

ANNUAL PROGRESS REPORT

2022



nestlecocoaplan.com

Luc Affoli - The Income
Accelerator Project Manager

WELCOME TO THE NESTLÉ COCOA PLAN 2022 PROGRESS REPORT



Since 2009, the Nestlé Cocoa Plan has positively impacted cocoa-farming families across our three pillars – Better Farming, Better Lives, Better Cocoa – as we aim to source 100% of our cocoa through the Nestlé Cocoa Plan by 2025*.



Providing training and resources to help farmers improve yields and livelihoods
See [page 5](#)



Improving social conditions by monitoring and supporting remediation of child labor risks, promoting women's empowerment to improve gender equality and household revenues, and enabling access to quality education
See [page 6](#)



Building a more transparent and traceable supply chain, continuing to develop certification and verification, and promoting forest positive actions towards better quality cocoa
See [page 7](#)

** This percentage includes volumes of Rainforest Alliance certified and Nestlé Cocoa Plan verified mass balance cocoa.*



INCOME ACCELERATOR PROGRAM

Building on our longstanding efforts to tackle child labor risks in cocoa production, we scaled up our innovative income accelerator program to cover 10 000 families in 2022.

See [page 8](#)

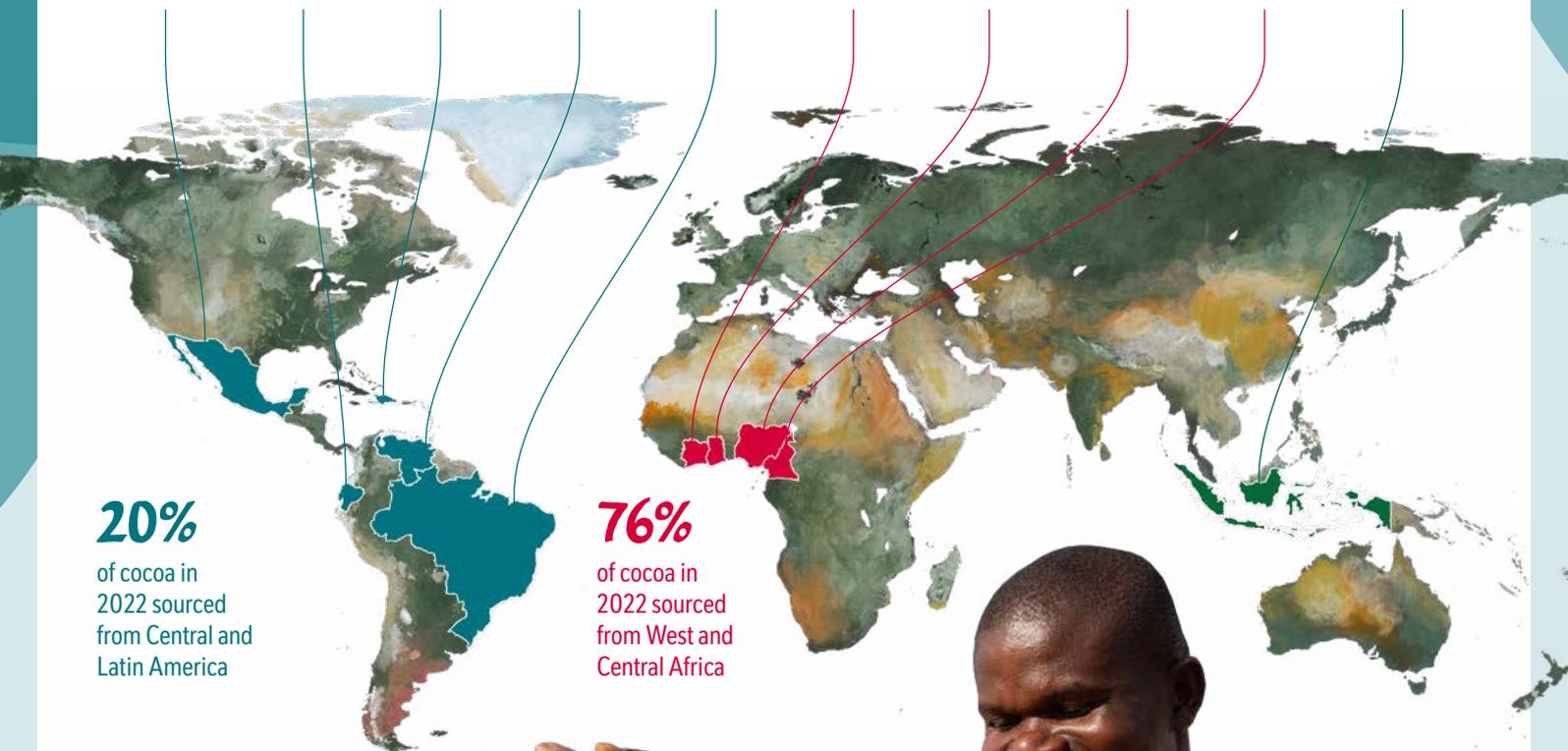


ORIGINS OF COCOA SOURCED THROUGH THE NESTLÉ COCOA PLAN

We sourced 254 000 tonnes of Nestlé Cocoa Plan cocoa from 10 countries in 2022

All percentages are rounded.

