



Tackling Deforestation

Annual Progress Report 2021



We are committed to ending deforestation in our cocoa supply chain, and preserving and restoring existing forests

Foreword

Identify the challenges, engage with others and measure progress. Those are the words we began our 2019 Tackling Child Labor report with and are as relevant for our work on addressing deforestation and forest degradation in cocoa.

Cocoa grown illegally in protected areas has no place in our supply chains. We are continuing our efforts to stop deforestation and the destruction of other natural habitats within our agricultural commodity supply chains, including those where cocoa is grown and harvested.

We've committed to ensure that all the cocoa we buy is deforestation free by the end of 2025, and more ambitiously the cocoa for Europe by end of 2022.

Addressing deforestation in cocoa supply chains is complex and requires a concerted approach. That's why we joined the Cocoa & Forests Initiative (CFI) when it launched in 2017. CFI brings together all the relevant stakeholders – cocoa and chocolate industry, governments of producing countries, cooperatives, farmers and rural communities – who need to come together to solve this multifaceted issue.



ALEXANDER VON MAILLOT
SVP, GLOBAL HEAD
CONFECTIONERY & ICE CREAM
STRATEGIC BUSINESS UNIT,
NESTLÉ SA

2020 was of course marked by the COVID-19 pandemic, which inevitably impacted certain activities, in particular mapping, farmer training and cookstove distribution.

However, we have made good progress scaling up the distribution of forest and fruit trees: these help protect cocoa plants against drier, hotter conditions, making cocoa farms more climate-resilient. The fruit also helps provide extra income for farmers.

We are also continuing our efforts to improve livelihoods in cocoa farming communities with Village Savings and Loans Associations combined with gender awareness raising.

We know that addressing deforestation in our cocoa supply chain is not enough. For a lasting and meaningful impact, we need to actively conserve and restore forests while promoting sustainable livelihoods and respecting human rights. This is why we've partnered with the Ministry of Water and Forests of Côte d'Ivoire to protect and restore the Cavally forest reserve and enhance the resilience of local communities. This is part of our accelerated action to tackle climate change, and it will contribute to achieving our zero net emissions commitment by 2050.

As part of this work, we are deploying nature-based solutions, like reforestation, to absorb more carbon, improve soil health and enhance biodiversity. We will continue to work with the governments of Côte d'Ivoire and Ghana, our partners and other stakeholders to help protect and restore protected forests and promote sustainable cocoa and thriving communities, and create a Forest Positive future for all.

Discover our [full net zero roadmap here](#).



Key facts & figures



Forest protection and restoration

Côte d'Ivoire

	Ambition by 2022	2018-2020	Status
1.1 Mapping farmers			
% mapped farmers	100%	82%	<div style="width: 82%;"></div>
Total number of farmers	Approx. 100 000	92 190	
Mapped farmers*	Equal to above	75 820	
7.1 Forest tree distribution			
Trees distributed for off farm planting	20 000	23 053	<div style="width: 39%;"></div>



Sustainable production and farmers' livelihoods

9.3 Training farmers	80 000	68 965	<div style="width: 86%;"></div>
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Social inclusion and community engagement

15.1 Communities with forest restoration and protection programme	10	1	<div style="width: 10%;"></div>
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n. KPI reference - see pg. 16-17 for full list of KPI details In progress Delayed

Ghana

	Ambition	2018-2020	Status
1.1 Mapping farmers			
% mapped farmers	100%	95%	<div style="width: 95%;"></div>
Total number of farmers	Approx. 25 000	18 137	
Mapped farmers*	Equal to above	17 305	
8.1 Forest tree distribution			
	260 000	238 008	<div style="width: 92%;"></div>
9.1 Cocoa tree distribution			
	2 600 000	2 032 231	<div style="width: 78%;"></div>
14.1 Communities with forest restoration and protection programme, agriculture intensification, gender focus	9	0	<div style="width: 0%;"></div>
Members of VSLA group	1 500	1 305	

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, have joined together in the [Cocoa & Forests Initiative](#) to end deforestation and restore forest areas. Their combined actions play a crucial role in 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.

The [World Cocoa Foundation](#) (WCF); [IDH](#), [the Sustainable Trade Initiative](#); 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. [Côte d'Ivoire](#) and [Ghana](#) respectively lost 25% and 8% of their humid primary forest between 2002-2019, with a significant portion of deforestation attributable to cocoa farming expansion.

Cocoa provides crucial employment and income to smallholders in West Africa. An accelerated transition to sustainable livelihoods is essential for ensuring their long-term economic security.

Thanks to public and private sector actions, notably through the Cocoa & Forests Initiative, this transition is under way, with recent reports (from [Global Forest Watch](#) and the [United Nations](#)) showing that the rate of primary forest loss was halved in both Côte d'Ivoire and Ghana from 2018 to 2019.

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

This text has been provided
by the World Cocoa Foundation



What are the key commitments in the Cocoa & Forests Initiative?

Cocoa & Forests Initiative activities proceed from three priorities: (1) forest protection and restoration, (2) sustainable production and farmers' livelihoods, and (3) community engagement and social inclusion.

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 currently updating the maps, including socio-economic data on cocoa farmers, which will further inform private sector investments.

