tsara Kalitao project, which aims to buy sustainable vanilla from planters and invest in schools in return. In 2021, **18 classes of 11-year-old pupils went on a trip to Marojejy National Park in the SAVA region in north-east Madagascar.**



“
It is vital to educate people from an early age on the importance of protecting the environment.”



HELPING POPULATIONS AND LOCAL DEVELOPMENT

Madagascar is one of the ten least-developed countries in the world in the long term. The country's society is made up of a small wealthy elite and very poor and traditional people, and satisfaction of their basic needs (access to water, healthcare, etc.) is complicated by the deplorable state of infrastructure and the education system. Through its presence alongside vanilla producers, Authentic Products can initiate and support necessary and essential projects for the **well-being** and **development of local populations**.



Improvement of producers' standard of living



US\$ of bonuses paid to producers according to fair trade standards



2021 **31,356.51**

Although the SAVA region has a poverty ratio slightly below the national level (**74.9% compared with 76.5%** for the whole of Madagascar), the intensity of poverty is similar to the national level. The region brings together most of the country's vanilla production, with nearly **30,000 hectares of plantations** and represents a major source of income for many producers and their families, who are therefore very vulnerable to fluctuations in vanilla prices. The vanilla market is characterized by highly volatile prices, governed by the law of supply and demand.

Also, the **Covid-19** crisis has reduced the demand and increased the preference of some consumers for organic and fair trade products. At Authentic Products, producers who join its sustainable projects have an income **8% higher** than conventional producers. For example, members of the Savanille, Bio Andapa and Authentic Vanille projects benefit, depending on the year and the price of conventional vanilla, from an **additional premium of 10 to 25% over the price of conventional vanilla** (outside the scope of sustainable projects). This additional premium is defined and adjustable according to the market price of conventional vanilla. Producers and their families can

also buy fingerlings to raise their own fish and then sell them on the market. These fingerlings come from production ponds in Andapa and owned respectively by the **NGO Mahadera** and the Madagascar **Ministry of Fisheries**. Once the orders have been placed by the producers, they are responsible for preparing the fish ponds, which are then validated by the area facilitator. The facilitator then compiles a list of interested breeders and the corresponding number of fingerlings per area and places an order with the **Andapa fish farming center**. Finally, the fingerlings are delivered to the breeders who are provided with training (feed, growth cycle, etc.).

Providing public access to drinking water



wells built

2020 **46**

2021 **52**



ACCESS TO WATER

Healthcare in Madagascar is very limited and all major operations require evacuation to the large cities, the capital for the wealthiest patients or Reunion Island. As a result, families often forgo healthcare and, still more, surgical treatment.

Access to drinking water, sometimes impossible, is an aggravating factor for populations requiring care. It is also the cause of **many digestive disorders**, especially in infants. Being present on site, Authentic Products (in partnership with the **Firmenich** group and **Frontier**) has chosen to build several wells to help the communities. Construction of these wells started in 2009 within the

Savanille cooperative.

The wells benefit the community, with 40 households of 5 people able to use each well, i.e. **200 people**.

In 2021, a total of **52 wells** were built at a unit price of 4 million ariary (€1200). Each year, during the driest months (July and August), two wells are built for a full year. They are particularly useful during the rainy season, when the river water becomes unsanitary and muddy.



In 2021, 2,250 kg of fingerlings were sold to producers.



Training delivered



hours of technical training

2020

1,590

2021

2,267

To ensure constructive support for responsible farming practices, producers regularly receive **technical training** in good picking and preparation practices for vanilla (half a day's training in 100 villages) as well as for other cash crops.

This training is also aimed at improving yields. **4-day training sessions, delivered by Authentic Products staff, have also been held on good hygiene practice and organic and/or fair trade standards.**

In addition, to encourage diversification of activities and improve producers' resources, **5 half-day modules** have been set up for **training in rearing chickens** (vaccinations included) with the support of the company **PROFIS.**

Producers can then sign up for additional training at the Mahadera agricultural training center, launched and supported by Authentic Products in collaboration with **Firmenich** and **FERT.**

Producers benefit from training hours on various topics. In 2021, **3 missions** carried out by a technician commissioned by the Ministry of Agriculture were organized in the villages to **train member producers in sustainable agricultural practices.**

Authentic Products also sends one **area facilitator** per month to raise awareness in member producers' villages on a specific topic ranging from global warming to good agricultural practices or the preservation of biodiversity. In addition, **listing of plots** and their good management is carried out by seasonal workers using GPS data.

