COCOA LIFE 2022 CFI PROGRESS REPORT AND PHASE TWO ACTION PLANS

TACKLING DEFORESTATION IN COCOA LANDSCAPES

JUNE 2023

Cocoa & Forests Initiative

Mondelēz International

COCOA LIFE

CONTENTS

FOUR YEARS ON: CFI LAYING THE FOUNDATIONS FOR A FOREST POSITIVE FUTURE FOR COCOA

Land use change, principally deforestation, contributes 12-20%[1] of global greenhouse gas emissions – and is a key challenge facing the cocoa sector. Côte d'Ivoire and Ghana supply about 60% of the world's cocoa, but lost 25% and 8% respectively of their humid primary forest between 2002 and 2019[2]. Cocoa farmers in West Africa are already experiencing climate change with more erratic rainfall, higher temperatures and drought which pushes them to expand into new areas to compensate for falling yields, triggering this vicious cycle all over again. If the cocoa sector does not take action, current cocoa-producing regions may no longer be viable in the future.

By Cedric van Cutsem, Senior Director Cocoa Life, Mondelēz International

In 2012, Cocoa Life was launched by Mondelēz International (MDLZ) with the ambition of lifting the people and protecting the landscapes where cocoa grows through an integrated approach. We focus on protecting and restoring forests by helping farmers to grow more cocoa on less land, and apply farming practices which help reduce pressure on cocoa landscapes. This includes investment in training farmers, encouraging the adoption of good agricultural and environmental practices — including agroforestry — and incentivizing communities to plant trees.

Furthermore, developing a more sustainable, scaled, and thriving cocoa supply chain will help us to reduce our total greenhouse gas (GHG) footprint and in turn, achieve our long-term MDLZ goal to realize net zero CO_2 emissions. Last year, coinciding with the 10 year anniversary of Cocoa Life, MDLZ launched its Vision 2030 growth strategy making sustainability a key pillar. As part of this strategy, the company announced the next phase of Cocoa Life backed by an additional ~USD$600 million through to 2030, taking total investment since the start of the program to ~USD$1 billion. Our goal is to increase our cocoa volume scale and work with nearly 300,000 farmers through the Cocoa Life program by 2030.

After raising the issue of cocoa-based deforestation at COP21 in Paris, in 2017 MDLZ became a founding member of the Cocoa & Forests Initiative (CFI), alongside the governments of Côte d'Ivoire and Ghana, and other world-leading chocolate and cocoa companies. We launched ambitious four-year (2018-2022) transformative action plans to work towards ending cocoa-based deforestation and restore forests.

While protecting and restoring forests has been core to Cocoa Life since its inception, joining CFI was crucial to accelerate progress in collaboration with others: this partnership brought all key stakeholders to the table and created a framework for collective action.

Looking back at our ambitious CFI phase one action plans, we are encouraged by the progress and scale-up of Cocoa Life interventions over the past four years. Vital foundations have been laid and partnerships have been initiated, helping to bring dynamic change to cocoa communities and forests. Alongside our partners and guided by shared learnings, we've scaled up farm mapping, farmer training and tree distribution activities. We've also worked with partners to pilot our own innovations such as the 'Payment for Environmental Services' (PES) program, the first of its kind in the cocoa sector, which offers farmers economic incentives for adopting agroforestry practices, reforestation, and protecting forests. Due to the success of the pilot, we can now see PES being scaled more widely across the sector.

[1] Climate Funds Update, 2020
[2] World Cocoa Foundation, 2023

Positive change is happening, but challenges remain. CFI's progress last year continued to be impacted by a world recovering from COVID-19 and in addition to global economic challenges, major cocoa producing countries struggled with high rates of inflation. We know we can't tackle the challenges and achieve the impact we seek on our own, which is why we continue to work in collaboration with partners, external advisors, governments and other stakeholders as we focus on increasing our long-term positive impact.

We are committed to undertaking practical, proactive human rights and environmental due diligence in our own operations and seek to work with suppliers who share the same level of commitment. We take action to help mitigate identified risks, prioritize areas of focus through signature sustainable sourcing programs such as Cocoa Life, and advocate for systemic solutions through public-private collaboration. We collaborate with others along the supply chain to help address systemic environmental and human rights issues. Mondelēz International has also been a vocal advocate in favor of mandatory due diligence legislation. In the European Union, the world's largest consuming market for West African cocoa, we have collaborated with peer and supplier companies as well as NGOs through the 'Cocoa Coalition' to amplify our voice. Read our joint position here.

We welcome the EU Commission's Corporate Sustainability Due Diligence directive (issued in February 2022), which requires companies to identify and address human rights and environmental risks in their value chain.

As the second phase of CFI gets underway, to help solve the systemic issues facing the cocoa sector, we will focus on two approaches to go forward faster with Cocoa Life's action plans: 'radical collaboration' and 'smart innovation'. Through 'radical collaboration' we aim to connect key sector actors to pilot and scale landscape-wide environmental initiatives that work for everyone, and through 'smart innovation' we aim to pioneer tailored interventions which fit farmers' diverse needs and help tackle systemic challenges through farm mapping technology, agroforestry techniques and on and off-farm tree planting. These two approaches will be our strategy for scaling flagship agroforestry pilots such as Payments for Environmental Services (PES) and Modified Taungya System (MTS), as well as other sector-wide initiatives that help lift the people and protect the landscapes where cocoa grows. We are drawing on key lessons learned, to achieve our bigger Cocoa Life ambitions, and in doing so are helping make transformational impact in cocoa.

SUSTAINABILITY AT MDLZ: A STRATEGIC PILLAR FOR LONG TERM GROWTH

At MDLZ, we are taking action to play our part in helping to combat climate change. For the past few years, we have been on a path to reduce our carbon emissions and in 2021 we took an important step forward – aiming toward a long-term goal of net zero GHG emissions across our full value chain by 2050. We are in the process of adjusting our path towards net zero, which is subject to verification by the SBTi. In the meantime, we continue to work towards our 2025 public goals, including reducing our absolute end-to-end GHG emissions by 10% by 2025 vs. a 2018 baseline. We take a thorough approach following the internationally recognized Greenhouse Gas Protocol (GHG Protocol) Standards to calculate, annually, our total carbon footprint across our end-to-end supply chain, covering Scopes 1, 2, and 3.

"IN 2022 WE CONFIRMED OUR APPROACH ON CARBON METHODOLOGY THROUGH A REVIEW OF OUR 2018 BASELINE, AS WELL AS 2021 AND 2022 EMISSIONS AS PART OF A PLANNED RE-BASELINE CYCLE. THIS INCLUDED CREATING CUSTOM EMISSION FACTORS FOR OUR SIGNATURE PROGRAMS SUCH AS COCOA LIFE, AND SET THE FOUNDATION TO BE ABLE TO REFLECT INTERVENTIONS' POSITIVE IMPACT. OUR CONTINUED FOCUS LIES ON PREPARATION FOR THE NET ZERO SUBMISSION FOR VALIDATION WITH THE SBTI."

MICHAEL WEBER,
SENIOR DIRECTOR,
CLIMATE & ENVIRONMENT,
MONDELĒZ INTERNATIONAL

Approximately 64%[3] of MDLZ's CO_2 emissions come from raw materials, concentrated in four key commodities. This informs our focus on reducing carbon emissions and increasing resilient landscapes across cocoa, dairy, wheat, and palm oil. Cocoa Life is MDLZ's signature sustainability program for cocoa; forests play an integral part in the carbon cycle and therefore the work to help protect and restore forests through Cocoa Life and CFI is important for decarbonization. Translating our deforestation-free and agroforestry interventions into custom emission factors using farm level data resulted in lower emission intensity vs. generic emission factors when looking at major sourcing countries. For more information, *see page 8* for an update on further understanding the impact on forests.

When Vision 2030 was announced last year, this reaffirmed MDLZ's commitment to sustainability as part of its long-term growth strategy. Helping drive positive change at scale across the company's focused set of environmental, social, and governance priorities will help create long-term value for both business and stakeholders to 2030 and beyond. In fact, MDLZ's intention is to go much further and drive progress towards a more sustainable cocoa sector.

Christine McGrath, SVP and Chief Impact & Sustainability Officer at Mondelēz International was one of the key architects for the Vision 2030 strategy and recently appointed Chair of The World Cocoa Foundation (WCF).

"CFI IS AN EXAMPLE OF A SUCCESSFUL INITIATIVE WHICH HAS BEEN FOUNDED ON COLLABORATION ACROSS THE SECTOR. IT IS THE FLAGSHIP PUBLIC-PRIVATE-PARTNERSHIP OF WCF, WHERE I AM PROUD TO BE THE NEWLY APPOINTED CHAIR. TODAY, WE ARE TACKLING THE CHALLENGES OUR SECTOR FACES HEAD ON AND HARNESSING THE POWER OF COLLECTIVE ACTION. WE'RE CONNECTING ACTORS ALONG THE CHAIN AND ENCOURAGE THOSE WITHIN AND BEYOND THE SECTOR TO WORK MORE CLOSELY TOGETHER TO MAKE TRANSFORMATIONAL IMPACT IN THE SEVEN COCOA PRODUCING COUNTRIES WHERE WE OPERATE."

CHRISTINE MCGRATH, SVP AND CHIEF IMPACT & SUSTAINABILITY OFFICER, MONDELĒZ INTERNATIONAL

[3] Annual GHG emissions are accounted for following the GHG Protocol Corporate Standards and using the operational control approach. Reporting includes activities of all Mondelēz International subsidiaries across all regions, except those acquired after December 31, 2021. All acquisitions until 2021 are incorporated in our GHG emissions for 2018, 2021 and 2022. In the reporting year 2022, we have recalculated our base year, 2021 and 2022 inventory following the GHG Protocol Corporate Standards. For more details, please see the Carbon Accounting Manual.

PHASE ONE: OVERVIEW OF OUR CFI ACTIONS & PROGRESS (2018-2022)

PHASE ONE OF CFI HAD THREE CORE AMBITIONS:

- To help protect and restore forests
- To promote more sustainable cocoa production and farmers' livelihoods
- To engage communities and boost social inclusion

Against these priorities, we set ourselves ambitious, four-year action plans in line with our strategy, seeking near zero deforestation on Cocoa Life registered farms and aiming toward MDLZ's long term goal of net zero GHG emissions across its full value chain by 2050.