To ensure effective implementation and monitoring of these commitments, companies have pledged to develop verifiable monitoring systems for traceability from farm to the first purchase point for their own purchases

of cocoa, and to work with governments to ensure an effective national framework for traceability encompassing all traders in the supply chain. The companies will similarly share information with the national satellite monitoring platforms (in development) 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 improved planting materials, 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.

This text has been provided
by the World Cocoa Foundation





Forest protection and restoration

In March 2019, we published our [Cocoa & Forests Initiative Action Plan](#) that laid out the key activities we will undertake to fulfill our commitment to end deforestation and forest degradation in the cocoa sector. All activities will be implemented in both Côte d'Ivoire and Ghana by 2022.

Since then we have started implementing the Plan and can now report on progress for the second time. Some of our actions are implemented by Nestlé directly while others are implemented by our direct suppliers or by our partner NGOs such as PUR Projet and the International Cocoa Initiative (ICI). In order to drive actions on the ground in Côte d'Ivoire and oversee the relationship with our partners, we recruited a Forests and Environment Manager in the country in September 2019.

All figures here represent cocoa sourced through the Nestlé Cocoa Plan (NCP), our 'direct supply chain' in CFI terminology. The NCP represents 47% of our global cocoa supply, and about 78% of our supply from Côte d'Ivoire and 75% of the cocoa we source from Ghana. We have made a public commitment to source 100% of cocoa for Nestlé from the NCP by 2025.

Forest Restoration and Preservation

This section describes:

1. The actions we have undertaken to ensure that there is no further conversion of forest land for cocoa production, and
2. How we are eliminating any illegal cocoa production and sourcing in protected areas (i.e. national parks and protected forests).

This includes actions such as mapping farms in our NCP supply chain, assessing risks of deforestation, distribution of multi-purpose trees and agroforestry projects.



Deforestation has continued to impact this forest in Côte d'Ivoire since 2002

Côte d'Ivoire

Farm mapping

The land of 75 820 farmers, representing 82% of the farmers in the Nestlé Cocoa Plan in Côte d'Ivoire, has been mapped by walking field boundaries with global positioning system (GPS) trackers. This has required people to walk a total of 90 000 km, often through difficult terrain. We have not reached our target to map 100% of the fields, due to a combination of:

- COVID related travel restrictions
- Poor digital data quality due to users' lack of familiarity with the technology, requiring a second mapping
- Farmers not being available during mapping (travels, sickness, etc.)
- Farmer rotation within cooperatives (lost effort in mapping farmers who have left and catching up with those who join)

Risk assessment

Over 247 000 ha of farm fields have been included in risk assessment to ensure that the fields are outside of forest reserves and protected areas.

Traceability

All NCP cocoa sourced from Côte d'Ivoire is certified by Rainforest Alliance and is traceable to farm with GPS waypoint or polygon. Under WCF rules only cocoa traceable to polygons can be counted under their KPI. The coop maintains records of all purchases from each farmer, and our supplier maintains traceability up to their warehouse, from which point a mass balance system may be used. All of this data is recorded in the Rainforest Alliance systems. Cargill is implementing a more advanced system using a barcode on each bag.

Multi-purpose tree distribution

We distributed 622 502 forest and fruit trees from Nestlé- and supplier-run nurseries during 2020 to make a cumulative total of over 1 million since the start of CFI.

The species we are distributing include: Fraké, Framire, Cedrella, Tiama, Akpi, Foue, Bété, Assamela and 'Petit Cola' (Garcinia Kola). These are a mix of native forest trees and local fruit trees, and all have a value as wood for cooking or building, or fruit for eating or cooking in local cuisine.

Sensitization about importance of protecting forests

This is happening at several levels, including farmer field schools and individual farmer coaching, as well as within our agroforestry projects. 10 521 farmers were trained on this during 2020.

Agroforestry

We have continued two agroforestry projects with NGO Pur Projet, one with coop CAYAT and our supplier Cargill, the other with SOCOOFEM and our supplier Sucden. Community awareness-raising about the importance of multi-purpose trees such as native forest and fruit trees has been completed.

The sessions are participatory, where farmers explore the advantages of trees and then sign up voluntarily to the program. Over 40 000 seedlings have been distributed to 200 farmers in each coop during 2020. The typical format that farmers are choosing is to plant timber trees on the border of the field spaced at 3-5 meters and fruit trees spaced within the field, with an average density of 86 forest and fruit trees per hectare. A team of women has managed the nursery at Socoofem. Learnings so far include minimising the distance to transport the seedlings to the field, and to create local committees to supervise the distribution of seedlings. The programme will continue with a further 200 farmers in each coop in 2021.

Ghana

Farm mapping

This has progressed well in Ghana, reaching 17 305 farmers which is 95% of all NCP farmers.

Challenges found in Ghana with mapping included:

- Issues with IT equipment
- Overlaps between mapped fields, which need to be resolved and re-mapped
- COVID related delays

Multi-purpose trees

We distributed over 68 500 forest and fruit trees in 2020, for a cumulative total of 238 000 trees, so should comfortably exceed our original 2022 target for Ghana.

