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Cocoa Industry Announces Cooperative Initiative to End Deforestation

Hosted by HRH The Prince of Wales, leading chocolate and cocoa companies commit to develop cooperative, multi-stakeholder framework to address deforestation and forest degradation in the cocoa supply chain

LONDON – March 16, 2017 – Twelve of the world's leading cocoa and chocolate companies agreed to a statement of collective intent committing them to work together, in partnership with others, to end deforestation and forest degradation in the global cocoa supply chain, with an initial focus on Côte d'Ivoire and Ghana. The agreement, concluded here during a meeting hosted by HRH The Prince of Wales, commits the participating companies to develop and present a joint public-private framework of action to address deforestation at the United Nations Framework Convention on Climate Change 23rd Conference of the Parties (COP 23) meeting in Bonn in November of this year.

Today's meeting, organized by World Cocoa Foundation (WCF), IDH-the Sustainable Trade Initiative (IDH) and The Prince's International Sustainability Unit (ISU), is the first of its kind covering the global cocoa supply chain. Senior executives from the 12 companies stated their commitment to develop an actionable suite of measures to end deforestation and forest degradation, including greater investments in more sustainable forms of landscape management; more active efforts in partnership with others to protect and restore forests in the cocoa landscape; and significant investments in programs to improve cocoa productivity for smallholder farmers working in the cocoa supply chain. Côte d'Ivoire and Ghana are the world's leading producers of cocoa, and many observers point to cocoa farming as a driving force behind rapid rates of deforestation in both countries.

Speaking at the event, HRH The Prince of Wales said, "Tropical rainforests play an absolutely crucial role in climate change mitigation and adaptation, in ensuring sustainable livelihoods for hundreds of millions of people and in conserving biodiversity. The most powerful direct reason for action is that deforestation threatens to undermine the very resilience of the cocoa sector itself, and with it the livelihoods of the millions of smallholders who depend on it. I am heartened that companies are undertaking to work up, in full collaboration with host governments and civil society, a Joint Framework of Action to make good on the commitments announced today, in time for COP 23 in November."

According to WCF Chairman Barry Parkin, "Today marks a crucial step forward because 12 leading World Cocoa Foundation member companies have agreed to work together, and in partnership with others, to tackle the challenge of deforestation in cocoa. We look forward to more companies joining the effort and are grateful for the leadership provided by The Prince of Wales in convening today's landmark event."

The meeting brought together a cross-section of the world's largest chocolate makers and cocoa buyers, producers and traders, including Barry Callebaut; Blommer Chocolate Company; Cargill; CEMOI; ECOM; Ferrero; The Hershey Company; Mars, Incorporated; Mondelēz International; Nestlé; Olam and Touton. Also present were ministers and senior government representatives of the two-leading cocoa producing countries – Côte d'Ivoire and Ghana – as well as France, Germany, the Netherlands, Norway and the United Kingdom.

"Côte d'Ivoire, the world's leading producer of cocoa, in 2014 signed the New York Declaration on Forests, the objective of which is the elimination of deforestation caused by agriculture. In respecting this commitment as it

concerns the production of cocoa, we intend, with the support of the private sector, to undertake efforts to preserve our forests by improving productivity on existing cocoa lands and developing agroforestry approaches to sustainable cocoa production without deforestation. It is with great pride that we join with The Prince of Wales, World Cocoa Foundation, IDH and their partners in demonstrating this willingness to conserve, restore and manage forests for the benefit of all Ivorians", said Marcel Yao, from Côte d'Ivoire's Ministry of the Environment and Sustainable Development, Coordinator of the National Climate Change Program and National Executive Secretary for CN-REDD+.

Ghana's Minister of Lands and Natural Resources Hon. John Peter Amewu said, "As the second largest producer of cocoa in the world, we are excited to be part of this noble step by The Prince of Wales, World Cocoa Foundation, IDH and private sector companies to work towards reducing the rate of deforestation emanating from cocoa production. On our part, we are poised to enhance the environmental governance regime in the cocoa sector and implement actions that will enable cocoa producers to adopt cocoa agroforestry systems and practices that are climate smart."

The 12 companies will now engage in a planning and consultation process with governments, farmer organizations NGOs and other relevant stakeholders to build the joint framework to be unveiled at COP 23.