Our action plans focus on Côte d'Ivoire and Ghana — where the challenge of deforestation is most acute — as well as Indonesia, taking us above and beyond our CFI commitment.

OUR PHASE ONE ACTION PLANS WERE STRUCTURED ACROSS THREE PILLARS:

PROTECT: It's critical to understand where our cocoa is produced, by whom and under what conditions, to help support farmers' practices. MDLZ was one of the first chocolate companies to seek to map 100% of the farms in their supply chain.

PRODUCE: We aim to help farmers grow more cocoa on less land via interventions such as training on good agricultural practices. Sustainable practices such as agroforestry — the growing of other trees among crops such as cocoa — will bring long-term benefits. But for farmers, their immediate concern is income. Hence, we've developed incentives to encourage them to adopt these practices. We are one of the first organization to introduce Payment for Environmental Services (PES) agreements in a cocoa farming context. These offer farmers financial incentives in return for planting non-cocoa trees, as well as for protecting and renewing forest areas. This approach has been successfully piloted in Côte d'Ivoire and then expanded to Ghana and Indonesia.

PEOPLE: Deforestation can't be addressed through cocoa farmers alone. We need to involve the broader cocoa community. Cocoa Life's core activities help ensure everyone's voices are listened to, and that communities can lead their own development. We work with our partners who co-create with communities, encouraging ownership of forest protection plans.

As phase one concludes, clear progress has been made in terms of distributing trees, mapping farms and achieving a high level of traceability to first point of purchase in our supply chains.

In the past CFI reporting year, we trained approximately 105,000 farmers in Good Agricultural Practices, distributed approximately 2,129,000 trees for on- and off-farm planting and mapped approximately 126,000 farms in Ghana and Côte d'Ivoire.

This progress adds to our total Cocoa Life progress and wider global scale up across seven countries, with approximately 246,000 Cocoa Life registered farms mapped and monitored, approximately 220,000 farmers trained in Good Agricultural Practices, approximately 415,000 community members and farmers trained on Good Environmental Practices, and approximately 6,720,000 economic shade trees distributed.[4]

[4] Reported information covers Brazil, Côte d'Ivoire, Dominican Republic, Ghana, Indonesia, India, and Nigeria. This data is provided by third parties.

LOOKING AT THE LATEST CFI REPORTING PERIOD FROM OCTOBER 2021 TO SEPTEMBER 2022, HIGHLIGHTS FROM ACROSS GHANA AND CÔTE D'IVOIRE[4] INCLUDE:

PILLAR 1:
FOREST PROTECTION & RESTORATION

PILLAR 2:
MORE SUSTAINABLE PRODUCTION & FARMERS' LIVELIHOODS

PILLAR 3:
COMMUNITY ENGAGEMENT & SOCIAL INCLUSION

ACTIVITY:	GHANA	CÔTE D'IVOIRE
# of farms mapped in direct supply chain	~70,000	~56,000
# of multi-purpose trees distributed for on-farm planting	~338,000	~863,000
# of trees distributed for off-farm planting	~230,000	~698,000
# of individuals receiving PES: New	~120	~720
# of farmers reached by GAP training programs	~74,000	~31,000
# individuals participating in additional Income Generating Activities	~55,000	~29,000
# of individuals participating in women's empowerment projects and activities	~57,000	~28,000
# of individuals participating in youth focused projects a nd activities (15-35 years old)	~8,800	~90

[5] Reported information covers Côte d'Ivoire and Ghana. This data is provided by third parties.

HIGHLIGHTS FROM 2022

Over the last CFI reporting period from October 2021 to September 2022 we have made strong progress in farm mapping and tree planting, which is important for improving yields, diversifying incomes, and helping to ensure farms are not encroaching on forested land. We are leaders in Payment for Environmental Services (PES) and the Modified Taungya System (MTS). They have proven to be our flagship agroforestry innovations that help balance environmental priorities with economic realities. There is still a long road ahead; testing and learning remains a core strategy for successfully scaling pilots, including Targeted Good Agricultural Practices (TGAPs), climate-friendly cookstoves, irrigation projects, and wider agroforestry pilots.

Forests help stabilize the climate: they regulate ecosystems, protect biodiversity, support livelihoods and can help drive sustainable growth — and they play an integral part in the carbon cycle. Across the sustainability innovations, it is only by measuring our actions that we can make improvements, and this is key when it comes to understanding our carbon impact.

UNDERSTANDING OUR IMPACT ON FORESTS

We work with our partner Satelligence, a remote sensing company, to understand Cocoa Life's impact on natural forests, applying satellite imagery to detect forest cover changes that show likely deforestation events.

Satellites continuously circle the Earth collecting data, and every year there is more information available on global land use. More information means better models.

This year, Satelligence introduced a new machine-learning method to measure deforestation rates and used an updated forest baseline to provide a more comprehensive overview of the remaining extent of mature natural forest globally.

This new model was applied to both Cocoa Life's 2021 and 2022 progress data, aiming to reiterate the results published in the 2021 Snacking Made Right report against the updated forest baseline. This allows us to compare how the scale-up of the Cocoa Life program influences our deforestation footprint. To do that, we look at deforestation signals starting in 2018 until the latest available data (2022), in alignment with our Cocoa & Forest Initiative ambitions.

By using an updated forest baseline, the results show a smaller share of forest disturbances in Ghana on Cocoa Life participating farms in 2022 compared to those farms participating in 2021. However, in Côte d'Ivoire, we detected a slightly higher rate of likely deforestation events on Cocoa Life participating farms in 2022 compared to the farms participating in 2021[6]. As a result, we see near to no deforestation on or closely around Cocoa Life farms in West Africa since 2018 (approximately 0.7% in Ghana & 1.3% in Côte d'Ivoire)[6].

"OUR COLLABORATION ON DEFORESTATION ASSESSMENT BASED ON COCOA LIFE FARM MAPPING DATA AND MONDELĒZ INTERNATIONAL CARBON FOOTPRINT ASSESSMENT EXEMPLIFIES OUR JOINT COMMITMENT TO SUSTAINABILITY. BY WORKING TOGETHER, WE ARE ABLE TO CALCULATE EMISSION FACTORS SPECIFIC TO LAND USE CHANGE, TO HELP DRIVE POSITIVE CHANGE FOR MORE SUSTAINABLE COCOA PRODUCTION,AND ULTIMATELY FOR OUR PLANET."

NIELS WIELAARD, CEO & FOUNDER, SATELLIGENCE

[6] Updates have been made to the metric's reporting methodology for the period from January 1, 2022 to December 31, 2022. Reported information for 2021 covering Côte d'Ivoire and Ghana has been revised for year-over-year comparison.

MAPPING FARMS

When monocrops of ageing cocoa trees result in low productivity, dozens of smallholder farmers may be led to make illegal incursions into forests, where the soil is more fertile. Through farm mapping, we can help identify problem areas and take action where it's most needed. As new farmers register with the Cocoa Life program each year, mapping progress often requires collaboration with agents across individual farms in hard-to-reach areas. In Côte d'Ivoire, we have established a partnership with government agencies (Ministry of Environment and Ministry of Forests) with which we have a Memorandum of Understanding (MOU) to support preserving forests through farm mapping, with the Nawa region as the first priority area, as it borders the Tai National Park.

WHATS NEXT?

These rates show that only a few Cocoa Life registered farms have any likely deforestation events occurring. However, where there are occurrences, we will prioritize our engagements with supply chain partners to help identify high-risk areas, prevent future deforestation, and rehabilitate impacted areas as appropriate.
Working with pioneering mapping and satellite companies helps progress towards improving environmental impact. As we enter phase two of CFI, the ambition is to have all Cocoa Life farms mapped, providing visibility if and when deforestation takes place.

PLANTING TREES ON- & OFF-FARM

A central focus of CFI is to replace monoculture cocoa farming with an agroforestry model that intercrops cocoa with a mix of shade crops, hardwood trees and other cash crops. This can help provide smallholder farmers with an additional source of income, boost food security and improves the health of the soil so that it sequesters carbon and is more resilient.

We continue to encourage the planting of shade trees for their carbon capture, economic and cocoa growing benefits — and a partnership with South Pole has improved our understanding of the impact of tree planting from a carbon standpoint. Tree planting also brings benefits to other members of the cocoa communities, such as women and youth. Often women are responsible for running seedling nurseries, while community groups assist with tree planting. This year over ~8,800 individuals participated in community-focused projects and activities across both countries. And we had ~85,000 individuals participating in women's empowerment projects and activities. In addition, Cocoa Life's partnerships have enabled us to broaden our efforts, allowing us to distribute approximately 1.2 million multi-purpose trees for on-farm planting across Ghana and Côte d'Ivoire from October 2021 to September 2022. In Ghana, it was the third year of planting trees off-farm and in forests in a bid to help reforestation efforts in the Ayum Forest Reserve. In the adjoining fringe communities of Anwianwia and Akwaduro in the Ayum Forest Reserve, ~150 male and ~200 female farmers – and their families — have participated in the Modified Taungya System scheme, planting more than 600,000 economic tree seedlings alongside major food crops across ~330 hectares.

Working with STAG in Côte d'Ivoire, a local professional nursery company, we built ~16 nurseries by the end of 2022, with a total capacity of ~1.2 million seedlings. Scaling up professional tree nurseries and increasing their capacity will help ensure an increased number of high-quality seedlings won't just survive but thrive to fulfil our planting plans.

"THE SUPPORT OF MONDELĒZ INTERNATIONAL FOR STAG SINCE 2019 HAS BEEN INSTRUMENTAL IN INCREASING OUR PRODUCTION CAPACITY AND ESPECIALLY IN IMPROVING THE QUALITY OF THE TREES PRODUCED AND DISTRIBUTED. THESE TREES WILL CERTAINLY BE USEFUL TO FARMERS TO IMPROVE THEIR YIELDS. WE ARE PROUD TO CONTRIBUTE TO MONDELĒZ INTERNATIONAL'S AND THE COUNTRY'S OBJECTIVES RELATED TO AGROFORESTRY."

