

THE COCOA & FORESTS INVITUATIVE:

COLLECTIVE ACTION
TO END COCOA-RELATED
DEFORESTATION

2022 PROGRESS REPORT









FOREWORD

For more than two decades, CÉMOI has been committed to ending cocoa-related deforestation, and we are proud to present our new Cocoa and Forest Initiative report summarizing the efforts we have made in Ivory Coast. Forest preservation is crucial for mitigating climate change, protecting biodiversity, and preserving ecosystems. To address this challenge, we have implemented a strong and diversified forest protection program that includes plot mapping and the promotion of sustainable farming methods, such as integrated pest management, agroforestry, and good agricultural practices. By providing training and support to farmers, we actively participate in the improvement of the management of their plantations and their capability to create better added value from their work.

We also recognize that poverty is a major challenge in many of the communities where we work, and we want to take part of the improvement of this situation. To make it happen, we have implemented a range of initiatives, including better prices for cocoa, support community's development projects, and investing in education and healthcare. We also believe in the importance of women's empowerment in community development, that's why we have developed several initiatives to support female entrepreneurship that we are proud to highlight in this report.

Overall, we are committed for a sustainable cocoa and to impact positively by our actions the environment and communities. We believe that our efforts will contribute to a more sustainable future for everyone, and we will continue to work towards this goal with passion and strong engagement!



From Patrick Collin CEO CÉMOI Group

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TRANSPARENCE CACAO PROGRAM

Transparence Cacao was established in 2015 with the conviction that to create a more sustainable cocoa sector, it is essential to collaborate closely with farmers, pay heed to community needs, and implement customized activities.

Our program is grounded in transparency and traceability, which are fundamental pillars of sustainable initiatives, enabling the implementation of projects that address:

- Environmental quality, with a strong commitment to safeguarding forests and biodiversity;
- Quality of life for farmers, with a primary goal of eradicating poverty and child labour;
- Aromatic and food quality, ensuring that consumers benefit from the full aromatic potential of the cocoa beans.

Our program is implemented in our five origins: Côte d'Ivoire, Ecuador, Sao Tomé, Peru, and the Dominican Republic: However, our emphasis on forest protection is naturally most critical in Ivory Coast, where our own team of 50 sustainability experts collaborates daily with cooperatives and farmers.

Numerous initiatives have been undertaken, with a particular emphasis on agroforestry, given its potential to strengthen environmental conservation while also increasing farmers' incomes through yield enhancement and diversification of revenue streams. We provide farmers with comprehensive support via coaching programs that include individualized assessments, tailored training, and distribution of vegetal materials.

In addition to our efforts to promote rural transformation through agroforestry, we also prioritize social programs that aim to support entrepreneurship, empower women, and facilitate access to healthcare and education. Raising awareness on critical topics, such as climate change, women's empowerment and child labor, is also crucial for the success of projects.

Through this program, CÉMOI has forged strong links with local technical and institutional partners, such as the CCC (Conseil du Café-Cacao), the SODEFOR, International Cocoa Initiative (ICI), the World Agroforestry Centre (ICRAF), and specialised experts of the cocoa sector. With these partners the Group is gradually deploying virtuous agricultural practices within its supply chain to combat deforestation and pest damage, improve soil fertility and yields, but also to change the life of farmers and their communities.





FOOD QUALITY/ TRACEABILITY

CHOCOLATE WITH A KNOWN HISTORY.

Total traceability, from its origin to the manufacturing process: the plant, cooperative and farm traceability.



ENVIRONMENTAL QUALITY

A COCOA THAT CONTRIBUTES TO FOREST PROTECTION & RESTORATION.

Tackle cocoa-related deforestation Promote responsible cocoa farming and agroforestry.



AROMATIC QUALITY

CHOCOLATE WITH SUBTILE AND DELICATE FLAVOURS.

Control over fermentation and drying processes in our own fermentation centres.