MEXICO	ECUADOR	DOMINICAN REPUBLIC	VENEZUELA	BRAZIL	CÔTE D'IVOIRE	GHANA	NIGERIA	CAMEROON	INDONESIA
0.2%	7%	2%	0.4%	11%	63%	7%	2%	4%	4%

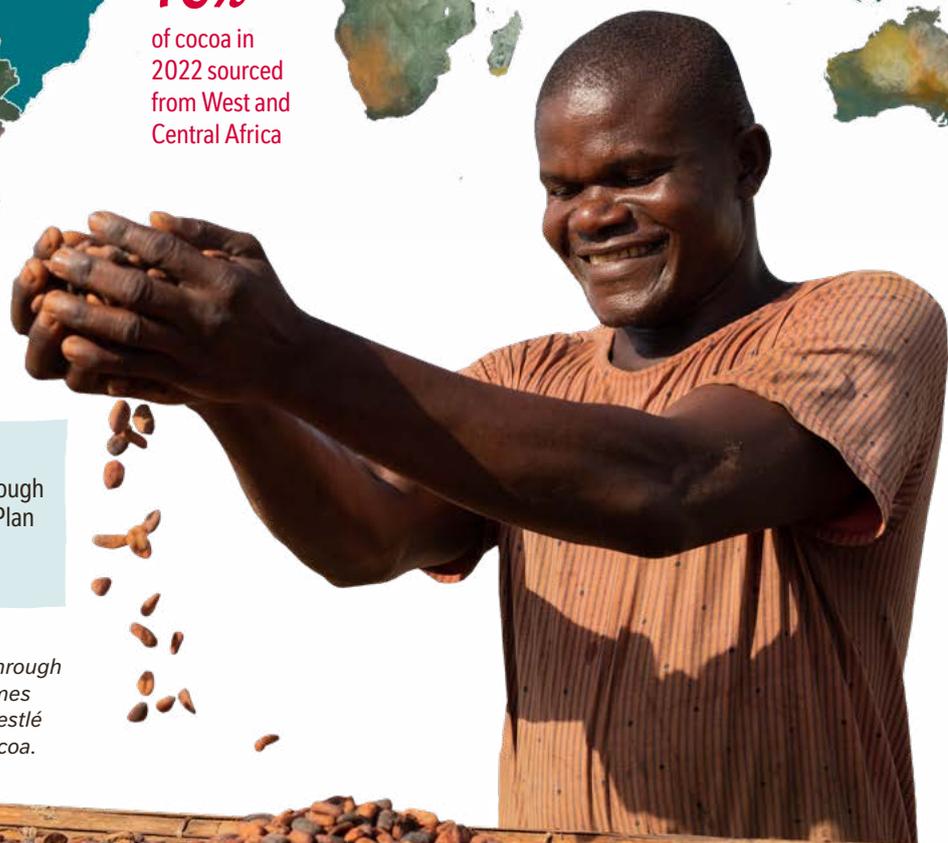


20%
of cocoa in 2022 sourced from Central and Latin America

76%
of cocoa in 2022 sourced from West and Central Africa

68.3% cocoa sourced through the Nestlé Cocoa Plan in 2022*

* The percentage of cocoa sourced through the Nestlé Cocoa Plan includes volumes of Rainforest Alliance certified and Nestlé Cocoa Plan verified mass balance cocoa.



SPOTLIGHT ON BRAZIL



IGOR MOTA,
Cocoa Agricultural Manager,
Nestlé Cocoa Plan Brazil

Brazil: growing better

Cocoa in Brazil has had its challenges with the historic downturn and disease, yet it is inspiring: the resilience of the people and its land, the slow but steady return of production levels, and the courage of farmers to keep growing cocoa and protect Brazil from further deforestation and biodiversity loss, especially in the Amazon region.

Brazil comprises four cocoa-growing regions – Bahia (45%), Pará (45%), Espírito Santo (5%), and Rondônia (5%) – with approximately 93 000 cocoa growers in total.