ROLAND KOUAME,
OPERATION MANAGER
FOR STAG

Establishing seedling nurseries in close proximity to communities is important for planting quality trees. Village Savings and Loan Association (VSLA) groups are a core tool for financial empowerment and have been linked to the establishment of seedling nurseries, which creates new job opportunities for the local community. Many VSLAs are led by women who sell seedlings, mobilize communities to spark environmental initiatives and help diversify incomes. These women are becoming community champions and driving positive action for forests.

WHATS NEXT?

We've made good progress in educating farmers on the benefits of planting trees and adopting agroforestry models. In phase two of CFI, we will continue with on and off-farm tree planting and seedling distribution. A pervasive issue has been seedling mortality once they have been planted in the farms. In phase two, we will explore ways to improve seedling survival with better nursery management, ensuring that seedlings are delivered to communities at the beginning of the rainy season. Establishing nurseries closer to the farming communities and using rainfall forecasts will also help improve seedlings survival. Increasing the number of community groups will support labor availability to plant the trees when they are ready, giving them an even better chance to survive. We will also emphasize monitoring of shade tree survival to have better data for decision making.

Phase two will see more cocoa agroforestry planting in line with the requirement of the African Regional Standard for Sustainable Cocoa (ARS 1000), helping to contribute to Côte d'Ivoire's country objective of 20% of forest coverage by 2030.

PAYMENTS FOR ENVIRONMENTAL SERVICES (PES) - INNOVATIVE FINANCIAL INCENTIVES TO RESTORE FORESTS

We raise awareness with communities to help them understand the importance of forest protection and provide incentives to increase the likelihood that our programs will be adopted by them. For example, our innovative Payment for Ecosystem Services (PES) program, the first to be introduced in the cocoa sector, pays farmers a combination of financial and in-kind incentives to plant non-cocoa trees on their farms. Covering a variety of arrangements for environmental services, from forest conservation to carbon sequestration, PES schemes reward farmers financially for providing these services. The PES scheme helps to balance environmental priorities with economic realities, acknowledging that forest-friendly practices and innovations must be tailored to local needs and incentivize farmers to adopt the practices. Working with our partners, we have introduced the PES scheme to cocoa farmers in Côte d'Ivoire, Ghana and Indonesia.

PES IN CÔTE D'IVOIRE

Partnering with the Ministry of Environment and Sustainable Development and local NGOs, Cocoa Life introduced the first PES in the Nawa Region. To date, three PES projects have been implemented in Côte d'Ivoire in the Nawa, Gabiadji, and San Pedro regions. Approximately a total ~2,000 hectares of agroforestry has been developed by ~2,600 cocoa farmers.

The PES scheme is in tune with Côte d'Ivoire's national strategy for protecting forests and carbon stocks. This includes a successful partnership with REDD+ which has been able to increase field visits, learning from and testing of PES as well as promoting this approach to other partners.

Separately, a PES partnership with the UK Government's Partnerships for Forests (P4F), has delivered measurable results, enabling the PES program to be scaled up across the San Pedro region of the Tai National Park. Roll-out will include planting forest trees and the development of 'Local Sustainable Land Use Plans.' The ambition is to implement agroforestry practices across ~1,200 hectares of cocoa farms and achieve at least 90 hectares of reforestation, using PES as an incentive for farmers to engage in forest protection. Following this pilot, we are beginning to introduce climate-smart cocoa practices at scale.

Forging strong partnerships with our cocoa supplier, Barry Callebaut, and NGO partner, Impactum, has expanded the PES project to the nearby Gabiadji region. In addition, two new PES projects in the Nawa and San Pedro regions with the Tai Landscape Project are due this year.

"IN 2019, WE SUPPORTED COCOA LIFE ON AN INNOVATIVE THREE-YEAR PILOT ON PAYMENTS FOR ECOSYSTEM SERVICES (PES) IN THE SAN PEDRO REGION IN THE IVORY COAST THAT CAME TO AN END IN DECEMBER 2022. IN THIS PIONEERING PROJECT, WE TARGETED 600 COCOA FARMERS IN TWO COOPERATIVES IN THE GABIADJI SUB-PREFECTURE. WE DEPLOYED A RANGE OF PES APPROACHES TO INCENTIVIZE FARMERS WITH PAYMENTS TO DO AGROFORESTRY, REFORESTATION, AND CONSERVATION ACTIVITIES. THE PROJECT SHOWED VERY PROMISING RESULTS PARTICULARLY ON AGROFORESTRY THAT ALREADY ALLOWED US TO MASSIVELY SCALE UP PES ACROSS OUR AGROFORESTRY OPERATIONS."

NICOLAS MOUNARD,
VP SUSTAINABILITY & FARMING,
BARRY CALLEBAUT

Several industry partners are implementing PES based on the Nawa project results. At a national level in Côte d'Ivoire, a PES working group (PES-NWG) has been created through the Mondelēz International NAWA pilot project. This NWG — under the REDD+ initiative — shows evidence of driving sector transformation and inspiring others.

We still face challenges. For instance, a lack of identity cards means PES e-payment does not suit all beneficiaries, but our partner, Impactum, is working with mobile banking service providers to process PES cash payments.

"THROUGH THE PES PROJECT OF COCOA LIFE, WE WERE TRAINED IN TREE NURSERY PRODUCTION. WE WERE ABLE TO SELL OUR PRODUCED PLANTS AND USE THE PROFITS TO START OTHER ACTIVITIES THAT HELP US EARN MONEY."

**YAO AHOU BRIGITTE,
PES FARMER, NAWA REGION,
CÔTE D'IVOIRE**

WHATS NEXT?

Collaboration and innovation are driving progress. The ambition now is to take our learnings and scale up our projects. We need to shift our approach towards radical collaboration. For example, based on our results from the Nawa pilot, Barry Callebaut is implementing PES with other companies based on the learnings acquired. We've also been boosting PES education, working with the Minster of Environment and Social Development to educate sector-peers on how PES is working for Cocoa Life.

PES IN GHANA

MTS is an extension of PES in Ghana which was relaunched as an evolution of a previous practice. The Taungya is a system whereby farmers are given the right to cultivate agricultural crops during the early stages of forest replantation. In 2002, the government of Ghana — through the Forestry Commission — reviewed this practice, relaunching it as the Modified Taungya System (MTS). The new approach considered the financial benefits for farmers and other stakeholders, rethinking tree ownership. The ownership of the trees was transferred from a single entity (the government) to collective owners (farmers, local communities, government, and landowners), empowering community members and putting them in the driving seat as co-managers of forest reserves.

Fringe communities are assigned areas of degraded forest to plant new tree seedlings, which help reforestation while adding food crops until the tree canopy closes. Cocoa Life provides farmers with seedlings, tools and labor, enabling them to diversify and ultimately help increase their household income.

Food crops grown can be used by farmers to feed their households or as a source of income. Approximately a 40% share of timber revenues goes to the farmers, with the remaining ~60% split among Forestry Commission, local community and traditional authority. A win-win practice for forestry and adaptation to climate change mitigation.

It's often challenging for women to access land in the community and hence the interest in volunteering to manage degraded forest land, which then makes women more likely to adopt long-term thinking and sustainability practices. Cocoa Life's VSLAs in Ghana allow women to pool their savings, build reserve funds for emergencies and finance small projects, helping both the community and forest protection efforts.

"I FEEL PRIVILEGED TO BE PART OF THE MTS. I CANNOT IMAGINE HAVING MY OWN FARM. [THROUGH MTS] I HAVE TOTAL CONTROL OVER MY FARM AND MY INCOME. I USE THE PROCEEDS TO SUPPORT THE HOME AND MY CHILDREN'S EDUCATION. LAND IS SCARCE IN THIS AREA. I PRAY THAT THIS PROJECT CONTINUES SO I CAN CONTINUE TO ACCESS LAND TO GROW MY FOOD CROPS AND CARE FOR THE FOREST TREES."

GRACE PREAMANG, MTS FARMER, AKWADURO, GHANA

MTS is one of our most innovative partnerships from CFI phase one. In terms of specific achievements in numbers for Ghana, over ~230,000 trees were distributed for off-farm planting to help restore degraded forests between October 2021-September 2022. We saw ~260 farmers trained in MTS. Cash payments have been made to farmers to encourage restoring the degraded forest under the PES system. We have scaled up MTS with a further ~50 added last year, taking the total hectarage to ~330 hectares.

"MONDELĒZ INTERNATIONAL, UNDER COCOA LIFE IS THE FIRST PRIVATE SECTOR ENTITY TO SUPPORT THE FORESTRY COMMISSION TO ACTUALLY RESTORE DEGRADED FOREST LAND, THROUGH THE APPROACH WE CALL MTS. IT'S NOT BEEN DONE BY ANY PRIVATE SECTOR ENTITY FROM THE COCOA SIDE."

