



**Cocoa &
Forests
Initiative**



**Sustainable
Cocoa Sourcing
Programme**

Toms Group CFI Action Plan, March 2019



I. Introduction

The governments of Côte d'Ivoire and Ghana and the world's leading cocoa and chocolate companies signed landmark agreements in November 2017 to end deforestation and promote forest restoration and protection in the cocoa supply chain.

This new public-private partnership – called the Cocoa and Forests Initiative (CFI) – has been organized by the World Cocoa Foundation (WCF), IDH - the Sustainable Trade Initiative, and The Prince of Wales's International Sustainability Unit (ISU). The Prince of Wales launched CFI in March 2017 in London.

The Frameworks for Action for Côte d'Ivoire and Ghana define core commitments, verifiable actions, and timebound targets required for a deforestation-free and forest-positive supply chain.

The Governments of Côte d'Ivoire and Ghana play a critical leadership role in establishing the national strategy, enabling policy environment, and governance structure for CFI implementation. They ensure that CFI is linked to similar initiatives with other commodities, and fully aligned with the national REDD+ Strategy and other relevant national strategies and plans. They provide key operational guidance, and baseline economic, environmental, and social data, to help companies identify and plan the most effective and efficient private investment activities for CFI.

The Governments have prepared comprehensive national implementation plans (Côte d'Ivoire, Ghana) that outline key public sector priorities, actions and timelines, following extensive consultation with all stakeholders. During the first year of CFI, the

Governments have launched work on the key building blocks for successful CFI implementation, including important revisions to the legal framework for sustainable forest management, preparation of up-to-date boundary maps of protected areas, and collection of socio-economic and land use data for the priority investment areas.

Thirty-three companies¹, accounting for about 85% of global cocoa usage, have now joined CFI. Each company has agreed to prepare a detailed individual action plan that spells out the specific actions it will take in 2018-2022 to deliver the commitments set out in the Framework. Each company will decide for itself how to best support the achievement of the Framework objectives, based on their role in the supply chain, their corporate strategic priorities, and their cocoa sustainability goals.

Almost all companies have now completed initial action plans. These initial plans will be updated and finalized in 2019 after the governments have completed the ongoing legal and operational policy changes, the mapping of protected areas, baseline data collection, and other building blocks needed for full investment programming.

¹ Arysta Callivoire, Barry Callebaut, Blommer Chocolate Company, Cargill Cocoa and Chocolate, Cémoi, Chocolats Halba, Cocoanect, Cococo Chocolatiers, ECOM Group, Fazer, Ferrero, General Mills Inc., Godiva Chocolatier Inc., Guittard Chocolate Company, The Hershey Company, Indcresa, Lindt & Sprüngli Group, Marks & Spencer Food, Mars Wrigley Confectionery, Meiji Co. Ltd., Mondelēz International, Nestlé, Olam Cocoa, PBC Limited, Sainsbury's, SIAT, Tesco, Toms Group, Touton, Tree Global, Unilever, Valrhona, and J.H. Whittaker & Sons



CFI has been supported by several global development partners, including the United Kingdom's Department for International Development, the Dutch Ministry of Foreign Affairs, the German Federal Ministry of Economic Cooperation and Development, the World Bank, the International Finance Corporation, the Global Environment Facility, and the Green Commodities Program of the United Nations Development Program.

CFI is coordinated closely with a wide range of global and local environmental organizations and partnerships, including the Tropical Forest Alliance 2020, Amsterdam Declaration Partnership, Partnerships for Forests, the Rainforest Alliance, and World Resources Institute.

II. What are the key commitments in CFI?

The Frameworks are structured around three critical themes of

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. Up-to-date maps on forest cover and land-use, socio-economic

data on cocoa farmers, and detailed operational guidelines covering forest management and land-use are being developed and will be publicly disclosed.

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 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 have agreed to accelerate 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 will be accelerated through food crop diversification, agricultural intercropping, and development of mixed agro-forestry 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 will assess and mitigate the social impacts and risks of any proposed land-use changes on affected communities.

The set of public-private actions represent unprecedented commitments on forest protection and restoration, and sustainable cocoa production and farmer livelihoods. These combined actions, which are aligned with the Paris Climate Agreement, will play a crucial role in sequestering carbon stocks and thereby addressing global and local climate change.

III. Toms Group overall vision for the Cocoa & Forests Initiative

Toms Group joined CFI to define a structural solution to deforestation in the cocoa supply chain in Cote d'Ivoire and Ghana. Furthermore, CFI is a crucial step to achieve our Forever Chocolate target to become forest positive by 2025.

The Frameworks for Action are truly unique, as there is no other commodity for which governments, industry and NGOs have come together to agree on concrete measures to eradicate deforestation. Cocoa related deforestation in West-Africa is caused by a combination of factors, including cocoa farmer poverty, climate change and pollution-induced low yields and challenges in enforcing forest protection laws.

In order to define a structural solution to deforestation in the cocoa supply chain, many actors must work together and the CFI provides

the platform for industry, governments and other stakeholders cooperating to achieve a 100% sustainable cocoa supply chain.

IV. Toms Group Action Plan

Toms Group has for more than a decade worked persistently to get cocoa production on a sustainable footing. The Toms Group Danida Business Partnership projects from 2009-2012 and 2013-2016 have shown strong results proving that lasting results is indeed possible to achieve.

With Toms Sustainable Cocoa Sourcing Programme Toms Group continues the positive trend that is has set in motion since 2006. Toms Group CFI Action Plan is included in the Programme plan for Toms Sustainable Cocoa Sourcing Programme.

The plan will be updated annually as activities progress and as the Ghanaian governments provide further necessary technical information (such as boundary maps) and policy directions (such as land use guidance in degraded forests). While a lot remains to be done, we have made progress in assessing, learning and investing, and are confidently increasing the adoption of innovative approaches to drive impact.



V. Primary activities and investments

Toms Sustainable Cocoa Sourcing Programme Plan 2019 is aligned with the Cocoa & Forest Initiative framework.

The following activities under each CFI pillar are implemented in the Programme Plan for 2019:

For more information on our specific activities please have a look at Toms Group webpage: https://tomsgroup.com/en/our_responsibility/ or contact Toms Group CSR and Communications Manager Lea Holm: lsh@tomsgroup.com.

CFI Pillar	Activity
Forest Protection & Restoration	<ul style="list-style-type: none">• 100% farms mapped and deforestation risk assessment by 2019• Halt sourcing activities from farms identified within Forest Reserve areas by December 31,2019• Awareness campaign and training of Climate Smart Agricultural Practices (CSC) for 4,800 farmers• Distribution of 70,000 multipurpose trees for farm restoration
Sustainable Production & Livelihoods	<ul style="list-style-type: none">• Distribution of 165,550 cocoa seedlings• Establishment of 24 community-based nurseries• Training on GAPs for 4,800 farmers• Promotion of farm diversification to 564 farmers• Formation of VSLAs• Traceability up to farm level
Social & Communities Engagement	<ul style="list-style-type: none">• Organization of community consultations in 112 societies