



1. INTRODUCTION

As a cocoa trader working within the Ivory Coast and Ghana supply chain, Cocoasource is committed to implementing the Cocoa Forest Initiative's action plan for the period 2023-2025. The goal is to improve the sustainability of the cocoa sector, increase traceability, reduce deforestation, enhance forest restoration and promote the livelihoods of smallholder farmers and their communities.

To achieve this objective, Cocoasource has developed an action plan to be presented in this document.

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

The governments of Côte d'Ivoire and Ghana and 35 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).

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 CocoaAndForests.org and WorldCocoa.org.

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. King Charles III (then known as 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.

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 Cocoa and Forests Initiative is an example of a successful collaboration between cocoa-origin governments and cocoa supply chain companies working together with cocoa-producing communities to strengthen the sustainability of the cocoa sector by ending deforestation,





promoting reforestation and improving sustainable livelihoods for cocoa farmers and their communities.

2. WHAT ARE THE KEY COMMITMENTS IN THE COCOA & FORESTS INITIATIVE?

The first priority is the protection and restoration of forests that have been degraded. To this end, the signatory 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 the 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 prerequisites for reducing pressure for agricultural encroachment into forests and strengthening the resilience of cocoa farmers to climate change.

The participating governments and CFI signatory companies are accelerating investment in the long-term productivity of cocoa in order to grow "more cocoa on less land." Key actions include the 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 the 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 landuse changes on affected communities.





CFI 2.0 ACTION PLAN

3. CFI 2.0 CONTEXT

All CFI signatories have reached an important milestone for The Cocoa & Forests Initiative with the successful completion of the collaboration's first phase. Over the past five years, the signatory governments and companies have made significant progress towards eliminating deforestation and restoring forest areas. Building on this partnership, there is a strong commitment from the companies and government, and other stakeholders towards the continued and growing success of CFI.

Both the private sector and the governments agree that for CFI 2.0 (2023-2025) to succeed, we must accelerate and scale impact on the ground by building collective action and co-investment in priority landscapes and supply-chain investments. Therefore, the focus of CFI 2.0 is also to implement public-private collaborations in priority landscapes to improve livelihoods, conserve forests and restore the degraded area, thereby protecting biodiversity and ecosystem services, reducing and sequestering carbon, and establishing zero-deforestation landscapes. CFI 2.0 will also play a key role in building alignment with EU (and potentially other) due diligence legislation on deforestation.

The Governments have adopted comprehensive plans (Côte d'Ivoire National Action Plan (French and English), Ghana National Implementation Plan) for CFI 2.0 that outline key public sector priorities, actions and timelines in line with this common goal. The CFI signatory companies have developed new action plans that set their targets for CFI 2.0 (2023-2025) in alignment with the national plans and Frameworks for Action.

4. COCOASOURCE'S OVERALL VISION FOR THE COCOA & FORESTS INITIATIVE 2.0

Cocoasource SA joined the Cocoa Forest Initiative (CFI) to streamline its efforts towards achieving sustainable cocoa production and forest protection. By being a member of CFI, Cocoasource can collaborate with other companies and stakeholders to share knowledge, resources, and best practices. This allows the company to work efficiently towards common goals while in parallel continuing to strive for sustainability in its vertical supply chain. It also enables us to have a greater impact on the sustainability of the cocoa industry, as the initiative brings together a broad range of actors from governments, civil society, and the cocoa industry to address the complex challenges of cocoa production and forest protection.

In this sense, Cocoasource intends to develop actions on the ground with its direct partner cooperatives and continue collaborating with other stakeholders further to enhance the sustainability of cocoa production and forest protection.





5. OVERVIEW OF COMPANY ACTION PLAN

Firstly, we will ensure that all the farms in the direct supply chain are mapped to facilitate the monitoring and traceability of the cocoa beans. We will also complete deforestation risk assessments on all hectares in the direct supply chain to support the identification of any areas that need protection.

