



# Cocoa and Forests Initiative Progress Report 2023

# Unilever Cocoa and Forests Initiative

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### Sustainable cocoa sourcing at Unilever

Cocoa is a global commodity with a complex supply chain. Cultivating cocoa provides livelihoods for millions of people, but is also associated with issues such as deforestation, water impacts and human rights risks – issues we want to play our part in eliminating.

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. 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.

# 99%

of cocoa sustainably sourced through Rainforest Alliance or Fairtrade certification

Unilever's business will not prosper without a healthy planet and a healthy society. Stopping deforestation is one of our priorities for transformational change, and we are committed to working with our supply chain, governments, and civil society to drive deforestation out of commodity supply chains and implement solutions at scale.

As part of our sustainability goals, we are committed to source all our key agricultural crops, including cocoa, sustainably. In 2023, we sourced 99% of our cocoa derivatives under Rainforest Alliance or Fairtrade

certification, but we know we need to go further to generate systemic change.

That is why we commit to playing our part in halting deforestation, raising living standards and respecting and promoting human rights in cocoa growing communities. Our efforts as part of the [Cocoa and Forest initiative](#) (CFI) play an important role in achieving our goal of contributing to a more sustainable cocoa sector, protecting and regenerating nature and empowering a new generation of farmers.

In 2020, we set a goal to achieve a [deforestation and conversion-free supply chain by 2023](#) for our key commodities. Our goal means that the palm oil, paper and board, tea, soy, and cocoa entering our direct supply chain should no longer be associated with land that has been deforested or converted for farming since December 31, 2015. These commodity supply chains contribute to more than 65% of Unilever's total impact on land, and are the crops most often linked to deforestation of natural ecosystems to farmland.

91% of our cocoa order volumes were independently verified as deforestation-free by the end of 2023. We are proud of the impact we achieved and of the change we are driving across the industry.

# 91%

of our cocoa order volumes were independently verified as deforestation-free



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## About the Cocoa & Forests Initiative

In 2018, 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; and
- engage communities and boost social inclusion.

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

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## Unilever and CFI

Since joining CFI in 2018, we have worked with our supply chain and other stakeholders to help halt deforestation and restore forest areas in Côte d'Ivoire. In 2021, Unilever launched its CFI impact programme within its dedicated supply chain to support smallholder

farmers in adopting agroforestry practices on their farms.

While we are proud to have achieved a 91% deforestation free cocoa supply chain by 2023, ending deforestation requires going beyond sourcing deforestation-free. It requires targeted interventions in the supply chain to support farmers and communities in securing sustainable livelihoods, and to invest in nature regeneration and agroforestry. This is why we fully support the holistic approach and collaborative nature of the Cocoa and Forests Initiative.

After a successful Phase I of the CFI in 2018-2022, we are currently implementing our Action Plan for Phase II 2022-2025. 2023 was the first year in this new phase and we are proud of the progress we are making to achieve our ambitious targets.

Unilever does not source cocoa beans directly from farmers, but rather buys cocoa derivatives from suppliers. We work with Cargill and Barry Callebaut in 37 cooperatives in Unilever's dedicated supply chain. Here, we invest in long-term relationships and run various impact programmes, complementing certification programmes.<sup>1</sup>

This progress report describes our efforts across the three CFI pillars of Forest Protection and Restoration, Productivity and Livelihoods, and Community Engagement and Social Inclusion.

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<sup>1</sup>In 2023, there were cases where cocoa sourcing had to be suspended due to de-certification from Rainforest Alliance (CAEZA, NOCAO and

SCOOPABINKADI). The impact programs remained active at these cooperatives.

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## Forest Protection and Restoration

Protecting and restoring nature takes a multipronged approach. Next to deforestation-free sourcing, we focus on protecting and restoring natural ecosystems, while implementing regenerative agricultural practices such as agroforestry.

