



## Annual Progress Report 2022: Marks & Spencer

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

#### 1) What is the Cocoa & Forests Initiative?

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 end deforestation and restore forest areas. Their combined actions play a crucial role in 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 [CocoaAndForests.org](#) and [WorldCocoa.org](#).

The [World Cocoa Foundation](#) (WCF); [IDH, the Sustainable Trade Initiative](#); and the Governments of Côte d'Ivoire and Ghana **drive the** Cocoa & Forests Initiative. The Prince of Wales launched the Initiative in March 2017 and reviewed implementation progress in November 2018.

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.



## 2) What are the key commitments of 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.

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 (in development) 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 improved planting materials, 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.

### **3) Retailer Cocoa Collaboration Update**

As a retail business, we feel that the one of the most effective ways that we can deliver on the commitments of the CFI is through the Retailer Cocoa Collaboration (RCC). The RCC, established in 2018 through the World Cocoa Foundation, aims to support existing industry efforts to drive improvements in the cocoa sector by working with major physical traders of cocoa to understand and assess their performance across issues which are key points of vulnerability for cocoa.

Working through the RCC, Members can better define the role of the retailer in achieving greater transparency and accountability and facilitating better decision making within the cocoa supply chain. The RCC supports reporting requirements for those Members who are signatories to the Cocoa and Forests Initiative.

#### ***a) 2021 RCC Trader Assessment***

In the course of 2021 the RCC has carried out its third annual Trader Assessment. During May 2022 the detailed conclusions and findings flowing from the Assessment results will be made public for the first time (for more information see below).

The annual Trader Assessment is a robust process whereby RCC Members vote to select a number of the most prominent (by volume within Member supply chains, and also of global significance) cocoa trading businesses and assess their progress in cocoa sustainability. For the 2021/22 Trader Assessment process, nine traders were selected by RCC Members. Topics for the Assessment process are selected on the basis of their relevance to, and immediacy for, the cocoa supply chain, specifically issues such as deforestation and conversion, traceability, gender equality, farmer incomes and child and forced labour.

The assessment is conducted through a questionnaire designed collaboratively by retailers. Distribution and verification of the assessment is conducted by 3Keel, who are

on hand to support with the completion of questions, and who then finally verify and score responses.

By gathering and reviewing data from traders, assessing performance and sharing it publicly, the RCC are able to identify areas of vulnerability within the cocoa supply chain, suggest actions for improvement, and hold traders and themselves accountable against those actions.

#### ***b) Developing the Trader Assessment process***

One of the key actions for the RCC 2021 Trader Assessment process has been to look at the ways in which utilisation of the data produced by the Assessment process can be better tailored to meet the needs of the RCC Members. In previous years, trader performance has been produced into a short summary format based on the responses provided by each trader. However for the 2021/22 Assessment process, the RCC has produced interactive scorecards for each trader which allow each Member to input their own member-specific weightings depending on the issues within the cocoa supply chain which are particularly relevant or significant for their business.

### **4) Looking to 2022 and beyond**

The Retail Cocoa Collaboration's workplan for 2022 is to:

- a)** Engage traders directly on the outcome of the 2021/22 assessment, which includes providing traders with summary feedback on their performance against anonymised peers.
- b)** Engage with NGO partners to work as a 'critical friend' of the RCC – to ensure that the issues covered in the Trader Assessment for the 2022/23 cycle are framed appropriately and addressing the correct issue.
- c)** Review the questions raised in the Trader Assessment in advance of the 2022/23 cycle and ensure that they are appropriate and provide the best data for retailer review and use.
- d)** Increase the transparency of the RCC's work, and where possible increase its public profile (see below).

#### **Transparency and public profile**

In May 2022 the RCC will release its first public facing report, with an accompanying webinar to discuss the findings. This will give the RCC the opportunity to i) be accountable to retailers and traders for the assessment that it is making, and ii) demonstrate the robustness and goals of the Trader Assessment process.

#### **Beyond 2022**

The RCC will continue to work collaboratively with traders and will also look at ways to expand its membership, impact and influence.

## 5) Marks & Spencer specific actions

We want to lead our sector in sustainable production and consumption, offering our customers the good value, high quality products and services they expect from M&S, while respecting planetary boundaries and the need for social equity.

Our goal is to ensure that 100% of our cocoa (by volume) continues to be sourced from verified sustainable sources - a goal we first met in 2017. We are also committed to engaging in wider industry efforts to improve the cocoa sector and building resilient supply chain communities by investing in programmes, which build livelihoods, protect the environment and improve wellbeing.

We are working with our suppliers and growers to help them address the ethical, environmental and economic challenges they face in order to maintain a long-term sustainable and secure supply. Over the last few years we have been developing an approach which is both practical and reflects our size and influence in this industry.

Our Sustainable Cocoa Commitment is as follows:

- We will source 100% of the cocoa (by volume) we use in M&S brand products from verified sustainable sources by March 2017 (**Achieved**)
- We will engage in industry efforts to improve the sustainability of the cocoa sector through our membership of the World Cocoa Foundation (WCF) and the International Cocoa Initiative (ICI) (**Ongoing**)
- In 2018, we also signed up to the WCF Cocoa & Forest Initiative (**Ongoing**)
- We will help encourage the engagement and action of cocoa traders through our work with the Retailer Cocoa Coalition.
- We will invest in programmes which enhance the lives of people in cocoa growing communities (**Ongoing**)