Our immediate focus is on expanding the reach of the Nestlé Cocoa Plan and helping those farmers improve their farms. In 2022, we have 3500 farms in the Nestlé Cocoa Plan. By 2025, our ambition is to enroll 14 000 farms in total.

Innovations like our AI-driven ‘Theo Chatbot’ and our start-up focused ‘Panela’ project are leveraging technology to enable farmers to sustainably increase cocoa productivity. These new technologies show the future of cocoa farming and help us excite the next generation of farmers in our outreach programs.

Beyond productivity and farming, the Nestlé Cocoa Plan is also about helping improve living conditions for the farming communities in Brazil – which is why we are investing in sewage and water treatment systems so that families can have access to clean water and sanitation.

Following a well-documented history of challenges, Brazil is once again reigniting its passion for cocoa farming. Today the country is ranked at sixth in the world for cocoa production, making 220 000 tonnes annually.

Brazil has an end-to-end value chain for cocoa – from production to processing to manufacturing to consumption.

However, cocoa farming is not without its challenges such as low farm investment and productivity. The farming population is aging, now at an average of 60-plus and so there is a need to attract younger generations to sustain production. These challenges are at the heart of why the Nestlé Cocoa Plan aims to recruit more farms, boost productivity and foster the young farmers of tomorrow to guarantee the delivery of sustainable cocoa to our business.

#6

cocoa producer in the world

220 000

tonnes of cocoa produced in 2022

93 000

estimated number of cocoa farmers in Brazil

3500

farms in the Nestlé Cocoa Plan



BETTER FARMING

Providing training and resources to help farmers improve yields and livelihoods



Training farmers in good agricultural practices (GAPs) is a fundamental part of the Nestlé Cocoa Plan. By encouraging better farming methods, we help farmers increase their long-term productivity, along with the resilience of their farms.

We focus on promoting five GAPs: pruning, pest and disease control, weeding, shade management and harvest management.

We also support farmers with other resources – such as trained pruning groups – and encourage income diversification through agroforestry and the supply of forest and fruit trees.

In 2022, the number of farmers incorporating GAPs* dropped from 33% to 27%, as well as the number of farmers pruning to a satisfactory standard from 44% to 32%, in Côte d'Ivoire. This downward trend was due to using stricter criteria for pruning and a reduction in shade trees planted in the sample of farmers.

For the full data set across all GAPs, see our 2022 Performance on [page 9](#).



ABDUL RAHAMAN ABDULAI,
Nestlé Cocoa Plan Manager,
Ghana

Listening, learning and transforming cocoa farming in Ghana

In Ghana, we respect the farmers and listen to their concerns, wants and needs. Together, we are trying to learn from each other. A big part is to change the mindset of being a cocoa farmer. We want to move it away from being 'a way of life' passed down generation-to-generation. It is the chance to build a 'business' for Ghanaian farmers, provide for their families and create a better future. This transformation is what I see as the value of engaging with the Nestlé Cocoa Plan – the way forward to learn, invest and develop sustainable long-term livelihoods.

Personally, I have been encouraged that so many farmers have readily embraced the learnings of better farming. Actions such as weed management and the planting of shade trees, are helping farmers see first-hand how cocoa flourishes in well kept, newly shaded farms. In fact, during the past year, we exceeded our targets in shade tree planting due to the high demand for seedlings from farmers.

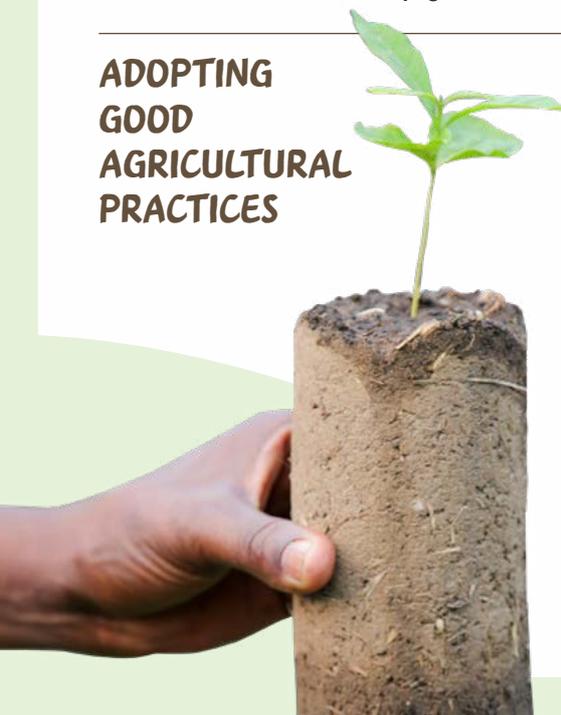
One area which remains challenging is pruning, specifically 'structural pruning'. This action looks more intrusive than it is due to the sheer volume pruned – which makes farmers skeptical of its merits. So, during the last year, we have structurally pruned several 'demonstration farms' which have helped show how pruning brings new life and cocoa growth to the cocoa trees on farms.