Training for women



women trained in budget management



In many countries, women are the mainstay of the family, active members of the community and also responsible for agricultural work. Their education and training therefore contribute to their empowerment in relation to their environment and their community. A module to train women in **budget management** was created in March 2019. This module comes under the Tsara Kalitao project and was initially entrusted to the **NGO GCD (Groupe de Conseil et de Développement)** for one year, up to April 2020. Now the module is delivered by trained facilitators. The goal of this training course is to learn how to keep the family budget through simple bookkeeping.

Mastery of budget management allows women to analyze their expenditure and income and make medium-term projections. They can thus achieve financial security during the lean season between harvests (February and March) and **invest in a personal project**.

In 2021, 34 women were trained in the budget management module:

21 under the Tsara Kalitao project,
8 for the Savanille cooperative and
5 under Authentic Vanille.



Transparency from the field to the end consumer



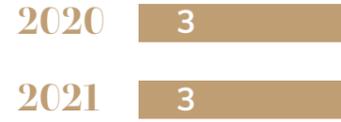
QUALITY CONTROL



% organic and/or fair trade vanilla



hygiene training courses



The goal of this partnership is to achieve the traceability of 50 metric tons of vanilla, including 20 metric tons with UEBT-RA organic certification. By 2025

The pandemic has undoubtedly strengthened consumer interest in find out more about products, their origin and their manufacturing conditions. A study carried out by LSA for Avery Dennison shows that **72%** of French people say they pay more attention to the place of origin of food products since the start of the epidemic. Authentic Products therefore intends to respond to wish for transparency. To this end, Authentic Products has entered into an agreement with **Firmenich**, a world leader in perfumes and aromas. Authentic Products has been a member of Firmenich's NaturalsTogether™ program since 2005 and has built an innovative partnership with the company to foster **responsible procurement of Madagascar vanilla**. Firmenich has developed a **digital traceability tool** for

customers, to guarantee optimal transparency from the upstream cultivation of vanilla through processing to delivery to the end customer. This tool, called **Path 2 Farm**, **makes it possible to track vanilla along its entire value chain** and provide optimal traceability based on important data such as vanilla quality, **good agricultural practices** and environmental and socio-economic indicators of the growing area.





WORKING ON PRODUCT QUALITY AND EXCELLENCE



ORGANIC AND CONVENTIONAL VANILLA

Authentic Products' know-how is a guarantee of **vanilla quality**. This quality results from the technical skills and long-term expertise of the two co-founders of Authentic Products, but also through quality and traceability processes, overseen by recognized bodies (**Ecocert, Flocert, Beth Din de Paris, Ecovadis**) and also by the group's customers.

FAIR TRADE

Some of the vanilla produced by Authentic Products is certified **Fair Trade by FLO-Cert**. This certification commits the company to **complying with strict specifications** based on production, marketing and consumption methods that contribute to sustainable development. The reliability of this label is reflected in the **regular inspections** carried out by players in the fair trade chain, from production through to packaging.



ECOVADIS

A platform for evaluating **CSR and responsible purchasing performance**, Ecovadis allows a company to self-assess its **extra-financial performance** and also the sustainability of its procurement and suppliers. Authentic Products has been awarded the Ecovadis silver medal for its commitment to Social Responsibility.



HALAL CERTIFICATION

This guarantees that the vanilla produced and marketed by Authentic Products meets the **principles and rules of consumption laid down under Islamic law**. The production, processing, packaging and marketing procedures comply with Islamic law.



ORGANIC BY ECOCERT

(European organic label)
NOP (US organic label)
Authentic Products vanilla is certified **Organic** by Ecocert. This certification is a guarantee of **production practices that respect** biodiversity, animal welfare, soil fertility as well as transparent labeling for the consumer. These certifications allow Authentic Products to market its products in Europe and the United States.



