

WHY IS DEFORESTATION/ PES A PRIORITY TO US



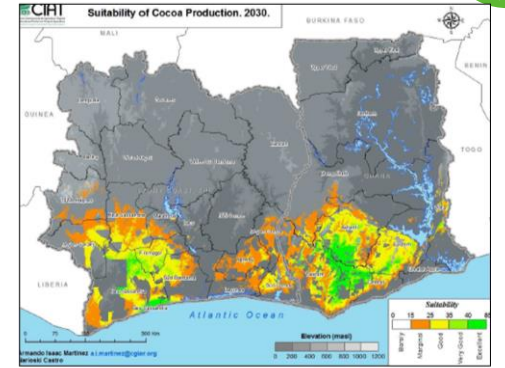
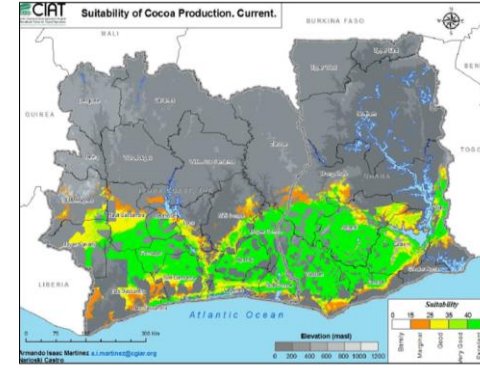
Lifecycle Assessment

Our Lifecycle Assessment (LCA) shaped our priorities and 2020 goals. In particular, the insights from our LCA indicated that deforestation within our supply chain represents the largest single contributor to our carbon footprint. That is why we're taking a lead in addressing deforestation in our key agricultural supply chains, primarily cocoa and palm.

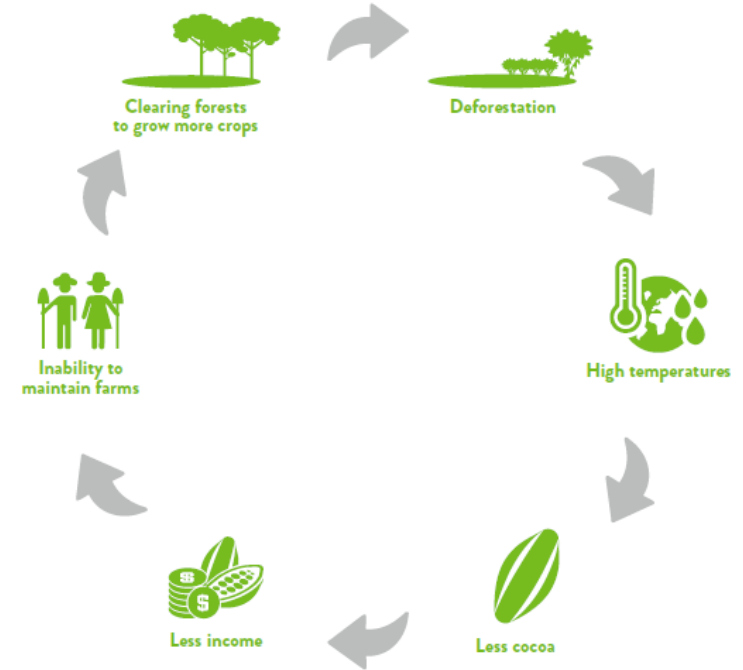
LCA Findings

Addressing deforestation offers largest opportunity to reduce our carbon footprint

- Carbon footprint, agricultural practices
- Carbon footprint, deforestation



Source: CIAT (2011) (CGIAR)



FOREST FRIENDLY COCOA

3 years Pilot Project for payment for environmental services

Project zone: NAWA Region (CFI priority region)

Objectives

- Contribute to the **conservation** of the remaining natural forest and the **restoration** of classified forests and degraded forests
- Promote **agroforestry** in cocoa
- Improve the **living conditions** of producers through agricultural diversification

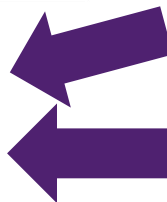


REDD+
CÔTE D'IVOIRE

Mondelēz
International

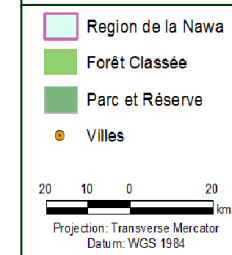


IMPACTUM
Catalyseur de Durabilité - Catalyzing Sustainability



Earthworm

Suppliers



Mondelēz
International
SNACKING MADE RIGHT



INTRODUCING PAYMENT FOR ENVIRONMENTAL SERVICES

Why Payment for Environmental Services?

- Migrating to agroforestry and protecting forests should **generate financial value** to farmers
- We don't believe the current agroforestry business model allows additional income from day 1
- We believe communities deserve an **incentive** to engage into reforestation and conservation efforts

agroforestry

- At least 30 forest trees ha
- Maintain for at least the duration of the contract
- Choice of trees is free
- 3 years
- 1USD/tree

reforestation

- At least 0.5 ha, 500 trees per ha
- Previously non-forested
- Choice of trees is free
- At least 10% native species
- 5 years
- 500USD/ha

Forest conservation

- Conservation of the remaining High Conservation Value natural forests
- 5 years
- 335USD/ha

LESSONS LEARNT

- Agroforestry systems provide long-term income diversification options for planters, but their short- and medium-term viability in the context of old plantations may be difficult.
- The upfront analysis of the economic viability of agroforestry schemes is important to maximize the uptake, sustainability and potential for scale-up.
- The success of agroforestry at scale requires the development and financing of associated value chains (also a goal of new P4F partnership).
- Agroforestry allows embedding cross-cutting goals such as “women’s empowerment” —all nurseries are currently run by women groups enabled by Cocoa Life’s VSLA track.





PLANS & VISION

2018 - 2021

Pilot with ECAM and COVIMEA

1600 farmers [from both coops]
1020 PES for AF [2084ha]
11 PES for restoration [60ha]
11 PES for conservation
5 nurseries [200 Women trained
involved in managing tree nurseries
selling ca. 250,000 trees]

2021 - 2022

First Scaleup Opportunity P4F & Supply chain partners)

[extension of the pilot]
5,600 farmers
12,200 ha PES for AF
300 ha PES for conservation
290 ha PES for restoration
Near 1 Million tree seedlings

*Outcome Assessments on
income planned for
2023*
(until now used modeling)

2026 - ...

Tai-Landscape approach
Formal registered
consortium