Forest and fruit tree nursery

Forest plant seedling in nursery



Farmer reveals forest and fruit tree seeds

CAVALLY FOREST INCLUSIVE SOLUTIONS

BUILDING A
FOREST POSITIVE
FUTURE FOR ALL

The Cavally Forest Reserve in the Côte d'Ivoire forms an important natural corridor into the neighbouring forested areas of Liberia. Its area of 67 593 hectares is teeming with life, including several endangered species. But this biodiversity hotspot is increasingly under threat as cocoa growers move westward into the Reserve seeking more fertile lands. Without intervention, densely covered areas of the Forest will continue to be cleared illegally for new crops.

The encroachment of small holder agriculture over the past sixty years linked to increased demand for cocoa has been devastating to Côte d'Ivoire's forest cover. From 1960 to 2015, its forest areas shrank to nearly a fifth of its size – from 16 million hectares to 3.5. The government of Côte d'Ivoire recently adopted a national policy to preserve and protect its' 234 Classified Forests. Nestlé has partnered with the Ministry of Water and Forests to end deforestation in the Cavally Forest Reserve and engage in a community-based approach to protect this precious ecosystem.

Nestlé has invested CHF 2.5 million to finance a three-year project implemented by the Côte d'Ivoire's Forest Agency (SODEFOR) and the non-profit Earthworm Foundation. Together with other stakeholders, the initiative aims to halt illegal cocoa cultivation, restore degraded forest areas and increase the resilience of cocoa communities and farmers around the Reserve. It will also take an active role in tracking the Forest's carbon stock to evaluate the influence of activities towards reducing greenhouse gas emissions.

With around one million farmers relying on cocoa for a living in Côte d'Ivoire, an important challenge is to support regenerative agriculture while helping farmers find alternative incomes outside of the reserve. That means engaging with communities to understand conditions and dynamics leading to the deforestation, as well as establishing a dialog to build trust around collaborative solutions. So far, there have been meetings with 66 villages and more than 1 600 community members. Gaining perspectives from women, business owners, producers, youth and many others underline the project's commitment to taking lessons from local people to co-create solutions.

The action plan will include replanting 1 500 hectares of trees and 11 kilometres of forest perimeter by members of the neighbouring communities. Community members will also take part in regularly patrolling select areas on the ground and will be trained for replanting seedlings from existing community tree nurseries. Satellite mapping of these zones will be undertaken by technology partner Starling, who will monitor the landscape regeneration. Findings will be shared with local authorities, civil authorities and the local villages.

The Cavally Forest Reserve project is helping stakeholders to understand that land regeneration and farmer resilience are interlinked challenges. By addressing the situation with inclusive solutions and working alongside the community, we hope to contribute to this essential Reserve's full protection.



Cavally Forest: Awareness group





Sustainable production and farmers' livelihoods

This section describes our actions aimed at ensuring the long-term productivity of cocoa in order to grow “more cocoa on less land” and expanding income generating opportunities for farmers.

These are essential prerequisites for reducing agricultural encroachment into forests and strengthening the resilience of cocoa farmers to climate change. These activities are part of the Nestlé Cocoa Plan and include farmer training, income diversification and improving financial inclusion.

Côte d'Ivoire

Farmer training

We have trained over 55 000 farmers this year, and 90 coops in the Nestlé Cocoa Plan are certified by Rainforest Alliance. The training is down on previous years due to restrictions imposed by COVID. Training and certification are not enough by themselves and we focus on encouraging the adoption of Good Agricultural Practices. In this, we are following the tough standards established by CocoaAction. Last year, we found 18% of farmers in our supply chain were following the CocoaAction adoption standard of four out of five Good Agricultural Practices, one of which must be pruning. This is down from 28% the year before, partly due to timing of the data collection and COVID. In order to encourage adoption, we have a range of activities and are scaling them. Pruning is critical and we have helped some farmers convert their fields to demo plots to show the impact of true and thorough pruning. The demo plots are showing a productivity improvement from around 0.5 tonnes a hectare to 1.0-1.5 tonnes a hectare. Having convinced farmers of the merits of this method, we have been encouraging and training groups of farmers to set up pruning groups to prune each others' farms. These groups have so far pruned 4 700 farms and over 7 000 ha. We are now adding forest and fruit trees to the demo plots where needed. To supplement training, we have developed videos to be shown in villages in the evening, using low cost portable battery powered projectors. Subjects covered include pruning, weeding, crop protection application, improved cookstoves, water treatment, bush fire prevention, and carrying heavy loads. We will add agroforestry and the new forest code this year.

Income diversification

Diversifying farmer income revenues is essential if we are to realize the ambition of growing 'more cocoa from less land'. We have introduced various initiatives in recent years, from manioc shoot gardens and plantain suckers, to vegetable plots, and rearing animals such as chicken and cattle. For instance, within the Cocoa Livelihoods Partnership we provided improved manioc

shoots to 1 875 women across 45 coops. The average farmer is already diversified without needing any prompting from the company buying their cocoa. Over 4 900 individuals were engaged in income generating projects last year.

