

Roadmap: Rainforest Alliance

Background

At the 2022 General Meeting of the German Initiative on Sustainable Cocoa (GISCO), it was decided that the preparation of individual roadmaps by each GISCO member and annual public reporting on commitments and milestones included in these roadmaps is a valuable and mandatory contribution to achieve GISCO's objectives.

In addition to the monitoring and based on the <u>GISCO roadmap</u> which lists the goals, targeted indicators and recommendations for action of the German Initiative on Sustainable Cocoa on the focus topics of certified/independently verified cocoa, traceability, deforestation/agroforestry, child labor and living income, the members of GISCO draw up individual roadmaps on these focus topics, which are published on the GISCO website.

More information on the individual roadmaps can be found in the background document.

Commitments

- > Traceability
- > Certification and independent verification
- > Entwaldung/Agroforstwirtschaft
- Child Labour
- Living Income



Traceability

Commitment:

The Rainforest Alliance (RA) actively supports companies in building traceable supply chains. RA has the structures and technology in place for maintaining traceable supply chains and can support companies to transition their supply chains from mass balance to segregated or identity preserved (cooperative level). Any company willing to invest in its supply chain can at least achieve Score 3 of the "GISCO Origin Transparency Levels" within the existing RA Standard and supporting systems.

Milestone:

100% of certified raw cocoa is traceable from the farm to the first point of purchase (First Mile Traceability).

Milestone:

In 2020 and 2021 the Rainforest Alliance piloted the Farm Intelligence App to create a stronger digital link between the certified farm group and their farm members and facilitate group management. The app supports the collection of geolocation data and facilitates data collection at farm level for internal inspections. In addition, the app assists farm group management in corrective action planning and basic risk and opportunity analysis. The Farm Intelligence App will gradually roll out across countries beginning with Indonesia, Kenya, Ghana, Côte d'Ivoire, Guatemala, and Nicaragua.

Milestone:

By 2025 the certification program requires "farm polygons" for large farms and geolocation of all farms which are part of groups – with a mandatory improvement requirement.

Challenge:

- 1. Costs and resource investments of digitalization of farm certificate holders, GPS mapping and high-quality geolocation data
- 2. Actors in the supply chain must first develop appropriate implementation frameworks, including company commitments and investments, before standard setters can support them with traceability tools and implementation.
- 3. Mass Balance can be a point of entry into certification for brands new to sustainability or certification. This increases demand for certified cocoa and allows small, marginalized cooperatives to participate in the certified cocoa trade as sourcing moves beyond the well-organized and well-connected farmer groups. Here, attention must be paid to unintended negative impacts of higher traceability levels, especially for the poorest.

Certification and independent verification

Commitment:

By providing transparent information and consumer education, the Rainforest Alliance contributes to increasing the demand for certified cocoa in the market and actively supports companies that want to switch to certified sourcing. We strengthen knowledge and awareness of what certification can achieve in the context of corporate due diligence and deforestation requirements, what the limits are, and which aspects need to be implemented by the companies themselves.



Milestone:

Increase transparency through public reporting of certification-related data. For example, report average Sustainability Differential and Sustainability Investment amount per producer country by 2024.

Milestone:

Knowledge and awareness raising of how certification can support companies with their legal obligations around due diligence and deforestation legislation.

Challenge:

The proportion of certified and independently verified cocoa depends on company decisions and company sustainability strategies.

Deforestation/Agroforestry

Commitment:

The Rainforest Alliance (RA) actively contributes to preventing deforestation and forest degradation and supports ecosystem restoration through its standard criteria, audits, on-site guidance, consumer awareness, as well as through other targeted activities with companies.

The certification program prohibits deforestation and conversion of natural ecosystems after January 1st, 2014. The new standard also requires farmers to increase native tree cover on existing farms and in agroforestry systems or conservation lands to ensure that farming not only has a minimal negative impact, but that it also generates positive impacts on biodiversity, climate, and the long-term sustainability of the landscape.

Certification is just one of our tools embedded within a holistic approach to create deforestationfree supply chains. Beyond certification, we support this mission through our tailored programs that work with companies to implement no-conversion commitments in supply chains where certification is not an option.

Milestone:

In our advocacy work, RA in collaboration with other standard setters advocates for ambitious regulation on deforestation that takes into account the concerns of smallholder farmers.

Milestone:

The Rainforest Alliance will continue to implement and scale landscape level projects to stop deforestation, prevent forest degradation and promote restoration with at least three major supply chain actors.

Milestone:

By 2025 the certification program requires "farm polygons" for large farms and geolocation of all farms which are part of groups – with a mandatory improvement requirement.

Milestone:

The Rainforest Alliance provides risk assessments based on GPS locations of certified farms, to check for any evidence of forest conversion based on a customized forest baseline map and helps farmers better address their deforestation risks.

