

Cocoa & Forests Initiative Annual Progress Report 2023



Sainsbury's



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](#) (CFI) 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 ([Côte d'Ivoire](#) and [Ghana](#)) and action plans for the private sector ([Côte d'Ivoire](#) and [Ghana](#)) and public sector ([Côte d'Ivoire](#) and [Ghana](#)) 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 [World Cocoa Foundation](#) (WCF); [IDH, the Sustainable Trade Initiative](#); 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. [Côte d'Ivoire](#) and [Ghana](#) respectively lost 26% and 9.3% of their humid primary forest between 2002-2020, 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 EU deforestation legislation which will come into application in 2025.

Cocoa provides crucial income to communities in 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.

To learn more, follow #CocoaAndForests on social media, or visit [CocoaAndForests.org](#) and [WorldCocoa.org](#).



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 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 are continue to update the maps, including socio-economic data on cocoa farmers, which will further 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 participating governments and CFI signatory companies are accelerating investment in long-term productivity of cocoa in order to grow "more cocoa on less land." Key actions include provision of improved planting materials for 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.



Retailer Cocoa Collaboration update

As retailers, our experience working with cocoa in our supply chain has taught us some valuable lessons:

- Collaboration provides an effective and efficient way to support change and grow our leverage;
- Harmonised approaches by retailers are preferred by our supply chain partners;
- There are key levers for us to drive change in our typically long and complicated commodity supply chains.

Given the above, we believe the most effective role we can play in supporting the CFI is through engagement with our trading partners through a collaborative retailer approach. As a result, we established the Retailer Cocoa Collaboration (RCC). Through the RCC, we commit to supporting the CFI and the eight core commitments outlined in the Frameworks for Action by engaging with our cocoa supply chain partners to ensure they commit to the CFI and that strong progress is being made against their individual CFI Action Plans.

As a RCC member, we remain committed to taking the results of the annual RCC assessment into account when making decisions for both sourcing and engagement.

Key findings from the 2023 RCC assessment:

1. Traceability has jumped forward in just a year to meet EUDR requirements. Predominantly in direct supply chains, but significant shift also seen in indirect supply chains.
2. Certification is at an all-time high. Rainforest Alliance is the most prevalent independent scheme. Traders have significant volumes falling under their own proprietary certification schemes too.
3. Deforestation still a significant risk, with land conversion not being addressed. Whilst traders now have a deforestation commitment and policies in place, These are nearly always limited in scope by geography or exclusion of land conversion.
4. Child labour issues are not being sufficiently identified, remediated or prevented. A serious human rights issue pervasive in West African sourcing geographies is not being significantly addressed, with low levels of CLMRS in all trader supply chains.
5. Poverty and lack of living income still significant issues. Many traders still unable to report on proportion of farmers receiving a living income, and those that are often report disappointing progress
6. Climate change progress is pushing forward. Significant gains have been made by traders in assessing carbon in supply chains and setting climate targets.
7. Indirect supply chains are hot spots for environmental and human rights issues. Nearly all commitments and initiatives cover just the direct portion of a traders supply chain, leaving opportunity for unchecked human rights abuses and deforestation risks in a significant proportion of supply chains.

Sainsbury's specific Cocoa & Forests Initiative Actions

Sainsbury's supports CFI 2.0 to eliminate deforestation and land conversion, and restore forests in cocoa producing regions as it supports our commitment to protecting and regenerating nature across our supply chains. External collaboration plays a critical role in accelerating progress and increasing impact more broadly. Deforestation is a salient environmental risk for cocoa and one of our key raw materials. Over the coming years we are taking a dual approach of focusing on responsible sourcing standards and co-investing in priority landscapes. Our Forest Positive strategy recognizes landscape initiatives as one of the most effective ways to tackle the root causes of deforestation which can be effectively implemented through public-private collaborations.

We are committed to ensuring our Sainsbury's own brand products do not contribute to deforestation or conversion by 2025. We have identified cocoa as one of our priority key raw materials for deforestation risk. We have developed a new cocoa sourcing policy and roadmap of action to tackle both environmental and social risks within our cocoa supply chains and support the protection of tropical forests and smallholder farmer communities.

We also know that the due diligence provisions within the UK Environment Act and forthcoming EU regulation will make it illegal to use key forest risk commodities produced on land legally or illegally deforested. We are welcoming this regulation and support cocoa to be one of the commodities in scope.

We are committed to respecting human rights across our value chain to support the people who make or grow our products are not being exploited or exposed to unsafe working conditions - and ensure our businesses' transition to Net Zero is just and equitable for the communities we source from.

Guided by the United Nations Guiding Principles for Business and Human Rights (UNGPs), we conduct due diligence to identify, prevent and where needed mitigate and remediate negative human rights impacts caused by, contributed or connected to our business operations. We have identified and prioritised our salient human rights risks and set ambitious commitments to drive forward progress in these priority areas: forced labour, sustainable livelihoods, safe and healthy working environments, discrimination and grievance mechanisms.

Action plan for 2023-2025:

CFI pillar	Action	Target date
Protect and restore forests	<ul style="list-style-type: none"> - Comply with upcoming EU/UK deforestation legislation - Increase traceability via certification bodies and collaboration with traders 	2025
Promote sustainable cocoa production and farmers' livelihoods	<ul style="list-style-type: none"> - Transition to 100% certified sustainable cocoa across all categories 	2025
Engage communities and boost social inclusion	<ul style="list-style-type: none"> - Support a flagship cocoa landscape initiative within a key sourcing region 	2024