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*Agroforestry is a regenerative agricultural practice. It is a way of sustainably managing land use by putting several crops, forest tree species and sometimes animals in the same field. When the system is well designed, the crops can benefit each other by providing shade and improving soil health, while growing multiple commodities at once can help reduce the financial risk of a single crop failing. This lessens the incentive for farmers to expand their farmland into forest areas. This integrated approach helps to restore degraded land, improves forest cover and promotes sustainable agriculture. It also increases farmers' awareness of the challenges posed by deforestation and unsustainable agricultural practices.*

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Our cocoa remediation program supports smallholder farmers in adopting agroforestry practices on their farms. Using satellite imagery and other geographical information, Unilever and its partners have assessed the deforestation risk in the 37 cooperatives in our dedicated supply chain, assessing 81,231 hectares in 2023. Based on these deforestation risk assessments, we assist farmers with deforestation risk to access sustainable livelihood opportunities, training in climate-smart agricultural practices and investment in agroforestry.

We support communities to develop their own plant nurseries and wood parks to cultivate tree seedlings, which the farmers

then plant. They can choose which type of tree they want to plant, under guidance from our local implementation partners. Different species provide different benefits, from trees that help rebuild the forest canopy (shade trees) or restore soil through nitrogen provision (plants that produce peas, beans or lentils) to fruit trees that provide farmers with crops to eat or sell. Some also have cultural value to local communities (community and ancestor forests).

# 24,767

**farmers benefitting from our CFI impact program activities**

With the support of various experts, local staff has been trained to facilitate agroforestry data collection and the monitoring and evaluation of activities. Unilever's program has distributed 344,138 trees for on-farm planting in 2023. We used better planning, temporary nurseries and training of involved cooperative staff to improve implementation, and we are happy with the positive effect this has had on the 2023 results. For 2024, we aim to plant an additional 100,000 trees for agroforestry.

Due to the negative impact of climate change on the planting calendar, the distribution of some seedlings has been delayed to 2024. In addition, tree survival rate remains a challenge, which we aim to mitigate through improved follow up and replacement plans. With farmers and communities' contribution to provide and share details on available lands, 22,715 trees have been planted off-farm in 2023, contributing to land restoration. These off-farm trees covered mainly two community forests and areas of four primary schools in the remediation program regions.

Together, these efforts have already resulted in 6,725 hectares of cocoa transformed to agroforestry in 2023. To keep supporting agroforestry activities in the selected areas, 55 environmental communities have been created with specific action plans and follow up activities.

# 344,138

**trees were distributed for on-farm planting, covering 6,725 hectares under agroforestry measures**

Having legal ownership of land, or long-term rights as tenants, benefits the farmers by helping to improve their livelihoods and giving them more security of the land they depend on. It also provides a reason for farmers to invest in the land by adopting sustainable agriculture practices, not expanding to other areas. Unilever is a founding partner in the Côte d'Ivoire Land Partnership (CLAP), which brings together companies, governments and Meridia to support access to land rights. In 2022, the first group of farmers – more than 40% women – received 130 land tenure documents. In 2023, 395 plots of land have been clarified and confirmed by local community leaders. This is an important step for the land certification process, from which we can expect tenure documents in 2024.

## **Sustainable Cocoa Production and Livelihoods**

Cocoa supports the livelihoods of an estimated 5.5 million farmers, many of which are living in poverty. We want to invest in long-term solutions to ensure that productive, sustainable cocoa farming supports farmers

### **From the field**

Mr. Doumbia Moustapha is a farmer in the cooperative COOBADI since 2015. He is 51 years old and grows cocoa in Côte d'Ivoire. He is married with 7 children.

While initially sceptical about tree planting effects on the farm and yield, he attended the learning session on the benefits of agroforestry as part of his cooperative's awareness raising activities. Mr Doumbia Moustapha said:

*Since I'm growing cocoa, I have seen a change in seasons, where dry season lasts longer with less rains. With these changes, I can no longer properly define the periods of each season, and this affects production.*

*I know that deforestation is the destruction of the forest by cutting trees. I participated in awareness sessions to know more about deforestation and started acting to stop it.*

*For my participation to the agroforestry program, I received the shade trees for free. Since I've been trained, I'm now involved in the efforts to protect the forest. I'll still growing my current farm and continue efforts to protect trees, as this will contribute to the reconstruction of the forest and create the conditions for better rainfall.*

*Before the planting of agroforestry shade trees in my farm, my community coach came to map my farm. Now I know that shade trees are protecting cocoa trees against the sun and in the long-term, these trees could provide additional revenue.*

Mr Doumbia Moustapha faced various challenges to maintain the trees alive with insect attacks and a long drought. However, after six months, he observed normal growth of shade trees which makes him proud now. He is now planning to learn how to produce the seedlings himself and sell them to his neighbours and the other farmers of the community.



and their communities with sustainable livelihoods.

