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**Shared  
Goodness**

Cocoa & Forests Initiative

2021 progress report



# Foreword



Milton Hershey founded The Hershey Company over 125 years ago with the intention of making quality chocolate affordable to everyone and to make more moments of goodness in people’s lives. While times have changed, our purpose remains the same: to Make More Moments of Goodness for our consumers today and for many generations to come.

In sourcing cocoa for some of the world’s most iconic chocolate brands, Hershey seeks to promote Shared Goodness for all stakeholders. Our Cocoa For Good strategy, underpinned by a \$500 million investment, exemplifies Hershey’s commitment to actively drive transformation to a more resilient and sustainable cocoa supply chain. Cocoa For Good key objectives include: (i) Improving farmer incomes and livelihoods; (ii) Eliminating child labor and improving children’s nutrition; and (iii) Protecting the environment.

In recent years, Hershey has fundamentally altered how we prioritize our actions on environmental sustainability. Climate change, natural resource scarcity and extreme weather all pose risks to the snacks our consumers love as well as to the farmers and local communities we rely on. Specifically, climate change and deforestation often negatively impact the world’s most vulnerable first, making these important environmental issues into human rights issues as well. Collaborative and resolute efforts are needed to address climate change and deforestation. It is for this reason that we were among the first to join the [Cocoa & Forests Initiative \(CFI\)](#) when it launched in 2017.

We achieved our commitment of 100% independently verified cocoa in 2020. We continue to work with third-party certifiers, including the Rainforest Alliance and Fair Trade USA, as well as independently verified programs through our suppliers. In addition, by 2025, we aim to achieve 100% sourcing visibility in Côte d’Ivoire and Ghana by requiring that 100% of farmers producing Hershey’s cocoa volume in these countries are polygon mapped by our suppliers to improve traceability and monitor deforestation; and covered by Child Labor Monitoring and Remediation Systems (CLMRS) to prevent, monitor and remediate child labor.

In Côte d’Ivoire, Hershey is implementing a portfolio of programs focused on improving farm conditions, farm and off-farm income diversification and land tenure. In Ghana we have partnered with the Ghana Forestry Commission from the Ministry of Lands and Natural Resources to protect and restore the Kakum Forest in the Central region, aiming to make communities within the landscape resilient to climate change. **Collaboration is key. Hershey cannot solve these issues alone.**



“Collaborative and resolute efforts are needed to address climate change and deforestation.”

**Mark Taylor**  
Senior Director Strategic Sourcing



# Overview of Hershey Cocoa & Forests Initiative

The Hershey Company is committed to eliminating commodity-driven deforestation from our entire supply chain by 2030, while respecting and protecting human rights in the communities where our suppliers source the cocoa that is used in our products. To achieve this, we announced our No-deforestation policy in 2021 to advance environmental progress, guide Hershey activities aimed at eliminating deforestation in our global supply chain and contribute to global climate action.

In 2017, Hershey was one of the first signatories of the Cocoa & Forests Initiative (CFI) / [Framework of Action](#), which contains a core set of commitments relative to the protection and restoration of forests, promotion of the sustainable production of cocoa and farmer livelihoods, and community engagement and social inclusion. In 2018, Hershey publicly declared a set of [actions with targets](#) to be achieved under CFI and committed to annually publish results. The 2021 CFI report details both progress and challenges in keeping our CFI commitments. This report covers the period between October 2020 and September 2021. The report shows achievements in the fields of forest protection and restoration, sustainable production and partnerships. The report also emphasizes the key role collaboration with our peers and stakeholders is needed for success.

# 2021 Highlights

## Preserving Ecosystems<sup>(\*)</sup>

- **500,000+** non-cocoa trees distributed to farmers
- **135,000+** hectares with deforestation risk assessment
- **20,500** hectares under community-based natural resource management
- **17,000+** hectares of cocoa agroforestry in development
- **29,621** farmers trained in cocoa smart climate practices
- **10,969** farmers applying agroforestry
- **839** farmers receiving payment for environmental services

## Prosperous Communities<sup>(\*)</sup>

- **79,000+** cocoa seedlings distributed in Ghana
- **37,757** farmers reached by good agricultural practices training programs
- **23,021** farmers with farm development plans
- **3,074** individuals participating in income generating activities
- **1,244** farmers with land tenure documentations

<sup>(\*)</sup> Data reflects results as provided by Hershey suppliers and implementing partners



Read more about Cocoa For Good in Hershey's 2021 ESG Report  
[https://www.thehersheycompany.com/en\\_us/home/sustainability/policies-and-reports.html](https://www.thehersheycompany.com/en_us/home/sustainability/policies-and-reports.html)



We rely on our partners and suppliers, as well as farming families and their communities, to be successful in addressing deforestation and climate change. This section highlights the perspective from our partners, as well as learnings and opportunities to improve our programs going forward.