Cocoasource will work with farmers' cooperatives to ensure that they have obtained land documentation via this project and that they are aware of the new forest code, law, and forest protection and restoration policies. We will also promote the use of agroforestry techniques to improve soil health and biodiversity and reduce the risk of deforestation. And through this we will develop together with our cooperative partners a methodology that enables better comprehension and impact.

To ensure traceability, Cocoasource will track the cocoa beans from the farm to the first purchase point, ensuring that all beans are properly labelled and recorded. We will also promote planting multipurpose trees, both within (agroforestry) and outside (forest islands) of the farms, to provide shade for cocoa trees and increase biodiversity.

To improve the livelihoods of smallholder farmers, Cocoasource and partner cooperatives will train members on Good Agricultural Practices, providing them with the skills and knowledge needed to grow cocoa sustainably. We will also encourage farmers to diversify their income streams by participating in activities such as beekeeping, poultry farming, or growing other crops alongside cocoa.

By implementing this action plan, we hope we will make a contribution to the Cocoa Forest Initiative's objectives. We will monitor progress closely, regularly reporting on the number of farms mapped, the hectares assessed for deforestation risk, the percentage of traceable cocoa, the number of planters with land documentation, and the number of farmers applying agroforestry techniques. We will also report on the number of native trees planted outside the farms, the number of members trained in Good Agricultural Practices, and the number of people involved in diversified income-generating activities.

Cocoasource intends to work directly with cooperatives partners to develop the following plan.

Forest Protection and restoration

- 100% of farm plots polygon mapped in the direct supply chain by 2025
- **4,626 farmers informed and trained** on the new Forest Code, law enforcement, forest protection, and restoration. Same farmers are provided with technical assistance and support to be more resilient to climate change and reduce and remove carbon emissions on farms (CSC Climate Smart Cocoa).





• **700 farmers applying** highly developed and individually planned **agroforestry** (this over a surface of ~700 ha). A total of **46K multipurpose trees** from a wide range of native species will be planted over the 3 years on the plantation. And **6k trees** to be planted **off-farm** for regenerative purposes.

Sustainable Production and Farmers' Livelihoods

- **10,385 farmers** provided with technical **assistance** and **support** based on plans to professionalize & optimize cocoa farming practices (**GAP training**).
- 1,400 farmers participating in IGA
- **300 individuals** supported to be join **VSLAs** each year.
- **2,000 persons** in **100 VSLA** in year 3.

Social Inclusion and Community Engagement

• 200 individuals participating in women's empowerment projects and activities

6. PRIMARY ACTIVITIES AND INVESTMENTS

An example of our work are our projects on forest islands and agroforestry which we have developed over the years with some of our partner cooperatives. Additionally, within parts of our direct supply chain, we have developed programs through which farmers benefit from diverse trainings on topics such as sustainable agricultural practices, including soil conservation, pest management, and post-harvest techniques.

By providing essential knowledge and skills, we aim to enhance the capacity of cooperative members to adopt environmentally friendly and economically viable farming methods.

Through CFI, we will be working specifically with 2 cooperative partners – ECAM and SOCOOPACDI – to establish forest islands and implement intensified dynamic agroforestry techniques.

Forest islands will be created within the agricultural landscapes of these cooperatives, promoting biodiversity, ecosystem services, and climate resilience. Intensified dynamic agroforestry will be introduced, integrating high-value tree species into small-scale farming systems to enhance productivity, diversify income sources, and improve environmental sustainability.





Through the Cocoasource subsidiary in Ivory Coast – OCEAN SA - we will visit the cooperative staff and projects on the ground to ensure effective implementation, monitoring and learning. This OCEAN SA sustainability team will closely monitor the progress of the forest island and agroforestry initiatives at ECAM and SOCOOPACDI, providing guidance, support, and technical expertise.





