



PUBLIC POLICY DOCUMENT

Cooperative Selection Procedure & Methodology

SafeCrop Ltd • Sustainable Cocoa Sourcing • Public Policy

**Document
Type** Public Policy

Applicability All Sustainable Programs and Cocoa Sourcing Operations of SafeCrop Ltd

**Approved
By** Board of Directors, SafeCrop Ltd.

**Review
Cycle** Every 24 months or as required by regulatory changes

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TABLE OF CONTENTS

1. Purpose of the Policy
2. Scope of Application
3. Guiding Principles
4. Minimum Eligibility Requirements (Pre-Screening)
5. Cooperative Assessment Framework
6. Scoring & Decision Methodology
7. Feedback & Communication Process
8. Appeals & Clarification Mechanism
9. Continuous Improvement & Re-Assessment
10. Confidentiality & Data Protection
11. Policy Review & Updates
12. Public Commitment Statement

SECTION 1

Purpose of the Policy

SafeCrop Ltd exists to strengthen farmer cooperatives and empower cocoa farmers through sustainable sourcing, livelihood enhancement, and market integration.

This Cooperative Selection Procedure establishes a transparent, fair, and merit-based methodology for identifying, assessing, selecting, and onboarding farmer cooperatives into SafeCrop Limited's sustainability programs and commercial partnerships.

The procedure ensures that:

- Only cooperatives with credible governance, ethical practices, and growth potential are onboarded.
- All cooperatives under consideration receive clear, structured feedback, whether selected or not.
- Selection decisions are objective, auditable, and aligned with international sustainability standards.
- The process reinforces continuous improvement, not exclusion.

SECTION 2

Scope of Application

This procedure applies to:

- Cocoa farmer cooperatives, unions, and organized farmer groups seeking engagement with SafeCrop Ltd.
- All SafeCrop sustainability programs, cooperative empowerment projects, and cocoa sourcing initiatives.
- New onboarding, re-assessment of existing partners, and expansion of partnership scope.

Note: This policy does not apply to individual farmers outside cooperative structures.

SECTION 3

Guiding Principles

SafeCrop's cooperative selection is guided by the following principles:

1. Transparency

All criteria, steps, and decisions are clear and publicly available.

2. Fairness & Non-Discrimination

No cooperative is excluded based on geography, size, gender composition, or affiliation, provided minimum standards are met.

3. Governance First

Strong governance is prioritized over size or volume.

4. Continuous Improvement

Non-selected cooperatives receive actionable feedback and pathways for future eligibility.

5. International Alignment

Selection reflects global expectations on traceability, human rights, and environmental responsibility.

6. Local Relevance

Criteria are tailored to Ghana's cocoa sector realities.

SECTION 4

Minimum Eligibility Requirements (Pre-Screening)

A cooperative must meet **all** minimum eligibility requirements to proceed to full assessment.

4.1 Legal & Institutional Status

- Legally registered under Ghanaian law.
- Valid registration certificate and constitution/by-laws.
- Recognized leadership structure (Chairperson, Secretary, Treasurer).

4.2 Membership Structure

- Clearly defined and documented membership.
- Minimum of 50 active farmer members.
- Evidence of member engagement (meetings, records, attendance).

4.3 Ethical Baseline

- No child labor in hazardous activities.
- No forced or trafficked labor.
- Respect for community land rights and FPIC principles.
- Willingness to adopt SafeCrop Codes of Conduct and policies.

Important: Failure to meet any minimum requirement results in non-advancement, with formal written feedback provided within 30 working days.

SECTION 5

Cooperative Assessment Framework

Eligible cooperatives undergo a structured assessment across five core pillars.

PILLAR I — Governance & Management Capacity

ASSESSMENT FOCUSES ON

- Democratic decision-making and leadership accountability.
- Regular general meetings and elections.
- Financial transparency and record-keeping.
- Conflict resolution mechanisms.

EVIDENCE REQUIRED

- Meeting minutes.
- Financial records (where available).
- Leadership profiles and terms of office.

