

SAMPLE ROADMAP FOR MEMBERS OF THE GERMAN INITIATIVE ON SUSTAINABLE COCOA FOR THE CREATION OF INDIVIDUAL ROADMAPS

For companies in Groups B and C

Based on the list of members' sustainability commitments, the Coordination Office has produced the following sample roadmap that is intended to help them create their own individual roadmap.

Deforestation/agroforestry

Sample commitment 1:

From early 2025, 100% of the cocoa or chocolate products that our company imports and/or exports into and/or from the EU will be deforestation-free in accordance with Annex 1 of the EU regulation on deforestation-free products. In order to guarantee this, we will achieve total traceability of the cocoa in our chocolate products by early 2025 (see traceability commitment).

Milestone 1:

To minimise the risk of deforestation, we will carry out a risk analysis for high-risk cocoa cultivation regions in our supply chain and develop a remediation plan in the event that violations occur. This is based on the guidance provided by the EU regulation on deforestation-free products. If violations occur (deforestation), a remediation plan will be agreed with the cocoa farming households concerned to enable them to be reintegrated into the supply chain. This remediation plan must include an area that covers at least three times the converted area.

Milestone 2:

In areas where we have identified an increased risk of deforestation, we will commit to projects/programmes to protect x ha of forest.

Sample commitment 2:

By 2035, we will source 100% of the cocoa for our brand/own brand from basic category 2 agroforestry systems. We aim to source 20% of the cocoa from advanced category 3 agroforestry systems.¹

Milestone 1:

By the end of 2025, 30% of the cocoa in the supply chain for our x brand will be included in a category 2 agroforestry programme. 5% should achieve category 3.

Milestone 2:

By 2030, we will source 75% of the cocoa for our x brand from agroforestry systems that meet GISCO Monitoring category 2 and 10% that meet GISCO Monitoring category 3.

¹ **GISCO monitoring categories:**

Category 2: basic agroforestry system

At least 40% shade-producing canopy cover with at least five different native tree species. This category is consistent with the Rainforest Alliance benchmark parameters.

Category 3: advanced agroforestry system

At least 40% shade-producing canopy cover

At least 12 different native tree species (excluding pioneer species)

At least 15% native vegetation cover

Two layers or levels and shade-producing species should have a minimum height of 12-15 metres.

Sample commitment 3 for SMEs:

From early 2025, 100% of the cocoa or chocolate products that our company imports and/or exports into and/or from the EU will be deforestation-free in accordance with Annex 1 of the EU regulation on deforestation-free products. In order to guarantee this, we will achieve total traceability of the cocoa in our chocolate products by early 2025 (see *traceability commitment*).

Milestone 1:

By early 2024, we will have contacted our suppliers to determine the risk of deforestation in our supply chains. As soon as the EU Commission's risk benchmark is available, we will use this in conjunction with our suppliers and their sourcing partners to assess the risk of deforestation in our supply chain.

Milestone 2:

By the end of 2024, we will have verified that our suppliers are complying with their due diligence obligations, by obtaining information from their due diligence statements. Our suppliers are obliged to meet their due diligence commitments in accordance with Articles 9, 10 and 11 of the EU regulation on deforestation-free products and incorporate this as a criterion in our procurement catalogue.

Challenges:

The rural population in forested areas must be given adequate socio-economic protection. The aim is to prevent the reduction of deforestation from cocoa farming leading to increased deforestation due to the cultivation of other agricultural products. It remains difficult to differentiate between deforestation according to supply chain. Further work is needed on national traceability and monitoring systems to prevent deforestation.

Child labour²

Sample commitment 1:

By 2025, 100% of the households that supply cocoa to our company worldwide will be included in a strategy or system to prevent, control, monitor and eliminate all forms of prohibited child labour. We will have checked that our existing system successfully detects cases of child labour and have developed a strategy to eliminate prohibited child labour that also assesses the severity/danger of the tasks performed. We will have introduced risk mitigation measures to reduce child labour. Children who have been engaged in prohibited child labour since 2023 will have received at least three follow-up visits and been given access to education.