Looking to the future, we are hopeful that the soon to be launched income accelerator program will boost better farming even further – particularly, pruning – and empower Ghanaian farmers to achieve a better future.

91% of farmers participated in training, mostly in regenerative agriculture-related (GAPs), farm visits, and farm economics

* Farmers adopted at least four of the recommended five GAPs, including pruning.

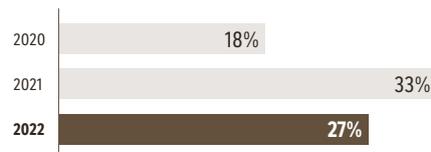
ADOPTING GOOD AGRICULTURAL PRACTICES



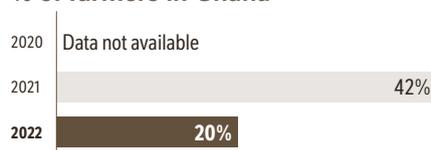
Overall adoption rate

At least four GAPs* (including pruning) adopted to a satisfactory standard in Côte d'Ivoire and Ghana.

% of farmers in Côte d'Ivoire



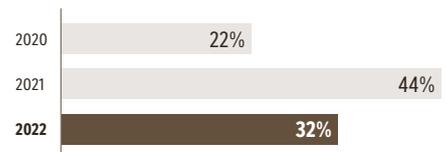
% of farmers in Ghana



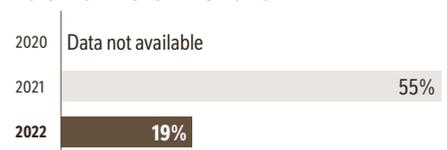
Pruning

Pruning only adopted to a satisfactory standard in Côte d'Ivoire and Ghana.

% of farmers in Côte d'Ivoire



% of farmers in Ghana



All data referenced from Rainforest Alliance 2022 results of Nestlé Cocoa Plan monitoring and evaluation

BETTER LIVES

Aiming to tackle child labor risks, empowering women and improving access to quality education to help communities thrive



Better lives for cocoa-farming families start with helping their children access schooling. Our monitoring efforts with the International Cocoa Initiative (ICI) go back a decade and have assisted over 170 000 children in Côte d'Ivoire and Ghana. Women play a key role in family wellbeing, which is why we have put a lot of efforts on women's empowerment, from literacy schemes to financing new businesses to diversify family income.

In 2012, Nestlé and ICI – a Swiss-based, non-profit foundation that works to ensure a better future for children in cocoa-growing communities – developed the Child Labor Monitoring and Remediation System (CLMRS). This partnership has changed the way that the cocoa sector tackles the issue of child labor.

The CLMRS has been adopted as best industry practice and ICI continues to work with its member companies to increase the application of the CLMRS. To date, we have now reached over 170 000 children in Côte d'Ivoire and Ghana, and supported nearly 9 000 children in those countries to stop engaging in hazardous tasks.

We continued in 2022 to empower women, particularly through the launch of the income accelerator program (see page 8), plus the ongoing expansion of Village Savings and Loans Associations (VSLAs) and the Gender Action Learning System (GALS). Together, these aim to aim to advance gender empowerment through financial inclusion and literacy.



MATHILDE SOKOTY,
Nestlé Cocoa Plan Human Rights Manager, Côte d'Ivoire

Making 'home' a better place to live

Having grown up in Côte d'Ivoire, it's my home – I know first-hand the complex societal issues surrounding child labor and gender inequality.

For the Nestlé Cocoa Plan, I bring my background as a sociologist, and my previous experience working with Save the Children, UNICEF, and UN Women. My role of supporting families to school their children, aiding the rehabilitation or building of schools in rural communities, and fostering the economic empowerment of women.

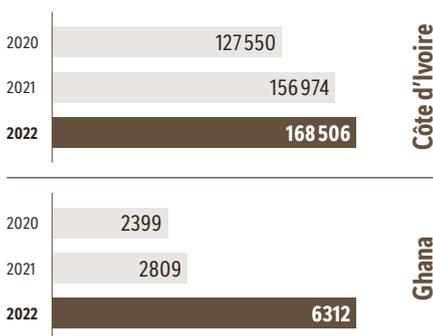
"Each of these is a very personal and human issue for me, and my team – the Nestlé Cocoa Plan brings children, families and rural communities closer together and makes them stronger."

