

2023 PROGRESS REPORT

COCOA & FOREST INITIATIVE: COLLECTIVE ACTION TO END COCOA-RELATED DEFORESTATION





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1. THE COCOA & FORESTS INITIATIVE: COLLECTIVE ACTION TO END COCOA-RELATED DEFORESTATION

The governments of Côte d'Ivoire and Ghana and 36 leading cocoa and chocolate companies, representing 85% of global cocoa usage, joined together in the Cocoa & Forests Initiative to end deforestation and restore forest areas. Their combined actions play a crucial role in protecting and restoring biodiversity, sequestering carbon stocks in West African forests, and addressing climate change in line with the Paris Climate Agreement. The Cocoa & Forests Initiative delivers on Sustainable Development Goal 13 (Climate Action) and 15 (Life on Land).

The Cocoa & Forests Initiative is a public private partnership based on frameworks for action (<u>Côte d'Ivoire</u> and <u>Ghana</u>) and action plans for the private sector (<u>Côte d'Ivoire</u> and <u>Ghana</u>) and public sector (<u>Côte d'Ivoire</u> and <u>Ghana</u>) that spell out commitments to:

- protect and restore forests,
- promote sustainable cocoa production and farmers' livelihoods,
- engage communities and boost social inclusion.

To learn more, follow #CocoaAndForests on social media, or visit <u>Cocoa & Forests</u> Initiative.

The <u>World Cocoa Foundation</u> (WCF); <u>IDH</u>, the <u>Sustainable Trade Initiative</u>; and the Governments of Côte d'Ivoire and Ghana drive the Cocoa & Forests Initiative. The Prince of Wales launched the Initiative in March 2017 and reviewed implementation progress in November 2018.

Deforestation of tropical rainforests is a major issue in Côte d'Ivoire and Ghana, which together produce nearly two-thirds of the world's supply of cocoa, the main ingredient in chocolate. <u>Côte d'Ivoire</u> and <u>Ghana</u> respectively lost 26% and 9.3% of their humid primary forest between 2002 and 2020, with a significant portion of deforestation attributable to cocoa farming expansion.

A comprehensive analysis is required to determine the exact contribution of cocoa production to deforestation. WCF, CFI members, and partners are working together on science-based methods to determine the share of cocoa production to overall deforestation rates with a high level of accuracy in cocoa producing countries. Data reliability and a good knowledge of the cause and location of deforestation is essential to develop effective and adequate mitigation measures and ensure that WCF members and partners are compliant with regulations such as the EUDR which will come into application in 2025.

Cocoa provides crucial income to communities in rural West Africa, but farmers are too often faced with poverty. Poverty is one of the causes of deforestation. Accelerating a transition to sustainable livelihoods is essential for farmers' economic security and a healthy planet.





2. THE THREE PILLARS OF CFI

The first priority is the protection and restoration of forests that have been degraded.

To this end, the governments and companies have pledged no further conversion of forest land for cocoa production and have committed to the phased elimination of illegal cocoa production and sourcing in protected areas.

Both countries are introducing a differentiated approach for improved management of forest reserves, based on the level of degradation of forests. In 2019, the government of Côte d'Ivoire adopted and published a new forest code which, among other things, put forth policies for the promotion of cocoa agroforestry to restore degraded land, improve forest cover, and promote sustainable livelihoods and agriculture in the classified forests and rural zones.

To ensure effective implementation and monitoring of these commitments, companies have pledged to develop traceability from farm to the first purchase point for their own purchases of cocoa. They also work with governments to ensure an effective national framework for traceability encompassing all traders in the supply chain and to anticipate forthcoming due diligence legislation. The companies will similarly share information with the national satellite monitoring platforms to effectively monitor progress on CFI, as well as proactively address threats of new deforestation.



The next critical priority is sustainable agricultural production and increased farmer incomes.

These are essential pre-requisites for reducing pressure for agricultural encroachment into forests and strengthening the resilience of cocoa farmers to climate change.

The governments and companies are accelerating investment in long-term productivity of cocoa in order to grow "more cocoa on less land." Key actions include provision of planting materials for the promotion of cocoa agroforestry, training in good agricultural practices, soil fertility, land tenure reform, and capacity building of farmers' organizations.