Milestone 1:

By the end of 2023, we will carry out a risk analysis for child labour and analyse the extent to which our existing systems detect cases of child labour. We will identify regions and times in our supply chain with an increased likelihood of prohibited child labour and develop a strategy that will allow us to minimise the risk factors for prohibited child labour.

Milestone 2:

By the end of 2025, 70% of the households that supply our company with the cocoa that we sell or process in Europe will be included in a strategy or system to prevent, control, monitor and eliminate all forms of prohibited child labour. Based on the 2023 analysis, we will have improved our child labour detection system and introduced risk mitigation measures (e.g. increased access to school for children in production regions, regular monitoring visits during times of heightened risk of child labour: main harvest season and school holidays).

Sample commitment 2:

By 2030, we aim to reduce cases of child labour in our supply chain to less than x%.

² Prohibited child labour is child labour as defined in ILO Conventions 138 and 182. According to the ILO, children in employment includes formal or informal work undertaken by people under the age of 18 in the private or public sector with or without pay. If this violates statutory standards (e.g. age restrictions or maximum working hours), it counts as child labour.

To achieve this, we will work with our suppliers to develop holistic solutions that take account of the local conditions and risk factors for child labour.

Milestone 1:

By the end of 2023, we will record cases of child labour ourselves or use the data determined by ICI to obtain a baseline for achieving our commitment. All cocoa farming households that were affected by prohibited child labour in 2023 will be receiving remedial and preventive support to protect their children against the risk of prohibited child labour.

Milestone 2:

By the end of 2025, we will reduce cases of child labour in our global supply chain to x% compared to our baseline.

Milestone 3:

By the end of 2027, we will seek to ensure that x% of children from the cocoa farming households that supply our company with cocoa have access to education in order to reduce the risk of prohibited child labour.

Sample commitment 3 for SMEs:

By 2030, 100% of our cocoa will be indirectly sourced from cocoa households included in the CLMRS (Child Labour Monitoring and Remediation System) or a comparable system for controlling and eliminating child labour. Regular risk assessments will be carried out to monitor child labour in our supply chain and determine the effectiveness of systems for detecting and eliminating child labour. To achieve this, we will regularly share information with our suppliers, obtain independent certification and will have developed suitable prevention and elimination measures which we will continually adapt and improve within our sphere of influence.

Milestone 1: From 2023, child labour will be identified as a priority risk after talking to our suppliers and the certification bodies that we use in our supply chain for sources x, y, z. We will have introduced a uniform supplier management system that includes child labour commitments and the introduction of CLMRS of comparable systems.

Milestone 2:

2024: review supplier compliance with the standards of the newly launched supplier management system and examine the effectiveness of our suppliers' CLMRS systems for detecting and eliminating child labour. We will ensure that our suppliers share information with us regarding cases of child labour and the outcome of monitoring visits to cocoa households in our supply chain.

Milestone 3:

By the end of 2026, 75% of our cocoa will be sourced from cocoa farming households included in the CLMRS (Child Labour Monitoring and Remediation System) or a comparable system for controlling and eliminating child labour.

Challenges:

As a medium-sized company, we have to work with a number of CLMRS in West Africa (depending on the supplier), which makes effective monitoring and mainstreaming hard for us, but not for our suppliers who already use these systems to combat child labour. GISCO support is preferable for effective monitoring at a company level, focussing on SMEs in Germany without their own sourcing partner. The consequences of non-compliance with the standards of our supplier management system are not easy to enforce, as we are dependent on reliable supply and have limited market power as an SME.³

³ Information on the child labour challenges is based on the roadmaps of Alfred Ritter and Ulmer Schokoladen who made their child labour commitments back in 2022.