Promoting financial inclusion

Modernization is critical in improving farmer livelihoods and we have been encouraging the adoption of mobile money technology, with some suppliers paying the premium this way. Village Savings and Loans Associations are formed to help women (farmers or spouses of farmers) help create a culture of saving. The participants form a club and all of them contribute on a weekly basis. They can take loans when needed, such as to finance small business opportunities, and funds are returned at the end of the year. They also have a solidarity fund to help participants in need. So far, VSLAs have been rolled out to a further 2 086 individuals in addition to the 8 132 people last year.

Ghana

Distributing of improved cocoa planting material

We have distributed a further 418 000 cocoa trees for a total of over 2 million so far, with a 2020 target of 2.6 million.

Diversification

The Nestlé Cocoa Plan has been encouraging the take up of other income-generating opportunities such as plantain sucker production and beekeeping. A total of 1 455 individuals are engaged in these activities in 2020.

Promoting the financial inclusion of farmers

We are encouraged by the take up of mobile money technology for certification premium payments (770 farmers), and the enthusiasm for Village Savings and Loans Associations (VSLAs) where we have created a further 70 groups with 1 305 farmers or their spouses in them.

CREATING A **BUZZ** AROUND ALTERNATIVE INCOMES

Too much reliance on any one crop leaves farmers exposed to price changes, so it makes sense to diversify sources of income. Diversifying also spreads income out from the main cocoa harvests. Beekeeping is a good alternative for farmers as it doesn't require extra land and produces honey which they can use or sell.

In Ghana, 13 farmers have been provided with hives, bees and protective equipment. We have also given them training in making and marketing their honey. Although the pilot program is still ongoing, the initial

results appear positive. In Côte d'Ivoire we have begun training 257 women to keep bees. The women are formed into groups of 12 or so with a lead beekeeper. We provide 35 hives of bees to each group and hope to harvest 1 500 litres of honey this year.

Kwame Abdue, Cocoa Farmer and master trainer in Beekeeping in the Nestlé Cocoa Plan in Ghana is pleased with the outcome of the program so far, telling us “I recommend beekeeping to all of the farmers in the cooperative as a relatively easy way of getting additional income.”



Farmers' bees in Ghana

CREATING ENVIRONMENTAL AND FINANCIAL STABILITY

We are in the fertile lands and lush green vegetation of the cocoa belt in Ghana, at a community called Anwona with 94 Nestlé Cocoa Plan farmers. It's a farming community with about 3 000 residents and surrounded by settlements such as New Somanya and Mensahkrom, which house a further 33 Nestlé Cocoa Plan farmers. Until recently, the community had no way of saving: numbers from the Bank of Ghana show only 57% of the population have bank accounts, with particularly low coverage in rural communities.

Realizing the importance of saving and borrowing to farming communities in Ghana, the Nestlé Cocoa Plan is implementing Village Savings and Loan Associations (VSLAs) in collaboration with its partners. A VSLA is a group of people who collectively support a structured process for saving money and offering loans to members. Forty members so far in the three communities have benefitted from loans, up to the tune of GHC 2 500 each (425 USD) that are used for farm upkeep, catering for children's education, and starting additional businesses. Critically, women and the spouses of farmers often become members of the VSLA, encouraging gender empowerment.

"Thanks to the Village Savings and Loans association (VSLA), we are not depending on expensive loans from Rural Banks and Savings and Loans Companies anymore. We are totally committed to this association and we will work hard for it to continue", says Cynthia Osei, who is a member of the VSLA.

Another testimony comes from Georgina Tei, a loan beneficiary in Anwona, who recounts how timely access to a loan supported the expenses of her granddaughter who was preparing to enter senior high school. Without the loan from the VSLA, hope for her granddaughter's education would have been lost.

The sterling performance of the first three VSLAs in the area has motivated other farmers within and outside the Nestlé Cocoa Plan to seek the assistance of the leadership of the first association to form more groups. Having received mentorship from the leadership of the original VSLA, six additional VSLAs have been formed and are currently in operation. One remarkable milestone for the Anwona VSLA is that they now use a formal bank account to deposit the groups savings for safe-keeping.

Caroline Bosson describes the impact: "I have had a hard time, with difficulties taking care of my family. There wasn't enough money to look after the children. If I, as a women, wanted to start a business for myself, it was impossible because you need money for that, and that was just the thing I was lacking. I joined the Nestlé Cocoa Plan VSLA program four months ago, and the results are already noticeable. We meet twice a week and we learn on how to save money, how to create a plan for using savings and loans, and how to set up income-generating activities. We were taught how to obtain credit so that we can invest in our own enterprises, for example. I used to have one hectare of land on which I grew cocoa trees. My husband now gave me a parcel of land on which I grow even more cocoa. I am collecting the money that I earn with the



VSLA Group in Ghana

cocoa sales, so I can save it for my children's future. My plan is to buy another plot of land that I can rent out to make sure there will be another source of income that I can add to my earnings. If all goes well, then I would like to expand to another three hectares of land, on which I plan to grow palm trees for palm oil production. The land is already bought, I just need some time to save a bit more money so I can continue on that project. At the same time, I used the credit that I received through the VSLA to boost my own little retail outlet. I have a small boutique from which I sell everyday products like soap, rice and oil. I sell some pagne (African fabric) as well."

