

# Roadmap: SCHOKINAG-Schokolade-Industrie GmbH

## Background

At the 2022 General Meeting of the German Initiative on Sustainable Cocoa (GISCO), members decided to publish individual roadmaps with commitments and milestones as well as progress reports on these commitments.

The individual roadmaps are based on the [GISCO roadmap](#) which lists the goals, targeted indicators and recommendations for action on the focus topics of certified cocoa/cocoa from company programmes, traceability, deforestation/agroforestry, child labor and living income.

These public individual commitments complement the annual monitoring process carried out in cooperation with the ISCOs (European Initiatives for sustainable cocoa), give visibility of the members' contributions to the [GISCO objectives](#) and strengthen individual accountability.

## Commitments

- [Traceability](#)
- [Certified cocoa and cocoa from company programmes](#)
- [Deforestation/Agroforestry](#)
- [Child Labour](#)
- [Living Income](#)

## Comment of the member on the roadmap:

## Traceability

### **Commitment** (submitted in December 2022):

By 2025, 100% of cocoa and semi-finished products will be traceable with a transparency score of at least 5.

### **Milestone 1:**

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 2:**

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.

### **Progress** (submitted in December 2024):

Our commitment as submitted in December 2022 has been adapted to align with preparing for compliance with the EU regulation on deforestation-free products.

Our progress on our updated commitment:

For our direct sourcing network, we have achieved 90% traceability of our cocoa beans from farm plots to our chocolate factory (polygon-mapped for plots over 4 hectares, otherwise point coordinates for plots smaller than 4 hectares) for cocoa and chocolate products (in accordance with Annex 1 of the EU regulation on deforestation-free products), which we import to or export from the EU.

For our indirect sourcing network, we rely on our suppliers' information. We have assessed our suppliers' compliance with traceability requirements as per the EU regulation. We have developed our own strategy to meet the traceability goals of the EU regulation on deforestation-free products and will implement it by early 2025.

### **Challenge:**

- Implementing traceability and complying with the EU regulation on deforestation-free products requires significant effort from all involved, which may not yield immediate benefits for smallholder farmers. Here fore, innovative solutions are needed.
- The mobility of cocoa farmers within cooperatives adds complexity, as they are free to choose their market access. National systems would help make cocoa farmer locations accessible across supply chains and should be supported to implement the EU regulation.
- The main challenge for our indirect supply chain is that most factors for meeting this criterion are beyond our direct influence. The only way to achieve these goals is to require our suppliers to comply with the standards and to conduct (random) checks as part of a unified and transparent supplier management system. We depend on reliable information from our suppliers to ensure 100% traceability.

**Voluntary: Updated Commitment & Milestones 2024:**

**Commitment:**

For our direct sourcing network, we will achieve 100% traceability of our cocoa beans from farm plots to our chocolate factory by early 2025 (polygon-mapped for plots over 4 hectares, otherwise point coordinates for plots smaller than 4 hectares) for cocoa and chocolate products (in accordance with Annex 1 of the EU regulation on deforestation-free products), which we import to or export from the EU.

For our indirect sourcing network, we will achieve 100% traceability of our cocoa beans from farm plots to our chocolate factory (polygon-mapped for plots over 4 hectares, otherwise point coordinates for plots smaller than 4 hectares) by 2025, ensuring this through our supplier management. We will implement traceability requirements according to the EU regulation on deforestation-free products for the European market, fulfilling the criteria for traceability level 4b from the GISCO monitoring.

## Certified cocoa and cocoa from company programmes

### **Commitment** (submitted in December 2022):

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

### **Milestone 1:**

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

### **Milestone 2:**

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

### **Progress** (submitted in December 2024):

We are on track to meet our commitment. As of December 2024, 77,80% of cocoa-containing end products sold by us in Germany are certified (see detail below).

48,44%	Fairtrade
29,36%	Rainforest Alliance

### **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** (submitted in December 2023):

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 1:**

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 2:**

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.

**Progress:** (submitted in December 2024):

We are on track to meet our commitment. We reached both milestone 1 and 2 and by the end of 2024, 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.

**Challenge:**

- The delayed availability of system training and access has hindered the development of interoperable systems required for effective information sharing and data management.
- Such verification poses an administrative burden and requires immense human resources.

## Child Labour

**Commitment** (submitted in December 2023):

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

**Milestone 1:**

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

**Milestone 2:**

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.

**Progress** (submitted in December 2024):

We are on track to meet our commitment. In line with the EU regulation on deforestation-free products, we have implemented robust human rights due diligence procedures, including a comprehensive risk assessment with a dedicated section on human rights. This assessment addresses issues such as child labour and includes risk mitigation measures for suppliers identified as high or medium risk. Our procedures are detailed in formal documentation, both as standalone and integrated within our existing paper trail, and the due diligence process is thoroughly documented.

**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

**Commitment** (submitted in December 2024):

By 2030, 100% of cocoa-containing end products sold in Germany will support farmers to achieve living income through certification premiums.

**Milestone 1:**

By 2025, 85% of cocoa-containing end products sold in Germany will support farmers to achieve living income through certification premiums.

**Milestone 2:**

By 2028, 95% of cocoa-containing end products sold in Germany will support farmers to achieve living income through certification premiums.

**Challenge:**

**Progress** (submitted in December 2026):