Living income

Note:

In 2023, the Bundeskartellamt made an antitrust assessment of the six sample commitments listed below (in bold). The Bundeskartellamt currently sees no reason for a detailed examination of the German Initiative on Sustainable Cocoa's individual roadmaps and will be regularly updated on the living income roadmap process. The Bundeskartellamt's press release regarding the living income roadmaps is available [here](#).

Members of Groups B and C can base their roadmaps on the six sample commitments, selecting those that meet their own company's targets for submitting their roadmap by late 2024.

Commitment 1 to achieve a living income for a specific number of cocoa farmers in our own supply chain by X

Sample commitment 1:

xx cocoa farming households that cultivate cocoa as their main occupation and supply our company with cocoa that is sold or processed in Germany⁴ will achieve a living income by 2030.

Milestone 1:

By 2025, income data will have been collected for all cocoa farming households from which our company sources cocoa that is sold or processed in Germany and compared with official living income benchmarks.⁵

Milestone 2:

By 2027, xx cocoa farming households from which our company sources cocoa that is sold or processed in Germany will achieve a living income.

Note: official living income benchmarks, especially for Côte d'Ivoire and Ghana, can be found here: [Align Tool der LiCoP](#). Living income benchmarks should only be determined internally if there are no official benchmarks for the respective country.

Sample commitment 2:

90% of the cocoa farming households that cultivate cocoa as their main occupation and supply our company with cocoa that is sold or processed in Germany will achieve at least a living income by 2030, based on an internally determined benchmark of xx per household and month in country a (as no official benchmarks are available) and the official benchmark in countries b and c.

Milestone 1:

By the end of 2024, we will be measuring the net household income of cocoa farming households in countries a, b and c that supply our company with cocoa that is sold or processed⁶ in Germany.

Milestone 2:

By 2027, approximately 60% of the cocoa farming households that cultivate cocoa as their main occupation and supply our company with cocoa that is sold or processed in Germany will achieve a living income.

Note:

If a living income benchmark is determined internally (e.g. because no official benchmarks are available for the country in question (particularly relevant for the Latin American region)), this should be determined using

⁴ Including for export

⁵ Living income benchmarks are based on the Living Income Community of Practice benchmarks. See: [Source map - Source Map - ALIGN \(align-tool.com\)](#). If a living income benchmark is determined internally (e.g. because no official benchmarks are available for the country in question), this should be determined using official data and the methodology should be presented. For Ghana and Côte d'Ivoire, there are official benchmarks, which should be used.

⁶ Including exports

publicly available data and the methodology should be presented. For Ghana and Côte d'Ivoire, there are official benchmarks, which should be used.⁷

Sample commitment 3 (for SMEs):

90% of the cocoa farming households that cultivate cocoa as their main occupation and supply our company with cocoa that is sold or processed in Germany will achieve at least a living income by 2030.

Milestone 1:

By the end of 2025, we will be requesting data from our suppliers to measure net household incomes and assessing their strategies for achieving living incomes in their own supply chain. We regard the achievement of a living income as a risk mitigation measure to reduce human rights and environmental risks along the cocoa supply chain. We are therefore working with our direct suppliers to adapt our purchasing strategies in order to minimise the risks associated with low producer incomes.

Milestone 2:

In 2027, we will ask our suppliers for an initial impact measurement regarding the change in purchasing strategy on the incomes of cocoa farming households in our supply chain. Our aim is for 60% of the cocoa farming households that supply us with cocoa to be receiving a living income by then. If this interim step has not been achieved, we will discuss appropriate measures with our suppliers and make adjustments in order to achieve our commitment by 2030.

Commitment 2 to increase the income of a specific number of cocoa farming households that should have increased their monthly net household income by a specific amount/percentage by X.

Sample commitment 1:

90% of the cocoa farming households that supply our company with cocoa that is sold or processed in Germany will achieve an average increase in income of at least EUR xxx per household and month when selling cocoa to our company/corporate group by 2030, thereby earning a living income.

Milestone 1:

By the end of 2024, we will conduct a study of/measure the income of the cocoa farming households that supply our company with cocoa that is sold or processed in Germany in order to obtain a baseline for our living income commitment.

