



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 <u>Cocoa & Forests Initiative</u> 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).

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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 Cocoa & Forests 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 (now King Charles III) 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.





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. Both governments have shared maps on forest cover and land-use, and continue to update the maps, including socioeconomic data on cocoa farmers, to inform private sector investments. Companies have made significant investments in the promotion of cocoa agroforestry and the restoration of degraded forests.

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.





General Mills 2023 Narrative

In 2017, General Mills became one of only two non-confectionary manufacturer signatories to the Cocoa and Forests Initiative (CFI) to address deforestation in the cocoa supply chain, to reinforce our sustainable sourcing commitment for cocoa, and to help drive progress towards our science-based greenhouse gas emissions target.

At General Mills, our business is rooted in the earth and has the power to help restore it. Threats to natural resources impact our business, the livelihoods of farmers and communities, and our ability to feed a growing population. We recognize that eliminating deforestation and preserving natural ecosystems are essential to meet our climate goals and building a resilient future.

As our approach to eliminating deforestation evolves with a continuous improvement lens, CFI remains a steadfast pillar in which we bring these values to life. Through our ongoing engagements in Ghana and Côte d'Ivoire, we continue our support of the CFI into its next chapter and champion its results.

Côte d'Ivoire:

Through our CFI commitment to end deforestation and forest degradation in the cocoa sector in Côte d'Ivoire, General Mills achieved the following progress in 2023.

Number	Indicator	2023 Annual Progress
ENV-02	Directly sourced cocoa traceable from farm to first point of purchase	5393
CC-06	Volume of cocoa beans sourced from the direct supply chain	7216
	Traceability to Farm	75%
CC-04	Farmers in Direct Supply Chain	11676
ENV-09	Multi-purpose trees distributed for on-farm planting	75152
ENV-05	Farmers provided with technical assistance to adopt and expand agroforestry	597
CFI-a	Farms mapped within direct supply chain	5642
CFI-e	Members of Village Savings and Loan Associations in the current year	5323
CL-01	Households covered by a CLMRS or comparable system	4793

Ghana

Through our CFI commitment to end deforestation and forest degradation in the Ghanaian cocoa sector, General Mills achieved the following progress in 2023.

Number	Indicator	2023 Progress
ENV-02	Directly sourced cocoa traceable from farm to first point of	1893
	purchase	
CC-06	Volume of cocoa beans sourced from the direct supply chain	2228
	Traceability to Farm	85%
CC-04	Farmers in Direct Supply Chain	8705
ENV-09	Multi-purpose trees distributed for on-farm planting	50562





CFI-b	Improved Cocoa Seedlings Distributed in Ghana	80615
ENV-05	Farmers provided with technical assistance to adopt and expand agroforestry	502
CFI-a	Farms mapped within direct supply chain	2078
CFI-e	Members of Village Savings and Loan Associations in the current year	2611
CL-01	Households covered by a CLMRS or comparable system	3310

Côte d'Ivoire Detailed Narrative

Since 2018, General Mills has been working through our suppliers and partners to deliver on the core commitments set out under the CFI, in Côte d'Ivoire. Highlights of our 2023 progress include:

Environment:

- 75% traceability to farm: One of our priorities has been to ensure we understand the origin of the cocoa used in our products to ensure our sourcing contributes to our Forest Positive agenda. In 2023, 75% of our cocoa volumes were traceable from the farm to the first purchase point in Côte d'Ivoire. We continue to work with our suppliers to understand the barriers and challenges to closing the last 25%.
- **75,152 multi-purpose trees distributed for on-farm planting:** This program focused on the co-benefits of non-cocoa trees on farm plots, such as increasing moisture and shade. Taking advantage of a change in local law that solidified tree tenure and incentivized the upkeep of these trees, the program was able to distribute **75,152** seedlings and help farmers realize these benefits for their land.

Farmer Livelihoods:

- **597 Farmers provided with technical assistance to adopt and expand agroforestry:** Investment in the long-term productivity and quality of cocoa/farms in our supply base is a priority for General Mills, as this limits the need for cocoa farm expansion into protected areas.
- **5,323 farmers participated in VSLA groups:** Village savings and loan associations (VSLAs) have demonstrated themselves to be a highly successful sustainable livelihood intervention in Côte d'Ivoire, particularly for empowering women who become leaders in their household, businesses, and communities. By the end of 2023, our programs and partnerships had enabled 5,323 farmers to participate in 202 VSLA groups.

Child Labor

• **Child protection:** Through supplier partnerships and our partnership with CARE, we continued to support community capacity building on issues related to the fight against child labor. In 2023, 4,793 households were covered by a Child Labor Monitoring and Remediation system (CLMRS) or similar system that assesses and tackles proximate and root causes of child labor.