Sustainable livelihoods and income diversification for cocoa farmers are being accelerated through food crop diversification, agricultural inter-cropping, and development of mixed agroforestry systems and shade-grown cocoa.



The final area of focus is strong community engagement and social inclusion, with a particular focus on women and youth.

The governments and companies have committed to full and effective consultation and participation of cocoa farmers in the design and implementation of key actions, and promotion of community-based management models for forest protection and restoration. The governments have adopted social and environmental safeguards and are assessing and mitigating the social impacts and risks of any proposed land-use changes on affected communities.

The companies will similarly share information with the national satellite monitoring platforms to effectively monitor progress on CFI, as well as proactively address threats of new deforestation.



TRACING & MONITORING SUPPLY

22/23 target: Implement traceability tools/technology to ensure that 100% of direct sourced cocoa of our selected supply chain is traceable to farm-level to purchase point and no cocoa originates from forest areas

For all purchases of cocoa in our CFI direct cocoa supply chains, we have developed traceability tools to ensure traceability from the farm to the first purchase point.

Each farmer has a farmer ID and an updated profile with details on the size of its farm(s), the number of plots, an estimation of the yield, etc. Each farmer ID is linked to a farm ID to clearly identify the origin of the beans and each farm has a yield estimation that determines the quantities that the owner of the farm is authorized to sell. Farmer's quotas are important to be monitored in order to mitigate deforestation risk.

In 22/23 crop, 2 425 MT of our purchases of cocoa under our CFI direct cocoa investment were traceable. This represents 100% of the directly sourced cocoa. We can thus ensure that the cocoa that we purchase comes from the farmers that are registered in our programs and respect the quotas that have been assigned to them.

COCOA TRACEABILITY AND FARMER'S QUOTAS ARE THE MOST EFFICIENT INDICATORS TO BE VERIFIED WHEN SOURCING OF COCOA TO ENSURE THE ORIGIN OF THE BEANS AND TO AVOID SOURCING OF FROM DEFORESTED AREAS.

22/23 target: Conduct farm polygon mapping for 100% of the farms within our selected direct supply chain.

The farms registered in our CFI direct cocoa supply chains are mapped with polygons using a digital application which we are working since 2021 in Côte d'Ivoire. The polygons are displayed on the web application of the software that we are using for verification and approval by our Monitoring, Evaluation & Verification department.

Bringing together our direct investments and the investments made on behalf of our customers: 100% of our cocoa is traceable from the farm to the first purchase point in our direct supply chain in 22/23.

1 631 farms mapped with polygons

THE FARMS
REGISTERED IN OUR
CFI DIRECT COCOA
SUPPLY CHAINS ARE
MAPPED WITH
POLYGONS USING A
DIGITAL
APPLICATIONIN
22/23.



22/23 target: Conduct deforestation risk assessment in our sourcing areas.

Once the consistency of the data is verified (consist of verifying the number of plots, number of polygons, duplicated farms, overlapping, shapes), we conduct a Deforestation Risk Assessment (DRA). To that end, we have cross-checked farm polygons with the national maps on forest cover and land-use of Côte d'Ivoire. We also use additional maps, indexes and tools such as the Global Forest Watch. In addition to our internal verification system, all of our direct programs in Côte d'Ivoire are certified by Rainforest Alliance and are subjected to an additional Deforestation Risk Assessment (DRA) following the Rainforest Alliance methodology.

Within the supply chain from where we are currently sourcing from in 22/23, we have mapped 1 631 farms in total and have conducted a Deforestation Risk Assessment (DRA) for 4 078 hectares under our direct investment.

1 631 farms & 4 078 hectares

HAVE A
DEFORESTATION
RISK ASSESSMENT
(DRA)

Bringing together our direct investments and the investments made on behalf of our customers: 10 246 farms have been mapped with polygons and 27 190 hectares have been submitted to a Deforestation Risk Assessment in our CFI direct cocoa supply chain in 22/23.