Milestone 2:

Cocoa farming households that supply our company with cocoa that is sold or processed in Germany will achieve an average increase in income of at least EUR xxx per household and month when selling cocoa to our company by 2025 (50% reduction in the living income gap).

Sample methodology

For Côte d'Ivoire, the living income benchmark is currently EUR 456 per household (for a six-person household with an average of 1.65 full-time workers). The household income survey that we carried out in xx revealed that households of a similar size that supply our company with cocoa have an average disposable

⁷ Living income benchmarks are based on the Living Income Community of Practice benchmarks. See: [Source map - Source Map - ALIGN \(align-tool.com\)](#). If a living income benchmark is determined internally (e.g. because no official benchmarks are available for the country in question), this should be determined using official data and the methodology should be presented. For Ghana and Côte d'Ivoire, there are official benchmarks, which should be used.

income of 'just' EUR 280 per household and month. By 2030, the monthly income would therefore have to increase by at least EUR 176 to ensure that households that supply our company achieve a living income.⁸

Sample commitment 2:

90% of the cocoa farming households in our supply chain will achieve an increase in income of at least xx% of their net household income by 2030, thereby closing the living income gap.

Milestone 1:

By 2025, we will gradually increase the incomes of the cocoa farmers in our supply chains as a result of the living income strategy we are implementing: 1) to pay a higher farmgate price, 2) to pay premiums and increase productivity 3) to implement diversification measures.

Milestone 2:

By 2027, cocoa farming households that supply our company with cocoa that is sold or processed in Germany will have increased their net household income by at least xx%.

Commitment 3 to pay a specific producer price (absolute value) for cocoa, in particular the Living Income Reference Price (benchmark: Fairtrade LIRP⁹) to a specific number of farmers/for a specific number of tonnes of cocoa.

Sample commitment 1:

By 2030, 90% of the cocoa farming households in our supply chain will be paid at least the Fairtrade LIRP for the cocoa purchased by our company that is sold or processed in Germany.

Milestone 1:

In 2024, we will join Tony's Open Chain, sourcing and therefore paying the Living Income Reference Price to xx% of the cocoa farming households in our supply chain.

Milestone 2:

By 2027, 60% of the cocoa farming households in our supply chain will be paid at least the Fairtrade LIRP for cocoa that is sold or processed in Germany.

Sample commitment 2:

By 2030, at least the Fairtrade Living Income Reference Price¹⁰ will be paid for xx tons of the cocoa

⁸ Living income benchmarks are based on the Living Income Community of Practice benchmarks. See: [Source map - Source Map - ALIGN \(align-tool.com\)](#). If a living income benchmark is determined internally (e.g. because no official benchmarks are available for the country in question), this should be determined using official data and the methodology should be presented. For Ghana and Côte d'Ivoire, there are official benchmarks, which should be used.

⁹ The Fairtrade LIRP is the benchmark available at [this link](#) for how many US dollars would have to be paid for a kilogram of cocoa (farmgate), assuming certain benchmarks, to enable cocoa farming households to earn a living income.

¹⁰ The Fairtrade LIRP is the benchmark available at [this link](#) for how many US dollars would have to be paid for a kilogram of cocoa (farmgate), assuming certain benchmarks, to enable cocoa farming households to earn a living income.

purchased by our corporate group that is sold or processed in Germany. This represents 90% of the cocoa that we source and sell or process in Germany.¹¹

Milestone 1: By 2025, at least the Fairtrade LIRP will be paid for xx tons of the cocoa purchased by our corporate group that is sold or processed in Germany.

Milestone 2: By 2027, at least the Fairtrade LIRP will be paid for xx tons of the cocoa purchased by our corporate group that is sold or processed in Germany. We are therefore increasing the percentage of cocoa that we purchase at the Living Income Reference Price and sell or process in Germany to xx%.

Commitment 4 to pay individual premiums (i.e. higher prices), including information on ranges and percentages.