PILLAR II — Farmer Organization & Service Delivery

ASSESSMENT FOCUSES ON

- Ability to mobilize and communicate with members.
- Delivery of services (training, inputs, information).
- Inclusion of women and youth in leadership and activities.

EVIDENCE REQUIRED

- Member registers.
- Activity reports.
- Gender and youth participation data.

PILLAR III — Sustainability & Human Rights Readiness

ASSESSMENT FOCUSES ON

- Awareness of child labor risks and mitigation measures.
- Community grievance mechanisms.
- Environmental stewardship practices.

EVIDENCE REQUIRED

- Internal rules or community norms.
- Existing grievance or complaint processes.
- Evidence of sustainability activities (where applicable).

PILLAR IV — Traceability & Data Readiness

ASSESSMENT FOCUSES ON

- Ability to support farm mapping and farmer data collection.
- Willingness to participate in polygon mapping and EUDR compliance.
- Record-keeping of production and deliveries.

EVIDENCE REQUIRED

- Farm lists.
- Basic data records.
- Cooperation with digital tools.

PILLAR V — Commercial & Partnership Potential

ASSESSMENT FOCUSES ON

- Historical cocoa delivery performance (if applicable).
- Reliability and commitment to collective marketing.
- Openness to long-term partnership with SafeCrop Ltd.

EVIDENCE REQUIRED




- Delivery history (if available).
- References from LBCs or partners.
- Statements of intent.

SECTION 6

Scoring & Decision Methodology

Each pillar is scored using a standardized internal scoring matrix. Governance and Ethical Readiness carry higher weight than volume or size. All decisions are documented and auditable.

6.1 Selection Outcomes

 <u>Selected for Onboarding</u>	 <u>Conditionally Eligible</u>	 <u>Not Selected at This Time</u>
Meets all criteria. Invited to begin the formal onboarding and partnership roadmap.	Improvement required. Reassessment upon evidence of corrective action.	Significant gaps identified. Formal feedback and recommendations for future eligibility.

SECTION 7

Feedback & Communication Process

SafeCrop Ltd commits to a formal feedback process for every cooperative assessed. Feedback is issued within **30 working days** of assessment completion.

7.1 Feedback to Selected Cooperatives

- Written notification of selection.
- Summary of strengths and expectations.
- Onboarding roadmap and timelines.

7.2 Feedback to Conditionally Eligible Cooperatives

- Written assessment summary.
- Clear improvement actions required.
- Indicative timeframe for reassessment.

7.3 Feedback to Non-Selected Cooperatives

- Respectful written communication.
- Clear explanation of gaps identified.
- Practical recommendations for future eligibility.

SECTION 8

Appeals & Clarification Mechanism

- Cooperatives may request clarification on assessment outcomes within **14 days** of receiving feedback.
- Appeals must be submitted in writing.
- SafeCrop will respond within **21 working days**.
- Appeals do not guarantee reassessment but ensure transparency and learning.

SECTION 9

Continuous Improvement & Re-Assessment

- Non-selected cooperatives may reapply after **12 months**.
- Conditioned cooperatives may be reassessed upon evidence of improvement.
- SafeCrop may provide capacity-building referrals but is not obligated to provide direct funding or support prior to selection.

SECTION 10

Confidentiality & Data Protection

All cooperative data collected during the selection process:

- Is used solely for assessment and partnership decisions.
- Is handled in line with SafeCrop data protection protocols.
- Will not be shared externally without consent, except where legally required.

SECTION 11

Policy Review & Updates

This procedure will be reviewed periodically to reflect:

- Regulatory changes (e.g., EUDR).
- Industry best practices.
- Lessons learned from

implementation. Updates will be published on SafeCrop platforms.

SECTION 12

Public Commitment Statement

Our Public Commitment

SafeCrop Ltd commits to building strong, transparent, and resilient cooperatives — recognizing that selection is not about exclusion, but about readiness, partnership, and shared accountability for sustainable cocoa systems.