



FUJI-BLOMMER COCOA & FORESTS INITIATIVE 2023 PROGRESS REPORT





 **FUJI OIL HOLDINGS INC.**



Blommer Chocolate and its parent company Fuji Oil Holdings, recognize that the cultivation of agricultural commodities, including cocoa, has been a driver of accelerated deforestation and forest degradation in Côte d'Ivoire and Ghana, the world's leading producers of cocoa. In response to this challenging problem, Blommer, working with other industry leaders and key development partners, helped to establish the Cocoa & Forests Initiative. Through this effort we have announced our commitment to end deforestation and forest degradation in our direct supply chains in Côte d'Ivoire and Ghana.





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 Cocoa & Forests Initiative.

The Cocoa & Forests Initiative: Collective Action to End Cocoa-Related Deforestation

The World Cocoa Foundation (WCF); IDH, the Sustainable Trade Initiative; and the Governments of Côte d'Ivoire and Ghana drive the Cocoa & Forests Initiative. King Charles III (then known as The Prince of Wales) launched the Initiative in March 2017 and reviewed implementation progress in November 2018.

Côte d'Ivoire and Ghana respectively lost 26% and 9.3% of their humid primary forest between 2002 and 2020.

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.

The Cocoa and Forests Initiative is an example of successful collaboration between cocoa origin governments and cocoa supply chain companies working together with cocoa producing communities to strengthen the sustainability of the cocoa sector by ending deforestation, promoting reforestation and improving sustainable livelihoods for cocoa farmers and their communities.

What are the Key Commitments in the Cocoa & Forests Initiative?

THE FIRST PRIORITY IS THE PROTECTION AND RESTORATION OF FORESTS THAT HAVE BEEN DEGRADED

To this end, the 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.

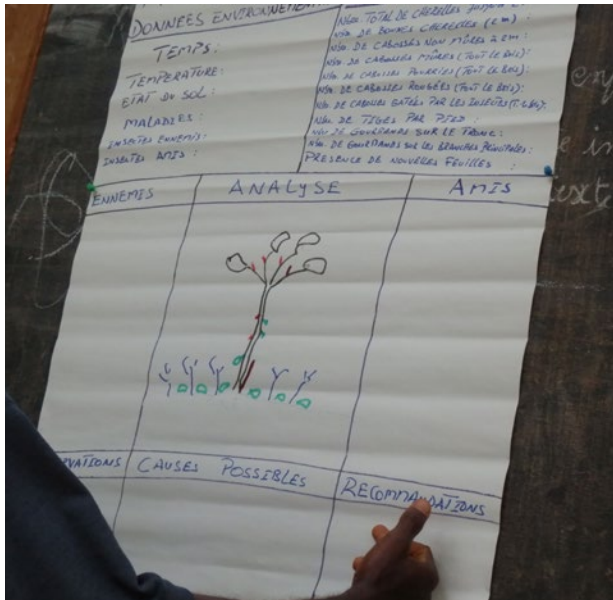
In 2019, the government of Côte d'Ivoire adopted and published a new forest code which, among other things, put forth policies for the promotion of cocoa agroforestry to restore degraded land, improve forest cover, and promote sustainable livelihoods and agriculture in the classified forests and rural 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 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.

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.





SUSTAINABLE·ORIGINS

How Fuji Blommer engages in the CFI Partnership

2023 marked the first year of the second phase of CFI. [Our CFI 2.0 Action Plan](#) details the activities we are committed to undertaking between now and 2025. We partner with customers, farmers and the industry to fulfill our CFI commitments, which also support our corporate efforts to reduce our carbon footprint, achieve a deforestation-free supply chain, and protect biodiversity.

Together with WCF and industry partners, Blommer is deploying efforts in developing scientifically sound methodologies to accurately quantify cocoa's contribution to deforestation within cocoa-producing countries. Cocoa production's impact on deforestation necessitates an in-depth analysis to be fully understood. To gain a comprehensive knowledge of the causes and geographical spread of deforestation, reliability of data is crucial. Devising fitting mitigation

strategies is vital to ensuring compliance with forthcoming regulations, such as the EU Deforestation Regulation (EUDR) set to take effect in 2025.

Given the vital role that smallholder cocoa farming plays in providing for employment and income in local communities, efforts to end deforestation and forest degradation must be done in a socially acceptable manner. In all of our efforts, we understand the critical need for a balanced and comprehensive approach between farmers' livelihoods and environmental challenges. This is the approach we follow when engaging with cocoa farmers and their communities through our Sustainable Origins program.

This report covers progress made between October 2022 and September 2023, through Blommer's direct investments as well as on behalf of our customers.

