



INTRODUCTION

Cocoa is at the core of what we do at Clasen Quality Chocolate. Every year, CQC counts on thousands of cocoa farmers to grow, harvest and ferment high quality cocoa beans that get transformed into chocolate and confectionary coatings.

Our vision for sustainable chocolate starts with farmers and is carried out in community. As a World Cocoa Foundation member, participating in the Cocoa & Forests Initiative has helped CQC better know the origin and impact of our cocoa supply chain. This report highlights some of the progress CQC has made in the last year through the CFI program in Ghana.

COLLECTIVE ACTION TO END COCOA-RELATED DEFORESTATION

The governments of Côte d'Ivoire and Ghana and 35 leading cocoa and chocolate companies, representing 85% of global cocoa usage, joined together in the Cocoa & Forests Initiative to help 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 contributes to 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) that spell out commitments to:

- protect and restore forests,
- promote sustainable cocoa production and farmers' livelihoods,
- engage communities and boost social inclusion.

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The Three Pillars of CFI





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.

The next critical priority is sustainable agricultural production and increased farmer incomes. These are essential prerequisites 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 intercropping, and development of mixed agroforestry systems and shade-grown cocoa.





The final area of focus is strong community engagement and social inclusion, with a particular focus on women and youth. The governments and companies have committed to full and effective consultation and participation of cocoa farmers in the design and implementation of key actions, and promotion of community-based management models for forest protection and restoration. The governments have adopted social and environmental safeguards and are assessing and mitigating the social impacts and risks of any proposed land-use changes on affected communities



Agroforestry

An opportunity to rebuild a healthy and productive farm



Mr. Emmanuel Keelson, a 36-year-old farmer from the Twifo Nyinase district in Ghana faced a significant setback when fire destroyed 1 acre of his cocoa farm. Thanks to the support provided by Clasen Quality Chocolate's CFI sustainability program, the Touton-Eliho field team of agronomists was able to quickly assist Mr. Keelson to rehabilitate his farm and boost its resilience by implementing good agricultural practices, including agroforestry and crop diversification.

In March 2024, fire spread quickly across Mr. Keelson's cacao plantation from his neighbour's farm due to exceptionally dry conditions and strong winds.

Mr. Keelson explained: "After the incident, I reached out to the Eliho-Touton field officers for assistance. The agronomists visited my farm to assess the situation and provided advice on good farming practices and directions to help restore it. In June, I was given 50 shade tree seedlings and 200 cocoa seedlings to rehabilitate my farm. It has gradually been restored thanks to the regular monitoring, support and coaching on good farming from the agronomists. Both the cocoa and shade trees are doing well."

Clement Owusu Bempah, Sustainability Officer said: "Given the extent of the fire damage, we supplied Mr. Keelson with fast-growing tree species, such as Ofram and Mahogany, to replace the shade trees that had naturally grown on the farm but got burnt. These species were chosen not only to help restore the farm's ecosystem but also to provide sustainable shade for the cocoa trees, which is essential for maintaining their productivity and resilience."

Thanks to this collaborative effort, Mr. Keelson's farm is on the path to recovery. The combination of shade and cocoa trees not only supports land restoration, but it also contributes to the overall health and long-term productivity of the farm and improves the income of Mr. Keelson's family. The additional coaching received by the farmer reinforced his engagement to prevent deforestation within his community:



Mr. Keelson added: "The rainfall pattern and the dry seasons are much different (...) which has made farming difficult due to their unpredictability. Long and heavy rainfall causes black pod disease. Longer dryness causes wilting and destruction of our cocoa plants. This has been a major challenge for years (...) However, the introduction of agroforestry involving shade trees, crop trees, and fruit trees has had a positive impact on my farm's health. The shade trees provide enough shade for our cocoa plants against the drought, and the fruit trees also give us extra income. I made about 1500GHS (approx. 90 euros) last year from selling the coconut I cultivated on my farm.

The farm coaching program has been impactful. My farm is on a steady path to full recovery. I have gained more knowledge of good farming practices and the importance of agroforestry."





Engaging Communities

To ensure long-term financial and environmental sustainability

For generations, cocoa farming has been the backbone of community's livelihood in the Twifo Nyinase district, providing sustenance and income. However, in recent past years, changing weather patterns and difficulties with transportation have created significant challenges for their cocoa trade.