SEDEX

Sedex is a global organization that facilitates its members' activities in the global supply chain. Sedex encourages companies around the world to have a **positive impact** on the people they work with. Sedex promotes **responsible business practices, ethical trade** and **transparency** in global supply chains.



FOOD AND DRUG ADMINISTRATION (FDA)

The role of the FDA is to **protect public health** by guaranteeing the **safety of foodstuffs** placed on the American market. Authentic Products has received FDA approval to market its products.



4.

RESPECTS AND COMMITMENTS

*Authentic Products is strongly committed to the **real needs of vanilla producers and the communities they form**. It is present through programs initiated in the field, in partnership with local players and its customers committed to active sustainability initiatives. **The success of the Mahadera CFPA and the results it has obtained invite development of projects led by the NGO, whether short, medium or longer term.** It is plurality of action that guarantees responses adapted to local needs as well as those of the sector and customers. This strategy, in which everyone's needs are satisfied, has given direction to the work that Authentic Products cultivates and structures through its Source program.*

Collective actions give access to effective resources, providing irrefutable and high-quality results, in fields as varied as education and training, local development, protection of the climate and biodiversity or the fine-tuning of product quality.

For Authentic Products, the presence among local populations will continue to be structured "at source", around the education and training of women. It will also continue its actions related to access to hygiene and healthcare, to guarantee decent and healthy living conditions for the population. Some projects will be developed so that food security is also ensured, while respecting the sustainability of the resources concerned (fish stocks, fruit trees, etc.).

Given that the cultivation of vanilla is intimately linked to the afforestation of the island, Authentic Products is diversifying and intensifying its actions in the field of reforestation and agroforestry, by continuing to invest in the production of plants and the land area devoted to these practices.

The increase in areas allocated to organic and/or fair trade vanilla will highlight the synergies of sustainable production/respect for producers' living conditions/preservation of the environment/customer satisfaction. It will lead to the payment of higher bonuses, which will contribute to local development.

The significant progress already made encourages continuation of the actions undertaken, seeking to integrate them into a holistic, more global approach, paying greater attention to the ecosystem as a whole thus creating links and synergies between the projects undertaken.

Among the avenues that Authentic Products should explore, the construction of a low-carbon strategy is worth considering. This would make it possible to integrate the expectations and needs of customers, through Insetting projects, which are particularly relevant to vanilla production and the areas of development supported by Authentic Products.