TACKLING CHILD LABOR RISKS

Children who have received support to reduce the risk of child labor

Support activities – school building and refurbishment, school kits, bridge schools, vocational training – provide children with access to quality education and reduce the risk of them engaging in hazardous tasks.

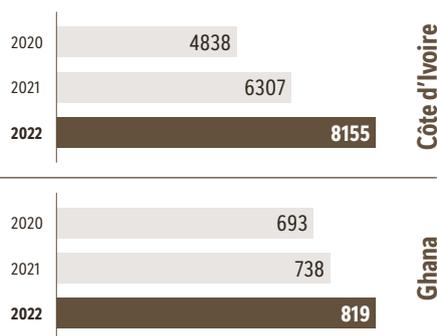
Number of children who have received support



Children no longer at risk of child labor

Children are considered to be no longer at risk of child labor if they are not engaged in hazardous tasks after two follow-up visits.

Number of children identified no longer engaging in hazardous tasks

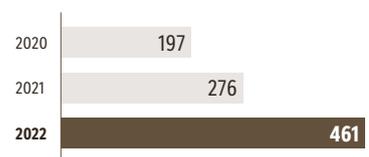


EMPOWERING WOMEN

Village Savings and Loans Associations (VSLAs)

We enable access to Village Savings and Loans Associations (VSLAs) to empower women's decision making in the household, and access financial services and gender-based trainings.

VSLAs established in Côte d'Ivoire and Ghana



All data referenced from Nestlé Creating Shared Value Report 2022

BETTER COCOA

Enhancing supply chain traceability, building long-term relationships with farmer groups and moving toward a *Forest Positive* future



Continuing to expand our efforts is critical to reach 100% cocoa sourced through the Nestlé Cocoa Plan by 2025.

The percentage of Nestlé’s total cocoa sourced through the Nestlé Cocoa Plan was driven up last year to 68.3%, mainly due to local demand for sustainably sourced cocoa in Latin America – with Brazil the leading origin. Côte d’Ivoire and Ghana remain key origins – representing 70% of our Nestlé Cocoa Plans volumes in 2022 – and these origins are the immediate focus for the scale up of the income accelerator program (see [page 8](#)).

The Rainforest Alliance partnership is now the sole certification for Nestlé Cocoa Plan. This focused partnership allows us to strengthen our relationship and extend our cooperation beyond certification through the income accelerator program and forest protection and restoration.

Overall, the Nestlé Cocoa Plan expanded in scale to now cover 157157 farmers in total, and with the groundwork in place for extension into Cameroon and Nigeria.

157 157 cocoa farmers in the Nestlé Cocoa Plan



BLANDINE KONAN,
Cargill Sustainability
Country Lead, West Africa

Making better cocoa a reality

Cargill has been a proud partner for the Nestlé Cocoa Plan since it was set-up.

From the start of the program, we have provided supply chain and sustainability programming insights during the design of the program. In its operations, we work very closely with cooperative management and sustainability teams on the implementation of sustainability activities and mitigation of issues. For sourcing, we support cooperatives with pre-financing and through other projects that help them better manage their commercial activities.

Our compliance teams help deliver the Rainforest Alliance certification for the Nestlé Cocoa Plan by supporting the cooperatives to implement all requirements. We work closely with the cooperatives to train and prepare them in readiness for the certification process. An action plan is codeveloped and monitored for progress before the certification audit begins. Any corrective actions after the audit – and before release of the certificate – are again fully supported by our compliance teams. We know the farmers and cooperatives really benefit from the certification process. It improves farming techniques and the wellbeing of farmers and their communities, and delivers a premium to cooperatives.

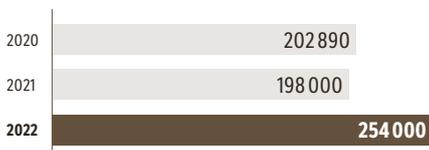
Côte d’Ivoire is our largest producer of cocoa beans and was the first origin with Cargill, and the origin with the longest history in the Nestlé Cocoa Plan. Traceability of the Nestlé Cocoa Plan cocoa in Côte d’Ivoire is a key priority. We have implemented our ‘first mile digital traceability’ system, which enables us to document the cocoa beans from farm through to export. We have trained and equipped the cooperatives on how to implement the system, so that we can provide transparency across all Nestlé Cocoa Plan cooperatives and ensure 100% of the beans are digitally traceable here in Côte d’Ivoire.

