

FEBRUARY 2022

Monitoring Framework

1. Introduction

1.1 Background

The Dutch Initiative on Sustainable Cocoa, a partnership of companies, public sector organizations and civil society organizations active in the Dutch cocoa and chocolate sector, agreed to jointly work towards a sustainable cocoa sector. The partnership shares the vision that in the cocoa-production regions important to the Dutch cocoa industry the following will be achieved:

- Farming families with cocoa as their main livelihood activity will be enabled to earn a living income by 2030;
- Cocoa-related deforestation and forest degradation in producing regions where the Dutch cocoa industry and their trade partners are sourcing from will have ended in their supply chains by 2025;
- Effective measures and necessary actions contributing to ending all forms of child labour by 2025 are taken.

The scope of the Dutch Initiative on Sustainable Cocoa will contain all cocoa and cocoa products imported into the Netherlands¹. Côte d'Ivoire (51,7%), Ghana (15,9%), Nigeria (12,9%) and Cameroon (10,9%) are the most important sourcing countries for the Dutch cocoa and chocolate industry². Most of the imported beans are processed in the Netherlands and exported as cocoa powder, mass and butter as well as couverture and chocolate to other EU countries.

After the launch of the Dutch Initiative on Sustainable Cocoa in September 2020, three working groups were formed to develop Roadmaps that serve as frameworks for implementation by DISCO partners on these three ambitions. Based on the recommended actions as described in these frameworks, indicators are suggested to use for reporting on the progress on the three main impact areas.

DISCO partners have agreed in the main DISCO partnership document:

“Monitor and hold each other accountable

The Secretariat of DISCO (...) will ensure independent assessment of the baseline, progress and impact (through the working groups) and communicate transparently within the DISCO partnership on the partners' contributions and collective and individual results. A cost-effective framework for monitoring and verification will be developed for this purpose using existing verifiable data systems. The situation in 2020 will be used as a baseline. We will endeavour to develop a digital platform for updates and reporting on the partnership's progress and impact.”

This document provides information on how the DISCO partnership will measure the baseline and annual progress and how DISCO signatories should report on it. As this Reporting Framework exists in coherence with the Roadmaps on the three main impact areas of DISCO, this framework should not be read in isolation.

1.2 Background

General objective

The baseline and annual reporting aims to provide the DISCO partnership with a general overview on where it stands in relation to the interim check points and end targets as agreed in the DISCO declaration. This helps to identify the gaps that should be addressed in the upcoming short- and long-term period.

¹ In 2020 the Netherlands imported 977,000 MT cocoa (source: Eurostat/International Trade Center, 2021)

² <https://www.cbi.eu/market-information/cocoa-cocoa-products/netherlands/market-entry>

Key considerations

Continuous improvements to move from a basic framework to a more optimized monitoring framework

Establishing a well-functioning and cost-effective framework is a somewhat complex process, and therefore we aim to move throughout the implementation phase of the Dutch Initiative on Sustainable Cocoa towards a more optimized monitoring framework. It is therefore acknowledged that during the first reporting round in 2022 (collecting data for 2020 and for 2021), the reporting framework won't be perfect. It shall be further optimized in the upcoming years in collaboration with the other national initiatives on sustainable cocoa in Europe (Beyond Chocolate, GISCO, SWISSCO, also called 'ISCOs') and the ISCO Working Group on Monitoring and Evaluation (see next section). Potential areas of improvement are for example enhancing the reliability of the reported data and the accountability of signatories through the monitoring framework, while still limiting their reporting burden.

Aligning with other relevant initiatives

Also, other initiatives such as other ISCOs, the World Cocoa Foundation (WCF), the International Cocoa Organization (ICCO) and the International Cocoa initiative (ICI) have their own monitoring frameworks. The other European initiatives on sustainable cocoa started earlier and have been working on harmonizing their indicator frameworks, also in alignment with the monitoring framework of WCF. Beyond Chocolate and GISCO have brought this newly developed common monitoring framework into practice by synchronizing reporting timelines and developing a joint online reporting tool.

As DISCO joined the harmonization process, the DISCO Reporting Framework has tried to use as much as possible the indicators, questionnaires, definitions and conversion rates that are used by the other ISCOs. Only if it wasn't possible, new indicators or questionnaires are being used.

DISCO signatories will therefore report with the same tool and at the same moment as the other ISCOs; with some DISCO specific questions and data points being added.