As farmers in Africa, Southeast Asia and Latin America seek new areas of land to grow crops including cocoa amid increasing global demand, WCF, IDH and ISU organized an industry commitment to end deforestation and forest degradation recognizing that deforestation is likely to increase in the future unless concerted action is taken. This commitment builds on the cocoa industry's existing initiatives in partnership with producer country governments and other stakeholders to design sustainable cocoa development programs aimed at improving the livelihoods of the millions of smallholder farmers who grow cocoa.

Senior representatives of the Agence Française de Développement, Greenpeace, International Finance Corporation, Oxfam, Tropical Forests Alliance 2020, World Bank, World Resources Institute, and UN Environment, as well as other organizations, were also present at the event.

Joost Oorthuizen, Executive Director of IDH, said, "We feel very privileged and honored to be leading the process in Côte d'Ivoire and Ghana that will develop detailed Frameworks of Action as we look toward Bonn. In recent history, the cocoa sector has proven to not be afraid to address difficult issues like child labor, malnutrition, and poverty reduction, all in a non-competitive manner. This meeting provides a great starting point to expedite action on the deforestation issue in concert with other relevant stakeholders."

For more information on the commitment, visit: www.worldcocoa.org/cocoa-forests-initiative/

For more information about The Prince of Wales and to read his full speech, visit www.princeofwales.gov.uk

Supplementary Quotes (Annex to Press Release)

Chocolate and Cocoa Companies

"Climate change is impacting cocoa farming as we speak. As the cocoa industry, we have a key role to play to curb one of the largest sources of carbon emissions: deforestation." -- *Antoine de Saint-Affrique, Chief Executive Officer, Barry Callebaut*

"As a leader in cocoa sustainability, Blommer fully understands the strength in a collaborative, multi-stakeholder approach and we look forward to working together with industry, governments and NGOs in addressing the critical issue of deforestation in the cocoa sector. We applaud WCF for its leadership in this effort and are honored to have this initiative recognized and supported by HRH The Prince of Wales." -- *Peter Blommer, President and Chief Executive Officer and Owner, Blommer Chocolate Company*

"Cargill is committed to ending deforestation across our supply chains and is working with partners and governments to build a thriving cocoa sector. In collaboration with World Resources Institute, we have conducted a baseline risk assessment, assessing over 2.3 million hectares with GPS technology to prioritize interventions and advance sustainable landscape approaches to mitigate deforestation and protect biodiversity." -- *Harold Poelma, President, Cargill Cocoa & Chocolate*

"Protecting the environment is a key pillar of our sustainable strategy at CEMOI. We aim at avoiding deforestation, preserving biodiversity, and promoting a respectful culture of cocoa with the farmers." -- *Patrick Poirrier, Chief Executive Officer, CEMOI*

"The ECOM Group is committed to working with farmers across its supply chains to assess deforestation risk and ensure that farmers that we work with can achieve viable livelihoods without any need for encroaching on forests." -- *Alain Poncelet, Deputy Chief Executive Officer, Cocoa and Coffee, ECOM Group*

"Ferrero believes that global challenges such as deforestation need collective commitments. Beginning in September 2014, Ferrero subscribed to the New York Declaration on Forests during the Climate Summit. Today, through this statement of collective intent to end deforestation and forest degradation in the global cocoa supply chain, we are adding another milestone to our commitment to end deforestation in our key supply chains." -- *Aldo Uva, Chief Officer Operating Supply and Strategic Business Platforms, Ferrero*

"Cocoa is highly susceptible to climate change, with increases in temperature and reduced rainfall putting this critical input to chocolate at risk. The pre-competitive initiative we are announcing today, in partnership with industry, governments, NGOs, farmers and other stakeholders is one of the best opportunities to achieve our goal of ending deforestation and counteracting the effects of it in the cocoa supply chain." -- *Michele Buck, President and Chief Executive Officer, The Hershey Company*

"At Mars, we are fully committed to creating a sustainable cocoa supply chain and deforestation continues to be a significant threat. Industry, NGOs along with governments have a role to play and we are determined that this initiative will be the first of many industry efforts to address this crucial issue." -- *Blas Maquivar, President Chocolate UK & Global Retail, Mars Chocolate*

"We announced our commitment to lead private sector action addressing deforestation in cocoa farming areas at the UN climate summit, COP 21. I am delighted that the cocoa sector has now agreed to work together to tackle this issue." -- *Hubert Weber, Executive Vice President and President Mondelez Europe*

