



1. INTRODUCTION

Puratos is member of CFI since 2020. We are pleased to share the below progress report 2022 and further commitment toward CFI 2.0.

2. THE COCOA & FORESTS INITIATIVE: COLLECTIVE ACTION TO END COCOA-RELATED DEFORESTATION

The governments of Côte d'Ivoire and Ghana and 35 leading cocoa and chocolate companies, representing 85% of global cocoa usage, joined together in the <u>Cocoa & Forests Initiative</u> 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 (<u>Côte d'Ivoire</u> and <u>Ghana</u>) and action plans for the private sector (<u>Côte d'Ivoire</u> and <u>Ghana</u>) and public sector (<u>Côte d'Ivoire</u> and <u>Ghana</u>) 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 CocoaAndForests.org and WorldCocoa.org.

3. 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 signatory 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 continue to update the maps, including socioeconomic data on cocoa farmers, to inform private sector investments. Companies have made significant investments in the promotion of cocoa agroforestry and the restoration of degraded forests.

To ensure effective implementation and monitoring of these commitments, companies have pledged to develop traceability from farm to the first purchase point for their own purchases of cocoa. They also work with governments to ensure an effective national framework for traceability encompassing all traders in the supply chain and to anticipate forthcoming due diligence





legislation. The companies will similarly share information with the national satellite monitoring platforms 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 participating governments and CFI signatory companies are accelerating investment in long-term productivity of cocoa in order to grow "more cocoa on less land." Key actions include provision of planting materials for the promotion of cocoa agroforestry, 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.

2022 PROGRESS REPORT

4. FACTS & FIGURES

Puratos is directly engaged in Ivory coast through the implementation of their flagship sustainable program Cacao-Trace. In 2022 we achieved our Digitalization and Agroforestry targets of 103 000 in farm shade trees planting.

More can be found on our annual report: https://www.puratos.com/commitments/next-qeneration/better-planet/responsible-sourcing#Cocoa





CACAO-TRACE PROGRAM



FARMER COMMUNITY

total farmers
6,133

AVERAGE FARM SIZE HA
2.15

TRACEABILITY TO FARM
100%

DIGITAL MAPPING
75%

CLMRS
50%

COCOA BEAN



ECONOMIC IMPACT

MARKET *

CURRENT FARM €1,372

MINIMUM PRICE YES

CACAO-TRACE

AVERAGE FARMER €65
QUALITY PREMIUM FAID/MT

CHOCOLATE €0.10

TOTAL CHOCOLATE ₹ €769,980 BONUS:
DISTRIBUTION:

ଞ୍ଚ €1,574,035

ENVIRONMENTAL IMPACT

2021 2022 AGRO-FORESTRY PLANTING PLANTING

TREES PLANTED 40,000 103,578

COMMUNITY PROJECT

- 12 WATER PUMPS (2022)
- 4,500 SCHOLARSHIP KITS (2022)
- 1 MATERNITY IN NERO BROUSSE (2022)
- 3 CLASSROOMS + 8 TOILETS IN THE DÁVIDKRO COMMUNITY (2022)
- 1 RICE MILL IN PARC (2022)

Minimum Price: the Cacao-Trace program has already implemented a minimum price policy in three countries and is preparing the transition to minimum price in the other sourcing countries in the coming years.

^{*} Current Farm Gate Price (market information) is shown for information purposes in order to quantify the relative impact of the Cacao-Trace measures.





ANNEX 1: TRACKING TABLES (REQUIRED)

		# Through direct investment	# Through direct
Indicator	2022 Target	(Current reporting year)	investment (Since 2018)
FOREST PROTECTION AND RESTORATION		(control opening)	
# of cocoa plots mapped in direct supply chain		1.777	
# of farms mapped in direct supply chain	1,600	1,589	2,04
# of hectares in the direct supply chain with deforestation risk assessments completed		,	,
% of directly sourced cocoa traceable from the farm to the first purchase point	100%	100%	1009
# hectares restored in Forest Reserve / Forêts Classée		C	(
# trees registered			
# of farmers with land tenure agreements/documentation obtained via company support		C	
# farmers informed, trained, and / or consulted on the new Forest Code, law enforcement, forest protection, and restoration		C	
# individuals receiving PES: New		C	(
# individuals receiving PES: Total Active	1,000	O	
# farmers applying agroforestry		530	88
# multi-purpose trees distributed for on-farm planting	120,000	103,000	142,84
# hectares cocoa agroforestry in development	800	1,263	1,70
# of trees distributed for off-farm planting			
# hectares of forest area restored off-reserve / in rural zone		0	
# farmers trained in CSC best practices		C	
# of farmers trained in Modified Taungya System (MTS)			
\$ contributed to fund			
SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOOD			
# improved cocoa seedlings distributed to farmers			
# of farmers reached by GAP training programs	1,600	4,500	7,20
# individuals participating in additional Income Generating Activities (IGA's)	100	198	19
# of individuals in the current reporting year enrolled in a formal financial products and services with support from companies	72	66	6
# of members of VSLA groups in the current year	184	198	19
# of VSLA groups in the current year		7	
SOCIAL INCLUSION AND COMMUNITY			
# of cocoa communities with active forest restoration and protection program (CBNRM)	10	4	
# hectares under CBNRM	800	530	88
# of individuals participating in women's empowerment projects and activities			(
# of individuals participating in youth focused projects and activities (15-35 years old)		63	63





CFI 2.0 ACTION PLAN

5. CFI 2.0 CONTEXT

We have reached an important milestone for The Cocoa & Forests Initiative with the successful completion of the collaboration's first phase. Over the past five years, the signatory governments and companies have made significant progress towards eliminating deforestation and restoring forest areas. Building on this partnership, there is a strong commitment from the companies and government, and other stakeholders, towards the continued and growing success of CFI.