22/23 target: Develop and adopt a system for excluding farmers in the selected direct supply chain with cocoa production in protected areas.

Once the Deforestation Risk Assessment (DRA) is conducted, farmer groups develop a deforestation management plan in order to take action. When a risk of deforestation is identified, the first step is to classify the risk between Low Risk, Medium Risk or High Risk of deforestation. The plots located within the buffer zones are also considered at risk. Depending on the category of risk identified, the percentage of shade trees per hectare that are needed to cover the risk is determined.

Identified beneficiaries receive shade trees seedlings and are followed by the IMS (Internal Management System) staff of the cooperative until the trees are planted. Capacity building is then provided to the staff and trainings are delivered to farmers on topics related to the New Forest Code, Agroforestry, and climate smart cocoa practices. The farms at risk must have a warning sign so that they can be easily detected. Our supply chains are equally monitored in terms of compliance to the different local and international regulations, particularly related to human rights.

Deforestation management plan

FARMER GROUPS
DEVELOP A
DEFORESTATION
MANAGEMENT
PLAN



FOREST LAWS AND POLICIES

22/23 target: Promote and participate in awareness-raising campaigns and trainings on the forest law and related policies to reach 1 000 farmers. Support the government on adaptive management plans for different forest areas to benefit the livelihoods of forest- dependent cocoa communities and participate in the development and operation of land-use and land-use planning.

In 22/23 season, we have partnered with an international NGO to support our farmer' communities to prevent deforestation. Thanks to its expertise in sustainable cocoa supply chains, the NGO has supported JB Cocoa in its ambition to equip the farmers with solid knowledge on their rights and duties when growing cocoa on their farms/near the forest.

We have therefore conducted awareness-raising campaigns on the New Forest Code of Côte d'Ivoire with trainings on land tenure security and tree ownership in 11 communities in the regions of Agneby-Tiassa, Nawa, Cavally, Guémon, Tonkpi, Touba.

In total, 1 446 Farmers were trained in our CFI direct cocoa supply chain and under our direct investments. Farmers were sensitized during evening's projection of videos in local languages. Thus, we have overachieved our 22/23 target.

In addition, 30 cooperatives' staff participated in those trainings and were trained and mentored on andrological methods to replicate the trainings to the farmer.

In addition, JB Cocoa will always make sure to participate to any initiatives aimed at improving traceability at national level and to anticipate the forthcoming European due diligence legislation.

Awarenessraising campaigns on the forest code

WERE CONDUCTED
WITH OUR
COMMUNITIES

1446 farmers

TRAINED ON LAND
TENURE SECURITY
AND TREE
OWNERSHIP IN 26
COMMUNITIES

Bringing together our direct investments and the investments made on behalf of our customers: 9 640 farmers have been trained on Good Environmental Practices (GEP) in our direct supply chain in 22/23.



CLIMATE SMART COCOA (CSC)

In collaboration with an NGO partner in 22/23 season, we have designed and implemented activities in order to instill good environmental practices to the farmers when growing cocoa. During evening's projection of videos in local languages in 11 communities in the regions of Agneby-Tiassa, Nawa, Cavally, Guémon, Tonkpi, Touba, 1 446 farmers were trained in Climate Smart Cocoa Best Practices including trainings on the use of phytosanitary products and cocoa farm management.

Bringing together our direct investments and the investments made on behalf of our customers: 4 819 farmers have been trained on Climate Smart Cocoa (CSC) in our direct supply chain in 22/23.



AGROFORESTRY DEVELOPMENT

22/23 target: Support distribution and planting of 12 000 multipurpose trees seedlings for on-farm restoration via mixed agroforestry in collaboration with 1000 farmers for a density of minimum 12 trees per hectare.

Thanks to a partnership with an international NGO we sensitized farmers on forest protection and Agroforestry. We have therefore conducted awareness-raising campaigns on Agroforestry during evening's projection of videos in local languages in the communities. The trainings outreached 11 communities in the regions of Agneby-Tiassa, Nawa, Cavally, Guémon, Tonkpi, Touba and 1 446 Farmers in our CFI direct cocoa supply chain. The farmers were sensitized on the advantages of Agroforestry and trained on how to implement agroforestry systems in their farms. How to associate cocoa trees with forest or fruit trees and how to successfully maintain agroforestry farms were the key topics mentioned during the trainings.

