



## Roadmap: SCHOKINAG-Schokolade-Industrie GmbH

### 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 [GISCO roadmap](#) 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:** By 2025, 100% of cocoa and semi-finished products will be traceable with a transparency score of at least 5.

### **Milestone:**

In 2023:

- Conduct a baseline study of traceability in supply chain, engaging suppliers on their current levels of traceability, - Assess suppliers plans for traceability, and
- Draft roadmap to meet traceability targets.

**Milestone:** By 2024, increase % of traceability in supply chain, such that we progress halfway to our target of achieving 100% traceability in 2025. The exact % to achieve will depend on our baseline.

### **Challenge:**

- Ability to achieve traceability will be dependent on the capacities of our suppliers and trends at origin.
- Lack of alignment on standards / requirements and systems between origins and consuming countries.
- Traceability is an expensive endeavour. If customers are not willing to pay, we are likely to have to bear this cost, and we are unable to do this.
- All stakeholders (suppliers and customers) need to be aligned on traceability ambitions
- Segregation would pose additional challenges for plant operations (cost and production management).

## Certification and independent verification

**Commitment:** By 2025, 85% of cocoa-containing end products sold in Germany to be certified or independently verified according to sustainability standards.

**Milestone:** By 2023, 50% of cocoa-containing end products sold in Germany to be certified or independently verified according to sustainability standards.

**Milestone:** By 2024, 75% of cocoa-containing end products sold in Germany to be certified or independently verified according to sustainability standards.

### **Challenge:**

- The demand for certified/verified cocoa-containing end products may not match our commitment. This would imply additional costs for SCHOKINAG, which we would not be able to recover. This is particularly the case for customers who may not be GISCO members and may not share our commitment to sustainability. How can GISCO engage chocolate industry stakeholders, beyond its membership, to buy-in to this commitment?
- Supply of certified/verified beans and semi-finished products from the required origins may be limited, affecting our ability to procure the needed amounts. This is particularly the case as RA introduces origin-matching.
- Intensifying requirements of certification standards (especially Rainforest Alliance) cause an increasing administrative burden as well as human resources requirement.

## Deforestation/Agroforestry

**Commitment:** By 2025, 100% of the cocoa or chocolate products imported into the EU will be deforestation-free in accordance with Annex 1 of the EU regulation on deforestation-free products.

**Milestone:** By Q2 2024, we will have assessed our suppliers to determine the risk of deforestation in our supply chains and created a risk management action plan with suppliers.

**Milestone:** By the end of 2024, we will have confirmed that all our suppliers are compliant with EU regulation through verification of their due diligence procedures and records.

### **Challenge:**

- Lack of guidance from EU regarding how to evidence compliance.
- Effective information-sharing / data management requires interoperability of systems.
- Compliance with the regulation is both costly and time-consuming. o If no one is willing to pre-finance measures needed to comply, there could be supply constraints.
- Such verification poses an administrative burden and requires immense human resources.

## Child Labour

**Commitment:** By 2026, human rights due diligence will be implemented throughout the supply chain.

**Milestone:** By Q2 2025, we will have established robust human rights due diligence procedures to be rolled out with suppliers.

**Milestone:** By the end of 2025, we will have carried out human rights due diligence with all of our suppliers and set up risk mitigation / action plans as needed.

### **Challenge:**

- Such due diligence poses an administrative burden and requires immense human resources.
- It is also costly and time-consuming.
- There is no one-size-fits-all approach when it comes to HRDD; this will depend on the origin and supply chain.
- Nor is there a universal standard for HRDD.
- Will require harmonization / reconciliation of lots of different systems and information.
- Difficult to ensure effectiveness of procedures.



## Living Income

**Note:** 2023, an examination under German cartel law took place on the question of whether individual roadmaps on living income may 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:**

**Milestone:**

**Milestone:**

**Challenge:**