Both private sector and the governments agree that for CFI 2.0 (2023-2025) to be successful, we must accelerate and scale impact on the ground by building collective action and co-investment in priority landscapes in addition to supply-chain investments. Therefore, the focus of CFI 2.0 is to also implement public-private collaborations in priority landscapes to improve livelihoods, conserve forests and restore degraded area, thereby protecting biodiversity and ecosystem services, reducing and sequestering carbon, and establishing zero-deforestation landscapes. CFI 2.0 will also play a key role in building alignment with EU (and potentially other) due diligence legislation on deforestation.

The Governments have adopted comprehensive plans (Côte d'Ivoire National Action plan (French and English), Ghana National Implementation Plan) for CFI 2.0 that outline key public sector priorities, actions and timelines in line with this common goal. The CFI signatory companies have developed new action plans that set their targets for CFI 2.0 (2023-2025) in alignment with the national plans and Frameworks for Action.

6. PURATOS'S OVERALL VISION FOR THE COCOA & FORESTS INITIATIVE 2.0

- Puratos is committed to forest and biodiversity protection in its Cocoa supply chain. In its direct Program Cacao-Trace, Agro forestry plays a central role in the environmental Pilar.
- In Ivory coast, Puratos is sourcing growing volumes of Cacao-Trace cocoa and will keep investing massively in the program and its Agro forestry component. We do see a strong alignment between what Puratos is achieving on the ground and the CFI 2.0 initiative and are proud to be part of this long term sectorial approach.

7. OVERVIEW OF COMPANY ACTION PLAN

• By 2025 we aim to grow significantly our direct sustainable cocoa sourcing program cacao-Trace in Ivory coast. Within this development we are committed to achieve impact for our program stakeholders in Ivory coast, the farmers and the environment. Our Action plan consist of a mixed approach combining the reinforcement of Traceability, the development of Agroforestry and finally an increasing impact on farming communities (quality premium, chocolate Bonus, income actions)

8. PRIMARY ACTIVITIES AND INVESTMENTS

• We aim at planting minimum 100 000 on farm shade trees per year (500 ha annually)





- The program aims to reach and benefit 10 000 farmers in Ivory coast
- 100% of our direct Cacao-Trace Program will be covered by digital mapping and deforestation risk assessment

ANNEX 3: ACTION PLAN TABLES (REQUIRED)





CFI Company Action Plan for Côte d'Ivoire (Brands)