"We welcome this initiative as a way of bringing industry, governments and other stakeholders together to tackle the challenging issues of forest degradation and deforestation in cocoa growing communities. As a company committed to ending deforestation in our supply chain, we at Nestlé look forward to agreeing actions with others that will make a tangible difference in affected areas." -- *Sandra Martinez, Global Head of Confectionery, Nestlé*

"The vast majority of cocoa grown by farmers over the past 30 years has been on land where the forest was destroyed to plant cocoa trees. Although companies like Olam have made significant headway in helping farmers improve yields and livelihoods from existing land, we have no powers of enforcement over forest encroachment. By harnessing the collective powers of the governments, companies and NGOs, we can help protect and restore the forest landscape, which in turn will help protect the future of cocoa." -- *Gerard Manley, Chief Executive Officer, Olam Cocoa*

"We believe that bringing together different stakeholders' perspectives and know-how in a shared vision of more sustainable cocoa farming landscapes will benefit the whole sector. Touton is intent on bringing its support to cocoa-producing countries in operationalizing their REDD+ objectives." -- *Patrick de Boussac, Chief Executive Officer, Touton*

Governments/International Organizations

"Over 1 billion people around the world depend on forests for jobs and vital resources, but illegal deforestation for commercial gain is destroying livelihoods and natural habitats. We can see this all too clearly in the cocoa industry, where the extreme poverty of farmers is a pervasive problem, child labour still exists, and we are seeing more and more forest disappearing. The UK is tackling these issues head-on by offering technical expertise to help root out problems in the supply chains of companies, as well as implementing reforms in the agriculture industry to end deforestation and improve working conditions for farmers." -- *James Wharton, Minister, Department of International Development, United Kingdom*

"We applaud this initiative as it builds on the experience that overarching measures are needed to bring together the various raw material initiatives and place these in an overall framework for protecting forests. The Amsterdam Declaration offers a good basis for this. As chair of the Amsterdam Declaration Group, Germany will host a multi-

stakeholder event in Berlin on 20 June 2017 to that effect.” -- *Friedrich Wacker, Head of International Cooperation Directorate, Federal Ministry of Food and Agriculture, Germany, and Chair of the Amsterdam Declaration Group*

“This initiative to stop cocoa production destroying forests must be warmly welcomed. The threats to biodiversity, the climate and local people will not be stopped by environmentalists chasing industry from forest to forest or commodity to commodity. The solution that would protect forests in Indonesia or Côte d’Ivoire would also work in other threatened biomes like Brazil’s savannah forests in the Cerrado. It doesn’t matter whether the forest is being destroyed for cocoa, animal feed or palm oil. What matters is how industry responds. Business leaders must work together to stop their supply chains driving deforestation. This action by the cocoa industry brings us one step closer to that goal.” -- *John Sauven, Executive Director, Greenpeace UK*

“The cocoa and chocolate industry’s new commitment to working together is a landmark step that will help stop deforestation and promote good business practices. This new partnership will create a sustainable way of cultivating cocoa, which is good news for the environment, farmers and consumers”. -- *Philippe Le Houérou, Executive Vice President and Chief Executive Officer, International Finance Corporation*

“Oxfam welcomes companies' agreement to tackle deforestation in cocoa supply chains. Not only does this deepen existing commitments towards eliminating deforestation from commodity supply chains by protecting forests in cocoa growing regions, it also sets the stage for bold action on promoting a vibrant and sustainable cocoa sector that strengthens the livelihoods of farmers and empowers women.” -- *Mark Goldring, Chief Executive, Oxfam Great Britain*

“UN Environment is delighted that cocoa joins the big four -- soy, palm, beef and timber -- in the development of green business practices and forest friendly agriculture. The private sector is pivotal to making the Paris Agreement a success. UN Environment is happy to support this cocoa coalition in formulating a concrete set of actions to be presented later this year in Bonn, and for helping carry the essential message -- that going green is also great for business.” -- *Erik Solheim, Executive Director, United Nations Environment Programme*

“This is a critical time to reduce deforestation from agricultural commodity supply chains, and this agreement places the cocoa industry among the leading global commodity sectors tackling forest impacts. We commend the 12 participating companies’ resolve to work collaboratively, and we look forward to supporting the industry as they implement this forward-thinking initiative.” -- *Andrew Steer, President and Chief Executive Officer, World Resources Institute*

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