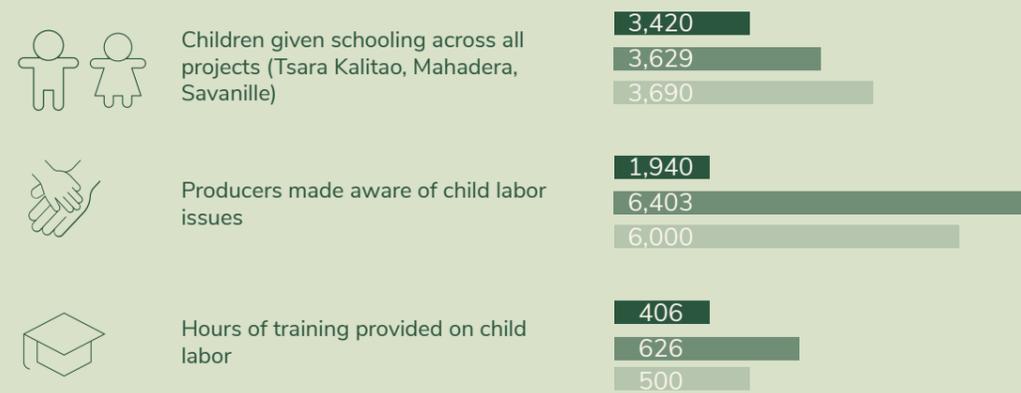
Commitments

2020

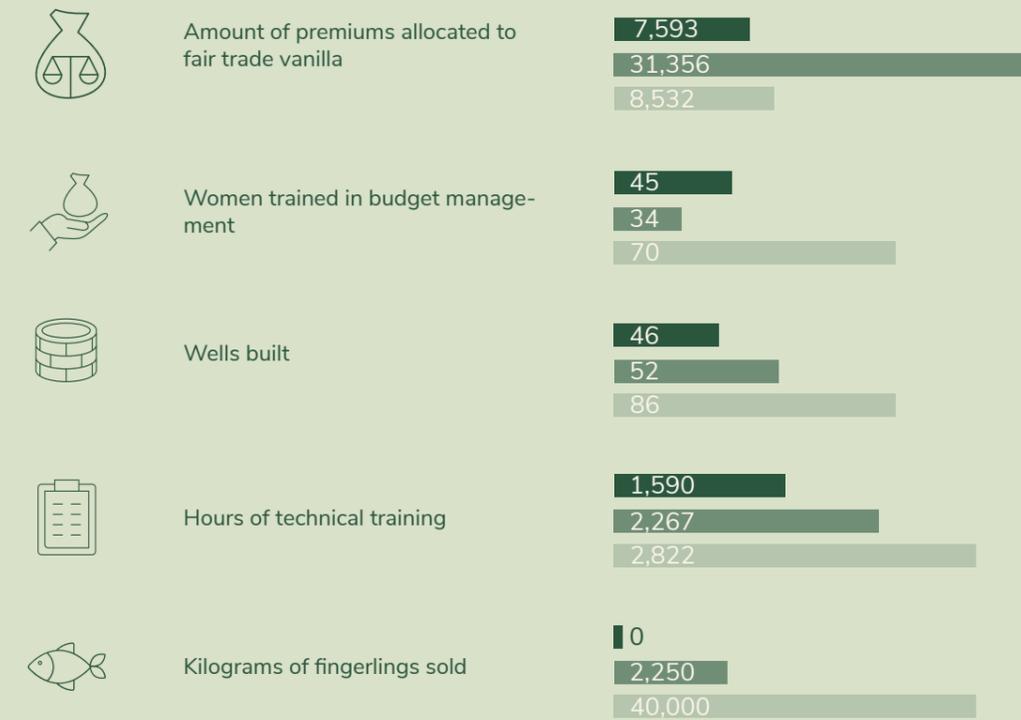
2021

2025

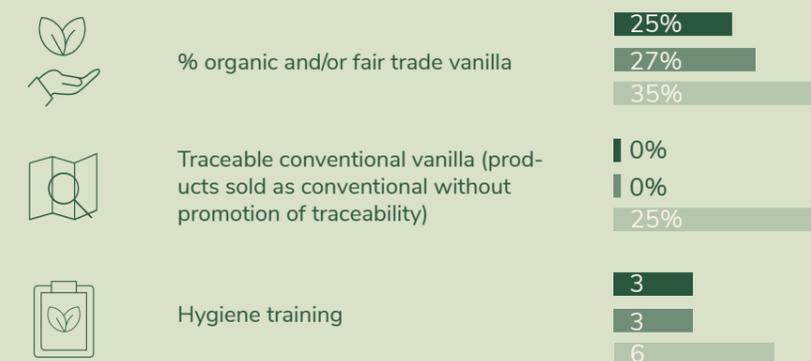
Making education accessible to all