We have committed to setting up a further 100 VSLA groups, which are expected to benefit at least 2 000 women.



Farmer pruning a cocoa tree

COMMUNITY AWARENESS RAISING

Raising awareness about the importance of forests is critical. This is being done through farmer training and in field schools, and also through specific community work. This has now extended to 267 communities. For example our project with Earthworm Foundation has raised awareness and consulted with over 1 600 people in 66 villages in the district of Cavally outside of the forest itself.

Community Forest Preservation and restoration.

Beki and Bossematie are classified forests in the East of Côte d'Ivoire.

We are working with Rainforest Alliance, the Ministry of Forests and Nestlé Cocoa Plan cooperatives in the surrounding area to

- Develop a general management plan to sustainably manage buffer zones around the forests
- Encourage Agroforestry in cocoa farms in the buffer zones
- Help the cooperatives develop their plans in line with the new Rainforest Alliance standard
- Identify areas for forest restoration

We are looking at ways to expand this collaboration.



Picture taken prior to COVID restrictions

Community engagement and social inclusion

This section describes our activities aimed at consulting and having cocoa farmers participate in the design and implementation of key actions, as well as promote community-based management models for forest protection and restoration.



Improved cookstove



Community awareness-raising on agroforestry. Picture taken prior to COVID restrictions.

Côte d'Ivoire

Cookstoves

Outside of agriculture, another source of forest degradation in cocoa communities is cutting trees to use the wood as fuel for cooking. Many cocoa farmers are using a 3 stone fire or an inefficient charcoal stove. Clean cookstoves consume 45% less biofuel and thereby significantly reduce firewood consumption by 1.8 tonnes per year, while also helping families save on fuel expenses. There are benefits for community health, too, as the severe household air pollution from open fires is reduced by 70% with clean cookstoves. The cooking process is a lot quicker, saving time for other activities. Since 2018, we have been promoting clean cooking and subsidizing up to 70% of the sales price to make the cookstoves more accessible to farmers.

Due to the COVID pandemic, clean cookstove distribution was badly affected during 2020, with just 239 stoves being distributed to make a cumulative total of 1 075. Awareness raising was not possible in cocoa areas due to COVID measures, and later, supply of cookstoves halted due to interruptions to international logistics. After the summer, a new laser cutting machine arrived at our local partner in Côte d'Ivoire, increasing cookstove production capacity. By November 2020, awareness raising and distribution of cookstoves had restarted, leading to immediate uptake in the communities.

In the meantime, a new partnership on cookstove distribution was launched, combining the stove with a solar panel kit. The solar kit with cookstove is sold a pay-as-you-go package, where farmers have immediate access to the clean energy and stove, and make daily repayments via mobile money.

From 2021 onwards the clean cookstove initiative will join forces with with other community development activities such as women's savings groups and child protection. Reducing fuel use means there is less chance children will be asked to carry fuelwood.

Community awareness raising

Raising awareness about the importance of forests is critical. This is being done through farmer training and in field schools, and also through specific community work. Awareness raising has now been extended to 267 communities. For example our project with Earthworm Foundation has raised awareness and consulted with over 1 600 people in 66 villages in the district of Cavally outside of the forest itself.

Ghana

Community forest preservation and restoration

Between 2019-2020, community consultations were carried out on the Forest Protection and Restoration Plan in 30 communities in the Nsokote/Bekwai districts – these efforts reached 1 287 farmers.

The 3 main topics are:

1. Cocoa Agroforestry – climate change and impact on cocoa farming, benefits of shade trees, protocols of integrating trees on farms;
2. Forestry Laws and Tenure provisions – effects of land degradation and deforestation, Forestry laws, sanctions, rights and controls of plantation by farmers;
3. Tuongya System (planting food crops with young trees) – why it's relevant, what it addresses, procedures for acquisition of land

These efforts will continue into 2021 and 2022.



Sacred forest in Toa-Zèo village, Côte d'Ivoire

Protecting the ancestral forests of the Toa-Zèo

Patches of forest are believed to be sacred by many ancient cultures in Japan, India and West Africa. These areas hold spiritual significance for the people whose ancestors have long inhabited the lands. Within these small acres, villagers practice religious and ceremonial rituals as well as bury their family members. The trees are considered to be home to deities and a refuge for all creatures.

Sacred land, however, is under threat. Villagers who have fled their homes under conflict have returned only to find their ancestral forests occupied or cleared out for small holder farming, their relics destroyed.

The village of Toa-Zèo, in Côte d'Ivoire, is one such community fighting to safeguard their sacred grounds. Its sacred forests have been threatened by more lucrative economic activities such as harvesting medicinal plants, producing timber and growing livestock.

Nestlé is working to find solutions alongside the Toa-Zèo community to combat the deforestation through its Cocoa & Forests Initiative. The pilot project brings together the Côte d'Ivoire's Ministry of Water and Forests (Ministère des Eaux et Forêts or MINEF in French) and Nestlé in a multi-stakeholder effort to increase awareness,

promote education and create real strategies for achieving environmental protection. Three sacred forest sites, a sacred river and a forest relic belonging to the village community have been chosen for the initial study and preservation effort, with the hope that it can shine a light on overcoming similar challenges for other populations.