In 2022, the launch of the income accelerator program in Côte d’Ivoire was an important milestone for Cargill and Nestlé. Cargill’s role is to manage and implement the program, both directly and through implementation partners. The next step is to continue with Nestlé to deliver on scaling the income accelerator program, with the aim to achieve even better results in the future.

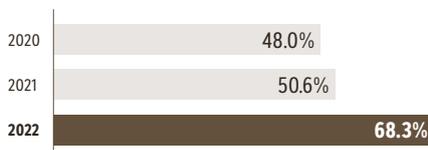
NESTLÉ COCOA PLAN SCALE

All data referenced from Nestlé Creating Shared Value Report 2022

Tonnes of Cocoa sourced from Nestlé Cocoa Plan



Nestlé Cocoa Plan Cocoa as a % of total Nestlé Cocoa*



* This percentage includes volumes of Rainforest Alliance certified and Nestlé Cocoa Plan verified mass balance cocoa.

Number of Cocoa-farming families in the Nestlé Cocoa Plan



INCOME ACCELERATOR PROGRAM

Aiming to improve the livelihoods of cocoa-farming families and incentivize the enrollment of children in school, while advancing regenerative agriculture practices and gender equality



The income accelerator program is aiming to help close the living income gap and reduce child labor risks. In 2022, the program began a 'test at scale' phase covering 10 000 cocoa-farming families in Côte d'Ivoire.

The income accelerator program offers a novel approach to enable, incentivize and ultimately reward practices that increase crop productivity and help secure additional sources of income. It is early in the journey but activity data from our suppliers on the test at scale (10 000 cocoa-farming families) and the KIT Royal Tropical Institute midline pilot data (1000 cocoa-farming families) is inspiring everyone involved to keep building and improving this pioneering program.

Our Ambition

160 000 cocoa-farming families in global rollout*

* Estimation only



DARRELL HIGH,
Head of the
Nestlé Cocoa Plan

Accelerating impact in cocoa

The income accelerator program has proved to be a challenging and inspiring journey in 2022. As we moved into the test at scale phase, the KIT reports and the activity data from our suppliers provided an honest and transparent assessment of the program's impact.

What have the results been so far? We have established over 300 pruning groups who pruned over 10 000 hectares to a high standard, we distributed 210 000 forest and fruit trees to the households, and over 9 000 households were enrolled in Village Saving Loan Associations (VSLAs). Yields on cocoa farms increased 20%, while women reported an increase in control over household decision making.

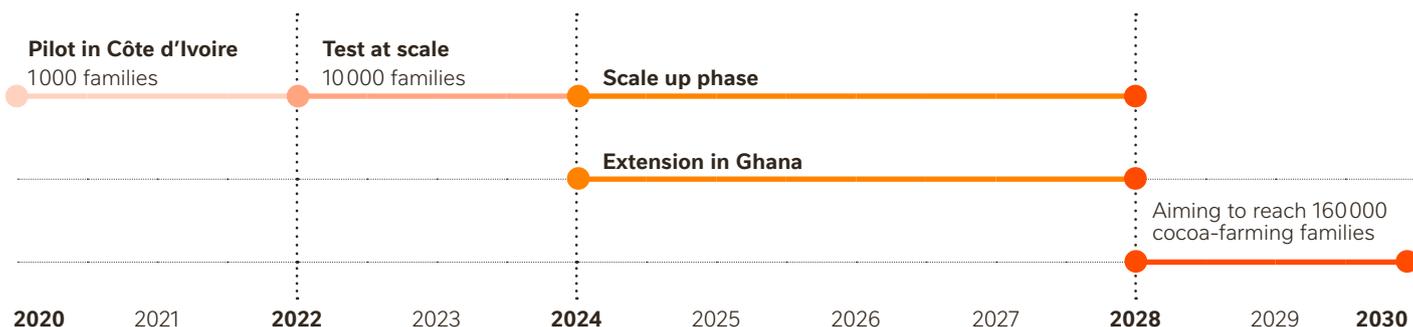
The challenges? We need to streamline school attendance identification and verification. Mobile money registration took longer than expected and we have a new partner to help us in the next phase. As we go into 2024, we will scale the program to 30 000 households, including 2 000 in Ghana, and enlarge our team in Côte d'Ivoire.

The income accelerator program has shown that professionally pruned farms have higher yields. We have had challenges along the way, but we have also learned a lot. We hope to see a measurable impact on farmers' incomes and an improvement in the lives of children throughout our cocoa-sourcing regions as we move forward in scaling up the program.