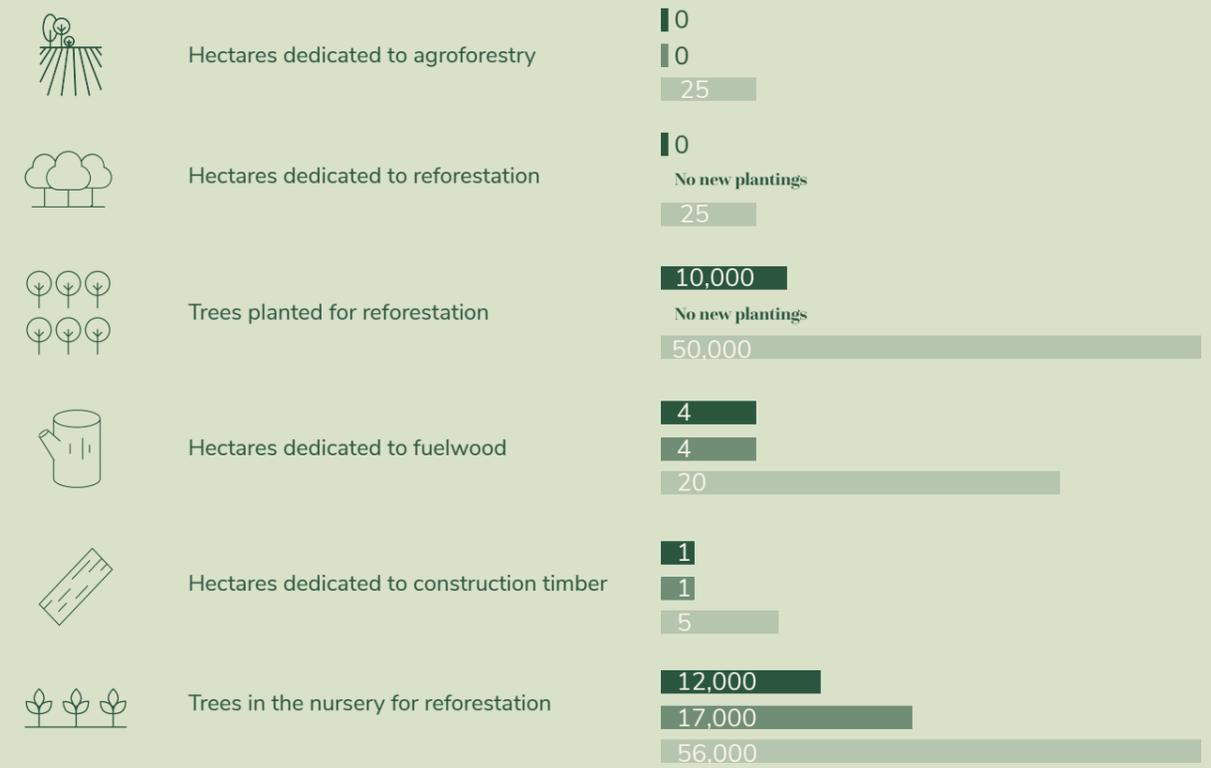
Helping Communities & Local Development



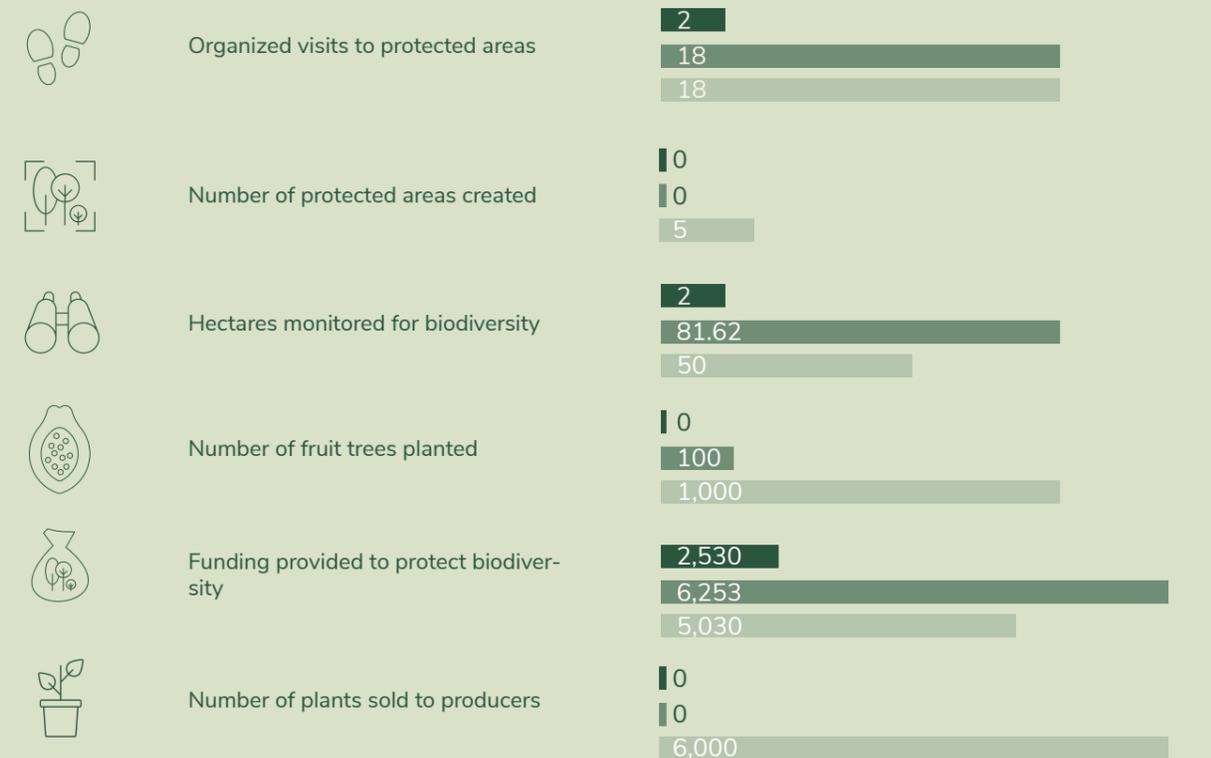
Working on product quality and excellence