MINEF and Nestlé have started discussions with different groups within the community, including women and young people to understand their points of view. We have begun planting trees along the boundaries of the forests to help demarcate them, and have started to rehabilitate degraded patches. Key to the program will be empowering villagers to take on reforestation activities themselves.

Nestlé's Cocoa Forest Initiative is laying the groundwork for the creation of a holistic and collaborative framework to preserve sacred forests. In the future, the project has the potential to strengthen laws and policies that will protect the Toa-Zèo community's rights – as well as ensure their sacred forests will never disappear.

Looking forward

The Cocoa and Forests Initiative has made good progress but challenges remain.

Forests are still being destroyed and all participants need to lean in and fulfill their responsibilities.

In 2021 we are scaling forest and fruit tree distribution to over 1 million trees, and ensuring that our forest preservation projects make real progress on the ground.

We will develop further projects to conserve and restore forests, in line with Nestlé's commitment to achieving [net zero emissions](#) by 2050. Under the Nestlé Cocoa Plan, we are working on improving farmer livelihoods and will publish a report on our progress later in 2021.



Cavally Forest



Farmer Kouakou Yao Francois

Côte d'Ivoire

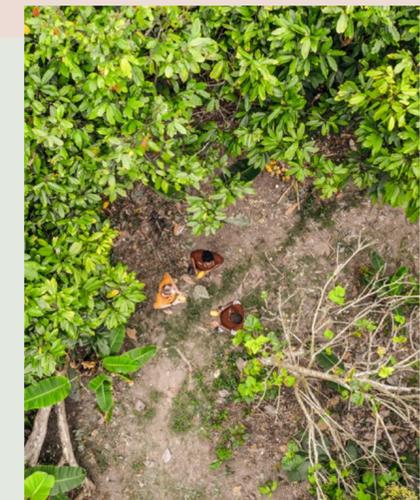
We will continue mapping farmers and training in good agricultural practices, and continue collecting data on adoption of these practices with our partner, Rainforest Alliance.

We will continue to scale the training of pruning groups with an ambition that they can prune 10 000 hectares. We will distribute over 1 million forest and fruit trees, and will begin planting trees in the Cavally, Bossematie and Beki forest landscapes, and continue in Toa-Zèo.

Sustainable Livelihoods will continue to be an area of focus, working with the Royal Tropical Institute (KIT). They are currently assessing the impact of Nestlé's interventions on the most successful farmers who manage to make a good living from cocoa, with a view to defining the pathways to scale this to more farmers. KIT will be in the field during two periods this year and will report back to help us expand and increase the effectiveness of our interventions. In addition, we have kicked off the 'Household Income Accelerator', which is piloting conditional cash transfer to households and will also be evaluated by KIT.

Ghana

We will continue the distribution of cocoa, forest and fruit trees towards our 2022 ambitions. We will strengthen farmer training especially for pruning and begin data collection with Rainforest Alliance. Social inclusion and financial inclusion work will continue with VSLAs, mobile money and income generating activities.



Top view of mapping forest in action

Annex – Côte d’Ivoire

Forest Protection and Restoration

Commitment	Actions	Indicator	# through direct investment in		# on behalf of clients Oct 2019-Sept 2020	# Total through direct investment since 2018	# Total on behalf of clients since 2018
			2022 Target	Oct 2019-Sept 2020			
1. No further conversion of any forest land (as defined under national regulations, and using HCS 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	• # of cocoa plots mapped in direct supply chain		76 279		76 279	
		• # of farms mapped in direct supply chain	92 000	75 820	75 820		
		• % of farms mapped in direct supply chain		82%	82%		
	1.2 Conduct deforestation risk assessments in all direct sourcing areas	• # of hectares in the direct supply chain with deforestation risk assessments completed		247 863	247 863		
2. No sourcing of cocoa from National Parks and Reserves through companies' traceable direct sourcing programs	2.1 Implement traceability tools/ technology to ensure no cocoa purchases originate from National Parks or Reserves (all forest areas)	• % of directly sourced cocoa traceable from the farm to the first purchase point	100%	82%			
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	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		0		0	
4. 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		528		528	
	4.2 Support cocoa farmers to acquire land (tenure) documentation	• # and % of farmers with land tenure agreements/documentation etc. obtained via company support		0 (0%)		0 (0%)	
5. 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	25 000	10 521			
6. Public-private collaboration to mobilize resources for forest protection and restoration	6.1 Mobilize finance for forest protection and restoration	• # Individuals receiving PES: New		208		208	
		• # Individuals receiving PES: Total Active		842			
7. Public-private collaboration to identify good practices, technical guidance and incentive mechanisms for forest restoration and agro-forestry	7.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	• # farmers applying agroforestry		10 167		16 055	
		• # multi-purpose trees distributed for on-farm planting	2 600 000	622 502	1 014 502		
		• # hectares cocoa agroforestry in development		20 574	27 412		
	7.2 Support distribution and planting of native trees for off-farm restoration (reforestation)	• # # of trees distributed for off-farm planting	20 000	10 500	23 053		
	7.3 Train farmers in CSC production including cocoa agroforestry systems	• # ha of forest area restored in rural zone	10	80	2		
8. Government creation, in collaboration with all stakeholders, of a public-private fund to support financing of protection and restoration of HCV forest areas	8.1 Support the creation of the public-private forest conservation and rehabilitation fund	• \$ contributed to fund	N/A	N/A		N/A	