[Click here to access our latest progress report](#)



THE INCOME ACCELERATOR PROGRAM KEY DATES



January 2022, Nestlé announced the income accelerator program after a successful pilot phase

2022 PERFORMANCE



The data presented in this report is from the calendar year January 1 – December 31, 2022. Our KPIs are presented across the Nestlé Cocoa Plan's three strategy pillars: Better Farming, Better Lives and Better Cocoa.

Most of our data is collected by third parties, notably the Rainforest Alliance and the International Cocoa Initiative.

The Rainforest Alliance collects much of our data on farming, good agricultural practices, and cocoa production. Their reporting collected data in Côte d'Ivoire from July-September 2022 for the previous 12-month period, on 2025 farms across 34 cooperatives. Within this sample are 501 cocoa-farming families participating in the income accelerator program, and 1509 cocoa-farming families in the Nestlé Cocoa Plan. In Ghana, they

collected data from July-August 2022, for the previous 12-month period, on 220 farms across 6 regions.

The International Cocoa Initiative collects all data related to our Child Labor Monitoring and Remediation System.

Better Farming	2019	2020	2021	2022
Farmers trained in GAPs - Côte d'Ivoire ¹	68965	55877	73402	84718
Farmers trained in GAPs - Ghana ¹	17641	18137	18258	16319
Adoption of GAPs in Côte d'Ivoire				
Pruning ²	22%	27%	44%	32%
Pest and disease control ²	86%	86%	71%	88%
Weeding ²	48%	54%	62%	62%
Shade management ²	40%	40%	58%	46%
Harvest management ²	77%	62%	62%	75%
Percentage of farmers considered to have adopted at least four GAPs to a satisfactory standard ²	13%	18%	33%	27%
Adoption of GAPs in Ghana				
Pruning ²	N/A	N/A	55%	19%
Pest and disease control ²	N/A	N/A	77%	85%
Weeding ²	N/A	N/A	52%	71%
Shade management ²	N/A	N/A	54%	44%
Harvest management ²	N/A	N/A	71%	32%
Percentage of farmers considered to have adopted at least four GAPs to a satisfactory standard ²	N/A	N/A	42%	13%
Forest positive practices				
Number of farms mapped in Côte d'Ivoire ³	72784	75820	85892	88718
Number of farms mapped in Ghana ³	14799	14797	18162	14920
Awareness-raising sessions in Côte d'Ivoire ⁵	N/A	N/A	32392	33390
Awareness-raising sessions in Ghana ⁵	N/A	N/A	681	1237
Forest and fruit trees distributed globally ⁴	421054	669305	1038904	1470000
Shade tree density (trees per hectare) in Côte d'Ivoire ¹	N/A	10	7	8
Shade tree density (trees per hectare) Ghana ¹	N/A	N/A	8	10
Number of hectares protected/restored ³				

Data sources

1 Forest Positive Report 2022
2 Rainforest Alliance data

3 Forest Positive Report 2022
4 Nestlé CSV Report 2022

5 International Cocoa Initiative data

2022 PERFORMANCE

Better Lives	2019	2020	2021	2022
Remediation by type in Côte d'Ivoire				
Schools built or refurbished ⁵	4	4	0	13
School kits ⁵	4174	9501	15673	9172
Birth certificates ⁵	187	521	98	3
Extra tuition ⁵	136	13	1028	0
Bridging classes ⁵	122	2100	2466	0
Vocational training ⁵	1	0	14	53
Wheelbarrows ⁵	1304	9	1083	951
Remediation by type in Ghana				
School kits ⁵	644	674	226	1124
Birth certificates ⁵	0	0	153	354
Vocational training ⁵	22	2	1	9
Tackling child labor risks in Côte d'Ivoire				
Households covered by CLMRS to prevent and address child labor risks in Côte d'Ivoire ^{4,5}	N/A	57525	69318	72625
Children covered by CLMRS to prevent and address child labor risks in Côte d'Ivoire ⁴	78268	86134	94748	98674
Number of children identified who reported no longer engaging in hazardous tasks at the two most recent follow-up visits in Côte d'Ivoire ^{4,5}	7981	4838	6307	8155
<i>Total number of children who received support in Côte d'Ivoire (cumulative)*</i> ^{4,5}	87925	127550	156974	168506
Tackling child labor risks in Ghana				
Households covered by CLMRS to prevent and address child labor risks in Ghana ^{4,5}	2309	1897	10711	14797
Children covered by CLMRS to prevent and address child labor risks in Ghana ^{4,5}	2399	2325	5978	11669
Number of children identified who reported no longer engaging in hazardous tasks at the two most recent follow-up visits in Ghana ⁴		693	738	819
<i>Total number of children who received support in Ghana (cumulative)*</i> ⁴	1107	2399	2809	6312
VSLAs				
# VSLAs established in Côte d'Ivoire ^{5,6}	N/A	193	271	420
# VSLAs established in Ghana ^{5,6}	0	4	5	41