ROSELYN FOSUAH ADJEI, DIRECTOR CLIMATE CHANGE, FORESTRY COMMISSION OF GHANA

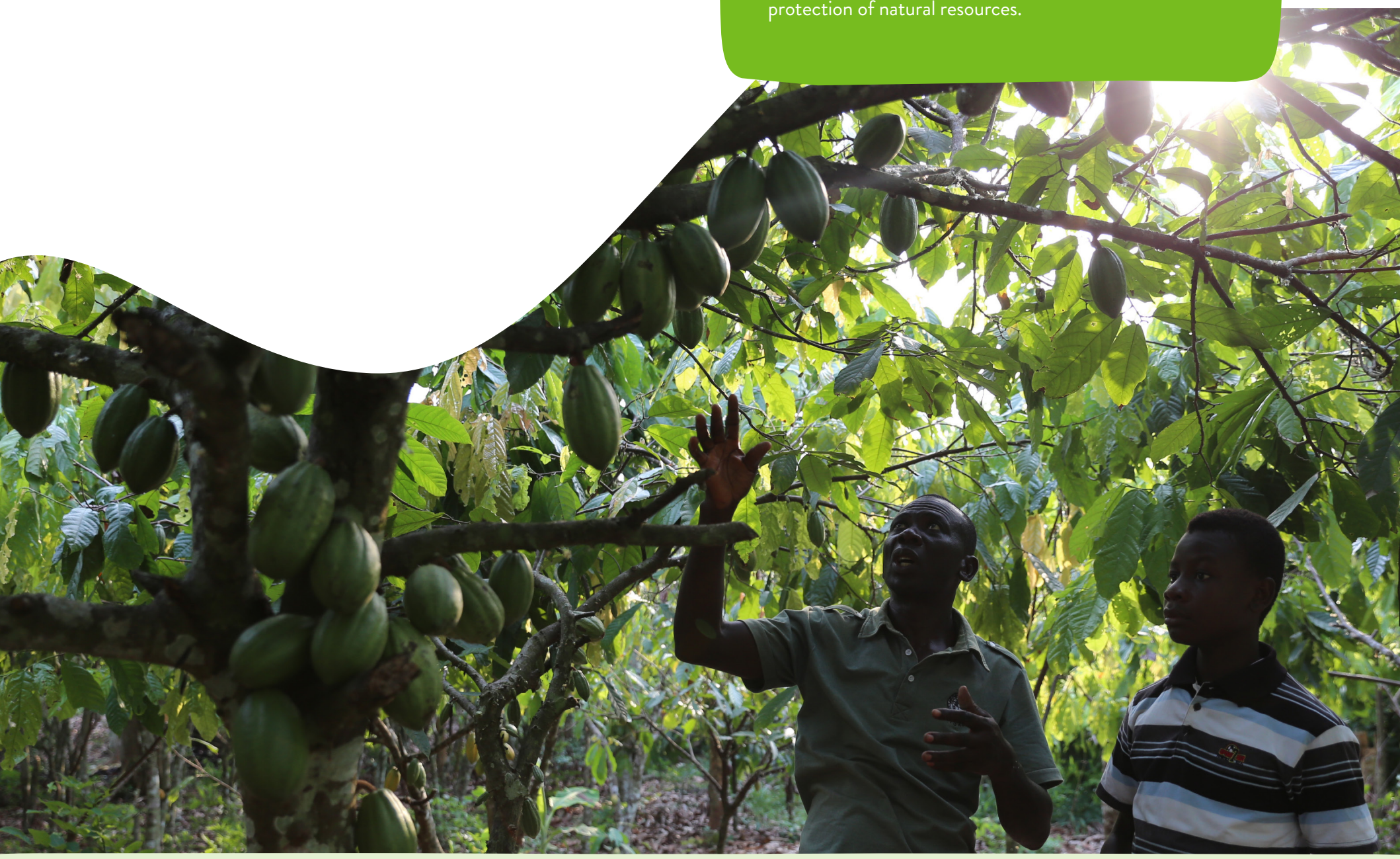
Our key partnership in Ghana brings together Beyond Chocolate, Olam, The International Center for Tropical Agriculture and the non-profit The Sustainable Food Lab. Using remote sensing and modelling, this project categorized landscapes into cocoa intensification and conservation zones. One PES project for forest conservation began with a search to find a highly motivated community with a genuine interest in conservation (four forest fringe villages were filtered out before finding one that fit the criteria). A key learning is that PES alone is not enough to motivate communities where forests are seen as one of the few options to achieve food security.

"A MORE SUSTAINABLE SUPPLY OF KEY RAW INGREDIENTS LIKE COCOA IS IMPORTANT TO THE CONTINUED SUCCESS OF OUR BUSINESS, TO THE RESILIENCE AND PROSPERITY OF COMMUNITIES, AND PROTECTION OF RICH BIODIVERSE LANDSCAPES WHERE COCOA GROWS. THROUGH COCOA LIFE WE WORK TOGETHER TO FIND SOLUTIONS WHICH BRING DYNAMIC CHANGE TO COMMUNITIES AND FORESTS."

CATHY PIETERS,
VICE PRESIDENT SUSTAINABLE INGREDIENTS,
MONDELĒZ INTERNATIONAL

Collaboration is key for positive change as we scale up MTS in phase two, and we will continue to work closely with governments, including Ghana's Forestry Commission. A challenge in the MTS implementation in phase one was that farmers are less motivated to spend any resource to maintain plots when canopy has been formed and they are no longer farming food crops on the plots. One major reason why farmers' interest in the plots ends when they can no longer continue their food crop farming is because they hardly realize their percentage of proceeds from the sale of timber species. To manage disinterest at the point of canopy closure, our goal is to work closely with the Forestry Commission to properly document all participants, which is a fundamental requirement to help individuals access the percentage of the proceeds due to them.

In addition, Cocoa Life will carry on investing in tree planting both on and off farm, increasing efforts to expand tree inventories. Tree inventories allow cocoa farmers to monitor the health and productivity of trees, which helps ensure the recommended tree density is planted. Closely monitoring trees and tracking changes over time is also an important tool for increasing yields. Cash payments are tied to performance, which is intended to motivate participants in the restoration and protection of natural resources.



TARGETED GOOD AGRICULTURAL PRACTICES (TGAP)

TGAP is an area where we aim to drive progress by tailoring solutions to address farming challenges. It brings three key benefits to cocoa farmers:

1. IMPROVING YIELDS: When farmers are trained in good agricultural practices, they can implement more efficient farming methods. This can help improve crop yields for a more consistent supply of high-quality cocoa beans.

2. SUSTAINABILITY: By adopting good agricultural practices, farmers can also enhance the sustainability of cocoa production. This includes the efficient use of natural resources, such as water and soil, reducing the environmental impact of cocoa production, and helping to preserve biodiversity.

3. ECONOMIC BENEFITS: Farmer poverty remains one of the most prominent and complex challenges faced by agricultural communities across the world. We believe that securing a living income — an income that enables a decent standard of living for all members of a household — is a key enabler for lifting people out of poverty and protecting cocoa landscapes.

By improving the quality and yield of cocoa beans, farmers can earn higher incomes. This can help improve the livelihoods of cocoa farmers and their families, reducing poverty and improving economic growth in cocoa-producing regions. That's why developing approaches to strengthen the income portfolio of cocoa farming households has been a priority focus for the Cocoa Life program from day one. We know we have a role to play in helping to support the farmers who grow our cocoa in building sustainable livelihoods.

In addition to the three pillars above, TGAP underpins many other initiatives, such as farm mapping, farmer training and tree planting, PES and MTS, which have all been significant progress areas throughout phase one. Put simply, we train farmers to help them grow more cocoa on less land.

We know that more action is needed. Each farm is different. Each farmer is different. Each community is different. In Ghana, our TGAP project has continued into its fourth year. Our aim is to increase cocoa production by providing finance and services to enhance farms' performance and a new partner, Alliance Bioversity-CIAT joined in 2021 to support project management, data collection, and analysis for this final year of the project. Additionally, Alliance Bioversity-CIAT deployed one independent field agronomist to monitor activities and supervise data collection using digital data collecting tools. The report from Alliance Bioversity-CIAT shows that yields were improved for over ~50% of participants at different levels.

"I TOOK PART IN THE TGAP PROJECT BECAUSE MY YIELD WAS LOW, AND I NEEDED TO IMPROVE MY YIELDS. I HAVE LEARNT THAT WHEN I ADOPTED THE GAPS RECOMMENDED UNDER THE TGAP PROJECT, MY YIELD INCREASED. INCREASED YIELD MEANS INCREASED INCOME, SO I NOW NO LONGER NEED TO BORROW MONEY TO PAY FOR MY CHILDREN'S UNIVERSITY FEES."

ISAAC AWIAKYE AMOAH, COCOA FARMER, ATWIMA MPONUA DISTRICT, GHANA

Cocoa farmer, Doumbia Tiomoko used to be resistant to participating in the project. It was only after he saw the proof of results that he agreed to have the trees on his farm pruned. After observing the results for a month, he was motivated to carry on pruning and has become a key advocate in speaking to other farmers.

"AFTER I PRUNED MY COCOA TREES, THE NUMBER OF FLOWERS MULTIPLIED, AND I HAVE NEVER SEEN SOMETHING LIKE THAT BEFORE. I CANNOT WAIT TO SEE THE RESULT OF THE PRUNING IN MY HARVEST THIS YEAR."

DOUMBIA TIOMOKO, COCOA FARMER

WHATS NEXT?

With inflation increasing the price of fertilizer, TGAP has not continued for 2023. However, good agronomic and climate-smart cocoa practices are continuously being promoted. Cocoa Life is coaching farmers and creating Farm Development Plans (FDP) tailored to the needs of individual farmers. It is a slower and more expensive process, but one which we hope will have an impact.

INNOVATING, TESTING AND LEARNING AS WE MOVE FORWARD

Since the program's inception, Cocoa Life has always understood that one-size-fits-all initiatives don't work. To help tackle the root causes of the complex interconnected challenges facing the cocoa industry, testing and learning as we go is a vital strategy for creating transformational impact. We apply our learnings to course correct when needed to accelerate successful innovations. Our ambition is to share our knowledge and learnings from these projects in this section to spark collective action and help drive the sector forward.

THE COOKSTOVE PROJECT IN CÔTE D'IVOIRE

Around 25% of black carbon emissions globally come from burning wood and charcoal in households for cooking purposes[7] – and the lack of accessibility to clean cookstoves was a key discussion at COP26. According to the World Health Organization, around 2.4 billion people worldwide, or one-third of the global population do not have access to clean cookstoves[8], which is contributing to ill health and death, disproportionately among women in Africa and South Asia.

Cocoa Life has been piloting a solution of cleaner, climate-friendly cookstoves designed to help both people and the planet. Through a partnership with CARE International, and with funding from the MDLZ Sustainable Futures initiative, we aim to install approximately 4,000 sustainable cookstoves over three years from 2022. Made from locally collected clay, this new cookstove can decrease biomass consumption with improvements to the grate, the combustion chamber, insulation and openings. They can decrease household air pollution, promote healthier homes, and reduce carbon emissions by reducing the demand for wood for burning, thus, saving women time and money while helping to improve their lives as end users. This project is the first of its kind in Côte d'Ivoire.

"BEFORE THE COOKSTOVE PROJECT, WE USED TO COOK ON THE THREE STOVES. IT WAS VERY DIFFICULT FOR US AND OUR CHILDREN BECAUSE OF THE SMOKE. I USED SEVEN TO NINE PIECES OF WOOD TO COOK A SINGLE MEAL. THANKS TO THE TRAINING OF CARE, I BUILT MY COOKSTOVE AND NOW I USE TWO TO THREE PIECES OF WOOD TO COOK TWO POTS. THERE IS NO MORE SMOKE IN OUR KITCHEN AND WE ARE NOT SICK ANYMORE."