## Securing cocoa farmers' land rights Côte d'Ivoire Land Partnership – CLAP



Village-level rural land management committees were established as part of efforts by the Government of Côte d'Ivoire to improve land governance. Our focus has been to help ensure that local governance structures function effectively and are inclusive of the entire community. The [Côte d'Ivoire Land Partnership \(CLAP\)](#), a partnership between the Ivorian government, chocolate and cocoa companies, Meridia, German Cooperation GIZ, and BDSI the Association of the German Confectionary Industry, is helping rural cocoa-growing communities strengthen land governance and build better intra-community relationships. Our aim is to bring affordable land documentation for cocoa farmers at scale.

Last year, CLAP launched the Early Scale project in three leading cocoa-producing regions of Côte d'Ivoire (Lôh-Djiboua, San Pedro and Nawa). CLAP is working with 10 cocoa farming communities to deliver 9,000 land documents from 2021 to 2023.

In the coming years, CLAP aims to take this effort to a large scale, as a systemic way to secure livelihoods and legacy for farmers and next generations. We are thrilled to welcome new members to the partnership and our key lesson is that by driving collaboration we can remove barriers and ultimately scale impactful interventions.

# Success and Learnings

# From the field



## Meridia – CLAP

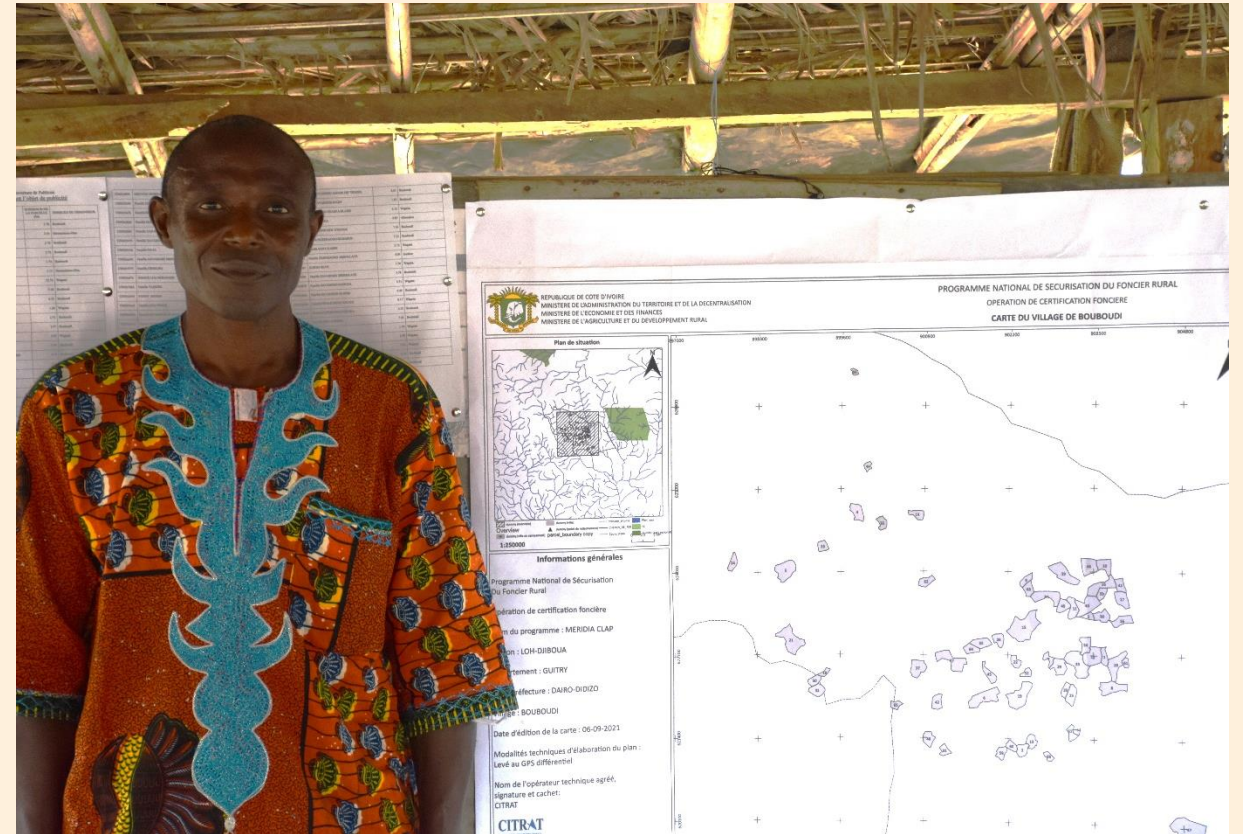
In Bouboudi village (near the town of Guitry in Lôh-Djiboua region), trust has been reinforced between traditional landowners and recently arrived neighbors after land rights were clarified, farms mapped, and land ownership documents distributed. Traditional landowners played a key role in supporting farmer land ownership documentation efforts.