QUALITY OF LIFE OF THE FARMERS

A COCOA THAT SUPPORTS FARMER AND COMMUNITY DEVELOPMENT.

Prevention of Child Labour Income Generating Activities Women Empowerment

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 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 (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:

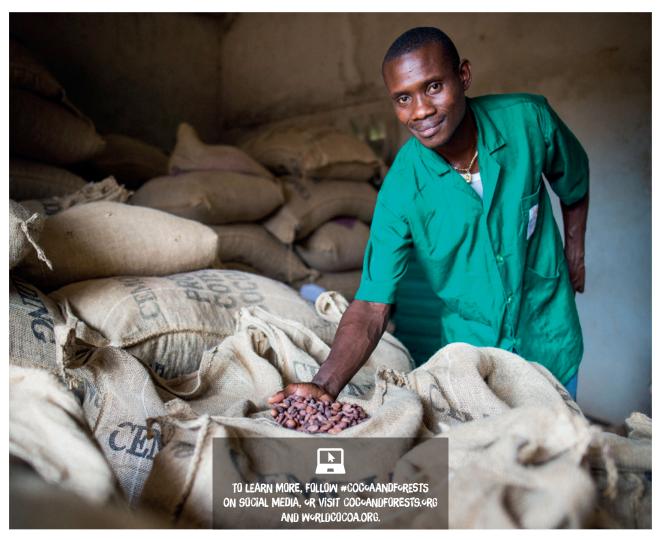
- protect and restore forests,
- promote sustainable cocoa production and farmers' livelihoods,
- engage communities and boost social inclusion.

To learn more, follow #CocoaAndForests on social media, or visit CocoaAndForests.org and WorldCocoaFoundation.org.

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 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 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.

A 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 socio-economic 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.

B 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 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 landuse changes on affected communities.

CEMOI'S COCOA & FORESTS INITIATIVE RESULTS IN 2022

Since many years, CÉMOI has been committed to ending cocoa-related deforestation in Ivory Coast. Through our Transparence Cacao program, we have demonstrated our support for cocoa farmers and their communities across various initiatives, such as agroforestry projects, training in good agricultural practices to increase productivity, and research to improve cocoa quality.

In 2018, we welcomed the Cocoa Forest Initiative of WFC, which brings together all stakeholders with the same goal. We immediately strengthened our commitment by joining the initiative because we strongly believe that only collaborative actions between private and public organizations can make the cocoa sector more sustainable.



FOREST PROTECTION AND RESTORATION

Since December 2014, our field team composed of more than 50 people has reached out to our partner cooperatives to meet with farmers. CÉMOI's sustainability team works daily to provide the support needed to restore forest and promote a sustainable cocoa-culture.



Awareness raising of

3,500 FARMERS

on climate change, agroforestry, and Ivorian New Forest Code.



235,000 MULTI-PURPOSE TREES

distributed for on-farm planting.



152,000 HECTARES

> of cocoa farms GPS polygon mapped in 2022, which represents 100% of CEMOI's Ivorian sourcing. We are currently carring out a rigorous review of each GPS polygon pilot deforestation monitoring



AWARENESS
RAISING OF
CLIMATE CHANGE,
THE TESTIMONY
OF SAWADOGO
OUSSENI

Sawadogo Ousseni lives with his brothers, his wife and children in the village of Grebo, in the DIVO region of Côte d'Ivoire. He is a cocoa farmer affiliated with the SCOOPAKAM cooperative and cultivates a plot of land of about 3 hectares that he inherited from his father.

As a result of sensitization campaigns, Sawadogo Ousseni understands the definition of deforestation and its consequences: «Cutting down trees affects nature. Before, there were forests everywhere. Today, there are none left, which explains the absence of rain». Indeed, during his interview, Sawadogo Ousseni explains that not only are the periods of drought more severe, but also that the periods of rainfall are more unpredictable than before. The rainy season, which used to occur in March, is often eagerly awaited by the producers. Some small cocoa trees can die during this season due to infections, but when they should be replaced, the drought prevents replanting. Thus, the work to maintain the farm and ensure adequate

yields is becoming increasingly difficult. Sawadogo Ousseni is aware that these difficulties are the result of deforestation.