KOUAME BERNADETTE, COOKSTOVE BENEFICIARY, CÔTE D'IVOIRE

WHATS NEXT?

One year into the project, we developed a new strategy to evolve the project and address some of the challenges we were facing. Our strategic pivot involves providing more training, particularly to women through VSLAs, sharing further information after training sessions so people can remember the key facts, and pushing more promotional activity to raise awareness around the new cookstoves. With our new strategy established, we're on track for good progress with the cookstoves next year.

[7] Clean Cooking Alliance, 2023
[8] World Health Organization, 2022

SOLAR-POWERED IRRIGATION PROJECT IN GHANA

Ghana is increasingly exposed to the risks of climate change including drought, higher temperatures, and erratic rainfall. Since 2020, in an attempt to make cocoa farmers more resilient to the impact of climate change, Cocoa Life has been working to introduce irrigation systems to cocoa farms. Having access to water all year round via irrigation means agronomic practices can reliably be planned to ensure high productivity in both the major and minor cocoa harvest seasons. This enhanced productivity can help contribute to improving farmer income.

Cocoa Life has installed solar-powered drip irrigations and these irrigations have the potential to drastically reduce the cost of farm running and maintenance. Capacity can be enhanced at any time to extend the farm's water coverage, and the use of renewable energy makes this system more environmentally friendly.

WHATS NEXT?

One challenge facing the project is that the initial cost of installation has been too expensive for the average smallholder cocoa farmer to invest in. For this reason, we need to target more advanced farmers. The project is currently at the proof-of-concept level. However, from the data analyzed to date, we expect that the project will help build a business case to promote investing in irrigation systems for smallholder farmers in Ghana. Our R&D team is collecting data from participating farms to develop the business model and advise farmers on potential returns on investment.

COCOA AGROFORESTRY PROJECT IN CÔTE D'IVOIRE

Since 2015, we have collaborated with Barry Callebaut and CABI (a nonprofit intergovernmental development organization focusing primarily on agricultural/environmental issues) on a long-term trial in Tiassale, Côte d'Ivoire, to evaluate the performance of cocoa agroforestry systems.

Cocoa growing areas of Côte d'Ivoire can be particularly vulnerable in the dry season and this intensively managed agroforestry trial consists of cocoa grown alongside a variety of timber and fruit trees, perennial, and annual crops, with the overall aim of evaluating the economic and environmental benefits of different tree-crop combinations and spacings.

WHATS NEXT?

Due for completion in 2026, the project is currently in the establishment phase. Once the cocoa is fully grown at four years old, we will be able to make a full set of recommendations for how to effectively implement a cocoa agroforestry system.

Preliminary results gathered since 2018 were promising. They showed the effects of drought in the denser cocoa agroforestry systems, progress which we will build on in the future, reinforcing existing projects and launching new ones.

ASUNAFO-ASUTIFI LANDSCAPE PROJECT IN GHANA

Collaborative action and working in partnership is important for facilitating our projects in cocoa landscapes. In the Ahafo Region of Ghana we have been co-leading the Asunafo-Asutifi landscape project in partnership with Cargill, Lindt, OLAM, Touton, Sucden, Ecom, and Mars. The project aims to establish a Landscape Governance Structure that will work collaboratively with key landscape stakeholders including regulators and the consortium of private sector companies.

The landscape management and investment plan is going through a validation process. Socio-economic and ecological assessments have been completed to establish the baselines of the landscape. Interventions are formulated based on the findings of these assessments and the prioritized interventions for collaborative action are:

1. Cocoa rehabilitation and agroforestry
2. Farmer livelihood enhancement
3. Governance improvement
4. Landscape restoration and conservation

WHATS NEXT?

It is estimated that phase one, which will run from 2023-2025, will require a total investment of ~USD$23 million. Companies are expected to provide commitment to the plan's implementation.

APPLYING OUR INNOVATIONS & LEARNINGS BEYOND WEST AFRICA

The focus of CFI's first phase was Ghana and Côte d'Ivoire. However, during this phase, Cocoa Life went further. We set action plans for Indonesia and applied learnings to drive progress in other cocoa producing countries such as Brazil. The ambition in both countries is to take the learnings from successful pilots and adapt and scale them up in other countries where there are cocoa-related deforestation risks.

INDONESIA

Indonesia is highly vulnerable to climate change impacts, including extreme events such as floods and droughts, long-term changes from sea level rise, shifts in rainfall patterns, and increasing temperatures.

Cocoa Life's forest projects focus on the South Sulawesi and South-East Sulawesi provinces. Here, much cocoa is still grown in monocultures in the 'full-sun system', which required the removal of all surrounding trees.

But as global temperatures rise, the lack of shade trees exposes the cocoa plants to the increasingly fierce heat of the sun, damaging crops and leaving the farmers with little option but to deforest new areas to protect yields.

Cocoa Life is training Indonesian farmers in Good Agricultural and Environmental Practices, distributing multi-purpose trees across farms as well as continuing to map them.

PES INITIATIVES IN INDONESIA

Following our PES pilots in Côte d'Ivoire and Ghana, we expanded the initiative with our partners at Cocoa Life Indonesia. Women in cocoa communities are key participants in PES - these services help them to engage in environmental protection as well as to diversify their family's income. Through a partnership with our local implementing partner PUR Projet, our suppliers, and registered farmers in Sulawesi, Indonesia, we are working to develop shaded agriculture systems - a sustainable practice, which helps create more shade on the farms for better productivity and additional incomes through multi-purpose trees.

Women also participate in helping the trees to grow by clearing weeds and watering the seedlings regularly. After joining the program and attending training sessions, women recognize the importance of planting and looking after trees, including the benefits to soil quality and the surrounding environment. This newfound awareness helps to increase their motivation to take care of all the trees on their farm.

"WE USUALLY KNOW ABOUT THE MONEY AND ECONOMIC POTENTIAL OF TREES, THEREFORE WOMEN HOLD THE POWER TO DECIDE THE SPECIES TO BE PLANTED IN OUR FARM. I AM HAPPY TO BE INVOLVED IN THE PROGRAM. I LEARNED THAT FRUIT TREES ARE NOT ONLY GOOD FOR HARVEST, BUT ALSO FOR OUR FARM AND THE ENVIRONMENT TOO. IT MOTIVATED ME TO JOIN AND TAKE CARE OF THE TREES. IN THIS PROGRAM, I CHOSE THE SPECIES THAT WE WANT TO PLANT. I HELPED MY HUSBAND TO PLANT ALL THE TREES AND CLEAN THE WEEDS. I REALLY HOPE IT WILL GROW WELL AND PRODUCE ABUNDANT FRUITS IN THE FUTURE."

HIJERAH KONAWEHA,
KOLAKA, INDONESIA

BRAZIL

Native to the Amazon, cocoa is an important part of the Brazilian agricultural economy. Cocoa Life has been in Brazil since the early days of the program in 2013, focusing mainly on technical assistance and farm rehabilitation research. Since 2018, MDLZ has partnered with The Nature Conservancy Brazil on an initiative to help farmers from municipalities in Pará State use agroforestry techniques to grow cocoa on degraded pastureland in the Amazon region. Growing cocoa on this land provides alternative income streams for cocoa farmers, whilst at the same time helping to restore one of the region's most critical tropical ecosystems to productivity.

COLLABORATING TO PRESERVE AND RESTORE LANDSCAPES IN BRAZIL

At Cocoa Life Brazil, we are partnering with Olam Food Ingredients (ofi), Partnerships for Forests (P4F) and The Nature Conservancy (TNC) Brazil to help restore landscapes and improve livelihoods through cocoa-based agroforestry systems in the Brazilian Amazon. We are also developing the Sustainable Agroforestry Production of Cocoa in the Amazon and Atlantic Forest project, a partnership with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, funded through the develoPPP programme on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

Our innovative hub-based partnership includes using private capital for technical assistance to help increase smallholders' cocoa production and unlocking rural credit for cocoa agroforestry.

The Agroforestry Hub provides training to farmers on how to restore degraded pasturelands into cocoa agroforestry systems, and how to align aspects of land preparation and management, seedling production, forest restoration and tree planting. The Restoration Hub works with farmers to align with the Brazilian Forest Code, by providing support to implement adequacy measures. The Rural Credit Hub aims to simplify rural credit application frameworks in partnership with banks, to fast-track credit approval for cocoa agroforestry cultivation and restoration. It also provides support for negotiating with the bank and assists farmers with credit applications. Building on learnings and insights from this pilot, we are working with partners to scale the approach to new areas.

"SINCE TNC AND MONDELEZ INTERNATIONAL COCOA LIFE STARTED WORKING TOGETHER WHAT WE COULD SHOW IN PRACTICE IS THAT COCOA-BASED AGROFORESTRY CAN GO TO SCALE AND REALLY CAN BE A SUSTAINABLE NEW BUSINESS IN A WAY THAT FARMERS CAN IMPROVE THEIR WELFARE AND LIFE BY DOING IT. AGROFORESTRY IS SOMETHING THAT MAKES US REALLY BELIEVE IN THIS NEW SUSTAINABILITY APPROACH THROUGH THE COCOA SUPPLY CHAIN."

RODRIGO MAURO FREIRE,
DEPUTY MANAGER FOR FORESTS AND RESTORATION, THE NATURE CONSERVANCY, BRAZIL

LOOKING FORWARD: CFI PHASE TWO ACTION PLANS

As we reach the end of the first phase of CFI, it's important to evaluate our progress and share our learnings and ambitions as we look towards the future and the next phase of CFI. In line with MDLZ Vision 2030 and Cocoa Life's 2030 ambition, we will continue to leverage innovation and collaboration to make transformational impact a reality.

For phase two, covering October 2022 to September 2025, our ambitions are to:

1. Scale up what works to reach more areas.
2. Work collaboratively in landscapes and identify new partnership opportunities.

Cocoa Life's action plans have a three-pillared approach to forest protection and reforestation, which are closely aligned with the CFI frameworks - Protect, Produce, People.

PROTECT
Helping to protect forests by scaling farm mapping and distributing trees for on- & off-farm planting.

PRODUCE
Helping to grow more profitable cocoa businesses while restoring forests.

- Distributing cocoa seedlings.
- Targeting agricultural practices.
- Expanding the 'Payment for Ecosystem Services' (PES) program and the Modified Taungya System (MTS). They are ready to be enhanced, scaled up, and rolled out to more cocoa communities.