Confidentiality

Reporting might include confidential information and sharing such company specific data can be in violation with competition compliance laws. Therefore, reported data will be kept confidential by the DISCO secretariat and can be supported by signing a Non-Disclosure Agreement on request. Publication of data will therefore be done in an anonymized and/or aggregated level after permission by the signatories.

Attribution to the DISCO scope and double counting

Additionally, linking and attributing sourced cocoa, cocoa farming families, communities, and environmental areas to the Netherlands is in the current business operations at best an approximation. For that reason, if signatories are not able to link the reporting questions to the cocoa beans imported into the Netherlands, this is if they cannot disaggregate their sourcing data per destination country in Europe, then they can apply the volume or percentage of their organization's global sourcing (as in line with the methodology used by the other ISCOs). This issue will be further addressed in collaboration with the other ISCOs.

Also, the issue of double counting between traders and their clients on efforts made in relation to the DISCO objectives will need to be further addressed in collaboration with the other ISCOs. A similar approach as in the Cocoa & Forests Initiative where traders highlight which part of their reporting is for their clients and what part is for their own efforts could be one of the options. Another solution, already being used by GISCO and Beyond Chocolate implies separating the reporting related to cocoa processed in the Netherlands from reporting on cocoa brought to the Dutch consumer market. Furthermore alignment will be sought with the other ISCO's on avoiding double counting with respect to signatories reporting on the same cocoa processed in subsequent transformation stages (from cocoa beans to cocoa-containing end products).

1.3 Process

2022 reporting schedule

DISCO signatories will report in May 2022 on both the 2020 and 2021 data³ to cover for the baseline reporting and year 1 progress reporting. This will be done within the [ISCO Monitoring Tool](#) used by the other ISCOs. This reporting round will be kicked off during a joint launch event on 28 April 2022.

The received data will be cleaned, compiled and analysed by the Secretariat (possibly in collaboration with consultancy C-lever.org). This will be published at an aggregated level in September 2022 (TBC) and presented and discussed in November 2021 during the General Assembly.

Reporting beyond 2022

Reporting will continue annually, probably in the same period of each year.

³ In alignment with the other ISCO's, DISCO will allow its signatories to report either per calendar year or per a shifted reporting year. This for example allow signatories to report per cocoa season (1 September – 31 August), rather than calendar year; as being applied by WCF and ICI. Signatories should however be consisted in the setting of their reporting year.

2. Signatories

The Dutch Initiative on Sustainable Cocoa is comprised of different actors that are directly involved in the cocoa supply chain and others that are more outside the cocoa supply chain. Below shows an overview of the different types of DISCO signatories.

Overview of DISCO signatories: supply chain signatories

Overview of DISCO signatories: supply chain signatories

Traders/processors	Large manufacturers	Smaller manufacturers	Retailers
<ul style="list-style-type: none"> • Barry Callebaut • Cargill Cocoa & Chocolate • EnviroLife Sciences (ELS) • Export Trading Group (ETG) • JS Cocoa • Olam Cocoa • Tradin Organic 	<ul style="list-style-type: none"> • MARS • Mondelēz • Nestlé • Tony's Chocolonely • VBZ (no reporting requirement) 	<ul style="list-style-type: none"> • Friesland Campina 	<ul style="list-style-type: none"> • Albert Heijn • Jumbo • Superunie

Overview of DISCO signatories: non-supply chain signatories

Government	Certification/standard organizations	Civil society	Service providers & knowledge institutes
<ul style="list-style-type: none"> • Ministry of Foreign Affairs of The Netherlands • Ministry of Agriculture, Nature and Food Quality of The Netherlands 	<ul style="list-style-type: none"> • Fairtrade Nederland • Rainforest Alliance 	<ul style="list-style-type: none"> • Care Nederland • Fairfood • Farmgate Cocoa Alliance • Oxfam Novib • Save the Children • Solidaridad Network • Tropenbos International • UNICEF The Netherlands 	<ul style="list-style-type: none"> • Agriterre • Agro Eco • Equipose • Meridia • Port of Amsterdam • Koninklijk Instituut voor de Tropen

3. Reporting indicators

This chapter aims to provide information on the indicators to be used in the Reporting Framework. It provides an overview of the indicators related to the DISCO scope and the impact themes on living income, ending deforestation and forest degradation and ending child labour. It also provides specified questions that will be asked to the different types of DISCO signatories.