In order to remain resilient in the face of climate change, Sawadogo Ousseni has received support from his cooperative and technical partners. First, to better understand his plot of land, technicians have accurately GPS mapped his 3.2-hectare farm. Through this technique, the cooperative also ensures traceability and compliance of the farm. The farmer has also received support for the implementation of agroforestry. Within his cocoa farm, he has planted a wide variety of indigenous tree species such as framiré, colatiers, avocado trees and akpi. Most of these crops are intended for his household's consumption but also for sale, thus providing the farmer with access to additional income. This is not the only benefit of agroforestry, which, through the diversification of species, from an environmental standpoint, helps preserve biodiversity and reduce the carbon footprint of the plot.

SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOOD

Under our Transparence program, we undertake multiple projects that aim to enhance farmers' livelihoods and promote sustainable cocoa production.



8,211 INDIVIDUALS BENEFIT FROM OUR COACHING PROGRAM.

After mass training in Good Agricultural Practices of 24,500 farmers, we pursue our ambition of sustainable and efficient agricultural practices through our coaching program. The number of farmers supported increase of 25% in 2022, 8,211 farmers were included in our coaching program: i) diagnosis of the cocoa farms to identify production constraints, ii) farm development or rehabilitation plan (FDP) based on the constraints identified, and then iii) support to farmer to implement the FDP.

In 2022, the Conseil du Café-Cacao (CCC) assesses a sample of 14 cooperatives and results of this external evaluation showed that

THE AVERAGE YIELD ON COACHED FARMS HAS INCREASED OF 40% SINCE 2015





18% OF THE FARMERS ARE APPLYING AGROFORESTRY

AND MORE THAN 29,000 FARMERS ARE SUPPORTED TO DEVELOP THIS SYSTEM.

Resilience and diversification of cocoa farms are part of the global vision of our sustainability program. The agroforestry systems implemented took into account planting of fruit trees in cocoa farms; the main species given to farmers according to their preference are Akpi, Kplé, Petit cola, Poivre long, mango, avocados, etc.



COMMUNITY ENGAGEMENT AND SOCIAL INCLUSION

CÉMOI started the "Maison du Planteur" concept in 2020 with the transformation of 4 fermentation centres into vibrant farmers center where training takes place as well as a diversity of social and economic activities. This innovative approach has succeeded in bringing together all the stakeholders of the communities in a committee to develop and implement projects that support community's needs. In 2022, 8 committees were set up and the major projects carried out are:



AWARENESS RAISING ON DEFORESTATION, CLIMATE CHANGE AND FOREST PROTECTION



IMPLEMENTATION OF AGROFORESTRY AND GOOD AGRICULTURAL PRACTICES



PROMOTION OF ENTREPRENEURSHIP WITH A FOCUS ON WOMEN EMPOWERMENT

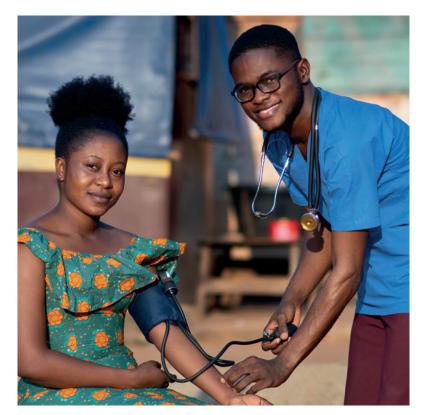


ACCESS TO EDUCATION AND HEALTH IN RURAL AREAS



THE TRANSPARENCE CACAO HEALTH CARAVAN

After Niafouta Maison du Planteur in December 2021, on 13 and 14 July 2022 the Transparence Cacao Health Caravan visited the Maison du Planteur of Grand-Béréby, near a village 323km south-west of Abidjan. The objectives of this caravan are to provide screening and prevention and raise awareness about chronic and viral illnesses such as diabetes, hypertension, HIV/AIDS, viral hepatitis B and C and Covid-19. Set up as part of the Group's social commitments, the purpose of this initiative is to help improve the living standards of our partner farmers and local populations. Leveraging its partnership with the cocoa producers - the key links in the supply chain - We hope to establish this Health Caravan permanently.



