

Toms Group A/S
Our Efforts in 2023



**Cocoa &
Forests
Initiative**

Toms

The Cocoa & Forests Initiative: Collective Action to End Cocoa-Related Deforestation

The governments of Côte d'Ivoire and Ghana and 36 leading cocoa and chocolate companies, representing 85% of global cocoa usage, joined together in the [Cocoa & Forests Initiative](#) to end deforestation and restore forest areas. Their combined actions play a crucial role in protecting and restoring biodiversity, 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.

To learn more, follow #CocoaAndForests on social media, or visit [Cocoa & Forests Initiative](#).

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 (now King Charles III) 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 26% and 9.3% of their humid primary forest between 2002 and 2020, with a significant portion of deforestation attributable to cocoa farming expansion.

Cocoa provides crucial income to communities in rural West Africa, but farmers are too often faced with poverty. Poverty is one of the causes of deforestation. Accelerating a transition to sustainable livelihoods is essential for farmers' economic security and a healthy planet.



Fighting for sustainable cocoa

Key elements of our corporate social responsibility lie at the beginning of our value chain. We must safeguard and promote sustainable use of the resources of our planet, and act with care for human rights throughout our supply chain, ensuring responsible procurement practices. Therefore, the first pillar in our sustainability strategy continues to be Responsible Sourcing. We will keep fighting against deforestation and child labour – aiming to cover 100% in our cocoa supply chain by 2025, and 100% of our entire supply chain by 2030. These are significant tasks. With decades of experience fighting for sustainable cocoa, we recognise that the complex social and environmental challenges in the cocoa supply chain will not be solved easily or quickly. The same applies to the issues related to some of our other raw materials. However, this is not an excuse to not do what we can.


Help instead of leaving behind


Our approach is not to stop buying from suppliers where risks are identified. Following the United Nations Guiding Principles on Business and Human Rights, the right thing to do is to support, pursue and push for sustainable development. Therefore, our approach is not to ignore the problems we find, but to ensure proper assessments and to monitor and remediate practices with an inherent risk of children becoming involved in child labour – or of forests being damaged or destroyed.

Increasing our efforts

During the past two decades, we have invested in local initiatives to improve the livelihoods of cocoa farmers and their children, and to protect forests. We have sourced our cocoa beans through programmes supporting sustainable cocoa production, and have been involved with leading international organisations, collaborating to achieve lasting changes in the cocoa industry on a large scale.

We will continue all of this in 2024, and we remain committed to increasing our efforts and to push for more changes at a faster pace. Where possible, our cocoa suppliers will be required to meet the same standards: the cocoa must be covered by standards where the farms are proven to have no deforestation and with systems in place that effectively prevent, monitor and remediate child labour. This will not solve all the issues at once. But we believe it is a necessary and strong foundation for sustainable development of cocoa farming. We aim to ensure and sustain an impact through our own supply chain. Additionally, we continue our cross-industry engagement with the leading organisations collaborating for a sustainable development of the full cocoa industry.





Responsible Sourcing

We protect forests and children's rights throughout our supply chain

- 100% certified cocoa by the end of 2023
- Our fight against deforestation and child labour covers 100% of our cocoa supply chain by 2025
- Our fight against deforestation and child labour covers 100% of our full supply chain by 2030

Pillar 1



Responsible Sourcing

We protect forests and children's rights throughout our supply chain



- 44% in 2022
- 84% in 2023
- 100% in 2024

Supporting sustainable cocoa

In 2023, 84% of our total cocoa supply was certified by Rainforest Alliance or sourced through the sustainability programme, Cocoa Horizon. This number exceeds our target of 70% for 2023.

In 2024, we remain committed to purchasing cocoa certified by Rainforest Alliance, Fairtrade or Cocoa Horizon, targeting 100% of the total volume.

This means that we will be covered by certifications for farms proven to have no deforestation and with systems in place that effectively prevent, monitor and remediate child labour. Where certifications are not available, we defer to our supplier's documentation and compliancy requirements for sourcing cocoa.

What we have been able to do in Ghana

But before we can reach the targets set for 2024 and 2025, it is important to report what our initiatives, efforts and collaboration in 2023 amounted to.

Preventing deforestation is a key element of our strategy, and in 2023, 2.751 hectares in our direct supply chain had undergone and completed a deforestation risk assessment, and 1.133 farms that have been mapped in our direct supply chain.

25.748 improved cocoa seedlings have been distributed to farmers because of our efforts in 2023, aiding them in their effort to increase efficiency and causing less strain on the soil in the area. The total amount of improved cocoa seedlings distributed is almost 300.000 over the past 5 years. Multi-purpose trees have also been distributed on a large scale, and 16.210 of them were granted for on-farm planting.

285 individuals were participating in women's empowerment projects or enrolling in financial services, such as drought or flood insurance in 2023.

As an effort to increase the overall livelihood of the cocoa farmers, in 2023 12 groups of 15-30 people, split roughly equal between male and female participants, have banded together in Village Savings and Loans Associations, incentivising collaboration and pooling their savings. This provides the group members with access to basic financial services. As an added effect of these groupings, entrepreneurial and leadership skills can be discovered among the members, and many have reported a rise in self-esteem and -confidence in their new roles in the group.

The basis of many of these efforts could not have been achieved without coaching and training the farmers, and in 2023, we helped ensure 801 farmers were reached by training programs involving sustainable agricultural methods.



A commitment across our supply chain

Our commitment to fight deforestation and child labour covers more than cocoa. We are committed to equivalent targets for all raw materials in our supply chain. The findings from our double materiality assessment have provided us with the foundation for successfully being able to identify the areas that carry the most risks, and what to prioritise first, and the work we have done in 2023 will forge the path ahead for decisions to be made in the coming years. When we have finalised a full risk-mapping of our supply chain, we will follow our progress, measured by the KPI “percentage of at-risk parts of our supply chain covered by due diligence mechanisms that effectively fight deforestation and prevent, monitor and remediate child labour”.

Reporting Numbers and Efforts:

Description	# Through direct investment (Current reporting year (2023))
FOREST PROTECTION AND RESTORATION	
# of farms mapped in direct supply chain: Total Active	1.133
# of hectares in the direct supply chain with deforestation risk assessments completed	2.751
# metric tons of directly sourced cocoa traceable from the farm to the first purchase point (target is 100%)	1.033
# farmers informed, trained, and / or consulted on the new Forest Code, forest policy, law enforcement, forest protection, and restoration	5
# Individuals receiving incentives to protect and restore forests and / or adopt agroforestry (e.g., PES): New	23
# Individuals receiving incentives to protect and restore forests and / or adopt agroforestry (e.g., PES): Total Active	23
# farmers applying agroforestry: New	21
# farmers applying agroforestry: Total Active	88
# farmers provided with technical assistance to adopt and expand agroforestry	22
# multi-purpose trees distributed for on-farm planting	16.210
# hectares cocoa agroforestry: New	75
# hectares cocoa agroforestry: Total Active	168
# farmers provided with technical assistance to be more resilient to climate change and reduce and remove carbon emissions on farm (e.g., CSC)	14
SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOOD	
# improved cocoa seedlings distributed to farmers	25.748
# farmers provided with technical assistance (based on plans) to professionalize & optimize cocoa farming practices	801
# Individuals provided with technical assistance to save money and access finance	501
# of members of VSLA groups in the current year	285
# of VSLA groups in the current year	12
SOCIAL INCLUSION AND COMMUNITY	
# of individuals participating in women's empowerment projects and activities	285