CFI Progress Report 2024





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Introduction

INDCRESA is pleased to publish its 6th CFI progress report. This report reflects the implementation of our second Action Plan reflecting our new engagement for the 2nd phase CFI 2.0

We became a signatory of the Cocoa Forests Initiative in 2019 and we participated in the first Action Plan in Ghana thanks to the collaboration of one of our important suppliers.In 2023 we initiated a new Action Plan in Côte d'Ivoire which is our main country of origin of the cocoa we source.

The purpose of this report is to inform about INDCRESA's contribution to the Cocoa Forests Initiative, reporting the progress report for 2024.

As Indcresa, we are proud to contribute to this collective initiative that is in line with our values as a family company and to our sustainability commitment to preserve and create a better and healthier environment.

With the entry into force in June 2023 of the new EU Regulation against Imported Deforestation approached, we have invested significant resources in strengthening our capacities to be able to implement this new regulation. We believe this will make a decisive contribution to tackling global deforestation and forest degradation. We continue to work with our suppliers to address these new challenges to build a better future for all in the cocoa world.



Mario Crehuet & Carlos Crehuet INDCRESA CEOs





What is the Cocoa & Forests Initiative?

The govenments 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 forests areas.

Their combined actions play a crucial role in protecting and restoring biodiversity, sequesterin carbon stocks in West African forests, and addressing climante change in lin with the Paris Climate Agreement. The Cocoa & Forests Initiavie delivers on Sustainable Development Goal 13 (climate Action) and 15 (Fife on Land). The Cocoa & Forests Iniative is a public private partnership based on frameworks for action (<u>Côte d'Ivoire</u> and <u>Ghana</u>) and action plans for the private sector (Côte d'Ivoire and Ghana) and public sector (Côte d'Ivoire and Ghana) with the 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 <u>Cocoa & Forests Initiative.</u>



The Cocoa Forests Initiative: **Collective** Action To End Cocoa-related Deforestation





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. According to Global Forest Watch, between 2002 and 2023, Côte d'Ivoire lost 28% and Ghana 13% of their humid primary forest, with a large portion of this loss 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.

Collaborative multi-stakeholder initiatives can help drive impact to advance the global climate agenda, including forest protection, deforestation mitigation, carbon emission reduction, support for vulnerable communities, and farmer resilience building. The Cocoa and Forests Initiative stands as a pivotal platform for cocoa industry leading companies to actively contrubut towards these essential objectives. Throughout 2023-24, Indcresa, with the collaboration of Sucden implementing this CFI Action plan, continued its commitments, aligning efforts with the pillars of the Cocoa ans Forests Initiative and the Sustainable Development Goals.

What are the key CFI Commitments?

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 theirown purchases of cocoa. They also work with governments to ensure an effective national frameworkfor 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 (in development) to effectively monitorprogress 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.

Indcresa CFI 2024 Progress report



Indcresa's Accomplishments for the 23/24 Season:

Advancing Sustainable Cocoa Production and Community Engagement In the 23/24 season, Indcresa has made significant strides in our ongoing commitment to sustainable cocoa production and community engagement. Through collaborative efforts and strategic initiatives, we have achieved notable progress across all pillars of our action plan.



Forest Protection and Restoration:

Polygon Mapping

All 256 farmers within our direct supply chain have been successfully polygon mapped, ensuring greater transparency and accountability in our sourcing practices.

Deforestation Risk Assess ments

A total of 697 hectares within our direct supply chain have been assessed for deforestation risk, allowing us to identify and address potential threats to protected areas.

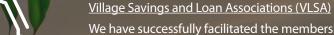
Education on the New Forest Code

We have provided comprehensive training on the new Forest Code to 145 farmers, empowering them with the knowledge and tools necessary to navigate evolving regulatory frameworks.

Climate-Smart Cocoa Practices

A total of 145 farmers have received training in climate-smart cocoa practices, equipping them with sustainable farming techniques to enhance productivity and resilience in the face of climate change.





We have successfully facilitated the membership of 20 members to a VSLA, facilitating access to financial resources and fostering economic empowerment within cocoagrowing communities. Our contribution has supported the overall efforts of these associations, promoting financial inclusion and resilience among farmers.

Community Engagement and Social Inclusion:

Sustainable Production and Farmers' Livelihoods:

Women's Empowerment

Through our support, 20 individuals have participated in women's empowerment projects and activities, contributing to the advancement of gender equality and women's empowerment within cocoa-growing communities. One IGA was launched to support one woman with income generating activities.