SUCCESS STORIES

WOMEN OCCUPY A CENTRAL POSITION IN DRIVING RURAL TRANSFORMATION



DAGO REINE,

45 years old, from the community of Dida, Kazereberi village in the region of Loh Djiboua.

In 2020, Reine joined a Village Savings and Loan Association (known as AVEC) which enabled her to start her cassava farming business on a small plot of land. Thanks to a grant from Transparence Cacao program, she was able to expand her landholdings.

Breaking down the grant allocation, she dedicated 60% to expanding her cassava farming operation, 30% towards her son's education in 5th grade, and 10% towards starting a palm oil production business. While waiting for her cassava to mature, she purchased palm tree seeds, from which she extracted oil and sold for twice the purchase price. This income allowed her to save one-quarter of her initial investment.

Once her cassava fields are ready for harvest, Reine plans to sell the tubers from her first field directly and use the harvest from her second field to produce cassava powder (placali) and cassava semolina (attieke) for sale. Through training and coaching from our technical partners, she has improved her business management and financial expertise. With the increase in her income, she has been able to take time for rest and self-care. Reine's husband works as a cocoa farmer and a mason, supporting her business by investing in her cassava fields. They have five children together.



DODO EVELYNE.

36 years old, from the community of Dida, Kazereberi village in the region of Loh Djiboua.

Evelyne's main source of income is food sales (rice, sauce, and foufou), a business she has been running since 2010. In November 2022, thanks to the Transparence Cacao grant, she added a new dish to her menu (grilled fish) and began selling beverages as well.

Half of the grant allowed her to build a permanent structure (made of cement) with chairs, tables, and benches to accommodate her customers. She used the other half of the money to start her beverage business. In November and December 2022, she was able to save 43,000 CFA francs.

Evelyne is married to a cocoa farmer and is a member of the COOPAGO cooperative. She is also a mother of five children. Her husband is a strong supporter of her business and even helps her sell food in her maquis.

In addition to saving and investing her income in her business, Evelyne also contributes to household expenses. She relies on loans that she provides to her husband during periods of low cocoa production.



DJIGUEMENDE FATIMATA.

48 years old, from the village of Niafouta and member of the cooperative SICOOPAD

Fatimata earns her income by cultivating rice and beans. The land she farms on does not belong to her, so she has been renting the parcel for the past 16 years. Thanks to Transparence Cacao support, she has doubled the size of her field from 0.25 to 0.50 hectares. With the extra land, she was able to hire labor to help her work the fields, something she could not afford to do before. She also invested about a third of the funds she received into her co-wife's farming activities.

Before receiving support from Transparence Cacao, the urgent need for money forced her to sell her harvest immediately for quick income. However, the training and financial assistance she received allowed her to establish a new strategy. Her latest harvest is now being stored and will be sold during a more favorable period.

Like most women in the project, she participates in supporting children's education. Since November, she has been able to save 50,000 FCFA and is also active in a Village Savings and Loan Association (AVEC) group in her village.