ANNEX 3: ACTION PLAN TABLES (REQUIRED)

World Cocoa Foundation

CFI Company Action Plan for Côte d'Ivoire (Supplier)

Foundation CFI Company Action Plan for Côte d'Ivoire (Supplier) TARGETS										
Commitment	Actions	Indicator	Indicator notes	# through direct investment (Oct 2022-Sept 2023)	# on behalf of clients (Oct 2022-Sept 2023)	# through direct investment (Oct 2023-Sept 2024)	# on behalf of clients (Oct 2023-Sept 2024)	# through direct investment (Oct 2024-Sept 2025)	# on behalf of clients (Oct 2024-Sept 2025)	TOTAL # through direct investment (Oct 2022-Sept 2025)
			Forest Protection	on and Restoration	1	1				
No further conversion of any forest land (as defined under national regulations, and using HS and HCV methodologies) for cocoa production.	1.1 Conduct farm mapping within direct supply chain to identify and collect cocoa farm boundaries to ensure cocoa is not being sourced from forest lands, National Parks and Reserves, and Classified Forests	# and % of farms mapped in direct supply chain (HP-IND-03)	Removed: # of cocoa plots mapped in direct supply chain	51335 - 87%		58353 - 100%		58354 - 100%		
	Conduct deforestation risk assessments in all direct sourcing areas	# of hectares in the direct supply chain with deforestation risk assessments completed (HP-02)		31021		51335		58354		
No sourcing of cocoa from National Parks and Reserves through companies' traceable direct	 1 Implement traceability tools/technology to ensure no cocoa purchases originate from National Parks or 	% of directly sourced cocoa traceable from the farm to the first purchase point (HP-IND-02)		1		1		1		1
sourcing programs. 3. A differentiated approach based on the level of degradation of forests for classified Forests will be developed and translated into a national forest restoration strategy	Reserves (all forest areas) 3.1 Support the restoration of Classified Forests by working with cocoa farmers, the government and the forestry industry to implement contracts for mixed agroforestry as a restoration and livelihoods intervention	# hectares restored in Classified Forests (HP-07)		0		0		0		0
Legal protection and management status for the remaining forests of Côte d'Ivoire in the Rural Domain	4.1 Support farmers with tree registration	# trees registered		0		0		0		0
	4.2 Support cocoa farmers to acquire land (tenure) documentation	# and % of farmers with land tenure agreements/documentation etc. obtained via company support (PF-07)		0 - 0%		556 - 25%		2223 - 100%		2224 - 100%
Public enforcement of the new Forest Code and its subsequent guidelines, and public sector governance will be strengthened	5.1 Promote and participate in awareness-raising campaigns to educate farmers on the new Forest Code	# farmers informed, trained, and / or consulted on the new Forest Code, law enforcement, forest protection, and restoration (HP-11)		2466		4626		4626		
Public-private collaboration to mobilize resources for forest protection and restoration	6.1 Mobilize finance for forest protection and restoration	# Individuals receiving PES: New (HP-05)	Changed to: Individuals receiving incentives to protect and restore forests and / or adopt agroforestry (e.g., PES): New Changed to: Individuals receiving	0		0		0		0
		# Individuals receiving PES: Total Active (HP-05)	Changed to: Individuals receiving incentives to protect and restore forests and / or adopt agroforestry (e.g., PES)	0		0		0		
7. Public-private collaboration to identify good practices, technical guidance and incentive mechanisms for forest restoration and agro-forestry	Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	# farmers applying agroforestry in devlopment (HP- 06)	No Changes. Use Original indicator	450		550		700		
		# multi-purpose trees distributed for on-farm planting (HP-10)		13000		15000		18000		46000
		# hectares cocoa agroforestry in development		450		550		700		1700
		(HP-IND-04) # of trees distributed for off-farm planting (HP-		1000		2500		2500		6000
	7.2 Support distribution and planting of native trees for off-farm restoration (reforestation)	# ha of forest area restored in rural zone (HP- 07)	***************************************	20		50		50		120
	7.3 Train farmers in CSC production including cocoa agroforestry systems	# farmers trained in CSC best practices (HP-08)	Changed to: Farmers provided with technical assistance and support to be more resilient to climate change and reduce and remove carbon emissions on farm (CSC)	2466		4626		4626		
