



ZERO DEFORESTATION POLICY

BACKGROUND and AIMS:

According to the WWF (2020), deforestation is a major global issue which is directly linked to forests being converted into land for crops or grazing (a phenomenon which accounts for 50% of deforested spaces). 43 million hectares of forest disappeared between 2004 and 2017.

Climate change is directly related to the consequences of deforestation. On one hand, forests play a crucial role in regulating the climate by absorbing carbon dioxide (CO₂) from the atmosphere; on the other hand, deforestation (by burning and cutting trees) releases large quantities of CO₂ stored in trees and soil, thus contributing to global warming.

Deforestation and cocoa farming are unfortunately correlated for various reasons:

- Expansion of farmland: rising global demand for chocolate and cocoa products is leading to an increase in the amount of land given over to cocoa. To meet demand, farmers often seek to expand their plantations, which can lead to deforestation for new farmland.
- Intensive farming: These practices degrade and exhaust the soil, which can render the land unsuitable for growing cocoa. As a result, growers are forced to clear more land to maintain their income levels.
- Monocultures: This depletes ecosystems' diversity, making them more vulnerable to pests and diseases.
- Illegal cocoa: strong global demand is driving some producers to grow cocoa illegally in protected areas, nature reserves or national parks. This negative practice is often linked with illegal deforestation, as producers try to evade environmental oversight and regulations.
- The illegal timber trade: the trade in illegally felled trees can also be a source of additional income for cocoa farmers who don't earn enough from cocoa-growing.

To tackle these challenges, Valrhona relies on its long-term relationships with partners and producers as a means of supporting them in the fight against deforestation and global warming.

A COLLECTIVE COMMITMENT:

SUPPORTING THE COCOA & FORESTS INITIATIVE

Valrhona has been a signatory of the World Cocoa Foundation's Cocoa & Forests Initiative since 2017. The Initiative, which was launched first in Ivory Coast and Ghana, is an international commitment.

This commitment took the form of Framework signed at the 23rd United Nations Climate Change Conference and plays a crucial role in supporting forest-based carbon capture as a means of mitigating climate change globally and locally. Businesses and governments alike are taking specific, jointly planned steps to eradicate illegal cocoa production in national parks, to ensure national forestry policies are enforced more effectively, and to develop alternative means of making a living for the producers affected.

Over 50 stakeholders are involved in implementing action plans. This work is overseen by chocolate and cocoa companies and government representatives, with the active support and expertise of development partners, research bodies, environmental organizations, civic leaders, and producer associations. The Initiative is chaired by the Ivorian and Ghanaian governments and facilitated by the IDH (or the Sustainable Trade Initiative) and the World Cocoa Foundation.

VALRHONA'S COMMITMENTS and ACTIONS:

1. ZERO PLOTS IN PROTECTED AREAS

Valrhona is committed to having no plots on protected land. Since 2019, by overlaying all our partner growers' plots onto each country's official map, we can check that none are in a protected area.

2. REDUCING OUR COCOA'S CARBON FOOTPRINT

Greenhouse gas emissions are measured either directly or indirectly, using "scopes":

- **Scope 1** includes greenhouse gas emissions that are directly connected to the product's manufacturing process, resulting from the burning of fossil fuels such as oil, gas, coal, etc.
- **Scope 2** includes greenhouse gas emissions that are connected to the consumption of energy that is required in order to make the product (electricity, heating, cooling or steam).
- **Scope 3** covers all other greenhouse gas emissions not directly linked to product manufacturing, but to other stages in the product's life cycle (supply, transport, use, end of life, etc.).

This is the largest source of emissions for agri-food companies.

Growing cocoa is our largest source of greenhouse gas emissions.

Valrhona is committed to reducing its carbon use across all emission scopes:

- We have a target of cutting our carbon emissions by 50% (compared with 2018) by 2030
- We have also set a target of reducing carbon emissions by 90% between now and 2050 (compared with 2018)

GHG Protocol's 2018 assessment of our carbon footprint revealed that emissions linked to cocoa and other derivatives made up 67% of our total - that meant 127,668 tons of CO₂.

So that we can maintain our zero-carbon plans, our priority is to use cocoa beans that don't come from deforested areas, and to help our partners to develop agroecological practices in their own work.

We want to further pinpoint our carbon footprint assessments at ground level, so we have launched a program with Nifidæ (an NGO which specializes in managing

projects that combine environmental protection with stronger local economies) to calculate our cocoa beans' carbon footprint from the growing area itself. These field studies carried out and certified by the NGO have made it possible to survey, qualify and quantify the risk of deforestation over a 20-year period.

This work will:

- Narrow down our carbon footprint calculations by plot and by region
- Quantify the carbon footprint of every kilogram of cocoa that Valrhona buys, right up to the bean processing site
- Identify what action can be taken to reduce carbon emissions in each specific region

KEY PERFORMANCE INDICATORS FOR 2030:

1. 100% of our cocoa will be grown outside protected areas.
Our traceability KPI is detailed in our Traceability policy.
2. 100% of our partners will have calculated their carbon footprint.
3. 100% of our partners will be included in plans to reduce their carbon footprint.

OUR PROGRESS 2024:

CALCULATION OF SPECIFIC EMISSION FACTORS BY NITIDAE

Nitidae continues its field investigation work: forest inventories, biomass assessments, direct questionnaires to producers, which will help refine actions based on country risk, biodiversity impact, and plantation types. In 2024, 17 out of 17 origins have a specific cocoa emission factor. An associated action plan is being defined in collaboration with each partner.

[Nitidae: sectors and areas \(nitidae.org\)](https://nitidae.org)