In addition, 30 cooperatives' staff participated in those trainings, were trained and mentored on andrological methods to replicate the trainings to the farmers.

The agroforestry demo plots installed in the previous year have been maintained during the reporting season. Peer learning visits were organized on the demo plots with some farmers to train them directly on the field. The peer learning methodology aims to train selected farmers on a specific topic in the sight of letting them become trainers themselves. The farmers trained replicate the trainings to other peers in front of their initial trainer (the field staff) and are then able to replicate and train other farmers on those topics. Each farmer group has received an agroforestry guide to follow up implementation of the existing plots and increase the outreach of the practices.

In addition, we have participated in the promotion of on-farm restoration via mixed agroforestry by distributing a total of 15 633 multipurpose trees to the farmers in our CFI direct cocoa supply chain. Tree distribution and planting are monitored by JB field staff in order to mitigate tree mortality. Each farmer has on average received 10 trees to be planted in their farms in addition of the shade trees already present.

15 633 multipurpose trees

HAVE BEEN
DISTRIBUTED TO
THE FARMERS FOR
AGROFORESTRY
PROMOTION

1446 farmers

TRAINED AND SENSITIZED ON AGROFORESTRY

25 agroforestry demo plots

HAVE BEEN FOLLOWED UP

Each farmer has received 10 trees

IN ADDITION OF THE SHADE TREES ALREADY PRESENT IN THEIR FARMS

Bringing together our direct investments and the investments made on behalf of our customers: 104 222 trees have been distributed

III. SUSTAINABLE COCOA PRODUCTION AND FARMER'S LIVELIHOODS



PRODUCTIVITY AND QUALITY

22/23 target: Train 1 000 farmers and producer organizations in the latest Good Agriculture Practices (GAPs)

1 483 farmers have been trained on Good Agricultural Practices, including pruning, pest and disease management, weed management, shade management, and harvest management trainings. The trainers have been trained by an external consultant on the latest Good Agricultural Practices and have used Farmer Field School and Peer Learning approaches to train the farmers.

Farmer Field School (FSS) is a participatory education approach that brings together a group of small-scale food producers to solve production problems through sustainable agriculture. The FFS approach offers space for hands-on group learning, enhancing skills for observation and critical analysis and improved decision making by local communities (FAO, Family Farming Knowledge Platform, 2021).

The peer learning is an education method that helps farmers solidify their knowledge by teaching each other. The approach aims to train selected farmers (mainly motivated farmers) on a specific topic in the sight of letting them become trainers themselves. The individuals that have been trained replicate the trainings to other peers in front of their initial trainer (the field staff) and are then able to replicate and train other farmers on those topics.

III. SUSTAINABLE COCOA PRODUCTION AND FARMER'S LIVELIHOODS

FARM DEVELOPMENT PLAN (FDP)

Thanks to a specific segmentation procedure, 285 farmers have been selected to benefit from the Farm Development Plan (FDP) that consist of individual and adapted coaching to farmers on Good Agricultural Practices. The objective is to improve farmer's incomes by increasing farms' productivity in a sustainable way. The FDP aims to combine different technical aspects such as agriculture, agroforestry, nutritional value, market access. The trainers visit the farmers on a daily basis to conduct individual coaching and the same farmer is visited three times a year to be followed. During coaching, farmers are advised on agricultural techniques adapted to their farm profiles and needs.

285 farmers

HAVE BEEN
SELECTED TO
BENEFITED FROM
THE FARM
DEVELOPMENT
PLAN (FDP)

Bringing together our direct investments and the investments made on behalf of our customers: 9 889.
Farmers has been reached by Good Agriculture Practice (GAP) trainings and 1 660 farmers has benefitted from a Farm Development Plan (FDP) in our direct supply chain.

III. SUSTAINABLE COCOA PRODUCTION AND FARMER'S LIVELIHOODS



CROP AND INCOME DIVERSIFICATION

22/23 target: Promote sustainable livelihoods and income diversification for cocoa farmers (12 000 multi-purpose trees distribution and planting).

