

Cocoa & Forests Initiative Annual Progress Report 2020



Sainsbury's



What is the Cocoa & Forests Initiative?

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](#).



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

The first priority is the protection and restoration of forests that have been degraded. To this end, the governments and companies have pledged no further conversion of forest land for cocoa production and have committed to the phased elimination of illegal cocoa production and sourcing in protected areas.

Both countries are introducing a differentiated approach for improved management of forest reserves, based on the level of degradation of forests. In 2019, the government of Côte d'Ivoire adopted and published a new forest code which, among other things, put forth policies for the promotion of cocoa agroforestry to restore degraded land, improve forest cover, and promote sustainable livelihoods and agriculture in the classified forests and rural zones. Both governments have shared maps on forest cover and land-use, and are 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.

Retailer Cocoa Collaboration update

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

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

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

Key progress has been made on the following RCC actions:

1. Expansion of the RCC to ten members
2. Mapping RCC members' collective supply chains so we know what percentage of our cocoa supply is from each trader.
3. Assessment of the sustainability commitments, progress, and verification of outcomes of nine traders (up from five in the previous reporting period). The assessment covered deforestation and land use change; gender; climate change; child and forced labour; certification and traceability; and labour practices and income.
4. Sharing the results of the assessment with traders and RCC members. This resulted in members directly engaging with traders and taking independently determined actions.
5. Further engagement with a range of industry and NGO groupings that are dedicated to supporting enhanced sustainability in the cocoa sector, seeking synergies and alignment where appropriate.
6. Public communication of the RCC's work, via our [website](#).



Sainsbury's specific Cocoa & Forests Initiative Actions

Sainsbury's has committed to [investing £1 billion over twenty years](#) towards becoming a Net Zero business across its own operations by 2040, aligned to the highest ambitions of the Paris Climate Change Agreement, and a decade ahead of the UK Government's own target.

Sainsbury's will use the £1 billion investment to implement a programme of changes, with a focus on reducing carbon emissions, food waste, plastic packaging and water usage and increasing recycling, biodiversity and healthy and sustainable eating.

Our Net Zero programme underpins our whole corporate strategy and will provide exciting opportunities to develop our work on cocoa and other vulnerable supply chains across our food and non-food products, through the carbon emissions and biodiversity pillars. This complements our ambition with the [Consumer Goods Forum](#) to drive collective, transformative change to remove deforestation, forest conversion and degradation from key commodity supply chains.

As a RCC member, we remain committed to taking the results of the annual RCC assessment into account when making decisions for both sourcing and engagement. The expansion of the number of traders assessed this year – 9 in 2020 compared to 5 in 2019 – provides us with more data on the traders that we collectively source from, and we were pleased to see engagement from some traders that Sainsbury's had voted to be included in the assessment.

We remain strong supporters of the CFI and are proud to be a part of the collective action to end cocoa-related deforestation in our supply chains.