Climate action



Protecting biodiversity



Contribution of the Source program to Sustainable Development Goals

-  Strong and direct contribution to the goal (related to the business areas)
-  Other contribution to the goal (indirect or voluntary)

Education

- Education for all
- Education for girls
- Agricultural training center for teenagers

Commitment to the climate and biodiversity

- Agroforestry
- Combating deforestation (reforestation)
- Creation of a carbon offsetting program for vanilla
- Evaluation and control of greenhouse gas emissions
- Conservation of the natural flora and fauna of Madagascar

Aid to populations and local development

- Aid for hygiene and health
- Diversification of cash crops
- Training for women

Product quality

- Guaranteeing optimal traceability
- Guaranteeing product quality

	No poverty	Zero hunger	Good health and well-being	Quality education	Gender equality	Clean water and sanitation	Reduced inequalities		Affordable and clean energy	Decent work and economic growth	Sustainable cities and communities	Responsible consumption and production	Climate action	Life below water	Life on land	Peace, justice and strong institutions	Partnerships for the goals	
Education for all																		
Education for girls																		
Agricultural training center for teenagers																		
Agroforestry																		
Combating deforestation (reforestation)																		
Creation of a carbon offsetting program for vanilla																		
Evaluation and control of greenhouse gas emissions																		
Conservation of the natural flora and fauna of Madagascar																		
Aid for hygiene and health																		
Diversification of cash crops																		
Training for women																		
Guaranteeing optimal traceability																		
Guaranteeing product quality																		

Flora

The list of flora and fauna species described below is not exhaustive and reflects the species observed during a one-off survey. It does not provide information on the abundance of species.

The survey was carried out in areas hosting a reservoir of biodiversity that includes species in danger of extinction, near threatened, of least concern and vulnerable according to the IUCN red list*.

*<https://www.iucnredlist.org/>

Local name	Common name	Scientific name	IUCN status
Ampaly	Jackfruit	<i>Artocarpus heterophyllus</i>	Least concern
Manga	Mango tree	<i>Mangifera indica</i>	Least concern
Albizaha	Albizia	<i>Albizia polyphylla</i>	Least concern
Zavocat	Avocado	<i>Persea americana</i>	Least concern
Ylang ylang	Ylang-ylang	<i>Cananga odorata</i>	Least concern
Sambalahy, Ramy be, Ramy mena, Ramy, Ampasy	Aramy, Madagascar myrrh tree	<i>Canarium madagascariense</i>	Endangered
Ahipisaka	Gros chiendent, Chiendent bourrique, Herbe coco	<i>Stenotaphrum dimidiatum</i>	Least concern
Bonara, Bonara gasy, Albizia	Woman's tongue tree Lebeck Frywood	<i>Albizia lebbeck</i>	Least concern
Valavelogno, Tanatanampotsy	Physic nut	<i>Jatropha curcas</i>	Least concern
Ravinala, Akondrohazo, Fitroka, Ontsy, Vavimpotsy	Traveler's tree	<i>Ravenala madagascariensis</i>	Least concern
Voanio	Coconut tree	<i>Cocos nucifera</i>	Least concern
Baro		<i>Acalypha indica</i>	Least concern
Tsararavina		<i>Hintsia bijuga</i>	Near threatened
Andramena	Madagascar rosewood	<i>Dalbergia trichocarpa</i>	Least concern