Key Highlights in Côte d'Ivoire and Ghana



Over **46,700** cocoa farms mapped

Over **114,800** fruit and forest trees distributed for on-farm planting



Over **130,000** ha with deforestation risk assessment completed, including over **41,000** ha of farmland



Over **5,200** ha of cocoa agroforestry under development

Over **31,800** farmers reached by Good Agricultural Practices training.

Over **16,700** farmers provided with technical assistance (based on plans) to professionalize & optimize cocoa farming practices

Over **50,000** improved cocoa tree seedlings distributed in Ghana



Over **10,400** individuals provided with technical assistance to save money and access finance.



Over **11,800** individuals participating in women's empowerment projects and activities.

Healthy Planet

In 2023, 87% beans sourced from our direct supply chain are traceable from farm to first point of purchase. In our direct supply chain, we work with our suppliers to map the boundaries of the farms we source from. This process called polygon mapping is the basis to establish the compliance of our sourcing regarding Protected Areas, and **we completed the mapping of 93% of the farm plots.**

Since 2022, we have teamed up with Satelligence, the world leader in geospatial forest monitoring, to assess and address deforestation risk in Côte d'Ivoire, Ghana, and Ecuador. We leverage satellite imagery to gain landscape and farm level insights that include canopy cover change, carbon loss/gain on and around cocoa farms, deforestation risk assessments, identification of shade cocoa areas, and carbon sequestration monitoring. A real-time risk alerting system also enhances Blommer's capacity to swiftly address the drivers of deforestation and forest degradation. In 2023, we monitored an area of over 110,000 km² across Côte d'Ivoire, Ghana, and Ecuador. **Throughout the 2022-23 cocoa season, no depletion of forest was observed.**



In 2023, in collaboration with Mars, Touton, ECOM, OFI and Sucden, we developed a field verification app aimed at refining the accuracy of deforestation monitoring in the cocoa supply chain. This innovative tool enhances the ability of our Field Assurance Officers to verify suspected deforestation incidents in the field. By corroborating our granular historical forest loss data and alerts, we help ensure that cocoa farmers are not wrongly excluded from the supply chain due to potentially erroneous grievance that may originate from sources using coarser, less refined remote sensing results. This not only benefits our partnering farmers but also helps us maintain the integrity of our business and claims.

In addition to activities implemented on behalf of our clients, during the first phase of CFI (2018-2022) we have we have cumulatively distributed 215,434 trees for on farm purposes overall, exceeding our CFI objectives of 135,000. In 2023, the first year of the second phase of CFI (2023-2025), Blommer distributed 114,886 fruit and forest trees to farmers in Cote d'Ivoire and Ghana to be planted on existing cocoa farms to provide shade. We promote the planting of 20 forest and fruit trees/ha and our 2023 efforts have led to an estimated 5,277 ha of shade grown cocoa or agroforestry under development.

Beyond CFI, Blommer along with our parent company Fuji Oil Holdings, are committed to planting **1 million fruit and forest trees** in cocoa growing areas affected by deforestation by 2030. We have planted 160,000 trees in Ghana between 2020 and 2022, and have partnered with AgroMap to plant about 300,000 trees over the next 3 years. The first year of implementation was successful with 145,000 trees planted in 2023.



Sustainable Production and Farmer Livelihoods



Blommer's approach focuses on building upon farmer's skills by providing tools and training to improve agricultural methods and professionalize farming. Through group training and individual coaching, we encourage farmers to adopt Good Agricultural Practices (GAP) and Climate Smart Cocoa (CSC) practices. Although there are major issues such as pests, diseases, and changes in climate patterns in particular rainfall, we anticipate that the complete adoption of GAPs will eventually improve cocoa farm yields and farm resiliency, and lead to higher farm incomes.

During 2023, a total of 16,719 farmers benefited from coaching to develop a Farm Development Plan. This contributes to professionalizing and optimizing cocoa farming.

Overall, in our network, 31,827 farmers were trained on Good Agricultural Practices (GAPs) as part of group training and/or individual coaching.

Since 2018, Blommer also promoted the planting of 360,598 cocoa seedlings which lead to the rehabilitation of approximately 320 ha of cocoa farms. We now continue this effort in Ghana where in 2023 alone, 50,000 cocoa seedlings were sown in 1 nursery and lead to the rehabilitation of about 45ha of cocoa farms.



Social Inclusion and Community

WE PRIORITIZE ACTIVITIES THAT EMPOWER WOMEN AND PROTECT THE YOUTH

All farmer organizations in Blommer's direct supply chain have an operational Child Labor Monitoring and Remediation System (CLMRS) in place. A total of 36,550 households are covered by a Human Right Due Diligence (HRDD) systems that assess and address child labor.

Over 1,550 people between 15 and 35 years old participate in youth focused activities, namely taking part in community service groups who provide on-farm services to farmers like pruning, weeding or seedling planting.