3.1 Summary of all indicators and questionnaires

3.1.1 Overview of indicators

1. Scope

1.1 # of MT-BE imported, processed or sold in the Netherlands

1.1.1 *Volume of cocoa (# of MT-BE) imported in the Netherlands but not processed or brought to the consumer market in the Netherlands.*

1.1.2 *Volume of cocoa (# of MT-BE) processed in the Netherlands*

1.1.3 *Volume of cocoa (# of MT-BE) brought* to the consumer market in the Netherlands*
** Brought to the consumer market under the brand/ private label of the reporting DISCO signatory*

1.2 Volume of cocoa (# of MT-BE) certified/independently verified cocoa processed or sold in The Netherlands

2. Living Income

2.1 Score (stage) of progressing towards reaching or exceeding the existing recognised living income benchmark.

2.1.1 *Volume of cocoa sourced per applicable score (stage) of progressing towards reaching or exceeding the existing recognised living income benchmark.*

2.1.2 *# of farming households, supported by the reporting member, per applicable score (stage) of progressing towards reaching or exceeding the existing recognised living income benchmark.*

2.2 Contributions to support the partnership in reaching goals around living income

3. Deforestation

3.1 Value chain environmental due diligence implementation

3.2 # and list, per sourcing country, of companies that signed national initiatives aiming to end cocoa-related deforestation in sourcing countries

3.3 Volume and % of cocoa sourced per cocoa origin transparency level

3.4 % of cocoa beans in supply chain directly and indirectly sourced

3.5 Contributions to support the partnership in reaching goals around ending deforestation and forest degradation

4. Child labour

4.1 CLMRS coverage

4.1.1 *# and % of MT-BE sourced with a reliable claim "sourced from cocoa farming households covered by a CLMRS"*

4.1.2 *# of farming households in the supply chain for which the implementation of a CLMRS is supported by a DISCO signatory*

4.2 Contributions to support the partnership in reaching goals around ending child labour

3.1.2 Schematic overview of indicators and questionnaires per subsector

	Traders/processors	Large manufacturers/brands	Smaller manufacturers	Retailers
Scope				
1.1: # of MT-BE imported, processed or sold in the Netherlands 1.1.1: Volume of cocoa imported 1.1.2: Volume of cocoa processed 1.1.3: Volume of cocoa brought to the consumer market	<ul style="list-style-type: none"> What is the (estimated) volume of cocoa, expressed in bean equivalents (MT-BE)* that your company imported but not processed or brought to the consumer market in the Netherlands for the reporting year? What is the (estimated) volume of cocoa, expressed in bean equivalents (MT-BE)* that your company processed in the Netherlands for the reporting year? 	<ul style="list-style-type: none"> What is the (estimated) volume of cocoa, expressed in bean equivalents (MT-BE)* that your company processed in the Netherlands in the reporting year? What is the (estimated) volume of cocoa, expressed in bean in equivalents (MT-BE)* that your company brought to the consumer market in the Netherlands under your brand/ private label in the reporting year 	<ul style="list-style-type: none"> What is the (estimated) volume of cocoa, expressed in bean in equivalents (MT-BE)* that your company brought to the consumer market in the Netherlands under your brand/ private label in the reporting year 	
1.2: Volume of cocoa (# of MT-BE) certified/independently verified cocoa processed or sold in The Netherlands			<ul style="list-style-type: none"> Please provide the data available for certified or independently verified cocoa bean in equivalents* that your company has supplied to the Dutch market for the reporting year. Please specify the percentages per scheme and per combination of schemes (e.g. Rainforest Alliance/UTZ, Fairtrade, Organic, Cocoa Horizons, Cocoa Promise, Cocoa Life, Cocoa Plan, etc.) 	
Living income				
2.1: Score (stage) of progressing towards reaching or exceeding the existing recognised living income benchmark 2.1.1: Volume of cocoa sourced 2.1.2: # of farming households	<ul style="list-style-type: none"> Please specify the volume of cocoa sourced (# MT BE) and # of households in your supply chain per applicable score (stage) of progressing towards reaching the existing recognised living income benchmark. <ul style="list-style-type: none"> Score 0: <ul style="list-style-type: none"> ➤ Volume of MT-BE for which the reporting signatory does not apply Living Income strategies as defined in DISCO (measurement of income gaps + 'smart mix' LI strategy to actively contribute to improving the living income of cocoa farming households) 		<i>Maybe in a later stage</i>	