PEOPLE
Helping to lift cocoa communities continues to remain at the core of what we do. We facilitate investments to build capacity in communities so they can shape their own future and make community decisions reflect their diverse needs. This includes Community Action Plans & Community Development Committees who assess needs and priorities for the communities and forests.

OUR CFI PHASE TWO AMBITIONS FOR GHANA AND CÔTE D'IVOIRE

PROTECT - Forest Protection & Restoration

We are aiming for...

ALL
of Cocoa Life registered farms mapped, which amounts to ~182,000 farms mapped and ~500,000 hectares with deforestation risk assessments

~2,359,000
multipurpose trees distributed for on-farm planting via agroforestry

~95,000
hectares reached with agroforestry

~1,203,000
trees distributed for off-farm planting (reforestation)

PRODUCE - More Sustainable Production & Farmers' Livelihoods

We are aiming for...

~2,700,000
cocoa seedlings distributed to farmers in Ghana

~86,000
farmers reached by Good Agricultural Practices Training

~89,000
individuals reached participating in Additional Income Generating Activities

PEOPLE - Community Engagement & Social Inclusion

We are aiming for...

~770
cocoa communities supported with Community-Based Natural Resource Management (CBNRM) programs for forest protection and restoration

~77,000
individuals reached participating in women's empowerment projects and activities

CÔTE D'IVOIRE

Our phase two action plans are focused on setting more realistic tree planting plans on and off-farms and scaling up PES following successful pilots in phase one. Cocoa Life's ambition for phase two is to do more cocoa agroforestry planting in line with the requirement of the African Regional Standard for Sustainable Cocoa (ARS 1000), contributing to Côte d'Ivoire's country objective of 20% of forest coverage by 2030.

"IN PHASE ONE OUR GOALS WERE VERY AMBITIOUS AND HELPED US PROGRESS IMPORTANT PARTNERSHIPS WITH FARMING COMMUNITIES. BUT WE ALSO SAW THAT WE NEED TO WORK CLOSER AND SMARTER BY ADJUSTING OUR PLANS TO REFLECT THE REALITIES ON THE GROUND AND LESSONS LEARNED."

AHMADOU CISSE,
HEAD OF COCOA LIFE
CÔTE D'IVOIRE,
MONDELĒZ INTERNATIONAL

GHANA

As well as scaling up MTS and wider agroforestry initiatives, a central focus for the phase two action plans is closing the capacities gap for cooperatives and communities. Communities and farmers have always been at the heart of Cocoa Life, as we strategize to go further faster in phase two, it's imperative that we work with and listen to communities. Cocoa Life helps support the continuous empowerment of cooperatives, which are well positioned to collaborate with communities' leadership to promote development. In phase two we want cooperatives and communities to work even more closely in partnership, so they can promote their own development. Our intention is that by connecting cooperatives and communities we'll see them determine their own capacity building needs, undertake community projects, and engage and manage resources, people, and finances.

"FOR PHASE TWO, THE PARTNERSHIP WITH FARMERS, COMMUNITIES, IMPLEMENTING PARTNERS AS WELL AS THE FORESTRY COMMISSION IS KEY TO LASTING POSITIVE IMPACT. THE SUCCESS OF PILOTS LIKE SCALING MTS DEPENDS ON THE FORESTRY COMMISSION'S LEADERSHIP AND SUPPORT."

JEPHTHAH MENSAH,
OPERATIONS LEAD COCOA
LIFE GHANA, MONDELĒZ
INTERNATIONAL

GOING FORWARD FASTER

By Cedric van Cutsem,
Senior Director Cocoa Life, Mondelēz International

Over these first four years of CFI, governance frameworks and frameworks for action have been put in place, public-private initiatives have been established, and agroforestry models have been tested – with key learnings captured. The focus of Cocoa Life is clear. Our goal is to work towards ending deforestation on all Cocoa Life farms globally.

The regulatory landscape is increasingly primed towards this goal. Mondelēz International has been a vocal advocate in favor of the mandatory EU Commission's Corporate Sustainability Due Diligence directive (issued in February 2022). We welcome the requirement for companies to identify and address human rights and environmental risks in their value chain. To ensure compliance across the entire cocoa value chain it's critical to have commodity specific guidelines in place.

Guidance should be focused on:

- Introducing **pragmatic traceability** which gives consumers confidence without putting additional unnecessary burdens and costs on the supply chain.
- Addressing the **root cause** by remediating problems and investing in impactful activities. This must go beyond compliance, incentivize companies to engage in multi-stakeholder collaboration, and focus on transforming the sector.
- Helping to make a **living income** a reality for as many farmers as possible.

Success in phase two will require courage and real partnership, not only between the CFI signatories (companies and the governments of Ghana and Côte d'Ivoire), but going much further to include all actors within and beyond the sector. Only through active dialogue and sharing experiences will we transform the sector — and we invite our customers, colleagues and partners to reach out if there are opportunities to improve our approach.

FIVE STRATEGIES THAT WILL HELP US GO FURTHER IN THE SECOND PHASE OF CFI:

1. BE RELENTLESS.
This is non-negotiable for all stakeholders in forest protection.

2. TESTING AND LEARNING.
We know 'one-size-fits-all' programs don't work, so course correcting and a targeted approach will remain core for scaling up and implementing future action plans.

3. MOVE THE DIAL IN THE RIGHT DIRECTION.
We've set ourselves big ambitions and regardless of whether all our goals are met, significant changes are underway.

4. SMART INNOVATION.
This is the only way to create a transformational impact. Farmers and local communities need to be in the driving seat — and that's why we facilitate investments for communities and work with partners to tailor bespoke interventions which adapt to diverse needs and address complex challenges by bringing multiple benefits.

5. RADICAL COLLABORATION.
Strong partnerships, active knowledge sharing and progressive regulation are important. If we are truly to succeed in making systematic, long-lasting changes, we need to work together, and be transparent about what works — and what doesn't.

WHATS NEXT?

We call on all CFI signatories to look beyond their own supply chains to collectively scale solutions together in a more impactful way. Only together can we implement the changes needed to help tackle deforestation. Only together can we build a more sustainable cocoa industry. And only together can we make cocoa right.

APPENDIX

ABOUT THE COCOA & FOREST 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 CocoaAndForests.org and WorldCocoa.org.

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 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.

Cocoa & Forests Initiative

THREE PILLARS OF CFI:

CFI PILLAR ONE: FOREST PROTECTION AND RESTORATION

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 continue to update the maps, including socio-economic 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.

At Cocoa Life our mission is moving cocoa forward faster by helping lift the people and protect the landscapes where cocoa grows. We're implementing landscape-wide initiatives for forest conservation and restoration by piloting and scaling ecosystem interventions that work for everyone and reduce carbon. We have an ambition to seek no deforestation on Cocoa Life farms.

CFI PILLAR TWO: MORE SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOODS

The next priority is sustainable agricultural production and increased farmer incomes. These are 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 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.

At Cocoa Life we're helping to grow more profitable cocoa businesses by tailoring interventions with NGOs and suppliers to fit farmers' needs so they get more from their cocoa trees and other crops. We strive to help increase the number of farming households reaching a living income.

CFI PILLAR THREE: COMMUNITY ENGAGEMENT AND SOCIAL INCLUSION

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.

At Cocoa Life we're helping lift communities by facilitating investments to build capacity in communities so they can shape their own future and make community decisions reflecting their diverse needs. Through trainings and community engagement activities our aim is to empower women, men, and youth and bring dynamic change to cocoa communities.

CFI PHASE ONE PROGRESS (2018-2022)

CFI PHASE ONE PROGRESS DATA FOR GHANA

Reported information covers Ghana.
This data is provided by third parties.

INDICATORS	2022 Goal	# Through direct investment (Current reporting year Oct 21- Sep22)	# Through direct investment (Since 2018)
FOREST PROTECTION AND RESTORATION			
# of cocoa plots mapped in direct supply chain	60,000	111,000	N/A
# of farms mapped in direct supply chain	45,000	70,000	N/A
# of hectares in the direct supply chain with deforestation risk assessments completed	279,000	146,000	N/A
# farmers informed, trained, and / or consulted on the new Forest Code, law enforcement, forest protection, and restoration	33,750	13,000	N/A
# individuals receiving PES: Total Active	10,000	260	N/A
# farmers applying agroforestry	15,000	55,000	N/A
# farmers trained in CSC best practices	45,000	48,000	N/A
# of farmers trained in Modified Taungya System (MTS)	1,500	260	N/A
# improved cocoa seedlings distributed to farmers	12,500,000	1,799,000	9,931,000
# multi-purpose trees distributed for on-farm planting	500,000	338,000	1,267,000
# of trees distributed for off-farm planting	25,000	230,000	574,000
# hectares cocoa agroforestry in development	7,245	45,000	108,000
# hectares under CBNRM	50	N/A	56,000
# trees registered	1,000,000	N/A	50,000
# individuals receiving PES: New		120	1,300
# hectares restored in Forest Reserve / Forêts Classée	350	320	710
# of cocoa communities with active forest restoration and protection program (CBNRM)	450	N/A	570
# hectares of forest area restored off-reserve / in rural zone	100	320	490
# of farmers with land tenure agreements/documentation obtained via company support	10,000	N/A	N/A
SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOOD			
# of farmers reached by GAP training programs	45,000	74,000	N/A
# individuals participating in additional Income Generating Activities (IGA's)	45,000	55,000	N/A
# of individuals in the current reporting year enrolled in a formal financial products and services with support from companies	31,500	9,800	N/A
# of members of VSLA groups in the current year	31,500	44,000	N/A
# of VSLA groups in the current year	1,150	1,600	N/A
SOCIAL INCLUSION AND COMMUNITY			
# of individuals participating in women's empowerment projects and activities	30,000	57,000	N/A
# of individuals participating in youth focused projects and activities (15-35 years old)	600	8,800	N/A

CFI PHASE ONE PROGRESS DATA FOR CÔTE D'IVOIRE

Reported information covers Côte d'Ivoire.
This data is provided by third parties.