We also continue to implement Village Savings and Loan Associations (VSLAs), which have proven to be a great tool to create economic opportunity for woman, allowing them to strengthen existing businesses or invest in creating new ones. Overall in our supply chain, we have contributed to the creation of 418 VSLAs that are still active, with a total of 11,863 participating members of which 73% are women.



Inspiration in Sustainability Stories

THE OPOYOU BETE COMMUNITY INITIATIVE, NAWA REGION, COTE D'IVOIRE

The village of Opoyou Bete is pioneering forest protection, through the creation and protection of a community forest, and the planting of trees in and around their farms and village.

David Gnahore, the community spokesperson told us *"Now, we can no longer predict the weather... One year, the rainy season lasts up to 7 months, and the dry season lasts 8 months the next. People used to cut down trees to make room for fields, but this practice has stopped thanks to the numerous awareness campaigns on deforestation. The chief has decided that the entire village community should be involved in preserving the forest."*

The existing Didehi forest nearby was declared sacred and we expanded it by 2.7 ha. A youth group is in charge of surveilling the forest, while its care is everyone's responsibility.

Every household now also has at least one fruit or forest. This is why the air quality in the village is good. Each community member has planted trees in their fields. Where the trees grow, their leaves act as fertilizer when they fall on the ground, and we observe that cocoa trees better resist to the sun."



Mr Boly Ernest, a community member agreed: *"We earn more money than before the project because we spend less on fertilizer and cocoa production has increased."*

Juliette Bada, treasurer for the community, added *"The engagement of the entire community in forest management, has benefitted Income Generating Activities in the village. On top of the cocoa farm revenues, I have created a medicinal plant business. I sell my products in town and it is successful!"*



Inspiration in Sustainability Stories

**KOUASSI KOFFI JEAN-MARC,
GASTONPLEU, COTE D'IVOIRE**

Jean-Marc is a cocoa producer from the Nawa Region. Planting trees in and around his farm allowed him to turn things around and increase his cocoa production.

"I am 42-year-old, married and father of 7 children. My cocoa plot covers an area of 2.08 hectares. The rain used to start in April and last until October or even December, now it starts in June or July and by September or October, it stops. This has impacted the productivity of my farm and thus my life. We were watching our plantations die and thought it was due to the Swollen Shoot virus, but it was actually the effects of deforestation."



Today, thanks to the activities of CFI and the training received by the cooperative leaders, the villagers have understood the importance of preserving the remaining forests and also planting new trees. That's why almost all the producers in Gastonpleu have planted trees in their fields.

Jean Marc added *"We see that in places where there are many trees in our fields, the cocoa leaves do not turn yellow, and the plants don't die like they used to. Since I have shade trees in my farm, my production has increased from less than 1 ton to about 1.5 ton. We were taught during the training sessions that trees also help to capture carbon. On top of that, I benefited from funds for having planted and maintaining the trees in my field"*.

ANNEX 1 – CFI BLOMMER 2022 PROGRESS REPORT TRACKING TABLE FOR COTE D'IVOIRE

Description	Target (Oct22 to Sep23)	# Through direct investment (Oct22 to Sep23)	# On behalf of clients (Oct22 to Sep23)	# Through direct investment (Since 2018)
FOREST PROTECTION AND RESTORATION				
# of farms mapped in direct supply chain: Total Active	15,657	14,024	29,671	N/A
# of hectares in the direct supply chain with deforestation risk assessments completed	37,959	41,502	91,907	N/A
# metric tons of directly sourced cocoa traceable from the farm to the first purchase point (target is 100%)		19,762	46,173	N/A
# hectares restored in Forest Reserve / Forêts Classée				
# trees registered				
# of farmers with land tenure agreements/documentation obtained via company support				N/A
# farmers informed, trained, and / or consulted on the new Forest Code, forest policy, law enforcement, forest protection, and restoration	6,952	6,288	19,126	N/A
# Individuals receiving incentives to protect and restore forests and / or adopt agroforestry (e.g., PES): New	13			N/A
# Individuals receiving incentives to protect and restore forests and / or adopt agroforestry (e.g., PES): Total Active				N/A
# farmers applying agroforestry: New		5,180	11,438	N/A
# farmers applying agroforestry: Total Active				N/A
# farmers provided with technical assistance to adopt and expand agroforestry	1,563	6,952	17,106	N/A
# multi-purpose trees distributed for on-farm planting	63,883	104,886	257,181	314,320
# hectares cocoa agroforestry: New	2,981	5,277	15,335	15,677
# hectares cocoa agroforestry: Total Active				N/A
# of trees distributed for off-farm planting	1,000			1,000
# hectares of forest area restored off-reserve / in rural zone	4			