Sustainable Production and Farmers' Livelihoods

Commitment	Actions	Indicator	# through direct investment in		# on behalf of clients Oct 2019-Sept 2020	# Total through direct investment since 2018	# Total on behalf of clients since 2018
			2022 Target	Oct 2019-Sept 2020			
9. Promote investment in long-term productivity of cocoa in environmentally suitable areas in order to grow "more cocoa on less land"	9.1 Distribute improved cocoa planting material	• # improved seedlings distributed to farmers		N/A		N/A	
	9.2 Train farmers in Good Agriculture Practices (GAPs)	• # of farmers reached by GAP training programs	80 000	55 877			
10. 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)	Total	4 926			
	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				Already reported 7.1	
11. Promote financial inclusion and innovation to deepen farmers' access to working capital and investment funds for production and farm renovation	11.1 Offer financial products to farmers and promote farmer savings	• # and % individuals in the current reporting year enrolled in a formal financial products and services (loans, insurance, digital payments, and savings [bank/mobile]) with support from companies (excluding cocoa bean pre-financing)	7 000	4 624 (66%)			
		• # of members of VSLA groups in the current year	10 000	2 086			
		• # of VSLA groups in the current year		92		92	
12. Improve supply chain mapping, with the goal of 100% of cocoa sourcing traceable from farm to first purchase point. An action plan will be developed for traceability, which will be implemented step-by-step to achieve full traceability and verification, applicable to all by end-2019	12.1 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	• # of cocoa plots mapped in direct supply chain				Already reported 1.1	
	12.2 Implement traceability system to farm level in direct supply chain	• % of direct sourced cocoa traceable from individual farms to first purchase point				Already reported 2.1	

Social Inclusion and Community Engagement

Commitment	Actions	Indicator	# through direct investment in		# on behalf of clients Oct 2019-Sept 2020	# Total through direct investment since 2018	# Total on behalf of clients since 2018
			2022 Target	Oct 2019-Sept 2020			
13. 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		1		1	
		• # hectares under CBNRM		40		40	
15. Development of action plans for forest protection and restoration, and sustainable agricultural intensification that are gender and youth sensitive	15.1 Develop forest protection & restoration and agriculture intensification action plans that are gender and youth sensitive	• # of individuals participating in women's empowerment projects and activities		1 845			
		• # of individuals participating in youth focused projects and activities (age 15-35)		754			

Farmers in direct supply/member sustainability programs

92 190

Annex – Ghana

Forest Protection and Restoration

Commitment	Actions	Indicator	# through direct investment in		# on behalf of clients Oct 2019-Sept 2020	# Total through direct investment since 2018	# Total on behalf of clients since 2018
			2022 Target	Oct 2019-Sept 2020			
1. No further conversion of any forest land (as defined under national regulations, and using HCS and HCV methodologies) for cocoa production.	1.1 Conduct farm mapping within supply chain to ensure cocoa is not being sourced from forest land	<ul style="list-style-type: none"> # of cocoa plots mapped in direct supply chain 	12 092			27 238	
			18 137	14 797		17 305	
		<ul style="list-style-type: none"> # of cocoa farms mapped in direct supply chain 		82%		95%	
	1.2 Conduct deforestation risk assessments in all sourcing areas	<ul style="list-style-type: none"> # of hectares in the direct supply chain with deforestation risk assessments completed 		26 633		26 633	
2. No production and sourcing of cocoa from National Parks, Wildlife Sanctuaries, and Wildlife Resource Reserves, except from farms with existing legal status.	2.1 Implement traceability tools/ technology to ensure no cocoa purchases originate from National Parks or Reserves (all forest areas)	<ul style="list-style-type: none"> % of directly sourced cocoa traceable from the farm to the first purchase point 	100%	95%			
3. A differentiated approach for Forest Reserves will be adopted, based on level of degradation; with elimination of sourcing of cocoa in less degraded reserves (Cat.1) as of 31 December 2019; and production and sourcing for a period up to 25 years through MTS in more degraded reserves (Cat. 2).	3.1 3.1 Support farmers in Category 2 Forest Reserve areas in their restoration and reforestation programs	<ul style="list-style-type: none"> # hectares of Category 2 Forest Reserve areas restored: 		0		0	
4. 4. In highly degraded off reserve forest lands, cocoa production and sourcing will continue, supported by climate smart cocoa and MTS	4.1 Train farmers in off-reserve forest lands in CSC production including cocoa agroforestry systems	<ul style="list-style-type: none"> # farmers trained in CSC best practices 	13 000	11 052			
	4.2 Train farmers in Modified Taungya System (MTS)	<ul style="list-style-type: none"> # farmers trained in MTS 		1 287			
5. Land and tree tenure reforms, and benefit sharing arrangement to incentivize land owners and users to retain naturally regenerated trees will be accelerated, including approval of CREMA mechanism.	5.1 Support farmers with tree registration	<ul style="list-style-type: none"> # trees registered 	200 farmers				
	5.2 Support cocoa farmers to acquire land (tenure) documentation	<ul style="list-style-type: none"> # and % of farmers with land tenure agreements/documentation etc. obtained via company support 		0		0	
6. Public sector forest law enforcement and governance will be strengthened.	6.1 6.1 Promote awareness-raising campaigns to educate farmers on forest law enforcement and tree tenure provisions	<ul style="list-style-type: none"> # farmers informed, trained, and/or consulted on forest policy/law enforcement, forest protection, and restoration 	13 000	1 287			
7. Public-private collaboration to mobilize new sources of funding for forest protection and restoration, and to incentivize farmers adoption of environmentally sustainable cocoa production will be developed.	7.1 Mobilize finance for forest protection and restoration	<ul style="list-style-type: none"> # Individuals receiving PES: New # Individuals receiving PES: Total Receiving 					
8. 8. Public-private collaboration will be enhanced to identify good practices and technical guidance for forest conservation and restoration, shade grown cocoa, and MTS in Forest Reserves.	8.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	<ul style="list-style-type: none"> # farmers applying agroforestry # multipurpose trees distributed for on-farm planting # hectares cocoa agroforestry in development 		400		400	
			260 000	68 500		238 008	
				400		400	
	8.2 Support distribution and planting of native trees for off-farm restoration (reforestation)	<ul style="list-style-type: none"> # of trees distributed for off-farm planting # hectares of forest area restored off-reserve 	10ha community forest	0	0		0
8.3 Train farmers in Modified Taungya System (MTS)	<ul style="list-style-type: none"> # farmers trained in MTS 					Already reported 4.2	