Ghana Detailed Narrative

Since 2018, General Mills has been working through our suppliers and partners to deliver on the core commitments set out under the CFI in Ghana. Highlights of our 2023 progress include:

Environment

- **85% traceable to farm:** One of our priorities has been to ensure we understand the origin of the cocoa used in our products to ensure our sourcing is not driving deforestation. In 2023, 85% of our cocoa volumes were traceable from the farm to the first purchase point. We continue to work with our suppliers to understand the barriers and challenges to closing the last 15%.
- 50,562 multi-purpose trees distributed for on-farm planting: Working through our suppliers and partners, General Mills contributed to the distribution and planting of multi-purpose trees for on-farm restoration via agroforestry. Over 50,562 multi-purpose trees were distributed for on-farm planting along with an addition 2,262 trees for off-farm planting. These seedlings will contribute to long-term farmer livelihoods and improved cocoa quality and yields.

Farmer Livelihoods

• **502** Farmers provided with technical assistance to adopt and expand agroforestry: Investment in the long-term productivity and quality of cocoa/farms in our supply base is a priority for General Mills, as this limits the need for cocoa farm expansion into protected areas.

Child Labor

• **Child protection:** Through supplier partnerships and our partnership with CARE, we continued to support community capacity building on issues related to the fight against child labor. In 2023, 3,310 households were covered by a Child Labor Monitoring and Remediation system (CLMRS) or similar system that assesses and tackles proximate and root causes of child labor.

LOOKING FORWARD

Since 2018, signatory companies have been working to fulfill their commitments to end deforestation and restore degraded forests in the cocoa sector. As we advance to the next chapter of the Cocoa and Forests Initiative, we continue to strive towards reaching our goal of 100% traceability to origin, and support advancements in remote polygon mapping and smallholder engagement. This work will be aided by the European Union Deforestation Regulation and other voluntary climate commitments, such as the Forest, Land and Agriculture (FLAG) Guidance from the Science Based Targets initiative (SBTi). In 2024, in alignment with FLAG Guidance from SBTi, General Mills has committed across its primary deforestation-linked commodities —including cocoa —with a target date of December 31, 2025.

As the next chapter of CFI continues, the focus is on continuing momentum: strengthening data collection, identifying further opportunities for landscape level collective action, as well as





maintaining close ties across industry stakeholders to drive forest positive impact on the ground.

Looking ahead, General Mills sees several priorities for its CFI activities in Côte d'Ivoire and Ghana:

- Continue to advance towards goal of 100% traceability to farm.
- Support sectoral efforts to establish a robust and credible deforestation monitoring system as well as ensuring that 100% of our cocoa sourcing is covered by deforestation monitoring systems.
- Continue to integrate CFI lessons within broader context of climate initiatives and commitments, notably SBTi, furthering evolution to forest- and people-positive approaches to reduce emissions from land-use change.
- Continue investments in community development and agroforestry programs working with our implementation partner PUR—see below "Ecosystems and Livelihoods Program".
- Continue delivery of our suppliers' sustainable volume program, with a focus on forest protection and restoration, CLMRS, and improving smallholder farmer livelihoods.
- Continue the delivery of our "Cocoa Sustainability Initiative" program with CARE, targeting community development and prevention of child labor.

Ecosystems and Livelihoods Program

In order to amplify our support for forest protection and restoration efforts in Côte d'Ivoire, and in partnership with agroforestry program developer, PUR, we have implemented the Cocoa Ecosystems and Livelihood Program, beginning in January 2020 in the Kakum HIA region of Ghana and the Mont Peko region of Côte d'Ivoire.

The initiative, encompassing regenerative principles, incorporates agroforestry and land tenure support, awareness-raising activities, and the implementation of cookstoves and beehives. These activities will support farmer livelihoods and promote vital ecosystem restoration and protection. Through this work in Côte d'Ivoire and Ghana, General Mills and PUR have achieved in 2023:

Community-based agroforestry in both Ghana and Côte d'Ivoire: 31,507 seedlings were distributed to 13 different communities between both countries to apply and practice agroforestry techniques. Community nurseries have played a significant role in providing both income and seedlings for farmers. In Ghana, 42% of plants were raised in community nurseries; in Côte d'Ivoire it was 100%.

Income Diversification Through Beekeeping: Beekeeping continues to be a sought-after complementary activity in the communities and draws more farmers to participate in the project. In 2023, 60 hives were distributed and constructed in Côte d'Ivoire and Ghana. To date, approximately 330 liters have been produced in Côte d'Ivoire, with the majority being sold offfarm for local consumption.

Improved Cookstoves to Reduce Timber Reliance: In 2023, 805 improved cookstoves were distributed across Ghana and Côte d'Ivoire. These cookstoves are more efficient, reducing cooking time, pollution, and reliance on local timber harvesting for fuel. The cookstoves are very popular and to date, 1,592 and 4,000 individuals are direct beneficiaries of these stoves in Ghana and Côte d'Ivoire respectively.