	<ul style="list-style-type: none"> ○ Score 1: <ul style="list-style-type: none"> ➤ Volume of MT-BE sourced with a reliable claim* that the cocoa beans come from cocoa farming households for whom the living income gap is calculated - without reaching the requirements of score 2. ➤ Please specify the # of farming households in your supply chain for which your company supported** the measurement of the actual household income and the calculation of the living income gap - without reaching the requirements of score 2. ○ Score 2: <ul style="list-style-type: none"> ➤ Volume of MT-BE sourced with a reliable claim that the cocoa beans come from cocoa farming households for whom the living income gap was calculated and that a smart mix living income strategy (as per the definition used in the DISCO Roadmap on LI) was developed - without reaching the requirements of score 3. ➤ Please specify the # of farming households in your supply chain for which your company supported** the development or update of a smart mix living income strategy (as per the definition used in the DISCO Roadmap on LI) - without reaching the requirements of score 3. ○ Score 3: <ul style="list-style-type: none"> ➤ Volume of MT-BE sourced with a reliable claim that the cocoa beans come from cocoa farming households that “effectively progress” towards reaching or exceeding the existing recognised living income benchmark. ➤ Please specify the # of farming households in your supply chain that “effectively progress” towards reaching or exceeding the existing recognised living income benchmark, with the support of your company. 	
Deforestation and forest degradation		
3.1: Value chain environmental due diligence implementation	<ul style="list-style-type: none"> ● Has your organization adopted and implemented environmental risk management and/or due diligence approaches in its supply chain? 	<i>Maybe in a later stage</i>

3.2: # and list, per sourcing country, of companies that signed national initiatives aiming to end cocoa-related deforestation in sourcing countries	<ul style="list-style-type: none"> • In which of the following countries sources your company from and have you signed a national initiative aiming to end cocoa-related deforestation? <ul style="list-style-type: none"> ○ Sourcing from Cameroon and signatory of Roadmap to Deforestation-free Cocoa? ○ Sourcing from Colombia and signatory of Cocoa, Forests & Peace Initiative? ○ Sourcing from Côte d'Ivoire and signatory of Cocoa and Forests Initiative? ○ Sourcing from Ghana and signatory of Cocoa and Forests Initiative? ○ Sourcing from Liberia and signatory of Liberia's Cocoa Sector Platform Initiative? 	
3.3: % of cocoa sourced per cocoa origin transparency level	<ul style="list-style-type: none"> • Please provide the corresponding % of volumes of cocoa, per "cocoa origin transparency level" that were applicable to your organization's supply chain for the reporting year. <ul style="list-style-type: none"> ○ Score 1: origin unknown or only country of origin known. ○ Score 2: country and region of origin known. ○ Score 3: country, region and municipality/cooperative of origin known. ○ Score 4: farm known, in addition to the country, region and municipality/cooperative of origin. ○ Score 5: farm known and having point coordinates of the farm household (farm mapping). ○ Score 5+: farm known and having polygon boundaries of the farm. ○ Score 6: farm known, having polygon boundaries of the farm and farm fields verified as not in a protected forest and as not comprising land that was deforested since 2018. 	<i>Maybe in a later stage</i>
3.4: % of cocoa beans in supply chain directly and indirectly sourced	<ul style="list-style-type: none"> • Please specify the volume of cocoa that your organization has sourced as expressed in % for direct sourcing* for the reporting year. 	<i>Maybe in a later stage</i>
Child labour		
4.1: CLMRS coverage 4.1.1: # and % of MT-BE sourced with a reliable claim "sourced"	<ul style="list-style-type: none"> • Please specify the volume* (expressed in MT-BE) of cocoa that your company sourced with a reliable claim** that the cocoa is 	<i>Maybe in a later stage</i>

<p><i>from cocoa farming households covered by a CLMRS"</i></p> <p>4.1.2: # of farming households in the supply chain for which the implementation of a CLMRS is supported by a DISCO signatory</p>	<p>"sourced from cocoa farming household covered by a child labour monitoring & remediation system (CLMRS)".</p> <ul style="list-style-type: none"> • Please specify the # of farming households in your supply chain for which your company supports the implementation of a CLMRS*. (Data specified per cocoa producing country) 	
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3.2 Heading

This section presents the indicators, including the specific questions for the various subsectors. It also provides information on the objective of the indicator and whether it is in harmonization with the indicators used by the other European initiatives on sustainable cocoa and potential improvements.

3.2.1 Indicators on scope

Indicator 1.1: # of MT-BE imported, processed or sold in the Netherlands

Indicator 1.1.1: Volume of cocoa (# of MT-BE) imported in the Netherlands but not processed or brought to the consumer market in the Netherlands.

Indicator 1.1.2: Volume of cocoa (# of MT-BE) processed in the Netherlands

Indicator 1.1.3: Volume of cocoa (# of MT-BE) brought* to the consumer market in the Netherlands

** Brought to the consumer market under the brand/ private label of the reporting DISCO signatory*

Objective:

Understand the volume of cocoa, expressed in bean equivalents, that is covered with the current composition of the partnership and how that relates to the entire DISCO scope.