INDICATORS	2022 Goal	# Through direct investment (Current reporting year Oct 21- Sep22)	# Through direct investment (Since 2018)
FOREST PROTECTION AND RESTORATION			
# of cocoa plots mapped in direct supply chain	96,000	64,000	N/A
# of farms mapped in direct supply chain	72,000	56,000	N/A
# of hectares in the direct supply chain with deforestation risk assessments completed	787,500	154,000	N/A
# hectares restored in Forest Reserve / Forêts Classée	N/A	590	1,000
# farmers informed, trained, and / or consulted on the new Forest Code, law enforcement, forest protection, and restoration	72,000	30,000	N/A
# individuals receiving PES: New	N/A	720	2,400
# individuals receiving PES: Total Active	20,000	2,600	N/A
# farmers applying agroforestry	N/A	14,000	N/A
# multi-purpose trees distributed for on-farm planting	1,500,000	863,000	1,934,000
# hectares cocoa agroforestry in development	21,739	18,000	49,000
# of trees distributed for off-farm planting	2,500,000	698,000	1,289,000
# hectares of forest area restored off-reserve / in rural zone	2,500	280	640
# farmers trained in CSC best practices	72,000	15,000	N/A
SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOOD			
# of farmers reached by GAP training programs	72,000	31,000	N/A
# individuals participating in additional Income Generating Activities (IGA's)	72,000	29,000	N/A
# of individuals in the current reporting year enrolled in a formal financial products and services with support from companies	18,000	8,200	N/A
# of members of VSLA groups in the current year	72,000	28,000	N/A
# of VSLA groups in the current year	N/A	1,300	N/A
SOCIAL INCLUSION AND COMMUNITY			
# of cocoa communities with active forest restoration and protection program (CBNRM)	800	78	160
# hectares under CBNRM	3,000	280	360
# of individuals participating in women's empowerment projects and activities	N/A	28,000	N/A
# of individuals participating in youth focused projects and activities (15-35 years old)	N/A	90	N/A

CFI ACTION PLANS (2022-2025)

COMPANY ACTION PLAN FOR GHANA

GOALS:	ACTIONS:	INDICATORS:	TARGETS # 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						
1. No further conversion of any forest land (as defined under national regulations, and using HCS and HCV methodologies for cocoa production.	1.1 Conduct farm mapping within supply chain to ensure cocoa is not being sourced from forest land.	# and % of farms mapped in direct supply chain (HP-IND-03).	65,000 farms, 100%	65,000 farms, 100%	65,000 farms, 100%	
	1.2 Conduct deforestation risk assessments in all sourcing areas.	# of hectares in the direct supply chain with deforestation risk assessments completed (HP-02) .	133,000	134,000	135,000	
2. No production and sourcing of cocoa from National Parks, Wildlife Sanctuaries, and Wildlife Resource Reserves, except from farms with existing legal status.	2.1 Implement traceability tools/ technology to ensure no cocoa purchases originate from National Parks, Wildlife Sanctuaries, and Wildlife Resource Reserves (all forest areas).	% of directly sourced cocoa traceable from the farm to the first purchase point (HP-IND-02).	100%	100%	100%	
3. A differentiated approach for Forest Reserves will be adopted, based on level of degradation; with elimination of sourcing of cocoa in less degraded reserves (Cat.1) as of 31 December 2019; and production and sourcing for a period up to 25 years through MTS in more degraded reserves (Cat. 2).	3.1 Support farmers in Category 2 Forest Reserve areas in their restoration and reforestation programs.	# hectares of Category 2 Forest Reserve areas restored (HP-07).	380	450	460	460
4. In highly degraded off reserve forest lands, cocoa production and sourcing will continue, supported by climate smart cocoa and MTS.	4.1 Train farmers in off-reserve forest lands in CSC production including cocoa agroforestry systems.	# farmers trained in CSC best practices (HP-08).	10,000	10,000	10,000	
	4.2 Train farmers in Modified Taungya System (MTS).	# farmers trained in MTS.	150	170	220	
5. Land and tree tenure reforms, and benefit sharing arrangement to incentivize land owners and users to retain naturally regenerated trees will be accelerated, including approval of CREMA mechanism.	5.1 Support farmers with tree registration.	# trees registered.	NA	NA	NA	NA
	5.2 Support cocoa farmers to acquire land (tenure) documentation.	# and % of farmers with land tenure agreements/documentation etc. obtained via company support (PF-07).	NA	NA	NA	NA

6. Public sector forest law enforcement and governance will be strengthened.	6.1 Promote awareness-raising campaigns to educate farmers on forest law enforcement and tree tenure provisions.	# farmers informed, trained, and / or consulted on forest policy/law enforcement, forest protection, and restoration (HP-11).	20,000	20,000	20,000	
7 . Public-private collaboration to mobilize new sources of funding for forest protection and restoration, and to incentivize farmers adoption of environmentally.	7.1 Mobilize finance for forest protection and restoration.	# Individuals receiving PES: New (HP-05).	25	25	50	100
		# Individuals receiving PES: Total Receiving (HP-05).	150	170	220	
sustainable cocoa production will be developed.						
8. Public-private collaboration will be enhanced to identify good practices and technical guidance for forest conservation and restoration, shade grown cocoa, and MTS in Forest Reserves.	8.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry.	# farmers applying agroforestry (HP-06).	30,000	30,000	30,000	
		# multipurpose trees distributed for on-farm planting (HP-10).	500,000	300,000	300,000	1,100,000
		# hectares cocoa agroforestry in development (HP-IND-04).	17,000	15,000	15,000	47,000
	8.2 Support distribution and planting of native trees for off-farm restoration (reforestation).	# of trees distributed for off-farm planting (HP-09).	137,000	137,000	137,000	411,000
		# hectares of forest area restored off-reserve (HP-07).	120	120	120	360
	8.3 Train farmers in Modified Taungya System (MTS).	# farmers trained in MTS.	Already reported 4.2			

SUSTAINABLE PRODUCTION AND FARMER LIVELIHOODS

9.Promote investment in long-term productivity of high quality cocoa in environmentally sustainable manner and grow “more cocoa on less land.”	9.1 Distribute improved cocoa planting material.	# improved cocoa seedlings distributed to farmers (PF-IND-02).	900,000	900,000	900,000	2,700,000
	9.2 Train farmers and producer organizations in the latest Good Agriculture Practices (GAPs).	# of farmers reached by GAP training programs (PF-IND-01).	20,000	20,000	20,000	
10. Promote sustainable livelihoods and income diversification for cocoa farmers.	10.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry.	# multipurpose trees distributed for on-farm planting.	Already reported 8.1			
		# hectares cocoa agroforestry in development.				
	10.2 Promote farm-level crop diversification.	# individuals participating in additional Income Generating Activities (IGA’s) (PF-IND-03).	55,000	55,000	55,000	

11. Promote financial inclusion and innovation to deepen farmers' access to working capital and investment funds required for production and cocoa farm rehabilitation and renovation.	11.1 Promote expansion of farmer savings.	# and % individuals in the current reporting year enrolled in a formal financial products and services (loans, insurance, digital payments, and savings [bank/mobile]) with support from companies (excluding cocoa bean pre-financing) (PF-03).	44,300 50%	44,400 50%	44,400 50%	
		# of members of VSLA groups in the current year (EC-05).	44,000	44,000	44,000	
		# of VSLA groups in the current year (EC-06).	1,600	1,600	1,600	1,600
12. Improve supply chain mapping, with 100% of cocoa sourcing traceable from farm to first purchase point. An action plan will be developed that maps out key principles, steps, and milestones to achieve this step, encompassing all national and international traders.	12.1 Conduct mapping to identify and collect cocoa farm boundaries polygon data.	# farms mapped within direct supply chain.	Already reported 1.1			
	12.2 Implement traceability system to farm level in 100% of supply chain by end-2019.	% cocoa supply traceable from individual farms to first purchase point.	Already reported 2.1			

SOCIAL INCLUSION AND COMMUNITY ENGAGEMENT

13. Full and effective information sharing, consultation, and informed participation of cocoa farmers and their communities who are affected by proposed land-use changes.	13.1 Organize cocoa community consultations on the implementation of the Frameworks for Action.	# farmers informed, trained, and / or consulted on forest policy/law enforcement, forest protection, and restoration.	Already reported 6.1			
14. Promote community-based management models for forest protection and restoration.	14.1 Establish and/or support community-based natural resource management (CBNRM) programs for forest restoration/ protection.	# of cocoa communities with active forest restoration and protection program (HP-03).	0	50	70	
		# hectares under CBNRM (HP-04).	0	10	14	
15. Development of action plans for forest protection and restoration, and sustainable agricultural intensification that are gender and youth sensitive.	15.1 Develop forest protection & restoration and agriculture intensification action plans that are youth and gender sensitive.	# of individuals participating in women's empowerment projects and activities (EC-08).	41,000	42,000	43,000	
		# of individuals participating in youth focused projects and activities (age 15-35) (EC-07).	9,000	9,500	10,000	

CFI COMPANY ACTION PLAN FOR CÔTE D'IVOIRE

GOALS:	ACTIONS:	INDICATORS:	TARGETS # 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						
1. No further conversion of any forest land (as defined under national regulations, and using HCS and HCV methodologies) for cocoa production.	1.1 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).	73,000 80%	87,000 90%	117,000 100%	
	1.2 Conduct deforestation risk assessments in all direct sourcing areas.	# of hectares in the direct supply chain with deforestation risk assessments completed (HP-02).	230,000	274,000	365,000	
2. No sourcing of cocoa from National Parks and Reserves through companies' traceable direct sourcing programs.	2.1 Implement traceability tools/ technology to ensure no cocoa purchases originate from National Parks or Reserves (all forest areas).	% of directly sourced cocoa traceable from the farm to the first purchase point (HP-IND-02).	100%	100%	100%	100%
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.	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).	0	0	0	0
4. 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.	0	0	0	0
	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).	0	0	0	0
5. 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, law enforcement, forest protection, and restoration (HP-11).	19,000	24,000	34,000	