Sample commitment:

By 2030, an additional per-ton premium ranging from USD 240 to 480, for example, will be paid for 100% of the cocoa sourced in our supply chain that is processed or sold in Germany to ensure that a living income is achieved.

Milestone 1:

By 2026, a per-ton premium ranging from USD 240 to 480, for example, will be paid for 50% of the cocoa sourced in our supply chain that is processed or sold in Germany.

Milestone 2:

By 2028, a per-ton premium ranging from USD 240 to 480, for example, will be paid for 75% of the cocoa sourced in our supply chain that is processed or sold in Germany.

Note:

It is currently impossible to achieve a living income by paying the current Rainforest Alliance and Fairtrade premiums. Premium payments should therefore be combined with other commitments/measures wherever possible.

Commitment 5 to include a specific number of farmers in our living income programme by X.

Sample commitment:

By 2030, 90% of our cocoa farming households that supply us with cocoa that is sold or processed in Germany will be included in our living income programme. Our living income programme is designed to gradually improve household incomes so that farmers can achieve a living income by 2030.

Milestone 1:

By 2025, 40% of our cocoa farming households in West Africa that supply us with cocoa that is sold or processed in Germany will be included in our living income programme. From 2025 to 2030, we aim to expand the programme to other countries of origin (including South America).

Milestone 2:

By 2027, 70% of our cocoa farming households in West Africa that supply us with cocoa that is sold or processed in Germany will be included in our living income programme.

¹¹ Including for export

Commitment 6 to guarantee a living income or to pay living income reference prices to a specific number of cocoa farming households for specific product ranges.

Sample commitment 1: By 2030, 90% of the cocoa farming households that supply cocoa for our x range/y own brand that is sold in Germany will earn at least a living income of EUR/USD x per household and month.¹²

Milestone 1: By 2025, 50% of the cocoa farming households that supply cocoa for our xy range/xy own brand that is sold in Germany will earn at least a living income of EUR/USD x per household and month.

We measured incomes for the first time in late 2023 and developed our own strategies to enable households to achieve a living income. The measures include payment of living income reference prices, diversification actions, payment for environmental services, etc.

Milestone 2: By 2025, 75% of the cocoa farming households that supply cocoa for our x range/y own brand will earn at least a living income of EUR/USD x per household and month.

Sample commitment 2: By 2030, 100% of the cocoa farming households that supply cocoa for our x range/y own brand that is sold in Germany will receive at least the Fairtrade living income reference price.

Milestone 1: By 2025, 50% of the cocoa farming households that supply cocoa for our x range/y own brand that is sold in Germany will receive at least the Fairtrade living income reference price.

Milestone 2: By 2027, 75% of the cocoa farming households that supply cocoa for our x range/y own brand that is sold in Germany will receive at least the Fairtrade living income reference price.

Challenges:

An enabling policy environment is needed in the producing and consuming countries so that we can help cocoa farmers to make the leap from poverty to financial security. Production costs and cocoa prices are subject to fluctuations on the global market and are beyond our company's control. The war in Ukraine is currently leading to increased input costs for cocoa farmers, while climate change and disease can also result in unexpected crop failures.

Traceability

Commitment:

By early 2025, for our own supply chain, we will achieve 100% traceability of our cocoa beans from farm plots to our chocolate factory (polygon-mapped over 4ha or point coordinates for farm plots smaller than 4ha) for the cocoa and chocolate products (in accordance with Annex 1 of the EU regulation on deforestation-free products) that we import or export to or from the EU.

Milestone 1:

By the end of 2023, for our own supply chain, we will achieve 75% traceability from farm plots to our

¹² Itemised by country in line with the available benchmarks



chocolate factory (polygon-mapped over 4ha or point coordinates for farm plots smaller than 4ha) for the cocoa or chocolate products that we import or export to or from the EU.