Annex 1: Results Stories A Breath of Fresh Air – March 2024



Koffi Akissi Épse N'Guessan is a cocoa producer in N'gouan Amoikro community, Belier region of Côte D'Ivoire, married with eight children. Last year, she and other members of her local Village Savings and Loan group decided to participate in an agroforestry project by producing seedlings for cocoa producers. Their aim was to help combat climate change while improving living conditions in our communities.

"It has never been so beneficial for me and the women of the VSLA groups in my locality," she enthuses.

In 2023, they began to produce 24,000 shade plants made up of varieties such as Fraké, framiré, albizia, orange tree, mahogany and glicidia. These native shade varieties were in demand from several local growers, local cooperatives, and international nonprofits.

The group made over \$7,800 (4.8M FCFA) of income.

"Today, I'm proud to be a leading supplier of shade trees in the Taabo area and far beyond," Ms. N'Guessan states. "Thanks to our proximity, local growers and structures trust us."

Due to this success, the group has gone from supplying 18,000 plants to 20,000 this year. In 2024, they aim to produce over 30,000 plants to meet growing demand, generating an expected turnover of 14,800 USD (9M FCFA).

The group doesn't expect to stop there. In addition to seedling sales, shade trees, such as fruit trees or precious wood trees, can generate additional income for cocoa growers. The sale of fruit, wood or other forest products can help to diversify sources of income and strengthen producers' economic resilience.

"It enables them to support their spouses with household expenses and offers some women the opportunity to pay for their children's university education," says Ms. N'Guessan.

"The income generated is a real breath of fresh air."





Annex 2: Results Stories Growing Hope – March 2024

In cocoa-growing communities, access to agricultural inputs – like cocoa seedlings - is a barrier to improving production, especially for women. No one has time or money to travel long distances to gather seedlings, and survival rates are a concern. James Botchway, a local cocoa facilitator in Adandan community, Central region of Ghana explains,

"The government supplies seedlings to farmers but it is not enough and not easily accessible due to distance from the nursery centers to the communities. Most seedlings withered during



transportation of the seedlings from the nursery site to our communities, which resulted in low survival rate after transplanting."

By contrast, seedlings raised within the community can be easily accessed when farmers are ready and are not as stressed when planted. The Cocoa Sustainability Initiative (CSI), supported through the CARE-General Mills partnership, seeks to establish cocoa and tree nurseries through collaboration with the Cocoa Health and Extension Division (CHED) and the Seed Production Division (SPD) of Ghana Cocoa Board (COCOBOD) a government agency that regulates and promotes the cocoa industry in the country. The CSI project is providing nursery bags and watering cans, CHED is providing technical support including site inspection, bags arrangements, supply of pesticides and fertilizer, and regular monitoring to ensure right application of practices. The SPD oversees providing quality improved cocoa pods and tree seeds for sowing.

Each community is expected to establish nurseries with a target of growing 5,000 seedlings. As part of preparation, all 13 communities have cleared their sites, four communities (out of the 13) have filled 4,055 nursery bags with sand and to date 2,555 seeds have been nursed. In the latest phase of the partnership as of March 2024, a total of 574 (424 women) participants linked to 22 Village Savings and Loans Associations in 13 communities, have shown interest in establishing nurseries. The program hopes to replicate the success this model has had in similar communities in Côte d'Ivoire (see above results story.)

Women are excited about the opportunity for themselves and their communities. "Apart from using the seedlings to establish my farm, I will also make money from it to support my family," stated Dorcas Buabeng, a cocoa farmer, a record keeper in her VSLA, a nutrition peer education, and a VSLA group promoter in Eniehu community in Central region in Ghana. "Through training and education, I have developed more interest in seizing every opportunity available to improve my livelihood. [The] cocoa nursery business is very profitable, and I am hopeful to make it a sustainable business in addition to the farming."





Annex 3: Data Tables - Ghana

Description	Target (2023)	# Through direct investment (2023)	# Through direct investment (Since 2018)
FOREST PROTECTION AND RESTORATION			
# of farms mapped in direct supply chain: Total Active	7,100	2,078	
# of hectares in the direct supply chain with deforestation risk assessments completed	17,000	5,044	
# metric tons of directly sourced cocoa traceable from the farm to the first purchase point (target is 100%)		1,893	
# hectares restored in Forest Reserve / Forêts Classée	0		
# trees registered	0		
# farmers informed, trained, and / or consulted on the new Forest Code, forest policy, law enforcement, forest protection, and restoration	150	10	
# Individuals receiving incentives to protect and restore forests and / or adopt agroforestry (e.g., PES): Total Active	820	275	
# farmers applying agroforestry: New		278	
# farmers applying agroforestry: Total Active		818	
# farmers provided with technical assistance to adopt and expand agroforestry	200	502	
# hectares cocoa agroforestry: Total Active		1,138	
# hectares of forest area restored off-reserve / in rural zone	0		
# farmers provided with technical assistance to be more resilient to climate change and reduce and remove carbon emissions on farm (e.g., CSC)	500	487	
# of farmers trained in Modified Taungya System (MTS)	0		