In communities covered by CLAP, village-level rural land management committees have been re-established to include representation by the different groups present in the community and neighboring villages. They are all working together in strengthening social cohesion and participating in decision-making and activities.



Opening ceremony Koffiagui

Koffiagui is a cocoa-farming community near Méagui, in the Nawa region, a leading producer of cocoa in Côte d'Ivoire. Improved land governance, promoted through the CLAP project, has helped foster relations between the different social groups farming together in the village. This means a more peaceful community where cocoa farmers can more effectively manage their farms and both groups better understand their respective land rights.



Bouboudi Village Chief Jean-Pierre Dabé Agnéba in front of the village map showing land parcels to be documented



## Integrated Land and Resource Governance Program, U.S. Agency for International Development - USAID

Since 2018, USAID has partnered with Hershey in western Ghana as part of our Integrated Land and Resource Governance Program to reduce deforestation, increase restoration, strengthen land tenure for cocoa farmers, and test the financial viability of a farm rehabilitation model to help farmers replace aging cacao trees for climate change and community benefits.

In 2021, USAID worked closely with Hershey to pilot landscape-scale approaches to governance and land use planning to help ensure that forest carbon stocks are protected and enhanced. We are now finalizing a partnership for an innovative payment for ecosystem services program with four cocoa-growing communities to incentivize the planting and conservation of trees both on and off-farms.

The impacts of this collaboration have been tangible and demonstrate the resiliency of the project through COVID-19 related disruptions. In 2021, a total of 9,500 seedlings from four shade tree species were supplied to the project communities through the leaders of community tree committees, who helped ensure the seedlings were planted on cocoa farms. The program team worked closely with Hershey counterparts to assess the health of these trees as well as potential sites for off-farm planting. Farmers were pleased with the timely delivery of the seedlings and said that they expected to plant more next season.

Looking forward to 2022 and beyond, USAID hopes Hershey's support for the payment for ecosystem services program will prove to be another successful collaboration to improve the livelihoods of Ghanaian cocoa farmers and protect and restore the forested landscapes they depend on, providing benefits to local and global communities in the fight against climate change.



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# Success and Learnings



## Kakum landscape, Nature Conservation Research Centre - NCRC

In 2018, [NCRC](#) began an innovative partnership with Hershey, Ecom, the Ghana Cocoa Board, and the Ministry of Lands and Natural Resources (Ghana Forestry Commission) to implement the Kakum Cocoa Agroforestry Landscape Project. Situated in the cocoa landscape surrounding the world renowned Kakum National Park in Ghana's Central Region, the project is focused on fostering sustainability at a landscape scale—both on farms and across the surrounding expanse of cocoa and forest lands. The project supports the development of a community-based, landscape governance system that provides the foundation for improved natural resource management, reduced deforestation and enhanced forest protection, expansion of cocoa agroforestry practices, and income diversification through emerging botanical supply chains.

With Hershey's financial support over the past four-plus years, the Kakum Sustainable Cocoa Landscape Project has established numerous local level indigenous governance bodies, including seven Community Resource Management Areas (CREMAs), two Sub-Hotspot Intervention Areas (HIA) Executive Committees, and mobilization to inaugurate the HIA Management Board. These governance structures have drafted their own natural resource management rules, by-laws by the District Assembly, and management plans that cover approximately 40,000 hectares of cocoa, food crop and forest-fallow lands, comprising more than 82 communities on the eastern boundary of Kakum National Park.

The project is implementing cocoa agroforestry activities and climate-smart interventions that benefit thousands of farmers and their communities. Through the project, Hershey has supported the planting of more than 30,000 multi-purpose shade tree seedlings.

The project has benefitted from additional cocoa shade tree planting and forest rehabilitation led by the Ghana Cocoa Board COCOBOD and the Forestry Commission. Many farmers (approximately 74% women) have benefitted from income diversification through the harvesting and sales of kombo nuts, which are picked from shade trees on-farm or in the forest-fallow system and sold to international botanical companies.

The initiative has attracted support from other leaders in the global chocolate and cocoa industry. This has brought additional resources that are enabling expansion of activities across the landscape, including extension of the landscape governance system, as well as investments into cocoa agroforestry and cocoa landscape monitoring.