Sustainable Production and Farmers' Livelihoods

Commitment	Actions	Indicator	# through direct investment in		# on behalf of clients Oct 2019-Sept 2020	# Total through direct investment since 2018	# Total on behalf of clients since 2018
			2022 Target	Oct 2019-Sept 2020			
9. Promote investment in long-term productivity of high quality cocoa in environmentally sustainable manner and grow "more cocoa on less land."	9.1 Distribute improved cocoa planting material	<ul style="list-style-type: none"> # improved cocoa seedlings distributed to farmers 	2 600 000	418 516		2 032 231	
	9.2 Train farmers and producer organizations in the latest Good Agriculture Practices (GAPs)	<ul style="list-style-type: none"> # of farmers reached by GAP training programs 	18 137	18 137			
10. Promote sustainable livelihoods and income diversification for cocoa farmers.	10.1 Promote farm-level crop diversification	<ul style="list-style-type: none"> # individuals participating in additional Income Generating Activities (IGA's) 		1 455			
	10.2 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	<ul style="list-style-type: none"> # multi-purpose trees distributed for on-farm planting # hectares of cocoa agroforestry 					Already reported 8.1
11. 11. Promote financial inclusion and innovation to deepen farmers' access to working capital and investment funds required for production and cocoa farm rehabilitation and renovation.	11.1 Promote expansion of farmer savings	<ul style="list-style-type: none"> # and % individuals in the current reporting year enrolled in a formal financial products and services (loans, insurance, digital payments, and savings [bank/mobile]) with support from companies (excluding cocoa bean pre-financing) # of members of VSLA groups in the current year # of VSLA groups in the current year 	500	770			
			1 500	1 305			
				70		70	
12. Improve supply chain mapping, with 100% of cocoa sourcing traceable from farm to first purchase point. An action plan will be developed that maps out key principles, steps, and milestones to achieve this step, encompassing all national and international traders.	12.1 Conduct mapping to identify and collect cocoa farm boundaries polygon data	<ul style="list-style-type: none"> # farms mapped within direct supply chain 					Already reported 8.1
	12.2 Implement traceability system to farm level in 100% of supply chain by end-2019	<ul style="list-style-type: none"> % cocoa supply traceable from individual farms to first purchase point 					Already reported 2.1

Social Inclusion and Community Engagement

Commitment	Actions	Indicator	# through direct investment in		# on behalf of clients Oct 2019-Sept 2020	# Total through direct investment since 2018	# Total on behalf of clients since 2018
			2022 Target	Oct 2019-Sept 2020			
13. 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	<ul style="list-style-type: none"> # farmers informed, trained, and/or consulted on forest policy/law enforcement, forest protection, and restoration 					Already reported 6.1
14. Promote community-based management models for forest protection and restoration.	14.1 Establish and/or support community-based natural resource management (CBNRM) programs for forest restoration/protection	<ul style="list-style-type: none"> # of cocoa communities with active forest restoration and protection program # hectares under CBNRM 	9				
15. Development of action plans for forest protection and restoration, and sustainable agricultural intensification that are gender and youth sensitive.	15.1 15.1 Develop forest protection & restoration and agriculture intensification action plans that are youth and gender sensitive	<ul style="list-style-type: none"> # of individuals participating in women's empowerment projects and activities # of individuals participating in women's empowerment projects and activities 	1 500	361			

Farmers in direct supply/member sustainability programs

18 137



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