TRACKING TABLE CÉMOI 2022

Commitment	Indicator	2022 Target	# Through direct investment (Current reporting year)	# Through direct investment (Since 2018)			
A. FOREST PROTECTION AND RESTORATION							
1 , No further conversion of any forest land for cocoa production	# of farms mapped in direct supply chain	13,000	-	51,566			
	# of hectares in the direct supply chain with deforestation risk assessments completed	90,00	7,916	150,022			
2 . No sourcing of cocoa from National Parks and Reserves through companies' traceable direct sourcing programs.	% of directly sourced cocoa traceable from the farm to the first purchase point	50%	44%	-			
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.	# hectares restored in Forest Reserve / Forêts Classées	-	-	-			
4.	# trees registered.	10,000	-	-			
Legal protection and management status for the remaining forests of Côte d'Ivoire in the Rural Domain	# of farmers with land tenure agreements/ documentation obtained via company support	-	-	-			
Fublic enforcement of the new Forest Code and its subsequent guidelines, and public sector governance will be strengthened.	# farmers informed, trained, and / or consulted on the new Forest Code, law enforcement, forest protection, and restoration	60,000	3,500	16,274			
6.	# Individuals receiving PES: New.	-	-	-			
Public-private collaboration to mobilize resources for forest protection and restoration.	# Individuals receiving PES: Total Active.	-	-	-			



7, Public-private collaboration to identify good practices, technical guidance and incentive mechanisms for forest restoration and agro-forestry	# farmers applying agroforestry	8,000	-	14,922
	# multi-purpose trees distributed for on-farm planting	100,000	235,000	1,131,000
	# hectares cocoa agroforestry in development	18,500	-	29,845
	# of trees distributed for off-farm planting	60,000	-	75,000
	# hectares of forest area restored off-reserve / in rural zone	57,000	-	19,014
	# farmers trained in CSC best practices	-	-	-
	# of farmers trained in Modified Taungya System (MTS)	-	-	-
8. Government creation, in collaboration with all stakeholders, of a public private fund to support financing of protection and restoration of HCV forest areas.	\$ contributed to fund	-	-	-
B. SUS	TAINABLE PRODUCTION AN	D FARMERS' I	LIVELIHOODS	
9 , Promote investment in long-term productivity of cocoa in environmentally suitable areas in order to grow "more cocoa on less land".	# improved cocoa seedlings distributed to farmers	N/A	N/A	N/A
	# of farmers reached by GAP training programs	14,500	-	16,888
Promote sustainable livelihoods and income diversification for cocoa farmers.	# individuals participating in additional Income Generating Activities (IGA's)	2,100	1,139	2,472
Promote financial inclusion and innovation to deepen farmers' access to working capital and investment funds for production and farm renovation.	# of individuals in the current reporting year enrolled in a formal financial products and services with support from companies	5,000	2,912	-
	# of members of VSLA groups in the current year	-	450	-
	# of VSLA groups in the current year	-	15	-
C. S	OCIAL INCLUSION AND COM	MMUNITY ENG	GAGEMENT	
Full and effective information sharing, consultation, and informed participation of cocoa farmers and their communities who are affected by proposed land-use changes.	# of cocoa communities with active forest restoration and protection program (CBNRM)	30	-	-
	# hectares under CBNRM	-	-	-
Development of action plans for forest protection and restoration, and sustainable agricultural intensification that are gender and youth sensitive.	# of individuals participating in women's empowerment projects and activities	500	1,369	-
	# of individuals participating in youth focused projects and activities (15-35 years old)	100	190	-

LOOKING FORWARD TO 2025

We 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 private sector and the governments agree that for CFI 2.0 (2023-2025) to be successful, we must accelerate and scale impact on the ground by building collective action and co-investment in priority landscapes in addition to supply-chain investments. Therefore, the focus of CFI 2.0 is to also implement public-private collaborations in priority landscapes

to improve livelihoods, conserve forests and restore 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.

CEMOI'S GOAL FOR 2025: -

ASSIST OUR FARMERS

with tree registration and land documentation by launching a new project.

REACH 30% OF OUR FARMERS APPLYING AGROFORESTRY

in our supply chain and strengthen our support with training and trees distribution.

SUPPORT 5,000 WOMEN IN THEIR EMPOWERMENT and reinforce the

implementation of Income Generating Activities to promote entrepreneurship.

RAISE AWARENESS IN OUR NETWORK

on climate change, new Forest code and forest protection. PROVIDE ACCESS TO HEALTH AND EDUCATION IN RURAL AREAS







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