

Targets for the indicators of specific goals 1, 4, 5, 6, 8 and 9

German Initiative on Sustainable Cocoa Monitoring System

Version: 07.09.2023

In the following, a distinction is made between "project/programme indicators" and "supply chain indicators", depending on whether they refer to the entire supply chain or only relate to projects/programmes in countries of cocoa origin. The programmes of the standard-setting organizations are also included under programmes. Companies are asked about their own projects or programmes. Projects conducted by members of GISCO member groups A and D, as well as joint projects of more than one member or member group, such as the "PRO-PLANTEURS" forum project, will also report on the project and programme indicators.

Specific goal 1:

We are jointly committed to constantly improving the income situation of cocoa farming households in the producing countries, so that all households can earn a living income. We are jointly committed to enable at least 90% of households, whose main occupation is cocoa cultivation and who supply members of the German Initiative on Sustainable Cocoa with cocoa that is sold or processed in Germany¹, to earn a living income by 2030. Together we develop strategies to achieve this goal.

Indicators:

Indicator 1.1: (Supply chain Indicator)

From 2020 onwards, GISCO members report on the average USD amount of sustainability premiums/ton² paid by them to their suppliers and/or farmers for the cocoa purchased/processed.

Indicator 1.1.1: (Supply chain Indicator)

Percentage of cocoa processed by members of GISCO in Germany or used in end consumer products for the German market for which a living income reference price was paid to cocoa producers.³

¹ including for export

² Fairtrade, Rainforest Alliance and company programme premiums – differentiated.

³ Comments on indicator 1.1.1: The Living Income Reference Price (LIRP) calculated by Fairtrade for Ghana and Côte d'Ivoire is recognized as the reference price for a living income for those countries. The use of the Fairtrade model is not mandatory. (For example, a "Sustainability Differential" paid via Rainforest Alliance of at least the amount of the premium paid in the FT-LIRP model is likewise accepted.) Members can also propose other models in which they pay similarly high or higher additional premiums to the farmer. Members can suggest their own calculations for a living price to other countries and propose payment models.



Indicator 1.2: (Project Indicator)

By the end of 2022 GISCO members with income relevant projects/programs⁴ will include living income related indicator(s) and report transparently on the measures implemented. *(Indicator expired)*

Indicator 1.3: (Project/Programme Indicator)

By the end of 2023, GISCO members with relevant projects/programs⁵ will report on the development of net household income in relation to the living income benchmark.

**Specific goal 4:
promoting the development and use of sustainable and diversified production systems, in particular agroforestry systems, which conserve natural resources as well as ending the application of hazardous and/or unauthorized pesticides.⁶**

Indicators:

Indicator 4.1: (Project/Programme Indicator)

By the end of 2022, relevant GISCO member projects/programmes will have a strategy to promote diversified and sustainable farming systems. *(Indicator expired)*

Indicator 4.2: (Project/Programme Indicator)

By the end of 2025, 30 % of the total area under cocoa cultivation in GISCO member projects/programmes will be managed as agroforestry systems.

Indicator 4.3: (Project/Programme Indicator)

By the end of 2025, all cocoa farmers reached by relevant GISCO member projects/programmes will no longer apply hazardous pesticides.⁷

⁴ Projects/Programmes are considered income relevant to farmers, if they include the terms “income”, “income improvement”, “income increase” or “living income” in their title, objectives, goals and/or indicators.

⁵ See footnote 4

⁶ Hazardous pesticides as defined by GISCO (objective 4): Hazardous pesticides include as minimum requirement all substances which (1) are listed as “persistent organic pollutants (POPs)” in the Stockholm Convention within the Annex III of the Rotterdam Convention and/or the Montreal Protocol, (2) are classified by WHO as A1 or 1B, (3) are listed in the “Dirty Dozen” of PAN, or (4) are identified by UN-GHS as substances with “chronic toxicity”. In addition, specifically for cocoa cultivation, they include pesticides that are not permitted for use in export goods to EU countries.

⁷ See footnote 6



**Specific Goal 5:
ending deforestation⁸ and contributing to conservation of forests and biodiversity, and to reforestation.**

Indicators:

Indicator 5.1: (Supply chain Indicator)

From 2025 onwards, members of GISCO guarantee full traceability back to the producer in the supply chain⁹ (traceability from the plot to retailers in line with EU regulation).¹⁰

Indicator 5.2: (Supply chain Indicator)

From 2025 onwards, 100% of cocoa and chocolate products¹¹ imported into the EU by members of GISCO will be deforestation-free.

**Specific goal 6:
abolishing prohibited child labour¹², forced labour, slavery and human trafficking in cocoa production.**

Indicator:

Indicator 6.1: (Supply Chain Indicator)

By the end of 2025, 100% of households in the supply chain of GISCO members' projects/programs are covered by a strategy or system for the prevention, control, monitoring and remediation of every form of prohibited child labour.

Specific goal 8:

⁸ According to FAO, deforestation is the conversion of forest to another land use or the long-term reduction of tree canopy cover below the 10% threshold.

⁹ Full traceability back to the producer must be clarified with the upstream suppliers; this is not direct sourcing.

¹⁰ The EU regulation on deforestation-free products requires geolocation by point coordinates for parcels of up to 4 ha, and by polygon coordinates for parcels of 4 ha or more.

¹¹ Chocolate products according to Annex 1 of the EU Regulation on Deforestation-Free Products: Cocoa beans, whole or broken, raw or roasted; Cocoa shells, husks, skins and other cocoa waste; Cocoa paste, whether or not defatted; Cocoa butter, fat and oil; Cocoa powder, not containing added sugar or other sweetening matter; Chocolate and other food preparations containing cocoa.

¹² Prohibited child labour is understood to mean child labour as defined in ILO Conventions 138 and 182. According to the ILO, child labour in employment includes formal or informal work by persons under 18 years of age, in the private or public sector, with or without pay. If this violates legal standards (e.g. age restrictions or maximum duration of work), it falls under child labour.



ensuring that corporate members¹³ of the German Initiative on Sustainable Cocoa implement human rights¹⁴ and environmental¹⁵ due diligence in their cocoa supply chains by the end of 2025.

Indicator:

Indicator 8.1: (Supply chain Indicator)

From 2025 onwards¹⁶, GISCO's corporate members will implement human rights and environmental due diligence obligations in accordance with the UNGPs (UN Guiding Principles on Business and Human Rights)

Specific goal 9:

The strengthening of governments, farmer organizations and civil society in the cocoa value chain in the producing countries.

Indicators:

Indicator 9.1. (Supply Chain Indicator)

By the end of 2025, GISCO members with direct links to the producer level implement long-term supply chain relationships with cooperatives and producer organisations in their direct supply chains¹⁷.

Indicator 9.2: From 2023 onwards, farmer representatives and local civil society representatives are involved in all relevant GISCO processes and their participation in policy deliberation processes is supported.

¹³ Members who trade or process > 100 t of cocoa per year.

¹⁴ Human rights due diligence in accordance with the UN Guiding Principles on Business and Human Rights.

¹⁵ Environmental due diligence in accordance with the OECD/FAO Guidance for Responsible Agricultural Supply Chains.

¹⁶ Year to be reviewed once EU Due Diligence Directive is available.

¹⁷ Long-term supply relationships are understood to be supply chain relationships of a period of 3 years or more.