		# Through	# Through
	Target	direct investment	direct investment
Description	(2023)	(2023)	(Since 2018)
SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOOD			· ·
# farmers provided with technical assistance (based on plans) to professionalize & optimize cocoa			
farming practices	7,500	1,469	
# individuals participating in additional Income Generating Activities (IGA's)		1,157	
# individuals provided with technical assistance (based on plans) to increase income from non-cocoa			
sources / IGA's	830	2,167	
# Individuals provided with technical assistance to save money and access finance	1,450	3,009	
# of members of VSLA groups in the current year	2,500	2,611	
# of VSLA groups in the current year	110	93	
SOCIAL INCLUSION AND COMMUNITY			
# of cocoa communities with active forest restoration and protection program (CBNRM): Total Active			
# hectares under CBNRM	0		
# of individuals participating in women's empowerment projects and activities	3,000	2,515	
# of individuals participating in youth focused projects and activities (15-35 years old)	130	115	
# of cocoa communities with active forest restoration and protection program (CBNRM): New	2		1
# of farmers with land tenure agreements/documentation obtained via company support	90		93
# Individuals receiving incentives to protect & restore forests and / or adopt agroforestry (e.g., PES):			
New	190	40	667
# hectares cocoa agroforestry: New	1,200	351	3,798
# of trees distributed for off-farm planting	1,200	2,262	4,815
# multi-purpose trees distributed for on-farm planting	200,000	50,562	495,454
# improved cocoa seedlings distributed to farmers	150,000	80,615	764,412





Annex 4: Data Tables – Côte d'Ivoire

Description	Target (2023)	# Through direct investment (2023)	# Through direct investment (Since 2018)
FOREST PROTECTION AND RESTORATION			
# of farms mapped in direct supply chain: Total Active	7,000	5,642	
# of hectares in the direct supply chain with deforestation risk assessments completed	21,700	18,177	
# metric tons of directly sourced cocoa traceable from the farm to the first purchase point (target is 100%)		5,393	
# hectares restored in Forest Reserve / Forêts Classée	0		
# farmers informed, trained, and / or consulted on the new Forest Code, forest policy, law enforcement, forest protection, and restoration	2,600	1,851	
# Individuals receiving incentives to protect and restore forests and / or adopt agroforestry (e.g., PES): Total Active	860	363	
# farmers applying agroforestry: New		565	
# farmers applying agroforestry: Total Active		907	
# farmers provided with technical assistance to adopt and expand agroforestry	930	597	
# hectares cocoa agroforestry: Total Active		964	
# farmers provided with technical assistance to be more resilient to climate change and reduce and remove carbon emissions on farm (e.g., CSC)	4,500	1,939	
# of farmers trained in Modified Taungya System (MTS)			
SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOOD			
# improved cocoa seedlings distributed to farmers			





Description	Target (2023)	# Through direct investment (2023)	# Through direct investment (Since 2018)
# farmers provided with technical assistance (based on plans) to professionalize &	7 800 (2020)	(2025)	(6.1105 2525)
optimize cocoa farming practices	6,200	3,606	
# individuals participating in additional Income Generating Activities (IGA's)		4,391	
# individuals provided with technical assistance (based on plans) to increase income from non-cocoa sources / IGA's	2,000	5,639	
# Individuals provided with technical assistance to save money and access finance	2,200	6,169	
# of members of VSLA groups in the current year	500	5,323	
# of VSLA groups in the current year	200	202	
SOCIAL INCLUSION AND COMMUNITY			
# of cocoa communities with active forest restoration and protection program (CBNRM): Total Active			
# of individuals participating in women's empowerment projects and activities	6,000	6,326	
# of individuals participating in youth focused projects and activities (15-35 years old)	2,100	2,311	
# hectares of forest area restored off-reserve / in rural zone	0		2
# of cocoa communities with active forest restoration and protection program (CBNRM): New	3		6
# of farmers with land tenure agreements/documentation obtained via company support	10		10
# Individuals receiving incentives to protect and restore forests and / or adopt agroforestry (e.g., PES): New	170	280	374
# hectares under CBNRM	5		1,152
# trees registered	3,000	3,000	3,000
# hectares cocoa agroforestry: New	700	655	3,462
# of trees distributed for off-farm planting	6,800	6,730	19,431
# multi-purpose trees distributed for on-farm planting	6,000	75,152	367,800