Better Cocoa	2019	2020	2021	2022
Tonnes of cocoa sourced annually through the Nestlé Cocoa Plan ⁴	183361	202890	198000	254000
Nestlé Cocoa Plan cocoa as a percentage of total Nestlé cocoa ⁴	44%	48%	50.6%	68.3%
Number of coops in Côte d'Ivoire ^{5,7}	87	83	96	144
Number of districts in Ghana ⁵	11	11	11	11
Number of cocoa-farming families in the Nestlé Cocoa Plan ⁴	109000	124053	152236	157157
Average yield Nestlé Cocoa Plan farm in Côte d'Ivoire (kg/HA) ²	578	620	635	541
Average yield Nestlé Cocoa Plan farm in Ghana (kg/HA) ²	N/A	N/A	464	412
Average plot size Nestlé Cocoa Plan farm in Côte d'Ivoire (hectares) ²	3.2	3.6	4.2	3.8
Average plot size Nestlé Cocoa Plan farm in Ghana (hectares) ²	N/A	N/A	3.3	3.1
Percentage income derived from cocoa in Côte d'Ivoire ²	N/A	84%	87%	75%
Percentage income derived from cocoa in Ghana ²	N/A	N/A	76%	71%

Data sources

1 Forest Positive Report 2022

3 Forest Positive Report 2022

5 International Cocoa Initiative data

7 Internal data

2 Rainforest Alliance data

4 Nestlé CSV Report 2022

6 Internal Data from the Income Accelerator Program

A COLLABORATIVE APPROACH



The Nestlé Cocoa Plan tackles systemic challenges beyond the scope of any single organization and our success is based on a collaborative approach.

We work closely with a number of partner organizations. Together, we help build a brighter future for cocoa-farming families and sustainably produced quality cocoa.

International Cocoa Initiative | [Learn more](#)

Nestlé was a founding member of the International Cocoa Initiative (ICI). Created specifically to help tackle the issue of child labor, ICI works with us on the ground in Côte d'Ivoire and Ghana to help us implement our industry-leading Child Labor Monitoring and Remediation System (CLMRS). The approach was jointly developed and it swiftly became the industry standard.



Jacobs Foundation | [Learn more](#)

Jacobs Foundation is one of the world's leading foundations for the development of children and young people. They are our main education partner. Since 2016, our program with them has established more than 50 bridging classes and reached almost 2000 children.



Earthworm | [Learn more](#)

The Nestlé Cocoa Plan is working closely with Earthworm Foundation to protect and restore the Cavally Forest in Côte d'Ivoire.



KIT Royal Tropical Institute | [Learn more](#)

We partner with Amsterdam-based KIT, an independent center of expertise in sustainable development, for evaluating the impact of our income accelerator program.



The Rainforest Alliance | [Learn more](#)

The Nestlé Cocoa Plan works with the Rainforest Alliance as a certification and strategic partner. Moving to a single main certifier creates more synergies, allows for more cross-collaboration and builds more value. The Rainforest Alliance supports us to monitor and evaluate the Nestlé Cocoa Plan (including the income accelerator program) and identify performance, progress, and the additional needs of cocoa-farming families. Together, we are also collaborating on one of Nestlé's first Forest Positive projects – restoring the Beki and Bossematie forests in eastern Côte d'Ivoire.



Governments

We cooperate closely with national and local governments, as well as government agencies. In Côte d'Ivoire for example, we work with public bodies such as the Ministère des Eaux et Forêts (MINEF) and Société de développement des Forêts (SODEFOR). Collaboration often extends into key sustainability projects such as education or forest protection and restoration. Our participation in the Cocoa and Forests Initiative in Côte d'Ivoire and Ghana is an example of this.

Cocoa partners

Our suppliers manage the critical task of getting the cocoa from the field to our factories. They are very much partners in the implementation of our activities, and supported by the Nestlé Cocoa Plan team.

Further reading

For more information on sustainability at Nestlé and the Nestlé Cocoa Plan, please click our other recent publications below.

- [Towards Forest Positive Cocoa Annual Progress Report 2023](#)
- [Income accelerator program Progress Report, July 2023](#)
- [Nestlé Creating Shared Value and Sustainability Report 2022](#)