We have contributed to the promotion of crop diversification practices in our CFI direct cocoa supply chains by distributing 15 633 multi-purpose trees to the farmers for on farm planting. Before distribution, farmers' needs in terms of tree variety are identified: farmers can choose between a range of 12 varieties like fruit or forest trees, mainly Bete, Frake (forest trees) and Akpi (fruit tree) to the farmers for on-farm planting.



CHILD & FORCED LABOR MONITORING AND REMEDIATION

1 706 households in our CFI direct cocoa supply chain are covered by Child Labor Monitoring and Remediation Systems ("CLMRS").

Our staff has been trained by a third party on Child Protection and Child labor identification. JB Cocoa field staff are in charge of data collection, farmers trainings and sensitization.

Three types of surveys are conducted to assess risks, identify cases and monitor them: community level, household level and child level. The data collected is recorded digitally on an application and analyzed by the JB Cocoa's Sustainability team and Monitoring & Evaluation teams in charge. Monitoring visits take place twice a year and the results are presented to the Child Protection Committee to discuss further actions that are needed when child labor cases are identified.

The Committee is composed by the farmer groups administrator, some members of the farming communities, JB cocoa team and members from a third-party NGO. Each Farmer Group has a Child Protection Committee. If immediate remediation actions are needed, each child labor case is studied by the Committee to design a suitable action plan in dialogue with the communities.

As remediation, school kits and materials for agricultural activities such as "pele bongo" (use for harvesting the pods) and wheelbarrows have been distributed to the households with Child Labor cases.

In addition, JB Cocoa has developed a child safeguarding policy and a Code of Conduct that states our position on Human Rights, including Child and Forced Labor.

JB Cocoa has a Modern Slavery Policy that is shared with its suppliers and clients. In addition, some company executives have received a training by an expert in 2023 on how to identify Forced' indicators and develop a monitoring and remediation system in cocoa supply chain. As the outcome of this training, JB Cocoa has trained all of its field staff: sustainability supervisors, Field Agents and the lead farmers on Forced labor' risk, issues an indicator and how to sensitize farmers and workers on human trafficking issues. The training was conducted by an external consultant expert on Forced Labor. Some of our groups were also trained by ICI (International Cocoa Initiative). Hence, our staff working closely with the farmers and workers have been trained in 2023.

We've set up grievance mechanisms in all our farmer groups using letterboxes, so farmers and community members can report cases of forced labor. In 2024, JB Cocoa will enhance its forced labor monitoring systems by creating strong standard operating procedures (SOP) and systems, following international indicators and Rainforest Alliance guidance.

Bringing together our direct investments and the investments made on behalf of our customers: 10 322 households are covered by a Child Labor Monitoring and Remediation Systems ("CLMRS") approach.



WOMEN'S EMPOWERMENT

In our supply chains, we have implemented Income Generating Activities (IGAs) in the communities. In that context, 94 individuals including 85 women and 9 men have integrated groups and participated in economic activities with other peers in the sight of diversifying their source of incomes.

Women are trained to identify the activity in which they want to get involve, the profitability, the internal resources that they could use to implement the activity and the external resources that they would need. JB cocoa field staff are following the trainings and the identification process. Depending on the needs identified, each group can choose one- or two-income generating activities. In 22/23, the main activities implemented by the IGAs within our supply chains were cassava production, beans production, market gardening and rice production.



WOMEN'S EMPOWERMENT AND DIVERSIFICATION

In 2022, JB Cocoa supported, in three communities, farmer groups with a focus on Income Generating Activities by providing materials, gears, input sand trainings on agricultural techniques adapted to the chosen activity. To have more impact those IGAs have been linked with VSLAs (Village Saving and Loan Associations) and to create saving groups. A total of 19 VSLAs were created, benefiting 597 individuals.

ACCESS TO FINANCE

The 597 members of the VSLA were trained on the VSLA methodology. This methodology includes the rules of the solidarity fund, the purchase of shares and credit, leadership. They also developed the VSLA groups internal rules among others activities. In the next period, JB Cocoa and its partner will support the VSLA to connect with microfinance institutions as well as by providing financial literacy insights to the members.