Over the long-term, the project is expected to transform the Kakum cocoa-forest landscape into a more sustainable cocoa agroforestry system and source of cocoa beans, where forests are protected, cocoa farmers and their families experience improved well-being and empowerment, and socio-economic and ecological resilience to climate change across the landscape is strengthened.



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# What's Next

The Hershey Company was purposefully built, and we are the bearers of the Milton Hershey's legacy of kindness, support, and engagement. Like nearly all companies, we are learning, sharing what has worked well and what needs to be improved going forward.

Throughout the past few years, we funded comprehensive mapping of cocoa farms in Côte d'Ivoire and Ghana where our suppliers source the cocoa volume used in Hershey products. In addition to working with farmers, we continued our Kakum Agroforestry Landscape Program partnership in Ghana, which covers an area equivalent to 20 times the size of Manhattan and includes the Kakum National Park, an intact tropical rainforest covering 145 square miles (375 square kilometers) that is home to antelopes, elephants, monkeys and several other endangered wildlife species. We believe community-led landscape management gives an opportunity to the local communities to take an active role in protecting the environment where they live and with time, we have also managed to develop alternative sources of income beyond cocoa.

We will continue our work in our cocoa value chain and continue to explore landscape programs. In the spirit of learning and continuous improvement, we will review performance of the programs and partnerships we have in place to date.

We also recognize the need to collaborate beyond our specific cocoa value chain, and drive landscapes transformation, preserving precious natural resources. The ultimate goal is to create the best outcomes for farmers, their families, and the communities throughout our supply chain. Success is best when it's shared.



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**Angela Tejada Chavez**  
Head of Sustainable Sourcing



## By the numbers – Côte d'Ivoire (\*)

	2022 Target	Through direct investment (Current reporting year)	Through direct investment (Since 2018)
<b>FOREST PROTECTION AND RESTORATION</b>			
# of cocoa plots mapped in direct supply chain	38,000	57,568	
# of farms mapped in direct supply chain		49,569	
# of hectares in the direct supply chain with deforestation risk assessments completed	115,000	136,108	136,108
% of directly sourced cocoa traceable from the farm to the first purchase point	100%	73%	
# trees registered		111	8,812
# of farmers with land tenure agreements/documentation obtained via company support		1,244	1,244
# farmers informed, trained, and / or consulted on the new Forest Code, law enforcement, forest protection, and restoration	40,000	36,635	
# individuals receiving PES: New		839	1,424
# farmers applying agroforestry		10,969	14,422
# multi-purpose trees distributed for on-farm planting	700,000	461,695	1,072,007
# hectares cocoa agroforestry in development	30,000	17,492	35,510
# of trees distributed for off-farm planting		22,830	62,287
# farmers trained in CSC best practices		29,621	
<b>SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOOD</b>			
# of farmers reached by GAP training programs	25,000	36,952	
# individuals participating in additional Income Generating Activities (IGA's)	15,000	3,074	
# of individuals in the current reporting year enrolled in a formal financial products and services with support from companies	6,000	5,046	
# of members of VSLA groups in the current year	6,000	5,711	
# of VSLA groups in the current year		192	541
<b>SOCIAL INCLUSION AND COMMUNITY</b>			
# of cocoa communities with active forest restoration and protection program (CBNRM)	75	16	26
# of individuals participating in women's empowerment projects and activities		10,181	
# of individuals participating in youth focused projects and activities (15-35 years old)		290	

(\*) Data reflects results as provided by Hershey suppliers and implementing partners



## By the numbers – Ghana (\*)

	2022 Target	Through direct investment (Current reporting year)	Through direct investment (Since 2018)
<b>FOREST PROTECTION AND RESTORATION</b>			
# hectares restored in Forest Reserve / Forêts Classée			741
# trees registered			8,132
# farmers applying agroforestry		731	731
# multi-purpose trees distributed for on-farm planting	200,000	15,500	247,185
# hectares cocoa agroforestry in development	12,000	245	245
# farmers trained in CSC best practices	12,000	0	
<b>SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOOD</b>			
# improved cocoa seedlings distributed to farmers	750,000	79,200	1,711,754
# of farmers reached by GAP training programs	12,000	805	
# of members of VSLA groups in the current year	1,200	168	
# of VSLA groups in the current year		7	95
<b>SOCIAL INCLUSION AND COMMUNITY</b>			
# of cocoa communities with active forest restoration and protection program (CBNRM)	26	82	126
# hectares under CBNRM	15,000		20,500
# of individuals participating in women's empowerment projects and activities		1,196	

(\*) Data reflects results as provided by Hershey suppliers and implementing partners

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