6. 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).	2,500	3,500	6,000	12,000
		# Individuals receiving PES: Total Active (HP-05).	5,100	8,600	14,000	
7. Public-private collaboration to identify good practices, technical guidance and incentive mechanisms for forest restoration and agro-forestry.	7.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry .	# farmers applying agroforestry in devlopment (HP-06).	18,000	24,000	35,000	
		# multi-purpose trees distributed for on-farm planting (HP-10).	492,000	348,000	418,000	1,259,000
		# hectares cocoa agroforestry in development (HP-IND-04).	19,000	13,000	16,000	48,000
	7.2 Support distribution and planting of native trees for off-farm restoration (reforestation).	# # of trees distributed for off-farm planting (HP-09).	352,000	220,000	220,000	792,000
		# ha of forest area restored in rural zone (HP-07).	320	200	200	720
	7.3 Train farmers in CSC production including cocoa agroforestry systems.	# farmers trained in CSC best practices (HP-08).	19,000	24,000	34,000	
8. 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.	0	0	0	0

SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOODS

9. Promote investment in long-term productivity of cocoa in environmentally suitable areas in order to grow "more cocoa on less land" .	9.1 Distribute improved cocoa planting material.	# improved seedlings distributed to farmers (PF-IND-02).	NA	NA	NA	NA
	9.3 Train farmers in Good Agriculture Practices (GAPs).	# of farmers reached by GAP training programs (PF-IND-01).	35,000	43,000	66,000	
10. 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).	29,000	32,000	34,000	
	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 deepen farmers' access to working capital and investment funds for production and farm renovation.	11.1 Offer financial products to farmers and promote farmer savings.	# and % individuals in the current reporting year enrolled in a formal financial products and services (loans, insurance, digital payments, and savings [bank/mobile]) with support from companies (excluding cocoa bean pre-financing).	33,000	32,000	34,000	
		# of members of VSLA groups in the current year.	29,000	32,000	34,000	
		# of VSLA groups in the current year.	1,400	1,600	1,700	
12. Improve supply chain mapping, with the goal of 100% of cocoa sourcing traceable from farm to first 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.	12.1 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.	Already reported 1.1			
	12.2 Implement traceability system to farm level in direct supply chain.	% of direct sourced cocoa traceable from individual farms to first purchase point.	Already reported 2.1			

SOCIAL INCLUSION AND COMMUNITY ENGAGEMENT

13. Full and effective information sharing, consultation, and informed participation of cocoa farmers and their communities who are affected by proposed land-use changes.	13.1 Organize cocoa community consultations on the implementation of the Frameworks for Action.	# farmers informed, trained, and / or consulted on the new Forest Code, law enforcement, forest protection, and restoration.	Already reported 5.1			
14. Promote community-based management models for forest protection and restoration.	14.1 Establish and/or support community-based natural resource management programs for forest restoration/ protection.	# of cocoa communities with active forest restoration and protection program (HP-03).	300	200	200	700
		# hectares under CBNRM (HP-04).	300	200	200	700
15. Development of action plans for forest protection and restoration, and sustainable agricultural intensification that are gender and youth sensitive.	15.1 Develop forest protection & restoration and agriculture intensification action plans that are gender and youth sensitive.	# of individuals participating in women's empowerment projects and activities (EC-08).	29,000	32,000	34,000	
		# of individuals participating in youth focused projects and activities (age 15-35) (EC-07).	0	0	0	

GLOSSARY

AGROFORESTRY — On Cocoa Life registered farms, farmers are encouraged to plant non-cocoa trees alongside cocoa crops. This supports soil quality, encourages diversification and provide new sources of income.

CLIMATE-SMART COCOA (CSC) — The adaptation of Climate-Smart Agriculture (CSA) practices to the management of Theobroma Cacao (cocoa).

COCOA & FORESTS INITIATIVE (CFI) — A public private partnership to end deforestation and restore forest areas.

COMMUNITY-BASED NATURAL RESOURCE MANAGEMENT (CBNRM) — These are plans developed with the cocoa-growing communities in partnership with Cocoa Life to determine forest restoration and conservation actions.

COMMUNITY ACTION PLANS (CAPS) — These plans are developed and implemented by the communities to ensure their development socially, economically and environmentally. Communities determine their community development actions – including forest protection and restoration – to encourage ownership and because communities are better placed to effectively protect and restore degraded forests if they have a decision-making role.

CROP DIVERSIFICATION — Growing a variety of crops on a farm and also off-farm, not just one. This expands production related activities and also reduces risk to farmers by allowing them to spread their income-generation over multiple crops.

ECONOMIC/SHADE TREES — Shade trees are an important part of sustainable cocoa farming; they safeguard cocoa against too much sunshine and heat with a positive influence on long term productivity, help safeguard biodiversity, and can provide additional income for farmers.

FARM MAPPING — Farm mapping is usually done by people walking around the farm with a GPS device to delimit the borders. It helps us understand farm sizes and locations and therefore monitor that there is no expansion into protected areas. Understanding where and under which conditions cocoa is produced allows prevention of farms expanding into the forest.

FRAMEWORKS FOR ACTION — CFI's landmark agreements to end deforestation and promote forest restoration and protection in the cocoa supply chain.

GOOD AGRICULTURAL PRACTICES (GAPS) — Cocoa Life registered farmers receive training in good agricultural practices – yield enhancing farming methods and facilitating access to inputs such as improved planting material and fertilizers.

INPUTS — Fertilizers, agro chemicals and tools for farm work that are crucial to a healthy cocoa farm.

GLOSSARY

INTERCROPPING — Other crops are grown on the same plot of land as cocoa. These can be food crops like plantain or taro, or trees that have different uses, including fruits, spices, medicinal plants and fuel wood.

LANDSCAPE APPROACHES — A landscape approach is a multi-stakeholder effort to promote a sustainable landscape across a large area of land.

PAYMENTS FOR ENVIRONMENTAL SERVICES (PES) — Payments for Environmental Services –innovative financial incentives offered to farmers for adopting agreed agroforestry practices but also forest protection and reforestation.

POLYGON MAPPING — Polygon mapping is the tracing of farm boundaries using geo-location technology such as satellite receivers. The polygon is the name of the shape that represents the farm after mapping.

SHADE TREES — Non-cocoa trees distributed to provide additional sources of income and shade to help cocoa grow.

TARGETED GOOD AGRICULTURAL PRACTICES (TGAPS) — Supplying farmers with a tailored package of services – including yield enhancing farming methods and facilitating credited loans to access to inputs such as pest control and fertilizers.

VILLAGE SAVING AND LOANS ASSOCIATIONS (VSLAs) — A flagship activity of Cocoa Life, their purpose is to encourage savings and access loans for cocoa farmers. Members of a VSLA make small, regular monetary contributions to a shared pool, from which they may each take out low-interest loans. At the end of a one-year cycle, the sum of the pool is shared out among members based on contributions made, and a new contribution cycle begins.

END NOTES

1 Climate Funds Update, 2020.

2 World Cocoa Foundation, 2023.

3 Annual GHG emissions are accounted for following the GHG Protocol Corporate Standards and using the operational control approach. Reporting includes activities of all Mondelēz International subsidiaries across all regions, except those acquired after December 31, 2021. All acquisitions until 2021 are incorporated in our GHG emissions for 2018, 2021 and 2022. In the reporting year 2022, we have recalculated our base year, 2021 and 2022 inventory following the GHG Protocol Corporate Standards. For more details, please see the Carbon Accounting Manual.

4 Reported information covers Brazil, Côte d'Ivoire, Dominican Republic, Ghana, Indonesia, India, and Nigeria. This data is provided by third parties.

5 Reported information covers Côte d'Ivoire and Ghana. This data is provided by third parties.

6 Updates have been made to the metric's reporting methodology for the period from January 1, 2022 to December 31, 2022. Reported information for 2021 covering Côte d'Ivoire and Ghana has been revised for year-over-year comparison.

7 Clean Cooking Alliance, 2023.

8 World Health Organization, 2022.

Website references throughout this document are provided for convenience only.
We assume no liability for any third-party content contained on the referenced websites.

ABOUT OUR ESG GOALS

Reported information against our quantitative ESG goals, unless otherwise stated, (i) covers the annual reporting period from January 1 to December 31 of the stated year, (ii) includes manufacturing facilities under our direct and indirect control, (iii) excludes acquisitions since 2018, and (iv) excludes Venezuela. Where quantitative goals are linked to revenue, information is for Mondelez International revenue (excluding acquisitions since 2018 unless stated otherwise) except Venezuela, for which results are excluded from our consolidated financial statements. Where quantitative goals are linked to operations, information is for operations under the control of our integrated supply chain function (excluding acquisitions since 2018 unless stated otherwise); unless stated otherwise, data for external manufacturing includes estimates. Due to rounding, numbers presented in this report may not add up precisely to the totals provided and percentages may not reflect the absolute figures. Although the numbers presented in this report for this year's performance are rounded, some of the prior years' numbers were not rounded. Historical, current and forward-looking sustainability related information and statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. We caution you that this information is approximate, that these statements and information are not guarantees of future performance, nor promises that our goals will be met, and are subject to numerous and evolving risks and uncertainties that we may not be able to predict or assess. In some cases, we may determine to adjust our commitments or goals or establish new ones to reflect changes in our business, operations or plans.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements. All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including any statements of the plans, strategies and objectives of management; any statements regarding our environmental, social and governance and sustainability strategies, goals, policies, initiatives and programs; any statements concerning proposed new products, services or developments; any statements regarding future economic conditions or performance; any statements of belief or expectation; and any statements of assumptions underlying any of the foregoing or other future events. Forward-looking statements may include, among others, the words, and variations of words, "will," "may," "expect," "would," "could," "might," "intend," "plan," "believe," "likely," "estimate," "anticipate," "objective," "predict," "project," "drive," "seek," "aim," "target," "potential," "commitment," "outlook," "continue," "strive," "ambition" or any other similar words. Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results or outcomes could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to inherent risks and uncertainties, many of which are beyond our control. Please also see our risk factors, as they may be amended from time to time, set forth in our filings with the U.S. Securities and Exchange Commission (SEC), including our most recently filed Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. There may be other factors not presently known to us or which we currently consider to be immaterial that could cause our actual results to differ materially from those projected in any forward-looking statements we make. We disclaim and do not undertake any obligation to update or revise any forward-looking statement in this report, except as required by applicable law orregulation. The information included in, and any issues identified as material for purposes of, this report may not be considered material for SEC reporting purposes. In the context of this disclosure, the term "material" is distinct from, and should not be confused with, such term as defined for SEC reporting purposes.

Cocoa & Forests Initiative

Mondelēz International

COCOA LIFE