Bringing together our direct investments and the investments made on behalf of our customers: We support 10 Income Generating activities groups and 66 VSLAs benefiting 1 743 members (1 382 women)

ANNEX 1: TRACKING TABLE

DESCRIPTION	Target, OCT 2022 - SEP 2023	Direct investment, OCT 2022 - SEP 2023	Direct investment, Since 2018
# multi-purpose trees distributed for on-farm planting	12,000	15,633	27,701
FOREST PROTECTION AND RESTORATION			
# of farms mapped in direct supply chain: Total Active	1,600	1,631	
# of hectares in the direct supply chain with deforestation risk assessments completed	3,400	4,078	
# metric tons of directly sourced cocoa traceable from the farm to the first purchase point (target is 100%)	100%	100%	
# farmers informed, trained, and / or consulted on the new Forest Code, forest policy, law enforcement, forest protection, and restoration	1,000	1,446	
# farmers provided with technical assistance to adopt and expand agroforestry	1,000	594	
# farmers provided with technical assistance to be more resilient to climate change and reduce and remove carbon emissions on farm (e.g., CSC)	1,000	1,446	
SUSTAINABLE PRODUCTION AND FARMERS' LIV	ELIHOOD		
# farmers provided with technical assistance (based on plans) to professionalize & optimize cocoa farming practices	1,000	1,483	

ANNEX 2: RESULT STORIES

"POSITIVE IMPACTS OF AGROFORESTRY PRACTICES ON THE ENVIRONMENT AND FARMERS"

Agroforestry practices initiative are making a significant impact on both farmers and the environment. A village called TOUADJI 1, situated within the Méagui commune, constitutes a section of the SOCADEM cooperative. Within this section, 115 producers are enrolled in the sustainability initiative, representing approximately 30% of the cooperative's overall manpower.

This community, prior to participating in the project, routinely received forest tree species such as FRAKE, FRAMIRE, and AKO to facilitate the implementation of agroforestry practices in their plantations. Upon the inception of the sustainability program, a survey of producers in the section was conducted to identify their needs regarding shade tree species they would prefer to have in their plantations. "It is by taking into account our opinions in the choice of tree species to distribute that we will be able to take care of these trees once planted in our plantations," said the village chief of TOUADJI 1.

Some producers expressed great satisfaction with the new agroforestry approach that values their input. Recipients were visibly joyful as they not only received shade trees but also gained a second source of income for their families through fruit trees. AKPI seeds, Petit Cola fruits, and Kulé are highly sought after in the region, providing additional income for households.

After the provision of shade trees, on 7 June 2023, a grand ceremony for the distribution and planting of shade trees was organized. Local authorities, notably the commander of water and forests, the delegate of the Conseil Café Cacao (CCC) of the Méagui zone, the project's supervisor, the village chief, as well as members of the SOCADEM board of directors, were invited. The Commander of Water and Forests emphasized during the ceremony "it is through agroforestry practices that we can ensure sustainable cocoa production, both in quantity and quality, for ourselves and future generations."



ANNEX 2: RESULT STORIES

Mr. N'GUESSAN VALENTIN cocoa producer in Vaya in the Bloléquin department said "The Agroforestry component of this program has provided us with a new perspective on cocoa cultivation, emphasizing the integration of trees with cocoa farming. The training in Agroforestry and good agricultural practices provided by the Agronomist Agent of the project and the Lead Farmer has equipped us with techniques to combine cultivation methods."

"Every year, we receive shade trees that we plant in our plantations. Tree varieties such as Pklé, petit cola, and long pepper are particularly favoured by me. Indeed, these trees, whose fruits are highly valued in the market, serve as sources of income for us," he added.

Consistently high humidity on the cocoa farm is observed every year, even during the dry season. This is made possible by the presence of shade trees and various cultivation techniques like mulching. The technical agents of the cooperative and the project partners conducted training sessions on these techniques.









2023 PROGRESS REPORT

THANK YOU