Emmanuel Oppong is one of them. Father to 3 children, he owns 2 farms and a total of 6.5 acres. Together with several members of the community, he decided to embark on CQC's CFI sustainability program implemented by Touton-Eliho to find solutions. Mr. Oppong is both the secretary of the local Village Savings and Loans Association (VSLA), and a member of the Forest Protection Committee (FPC) set up by the Touton-Eliho team of agronomists and community development experts. These two organizations are made up of volunteers from the local community to provide collaborative solutions to access finance and improve farming efficiency, while preserving the ecosystems and forests surrounding their cocoa plantations



Emmanuel Oppong explains: "Currently, there are seasons of heavy rainfall for several days and prolonged drought too. This causes black pod disease infestations, wilting and destruction of cocoa trees because of the excessive drought. I noticed a slight decline in my yield. The overall health of my farm is not quite as it used to be because of climate change effects. We manage the effects by planting more trees and adhering to the directives and training from the Touton-Eliho field officers. They teach us a lot during training and coaching.

They also introduced a Forest Protection Committee (FPC), engaging with our community and its leaders. The FPC teaches us how to protect trees and forests, and conserve biodiversity. Its formation has resulted in a decline of deforestation in this area. The committee is constantly monitoring the area, which is deterring perpetrators. As a member of this unit, I have a responsibility to protect our trees."



Engaging Communities



continued

Further to the environmental protection aspect, these organizations aim to positively impact the capacity for farming communities to improve their cocoa business and earnings, one of the many ways to mitigate risks of deforestation.

Mr. Oppong adds: "Field officers and the FPC ensure that shade trees are distributed, planted and nurtured well. We have also been taught about planting more fruit trees on our farms, which initially we were not aware of. I gained additional profits from cultivating coconut and orange trees on my farm last year.

Also, I currently hold the position of Secretary for the Villages Savings and Loan Association (VSLA). One major challenge [for several members of the VSLA] was the transportation of farm materials to our farms and harvests from our farms. (...)

Occasionally, we rented commercial tricycles which came at high costs. We were charged 50GHS (approx. 3 euros) to transport one bag of cocoa from the farm to the house using the commercial tricycles. Once, I spent 3000GHS (approx. 178 euros) on just transporting cocoa to my house!

To solve the transportation issue, the VSLA decided to invest in a tricycle. In November 2024, a tricycle was purchased at a price of 28,000GHS (approx. 1664 euros) from the social fund. We are very happy with this initiative because we can send materials and produce to, and from, our farms at lower costs. We charge a fee of 20GHS (approx. 1,20 euros) per cocoa bag for VSLA group members and 50GHS (approx. 3 euros) for non-VSLA members.

Since the tricycle operations started, the group has gained 10,000GHS (approx. 594 euros) in profits in three months."

Clement Owusu Bempah, Sustainability Officer, Touton Ghana concludes: "The VSLA has become a symbol of the community's resilience and cooperation, with its success providing both financial security and a sense of empowerment to the farmers of Opokukrom. By combining financial services together with practical solutions like transportation, the farmers have been able to overcome obstacles that once seemed insurmountable, and they now look to the future with optimism."





Annex: CFI Tracking Table



Ghana 2024

FOREST PROTECTION AND RESTORATION	
Description	# Through direct investment 2024
# of farms mapped in direct supply chain: Total Active	1,022
# of hectares in the direct supply chain with deforestation risk assessments completed	1,444
# metric tons of directly sourced cocoa traceable from the farm to the first purchase point (target is 100%)	500
# farmers informed, trained, and / or consulted on the new Forest Code, forest policy, law enforcement, forest protection, and restoration	885
# farmers applying agroforestry: New	40
# farmers applying agroforestry: Total Active	61
# farmers provided with technical assistance to adopt and expand agroforestry	201
# multi-purpose trees distributed for on-farm planting	6,033
# hectares cocoa agroforestry: New	105
# hectares cocoa agroforestry: Total Active	168
# farmers provided with technical assistance to be more resilient to climate change and reduce and remove carbon emissions on farm (e.g., CSC)	361
SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOOD	
Description	# Through direct investment 2024
# farmers provided with technical assistance (based on plans) to professionalize & optimize cocoa farming practices	361
SOCIAL INCLUSION AND COMMUNITY	
Description	# Through direct investment 2024
# of individuals participating in youth focused projects and activities (15-35 years old)	6

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