

Cocoa & Forests Initiative Annual Progress Report 2021



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 findings from the 2021 RCC assessment:

1. Traders' climate commitments are relatively strong. However, it is not clear how directly deforestation, conversion and land use are addressed in Scope 3 (value chain) targets.
2. Traders' zero-deforestation commitments are not entirely aligned with best practice, and the issue of verifying deforestation- and conversion-free claims is outstanding.
3. Levels of certification are relatively low – the most used third-party certification is Rainforest Alliance at 22% of supply on average. Despite this, certification is claimed as a means of demonstrating progress.
4. Verification of commitments and progress is limited overall. The credibility of sustainability programmes can be undercut by a lack of validation.
5. Ambitions on social issues, particularly child and forced labour, are limited. Although commitments may exist, comprehensive risk management systems are infrequent.
6. Traceability of cocoa volumes to processing plant and farm/plot levels are relatively low. This is contrasted with relatively high levels of GPS mapping for farms.



Sainsbury's specific Cocoa & Forests Initiative Actions

Sainsbury's is committed to ambitious climate change targets, and we know that without urgent action to protect forests and ecosystems, the world cannot limit climate change to 1.5C and achieve the goals of the Paris Agreement.

At COP26 last year we committed to ensuring our Sainsbury's brand products do not contribute to deforestation by 2025. We have identified cocoa as one of priority key raw materials for deforestation risk. We are developing a roadmap of action to tackle both environmental and social risks within our cocoa supply chains and ensure tropical forests are protected whilst smallholder farmer communities are supported. We will be publishing this roadmap in 22/23.

We also know that the due diligence provisions within the UK Environment Act and forthcoming EU regulation will make it illegal to use key forest risk commodities produced on land illegally occupied or used. In our consultation response to the UK legislation, we made clear we welcomed this regulation, and that cocoa should be one of the commodities in scope.

To inform our renewed vision for our human rights work we have undertaken a group-wide human rights saliency assessment across our product supply chains, including cocoa. We have conducted this assessment following UN guiding principles putting the focus on risk to people in our supply chains rather than the risk to our business. This saliency assessment has highlighted what are the greatest human rights risks in our cocoa supply chain and is feeding into to our cocoa roadmap that will be published in 2022/2023.

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. 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.