# 5,914

**people participating in women empowerment projects and activities**

We invest in training in good agricultural practices for farmers and capacity building of farmers' organisations and cooperatives. In 2023, we have provided 21,080 farmers with technical assistance to professionalize their cocoa farming practices. In addition, 18,262 farmers have been provided with technical assistance on climate-smart cocoa best practices, such as natural pest control methods and regular pruning. This supports their resilience to climate change and reduce carbon emissions.

We also support farmers to reduce their dependence on cocoa for their incomes. In 2023, 11,544 individuals received technical assistance on alternative income-generating activities based on tailored business plans.

We recognise the importance of access to finance for farmers to enable them to invest in their farms and diversify their incomes. As part of the cocoa remediation programs, we worked to promote access to saving and credit, including the establishment of 254 Village Savings and Loans Associations (VSLA) for 6,685 members, of which 5,665 (85%) were women. In 2023, 4,569 VSLA members were trained on financial literacy and income diversification. In addition, 68 families were trained on the management of the family business. We have also piloted work with direct cash transfers to women in cocoa communities, where women in VSLAs received unconditional cash transfers to increase and scale up their income generating activities, both cocoa and beyond.

To enable cooperatives to effectively support their farmers, we have assessed the development needs of the dedicated cooperatives and provided ad-hoc support in developing improvement plans such as the provision of cooperative management training.



Raising living standards is multi-faceted and requires a smart-mix approach, which is why we also invest in innovative approaches to support farmers. For example, with Cargill, we have developed a pilot to upcycle cocoa waste into marketable products such as green charcoal, biofertilizers and potash, generating alternative incomes. Two hundred female VSLA members have initiated upcycling 5 tons of cocoa waste. With Barry Callebaut, we have introduced products that could help save women time, which would give them more opportunities to generate income. These include cooking stoves, washing machines and solar pumps, as women often spend a lot of time on firewood gathering, washing and fetching water. We expect the results of both programs in 2024 and aim to capture learnings to strengthen future livelihoods programs.

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## **Community Engagement and Social Inclusion**

Women economic empowerment and the creation of alternative livelihoods for farmers and their households will play a crucial role in fighting deforestation and child labour, which is why we have invested in programs to achieve these goals. Since 2020, Unilever has

worked on its Women Economic Empowerment Program together with suppliers and partners. These programmes aim to support farmers and community members, particularly women, in diversifying their crop production as well as exploring additional sources of off-farm income.

As part of this work, we have developed a Direct Cash Transfer Program together with our supplier Cargill, engaging 400 women in 2023. Women are trained in setting up a Village Savings Loan Associations (VSLAs) to maturity, after which they begin the cash transfer programme with NGO partner 100WEEKS. This programme provides them with €8 each week, for 100 weeks. Women also receive an extensive training program, ranging from household budgeting and managing their business operations and finances so they can apply this to their own business ventures and grow their investment. The modules from Unilever NGO partners (CARE and 100WEEKS) also extend to social skills, including women's roles in the household and their relationship with their husbands.

The combination of VSLAs, training and direct cash transfers makes this program innovative and highly impactful. We found VSLA members saved 5x more than the African benchmark (€379 vs €73) and more than 3x the benchmark of Côte d'Ivoire (€379 vs €113). Next to increased savings, participating women have either started or expanded their Income Generating Activities, with almost 3 out of 4 women who already have an IGA expanding their existing business. Female program participants also reported positive impacts to self-confidence, leading to greater participation within their communities, while equipping them with the knowledge to successfully participate in household decisions. We will use the learnings from this program in our future livelihoods programmes.