Commitment	Actions	Indicator	Indicator notes	# through direct investment (Oct 2022-Sept 2023)	# through direct investment (Oct 2023-Sept 2024)	# through direct investment (Oct 2024-Sept 2025)	TOTAL # through direct investment (Oct 2022-Sept 2025)		
Forest Protection and Restoration									
No further conversion of any forest land (as defined under national regulations, and using HCS and HCV methodologies) for cocca production.	Conduct farm mapping within direct supply chain to identify and collect cocoa farm boundaries to ensure cocoa is not being sourced from forest lands, National Parks and Reserves, and Classified Forests	# and % of farms mapped in direct supply chain (HP- IND-03)	Removed: # of cocoa plots mapped in direct supply chain	6133, 75%	9000 85%	12000 farms 100% mapped			
	Conduct deforestation risk assessments in all direct sourcing areas	# of hectares in the direct supply chain with deforestation risk assessments completed (HP-02)		20,000	35,000	45000			
No sourcing of cocoa from National Parks and Reserves through companies' traceable direct sourcing	Implement traceability tools/technology to ensure no cocoa purchases originate from National Parks or	% of directly sourced cocoa traceable from the farm to the first purchase point (HP-IND-02)		100%	100%	100%	100%		
orgrams. 3. A differentiated approach based on the level of degradation of forests for classified Forests will be developed and translated into a national forest restoration strategy	Reserves (all forest areas) 3.1 Support the restoration of Classified Forests by working with cocoa farmers, the government and the forestry industry to implement contracts for mixed agroforestry as a restoration and livelihoods intervention.	# hectares restored in Classified Forests (HP-07)							
Legal protection and management status for the remaining forests of Côte d'Ivoire in the Rural Domain	4.1 Support farmers with tree registration	# trees registered							
	4.2 Support cocoa farmers to acquire land (tenure) documentation	# and % of farmers with land tenure agreements/documentation etc. obtained via company support (PF-07)							
Public enforcement of the new Forest Code and its subsequent guidelines, and public sector governance will be strengthened	5.1 Promote and participate in awareness-raising campaigns to educate farmers on the new Forest Code	# farmers informed, trained, and / or consulted on the new Forest Code, lawenforcement, forest protection, and restoration (HP-11)							
Public-private collaboration to mobilize resources for forest protection and restoration	6.1 Mobilize finance for forest protection and restoration	# Individuals receiving PES: New(HP-05)	To be changed to: Individuals receiving incentives to protect and restore the environment (e.g., PES): New						
		# Individuals receiving PES: Total Active (HP-05)	To be changed to: Individuals receiving incentives to protect and restore the environment (e.g., PES): Total Active						
	7.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	# farmers applying agroforestry in deviopment (HP-06)	To be changed to: Households provided with technical assistance and support based on plans to adopt agroforestry						
		# multi-purpose trees distributed for on-farm planting (HP-10)		100000	100000	100000	300000		
Public-private collaboration to identify good		# hectares cocoa agroforestry in development (HP- IND-04)		500	500	500	1500		
practices, technical guidance and incentive mechanisms for forest restoration and agro-forestry	7.2 Support distribution and planting of native trees for off-farm restoration (reforestation)	# # of trees distributed for off-farm planting (HP-09)							
		# ha of forest area restored in rural zone (HP-07)							
	7.3 Train farmers in CSC production including cocoa agroforestry systems	# farmers trained in CSC best practices (HP-08)	To be changed to: Households provided with technical assistance and support based on plans to reduce and remove carbon emissions on farm (CSC)						
Government creation, in collaboration with all stakeholders, of a public-private fund to support financing of protection and restoration of HCV forest areas.	8.1 Support the creation of the government led public- private forest conservation and rehabilitation fund	\$ contributed to fund							
		\$ Contribution for Pillar		444000	560000	576000	1580000		
			and Farmers' Livelihoods	I	!	! 			
O Dramata in natment in less term an dustricity of excess	9.1 Distribute improved cocoa planting material	# improved seedlings distributed to farmers (PF-IND- 02)							
Promote investment in long-term productivity of cocos in environmentally sultable areas in order to grow "more cocoa on less land"	9.3 Train farmers in Good Agriculture Practices (GAPs)	# of farmers reached by GAP training programs (PF- IND-01)	To be changed to: Individuals provided with regular technical assistance and support based on needs to professionalize & optimize productivity	6133	9000	12000			
Promote sustainable livelihoods and income diversification for cocoa farmers	10.1 Promote farm-level crop diversification	# individuals participating in additional Income Generating Activities (IGA's) (PF-IND-03)	To be changed to: Individuals provided with regular technical assistance and support based on needs to increase income from non-cocoa sources /IGA's						
	10.2 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	# multi-purpose trees distributed for on-farm planting		Already reported 7.1					
		# hectares of cocoa agroforestry in development							
11 Promote financial inclusion and innovation to deeper	11.1 Offer financial products to farmers and promote farmer savings	Ill and 1% individuals in the current reporting year emrolled in a form financial products and services (loans, insurance, digital payments, and savings (bankimobile) with support from companies (excluding cocoa bean pre-linancing)	To be changed in Individuals provided with regular technical assistance and support based on needs to save money and access finance (e.g., VSLA)						
farmers' access to working capital and investment funds for production and farm renovation				••••••					
		# of members of VSLA groups in the current year # of VSLA groups in the current year							
12. Improve supply chain mapping, with the goal of 100% of cocoa sourcing traceable from farm to first	12.1 Conduct farm mapping within direct supply chain to identify and collect cocoa farm boundaries to ensure		I						
Tours of racces sourcing traceable from sim to linst purchase point. An action plan will be developed for traceability, which will be implemented step-by-step to achieve full traceability and verification, applicable to all by end-2019.	to identify and collect cocos farm boundaries to ensure cocos is not being sourced from forest lands, National Parks and Reserves, and Classified Forests 12.2 Implement traceability system to farm level in direct supply chain	# and % of farms mapped in direct supply chain % of direct sourced cocce traceable from Individual farms to first purchase point		Already reported 1.1 Already reported 2.1					
		tion for Pillar		792000	880000	968000	2640000		
 Full and effective information sharing, consultation, and informed participation of cocoa farmers and their 	13.1 Organize cocoa community consultations on the	# farmers informed, trained, and / or consulted on the	ommunity Engagement						
and mormed participation of cocoa farmers and meir communities who are affected by proposed land-use changes.	implementation of the Frameworks for Action	newForest Code, lawenforcement, forest protection, and restoration			Already	reported 5.1			
14. Promote community-based management models for forest protection and restoration		# of cocoa communities with active forest restoration and protection program (HP-03)							
Development of action plans for forest protection and restoration, and sustainable agricultural interdification that are gender and youth sensitive.	15.1 Develop forest protection & restoration and agriculture internal feation action plans that are gender and youth sensitive	# hectares under CBNRM (HP-04)							
		# of individuals participating in women's empowerment projects and activities (EC-08) # of individuals participating in youth focused projects							
		and activities (age 15-35) (EC-07)							