Local name	Common name	Scientific name	IUCN status
Paka		<i>Urena lobata</i>	Least concern
Ambara		<i>Burasaia madagascariensis</i>	Least concern
Nanto, Natotsiarina, Analamazoatra		<i>Faucherea laciniata</i>	Least concern
Lentsy	Lychee	<i>Litchi chinensis</i>	Vulnerable
Grevillia	Grevillia	<i>Grevillea robusta</i>	Least concern
Gavo	Guava	<i>Psidium guajava</i>	Least concern
Bozaka, Pepeka, Kitafa	Grass	<i>Aristida mulucaulis</i>	Least concern
Agnanambo, Anamorongo, Ananambo	Moringa	<i>Moringa oleifera</i>	Least concern
Vahona	Aloe vera	<i>Aloe barbandensis</i>	Least concern
Tavolo, Vivaona, Mankaleo, Vazano		<i>Dilobeia thouarsii</i>	Least concern
Takontsifotra, Kinandromandro	Desmodium	<i>Desmodium</i>	Least concern
Ahipody	Armgrass millet	<i>Brachiaria distichya</i>	Least concern
Tainakoho, Taindelontsinoa, Andrendreka, Riadiatra		<i>Cassia laevigata</i>	Least concern
Mankavia		<i>Ficus soroceoides</i>	Least concern

Fauna

Local name	Common name	Scientific name	IUCN status
Tsikoreva	Malagasy Bulbul	<i>Hypsipetes madagascariensis</i>	Least concern
Foudia	Red fody	<i>Foudia madagascariensis</i>	Least concern
Ankodavitra	Rusty millipede	<i>Trogoniulus corallinus</i>	Least concern
Fodisaina	Nelicourvi weaver	<i>Ploceus nelicourvi</i>	Least concern
Adabo	Malagasy turtle dove	<i>Nesoenas picturatus</i>	Least concern
Akanga	Helmeted guineafowl	<i>Numida meleagris</i>	Least concern
Dinta	Horse-leech	<i>Haemopis sanguisuga</i>	Least concern
Amboa lava	Chameleon	<i>Calumma spp.</i>	Vulnerable
Antsaka	Gekko	<i>Gekko gekko</i>	Danger of extinction
Antsatsaka madinika	Common wall lizard, Gray lizard, Small lizard	<i>Podarcis muralis</i>	Least concern
Angidina	Dragonfly	<i>Libellula spp.</i>	Least concern
Crecerelle malagasy	Malagasy kestrel	<i>Falco newtoni</i>	Least concern
Soy	Souimanga sunbird	<i>Nectarinia souimanga</i>	Least concern
Do	Madagascar ground boa	<i>Acrantophis madagascariensis</i>	Least concern
Dronga, Railovy	Crested drongo	<i>Dicrurus forticatus</i>	Least concern
Finengo	Madagscan blue pigeon	<i>Alectroenas madagascariensis</i>	Least concern



While the entire planet and its inhabitants are subject to multiple, varied and high-impact risks, this reality is even more obvious and intense in Madagascar.

The diversity of its endemic species and the living conditions of its inhabitants are good reasons to take care of life on this very special island.

With its commitment to vanilla producers and its know-how in the field, Authentic Products affirms and asserts its engagement with its region and its population through Source, its ambitious and concrete field program.

Making education accessible to all, helping communities and local development, working on product quality and excellence, taking action for the climate, preserving biodiversity. These five areas guide and direct Authentic Products' commitment. It works alongside its partners, suppliers and customers, to achieve declared and agreed goals.

Taking action is no longer optional: with Source, Authentic Products intends to prove that actions speak louder than words, and that their implementation will be put at the service of Madagascar, the planet and living beings.

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