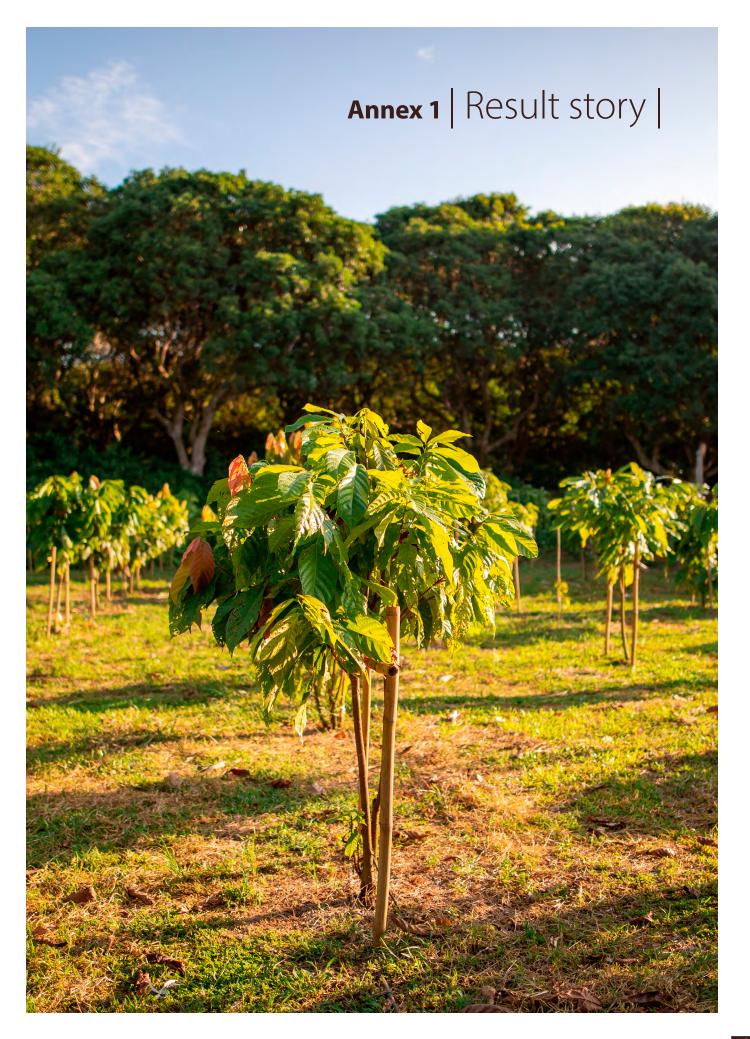
Youth Support

150 individuals participated in youth focused projects and activities.

In summary, the 23/24 season has been marked by accomplishments for Indcresa as we continue to advance our sustainability goals and foster positive change within the cocoa sector. Our achievements in forest protection, sustainable production, and community engagement reflect our unwavering dedication to driving meaningful impact and creating a more sustainable future for cocoa farmers and their communities.

Supporting Farming Families

Our team equipped CP managers and actively engaged with local communities to raise awareness about child labor in cocoa farming. This season, we sensitized and covered 256 households with CLMRS. To support children's education and ensure their continued learning, we provided comprehensive school kits to 17 children. These kits included essential items such as uniforms, textbooks, and other necessary school supplies, helping to remove financial barriers that might otherwise prevent these children from attending school regularly. Lastly, we helped support learning by distributing 17 tables and benches for schools and classes.



Oulai Maho Mester, a 40-year-old cocoa farmer from Gbongueuebleu,

Côte d'Ivoire, has spent the last 15 years cultivating cocoa on his 2-hectare farm. He delivers his harvest to the ALLAHKABO cooperative in Duékoué to support his wife and five children. However, despite his constant presence in the plantation and dedicated weeding efforts, Oulai found that his cocoa field was no longer producing as well as it once had. Fortunately, a training and coaching program led by Sucden was introduced in his cooperative. The initiative aimed to provide farmers with one-on-one coaching to diagnose specific issues in their fields and introduce new, climateadaptive farming practices. Eager to



identify the root of his farm's challenges, Oulai began attending the awareness sessions on agricultural sustainability and receiving personal coaching. Through these coaching sessions, an expert trainer assessed his field and offered personalized agricultural advice. They recommended that in addition to manual weeding, he should also implement pruning, sanitary harvesting, tree planting, and fertilizer application to improve his farm's resilience and productivity. The coach provided him with a manual that outlined these practices according to the agricultural calendar and his capacity. Following their guidance, Oulai implemented several of the recommended techniques.

"Among the suggested activities, I was able to carry out weeding, pruning, and sanitary harvesting by following his advice," he says. Oulai witnessed noticeable improvements in his farm's health. "I have noticed a real change in the fruiting of some cocoa trees," he reports. Seeing the immediate benefits of one-on-one coaching and handson training, Oulai remains optimistic about the future of his cocoa farm. His experience demonstrates how targeted support and sustainable agricultural practices can help farmers adapt to climate challenges, increase their yields, and secure their livelihoods.

Annex 2 | Summary tables |

Côte d'Ivoire CFI Summary Table

Description	Target 2024	2024 direct investment	2024 on behalf of client	Since 2018 direct investment
FOREST PROTECTION AND RESTORATION				
# of farms mapped in direct supply chain: Total Active	256	256		
# of hectares in the direct supply chain with deforestation risk assessments completed	755	697		
# metric tons of directly sourced cocoa traceable from the farm to the first purchase point (target is 100%)		891		
# farmers informed, trained, and / or consulted on the new Forest Code, forest policy, law enforcement, forest protection, and restoration	157	0		
# farmers applying agroforestry: Total Active		62		
# hectares cocoa agroforestry: New	0	0	62	62
# hectares cocoa agroforestry: Total Active		62		
# farmers provided with technical assistance to be more resilient to climate change and reduce and remove carbon emissions on farm (e.g., CSC)	157			
SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOOD				
# farmers provided with technical assistance (based on plans) to professionalize & optimize cocoa farming practices	157	145		
# individuals participating in additional Income Generating Activities (IGA's)		1		
# individuals provided with technical assistance (based on plans) to increase income from non-cocoa sources / IGA's	0	1		
# Individuals provided with technical assistance to save money and access finance	0	20		
# of members of VSLA groups in the current year	22	20		
# of VSLA groups in the current year	1	1		
SOCIAL INCLUSION AND COMMUNITY				
# of individuals participating in women's empowerment projects and activities	22	20		
# of individuals participating in youth focused projects and activities (15-35 years old)	150	150		







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