ANNEX 1 – CONTINUED

Description	Target (Oct22 to Sep23)	# Through direct investment (Oct22 to Sep23)	# On behalf of clients (Oct22 to Sep23)	# Through direct investment (Since 2018)
# farmers provided with technical assistance to be more resilient to climate change and reduce and remove carbon emissions on farm (e.g., CSC)	6,952	4,665	16,235	N/A
# of farmers trained in Modified Taungya System (MTS)				N/A
\$ contributed to fund				N/A
SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOOD				
# improved cocoa seedlings distributed to farmers				260,598
# farmers provided with technical assistance (based on plans) to professionalize & optimize cocoa farming practices	8,278	4,762	11,557	N/A
# individuals participating in additional Income Generating Activities (IGA's)		530	1,794	N/A
# individuals provided with technical assistance (based on plans) to increase income from non-cocoa sources / IGA's	224	883		N/A
# Individuals provided with technical assistance to save money and access finance	746	883	8,485	N/A
# of members of VSLA groups in the current year	746	2,312	8,485	N/A
# of VSLA groups in the current year	29	89	284	N/A
SOCIAL INCLUSION AND COMMUNITY				
# of cocoa communities with active forest restoration and protection program (CBNRM): New				N/A
# of cocoa communities with active forest restoration and protection program (CBNRM): Total Active				N/A
# hectares under CBNRM				N/A
# of individuals participating in women's empowerment projects and activities	746	2,312	8,485	N/A
# of individuals participating in youth focused projects and activities (15-35 years old)	140	830	724	N/A

*Where « N/A » is indicated, total are not cumutable year-over-year.

ANNEX 2 – CFI BLOMMER 2022 PROGRESS REPORT TRACKING TABLE FOR GHANA

Description	Target (Oct22 to Sep23)	# Through direct investment (Oct22 to Sep23)	# On behalf of clients (Oct22 to Sep23)	# Through direct investment (Since 2018)
FOREST PROTECTION AND RESTORATION				
# of farms mapped in direct supply chain: Total Active	3,129	3,054		N/A
# of hectares in the direct supply chain with deforestation risk assessments completed	6,533	5,985		N/A
# metric tons of directly sourced cocoa traceable from the farm to the first purchase point (target is 100%)		2,952		N/A
# hectares restored in Forest Reserve / Forêts Classée				
# trees registered				
# of farmers with land tenure agreements/documentation obtained via company support				N/A
# farmers informed, trained, and / or consulted on the new Forest Code, forest policy, law enforcement, forest protection, and restoration	2,350	2,910		N/A
# Individuals receiving incentives to protect and restore forests and / or adopt agroforestry (e.g., PES): New				N/A
# Individuals receiving incentives to protect and restore forests and / or adopt agroforestry (e.g., PES): Total Active				N/A
# farmers applying agroforestry: New		369		N/A
# farmers applying agroforestry: Total Active				N/A
# farmers provided with technical assistance to adopt and expand agroforestry		369		N/A
# multi-purpose trees distributed for on-farm planting	6,000	10,000		16,000
# hectares cocoa agroforestry: New	250	369		369
# hectares cocoa agroforestry: Total Active				N/A
# of trees distributed for off-farm planting				
# hectares of forest area restored off-reserve / in rural zone				

ANNEX 2 – CONTINUED

Description	Target (Oct22 to Sep23)	# Through direct investment (Oct22 to Sep23)	# On behalf of clients (Oct22 to Sep23)	# Through direct investment (Since 2018)
# farmers provided with technical assistance to be more resilient to climate change and reduce and remove carbon emissions on farm (e.g., CSC)	2,350			N/A
# of farmers trained in Modified Taungya System (MTS)				N/A
\$ contributed to fund				
SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOOD				
# improved cocoa seedlings distributed to farmers	50,000	50,000		100,000
# farmers provided with technical assistance (based on plans) to professionalize & optimize cocoa farming practices	1,433	400		N/A
# individuals participating in additional Income Generating Activities (IGA's)		388		N/A
# individuals provided with technical assistance (based on plans) to increase income from non-cocoa sources / IGA's	10	120		N/A
# Individuals provided with technical assistance to save money and access finance		1,066		N/A
# of members of VSLA groups in the current year	65	1,066		N/A
# of VSLA groups in the current year	3	45		N/A
SOCIAL INCLUSION AND COMMUNITY				
# of cocoa communities with active forest restoration and protection program (CBNRM): New				N/A
# of cocoa communities with active forest restoration and protection program (CBNRM): Total Active				N/A
# hectares under CBNRM				N/A
# of individuals participating in women's empowerment projects and activities	145	1,066		N/A
# of individuals participating in youth focused projects and activities (15-35 years old)	93			N/A

*Where « N/A » is indicated, total are not cumutable year-over-year.