In addition, we know that child labour is an endemic issue in the cocoa industry. To



#### From the field

Nanou Adjoua is a widow and mother of 6 children, growing cocoa in Côte d'Ivoire.

When Nanou's husband died, she had to take over his farm to take care of her children. When the swollen shoot disease destroyed part of the plantation, it reduced the income from the crops that were already struggling to meet the family's needs. Thanks to the 100WEEKS project, Nanou Adjoua was able to take better care of her field by planting more cocoa trees. She invested the money she saved in the maintenance of her cocoa field and today, her production is a little bit bigger. Thanks to her profits from the sale of cocoa, she can provide for her children.

address and mitigate this risk, we have developed impact programs together with our partners and suppliers to ensure that we source from cocoa cooperatives that have monitoring and remediation systems in place. By 2023, all the 37 co-operatives in our dedicated supply chain had such a system in place, covering 22,321 households representing 90% of the total. Together with our suppliers and implementation partners, we also support the enabling environment to halt child labour, including improved access to education in targeted communities, increased capacity at cooperatives and mobilization of local community actors, such as governments and teachers, to further protect children from dangerous work. In addition, Unilever is a member of ICI – the International Cocoa Initiative, since 2018.

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## Looking ahead to 2024

For 2024, we will continue our activities of forest protection through agroforestry inside cocoa farms and off-farms through the protection of community forests and any other space requiring reforestation.

Specifically, we aim to:

- Carry out deforestation risk assessments covering at least 50,000 hectares
- Distribute and plant 100,000 trees on farms, covering about 2200 farmers for 2,500 hectares
- Distribute 10,000 trees for off-farm planting in different communities
- Provide 14,000 farmers with training and technical assistance to be more resilient to climate change and forest protection
- Continue activities to strengthen VSLAs and empower women through trainings, development of alternative income generating activities and time saving initiatives.

In addition, to know more about the ecosystem generated during the implementation of the UL cocoa remediation programme since 2021, a socio-economic and biophysical baseline will be conducted in the areas covered. Finally, an evaluation of all activities of the cocoa remediation program will be performed.



## CFI Reporting Table Côte d'Ivoire

Indicator	2022-2023 Target <sup>2</sup>	# Through direct investment (2022-2023)
<b>FOREST PROTECTION AND RESTORATION</b>		
# of farms mapped in direct supply chain	23 000	23.768
# of hectares in the direct supply chain with deforestation risk assessments completed	50 000	81.231
# of directly sourced cocoa traceable from the farm to the first purchase point		33.566
# of farmers with land tenure agreements/documentation obtained via company support	200	395
# farmers informed, trained, and / or consulted on the new Forest Code, law enforcement, forest protection and restoration	10.000	16.417
# farmers applying agroforestry		3.671
# multi-purpose trees distributed for on-farm planting	100.000	344.138
# hectares cocoa agroforestry	2.500	6.725
# of trees distributed for off-farm planting	10.000	22.715
# farmers trained in CSC best practices	12.000	18.262
<b>SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOOD</b>		
# of farmers provided with technical assistance to professionalize and optimize cocoa farming practices	12.000	21.080
# individuals participating in additional Income Generating Activities (IGA's)		204
# individuals provided with technical assistance (based on plans) to increase income from non-cocoa sources/ IGAs	500	11.544
# of individuals provided with technical assistance to save money and access finance	4.175	11.239
# of members of VSLA groups in the current year	4.175	6.685
# of VSLA groups in the current year	167	254
<b>SOCIAL INCLUSION AND COMMUNITY</b>		
# of cocoa communities with active forest restoration and protection programme (CBNRM)	10	55
# hectares under CBNRM	100	0
# of individuals participating in women's empowerment projects and activities	3.200	5.914
# of individuals participating in youth focused projects and activities (15-35 years old)	1.280	59
# of households covered by a CLMRS or comparable system		22.321

<sup>2</sup> These targets for 2023 were set in 2019 at the beginning of the CFI. Variances can be observed due to various implementation constraints or improvements that we try to identify and improve gradually.