By 2025, the Rainforest Alliance will provide restoration and rehabilitation frameworks for certificate holders.



Challenge:

- 1. Low cocoa prices limit producer investment opportunities in productivity / agroforestry systems which may lead to deforestation.
- 2. Supporting producers that are not eligible for certification due to our strict cut-off date or minor conversion allowance, but still require support with restoration efforts and to comply with the EU Regulation on deforestation-free products.
- 3. Company support for generating high quality data and monitoring systems at farm and cooperative level beyond current projects is necessary.

Child Labour

Commitment:

The Rainforest Alliance as a standard setter actively contributes to preventing child labor through its standard requirements, audits, on-site consultations, and consumer awareness as well as through other targeted activities with companies. Under Rainforest Alliance certification, all certified producer groups must have an integrated management system (IMS) in place, address gender issues, and implement an Assess & Address system, all of which contribute to tackling the issue of child labor. By 2024, RA will develop and distribute additional training materials and guidance on gender inclusion for certified groups. Additionally, RA will continue to provide training to certified groups on the implementation of Assess & Address.

Milestone:

We will train and support our Farm Certificate Holders, who in turn will establish effective assessand-address due diligence systems to prevent, monitor, and respond to child labor.

Milestone:

Together with key market partners, Farm Certificate Holders, and civil society organizations, we will support community and landscape programs up to 100 communities in Uganda, Côte d'Ivoire, and Ghana to tackle root causes of child labor through education, vocational and technical training (targeting youth), income-generating activities, gender empowerment, awareness raising, and advocacy with national and local authorities.

Milestone:

By 2025, our program to eradicate child labor in Cote d'Ivoire will empower 9 cooperatives to more effectively identify, address, and prevent child labor and improve livelihood strategies of over 5,000 households. Key interventions include: baseline assessments and M&E to identify cases of child labor and root causes; capacity building tools for cooperatives and training to staff; remediation and prevention activities with cooperatives

Milestone:

We will continue to raise awareness about the risks and root causes of child labor – and the ways we can tackle this collaboratively with farmers, companies, governments, and consumers – through our website and social media channels, as well as national- and community-level outreach in the countries where we work. We will also continue to advocate for the adoption and implementation of human rights due diligence legislation by the EU and in the member states to ensure supply chain actors fulfil their responsibilities – including ensuring that adequate resources reach local communities.

Milestone:

We provide detailed and regularly updated Child Labor and Forced Labor risk maps for the sourcing of certified cocoa. Upon request, RA will provide recommendations for action to partner



Challenge:

- 1. Certified farmer groups may need to make additional investments to implement an effective Assess & Address system, the cost of which should be shared with their buyers through Sustainability Investment payments.
- 2. Low cocoa prices perpetuate the issue of farmer poverty which is an underlying cause of child labor.



Living Income

Note: 2023, an examination under German cartel law took place on the question of whether individual roadmaps on living income bay be drawn up and published. The Bundeskartellamt did not see the need for a detailed examination under cartel law on this issue. Based on the Bundeskartellamt's feedback, it was decided at the special General meeting on 17 June that members of member groups B and C would submit a roadmap on the topic of living income by 31 December 2024. Until then, commitments on living income can be submitted voluntarily.

Commitment:

As standard setters and founding members of the Living Income Community of Practice, we actively support the development of instruments for companies to take action on closing living income gaps in their supply chains in a measurable way. With this in mind, we will build on our existing Monitoring Tool, which enables companies to assess the impact of their activities on farmer incomes and the closure of gaps in Ghana and Côte d'Ivoire, to develop a simple, farmer-led tool to better understand producers' needs.

The Rainforest Alliance has implemented a minimum Sustainability Differential, which is a monetary payment to certified producers of at least 70 USD per MT. This payment is one component of the work of supply chain actors to close living income gaps. (This payment is implemented globally, except in Côte d'Ivoire where it will be implemented in 2023.)

Immediately and on an ongoing basis, we will raise awareness of the concept and importance of payment of a living income to farmers and, to this end, will facilitate cooperative strengthening and encourage companies to share the responsibility of more sustainable production costs and make measurable contributions to living incomes within their supply chains

Milestone:

By 2025, we will publish a simple, farmer-led tool, within the Rainforest Alliance Standard, to better understand producers' needs.

Milestone:

We will scale up our work on cash transfers and continue to play an important facilitation role around data and payment mechanisms to close income gaps. We will explore partnerships to make the transfer process more efficient and include a gender lens on how transfers are made, to ensure we do not exacerbate disparities.

Milestone:

We will fully operationalize the Digital Internal Management System and Farm Risk Assessment Tool as part of our Standard. Using their data, farmers can make informed business decisions based on an analysis of past performance. Farm group management can support the improvement of the farm performance of their members by providing tailored support on the basis of member needs

Challenge:

Standard setters can contribute through their standards and programs, but are dependent on company decisions for implementation