 Government creation, in collaboration with all stakeholders, of a public-private fund to support financing of protection and restoration of HCV forest areas. 	S.1 Support the creation of the government led public-private forest conservation and rehabilitation fund	\$ contributed to fund		0		0		0		0
		\$ Contribution for Pillar	Sustainable Deaduction	30000 and Farmers' Livelihoods		36000		38000		104000
	9.1 Distribute improved cocoa planting material	# improved seedlings distributed to farmers (PF-IND- 02)	Sustamable Production	0		0		0		
 Promote investment in long-term productivity of coccoa in environmentally suitable areas in order to grow "more coccoa on less land" 	9.2 Train farmers in Good Agriculture Practices (GAPs)	# of farmers reached by GAP training programs (PF- ND-01)	Changed to: Farmers provided with technical assistance and support based on plans to professionalize & optimize cocoa farming practices	10385		10385		10385		
Promote sustainable livelihoods and income diversification for cocoa farmers	10.1 Promote farm-level crop diversification	# individuals participating in additional Income Generating Activities (IGA's) (PF-IND-03)	Changed to: Individuals provided with technical assistance and support based on plans to increase income from non- cocoa sources / IGA's	1400		1400		1400		
	10.2 Support distribution and planting of multi- purpose trees for on-farm restoration via agroforestry	# multi-purpose trees distributed for on-farm planting # hectares of cocoa agroforestry		Altrady reported 7.1						
11 Promote francial inclusion and innovation to deepen farmers' access to working capital and livestment funds for production and farm renovation.	11.1 Offer financial products to farmers and promote farmer savings	Il and % individuals in the current reporting year errolled in a formal financial products and services (baran, insurance, digital payments, and savings (bank/mobile)) with support from companies (excluding cocoa bean pre-financing) (PF-03)	Changed to: Individuals provided with technical sasistance and support to save money and access finance (e.g., VSLA).	300		300		300		
		# of members of VSLA groups in the current year (EC- 05)		1400		1700		2000		
	12.1 Conduct farm mapping within direct supply	# of VSLA groups in the current year (EC-06)		75		100		100		
12. Improve supply chain mapping, with the goal of 100% of occose sourcing traceable from farm for first purchase point. An action plan will be developed for traceabilly, which will be implemented step-by-step to achieve full traceability and verification, applicable to all by end-2019.	chain to identify and collect cocoa farm boundaries to ensure cocoa is not being sourced from forest lands, National Parks and Reserves, and Classified Forests 12.2 Implement traceability system to farm level in	collect cocca farm-boundaries not being sourced from forest s and Reserves, and Classified		Already reported 1.1						
	direct supply chain	% or arrect sourced cocca traceable from individual farms to first purchase point ution for Plilar		59500		72000	Already reported 2.1	72000		72000
to Daniel Work 11			Social Inclusion and	Community Engagement				1		1
 Full and effective information sharing, consultation, and informed participation of cocoa farmers and their communities who are affected by proposed land-use changes. 	13.1 Organize cocoa community consultations on the implementation of the Frameworks for Action	# farmers informed, trained, and / or consulted on the new Forest Code, law enforcement, forest protection, and restoration		_			Already reported 5.1			
14. Promote community-based management models for forest protection and restoration	14.1 Establish and/or support community-based natural resource management programs for forest restoration/protection	# of cocoa communities with active forest restoration and protection program (HP-03)		0		0		0		0
		# hectares under CBNRM (HP-04)		0		0		0		0
15. Development of action plans for forest protection and restoration, and sustainable agricultural internal fication that are gender and youth sensitive.	15.1 Develop forest protection & restoration and agriculture interestination action plans that are gender and youth sensitive	# of individuals participating in women's empowerment projects and activities (EC-08)		200		200		200		
		# of individuals participating in youth focused projects and activities (age 15-35) (EC-07)		0		0		0		