Milestone 1:

By mid-2024, for our own supply chain, we will achieve 90% traceability from farm plots to our chocolate factory (polygon-mapped over 4ha or point coordinates for farm plots smaller than 4ha) for the cocoa or chocolate products that we import or export to or from the EU.

Challenge:

The implementation of traceability and the EU regulation on deforestation-free products will require a great deal of effort and commitment from everyone involved, which in some cases will not have any directly noticeable benefit for smallholders. Innovative solutions are required. Ensuring 100% traceability in our indirect supply chains also poses a challenge. In addition, a change of cocoa farmers within a cooperative is a further challenge, as they can freely choose how to access the market. National systems would help ensure that cocoa farmers' locations are accessible beyond their own supply chains and should help them implement the EU regulation.

Commitment for SMEs:

For our brand, we will achieve 100% traceability of our cocoa beans from farm plots to our chocolate factory (polygon-mapped over 4ha or point coordinates for farm plots smaller than 4ha) and guarantee this by means of our supplier management system. We will implement traceability requirements by 2025 in accordance with the EU regulation on deforestation-free products for the European market, thereby meeting GISCO Monitoring traceability criteria 4b.

Traceability levels according to GISCO Monitoring

1. Origin unknown
2. Country known
3. Cooperative origin known
- 4a. Farm known, along with its point coordinates at the very least
- 4b. Farm known, with point coordinates for farm plots smaller than 4 ha and polygon boundaries for farm plots over 4 ha

Milestone 1:

We don't import any cocoa from producing countries ourselves, so we rely on information provided by our suppliers. By the end of 2023, we will have received information from our suppliers about the current status of traceability requirements in accordance with the EU regulation and have evaluated this.

Milestone 2:

By mid-2024, we will have created our own roadmap for meeting traceability targets in accordance with the EU regulation on deforestation-free products and will implement this by early 2025.

Challenge:

The major traceability challenge for our company is that almost all of the factors required to meet the criteria are beyond our control. Therefore, the only way to achieve these targets is to oblige our suppliers to meet the required standards and carry out appropriate (random) checks as part of a uniform, transparent supplier management system. We are dependent on receiving reliable information from our suppliers in order to guarantee 100% traceability.

Certified and independently verified cocoa¹³

Commitment 1: by 2025, at least 95% of our cocoa procurement will be certified according to sustainability standards or independently verified by means of corporate programmes.¹⁴

Milestone 1: in order to permanently achieve this target, we have made certification and/or independent verification an integral part of our procurement practices.

Milestone 2: in 2023, we certified or independently verified 80% of our cocoa procurement according to sustainability standards. By 2025, we will have switched to 100% certified or independently verified cocoa according to sustainability standards, together with our suppliers.

Milestone 3: we are actively working with the German Initiative on Sustainable Cocoa to define the term 'independently verified'. Based on this definition, the corporate programmes used and independently verified by members of the German Initiative on Sustainable Cocoa will be reviewed. We will adapt our procurement practices based on the outcome.

Commitment 2: when purchasing items containing cocoa, we require certification in accordance with Rainforest Alliance, Fairtrade and/or organic standards for the entire range.

Milestone 1: since 2020, we have certified all our items containing cocoa in accordance with Rainforest Alliance, Fairtrade and/or organic standards and aim to maintain this status-quo.

Example: differentiated data on sustainability standards (for manufacturing companies and retailers for last year, *due in the first Sustainability Report 2024*)

What percentage of the cocoa in the cocoa-containing products sold by your company in Germany has been certified or independently verified in accordance with which sustainability standard?

Companies: branded products; retailers: own brands

Fairtrade (50%)

Rainforest Alliance (31%)

Organic Fairtrade (5%)

Organic Rainforest Alliance (5%)

Naturland (organic) (9%)

¹⁴ The term 'independently verified' is defined by the Initiative and substantiated with criteria. Lindt and Cocoa Life (Mondelez) are currently considered to be independently verified. The Management Board will decide to define and verify corporate programmes. Any changes to the targets as a result of this will be included in the draft resolution for the General Meeting in 2024.