Harmonized with other European initiatives on sustainable cocoa?

Partly. The indicators from the other platforms are based on their specific scope (production / consumption), while the DISCO scope already starts with the trade and thus tracking all cocoa imports (cocoa shipped to or traded through the Netherlands).

Overview

DISCO – SCOPE INDICATORS

	IMPORT	PROCESSING	CONSUMPTION
Traders and processors	# of MT-BE imported in the Netherlands but not processed or brought to the consumer market in the Netherlands.	# of MT-BE processed in the Netherlands	
Larger Manufacturers and brands	# of MT-BE imported in the Netherlands but not processed or brought to the consumer market in the Netherlands.	# of MT-BE processed in the Netherlands	# of MT-BE brought to the consumer market in the Netherlands under your brand/ private label
Smaller Manufacturers	# of MT-BE imported in the Netherlands but not processed or brought to the consumer market in the Netherlands.	# of MT-BE imported and processed in the Netherlands	# of MT-BE brought to the consumer market in the Netherlands under your brand/ private label
Retailers			# of MT-BE brought to the consumer market in the Netherlands under your brand/ private label

DISCO – SCOPE PROCESSING SPLIT

	First processing ISCO country	First processing in the Netherlands after processing in other ISCO country	Processing after earlier processing in the Netherlands
Traders and processors	# of MT-BE processed in the Netherlands	# of MT-BE processed in the Netherlands	# of MT-BE processed in the Netherlands
Larger Manufacturers and brands	# of MT-BE processed in the Netherlands	# of MT-BE processed in the Netherlands	# of MT-BE processed in the Netherlands
Smaller Manufacturers	# of MT-BE processed in the Netherlands	# of MT-BE imported and processed in the Netherlands	# of MT-BE processed in the Netherlands

Questionnaire:

Traders/processors	<ul style="list-style-type: none"> What is the (estimated) volume of cocoa, expressed in bean equivalents (MT-BE)* that your company imported but not processed or brought to the consumer market in the Netherlands for the reporting year? What is the (estimated) volume of cocoa, expressed in bean equivalents (MT-BE)* that your company processed in the Netherlands for the reporting year?
Larger manufacturers/brands	<ul style="list-style-type: none"> What is the (estimated) volume of cocoa, expressed in bean equivalents (MT-BE)* that your company processed in the Netherlands in the reporting year? What is the (estimated) volume of cocoa, expressed in bean in equivalents (MT-BE)* that your company brought to the consumer market in the Netherlands under your brand/ private label in the reporting year
Smaller manufactures	
Retailers	<ul style="list-style-type: none"> What is the (estimated) volume of cocoa, expressed in bean in equivalents (MT-BE)* that your company brought to the consumer market in the Netherlands under your brand/ private label in the reporting year

*Conversion to MT-BE, of cocoa sourced in different forms, is to be done using the ICCO conversion factors; being: 1,33 for cocoa butter (1804), 1,25 for cocoa paste/liquor (18031), and 1,18 for cocoa powder and cake (1805, 18032).

Remarks:

- ✓ For 2019 and 2020 reporting, Beyond Chocolate and GISCO, have opted to reduce the reporting burden and avoid the need for correction with respect to double counting by selecting a single point of reporting on cocoa containing products brought to the consumer market. This single point of reporting is reporting by the “brand”. Thus retailers are reporting only for the products they sell under their “own label”.

Indicator 1.2: Volume of cocoa (# of MT-BE) certified/independently verified cocoa processed or sold in The Netherlands

Objective:

Understand the volume by downstream supply chain partners within the partnership that is procured through a certified or independently verified cocoa sustainability scheme.

Harmonized with other European initiatives on sustainable cocoa?

Yes

Questionnaire:

Smaller manufacturers	Please provide the data available for certified or independently verified cocoa bean in equivalents* that your company has supplied to the Dutch market for the reporting year. Please specify the percentages per scheme and per combination of schemes (e.g. Rainforest Alliance/UTZ, Fairtrade, Organic, Cocoa Horizons, Cocoa Promise, Cocoa Life, Cocoa Plan, etc.)
Retailers	

**Conversion to MT-BE, of cocoa sourced in different forms, is to be done using the ICCO conversion factors; being: 1,33 for cocoa butter (1804), 1,25 for cocoa paste/liquor (18031), and 1,18 for cocoa powder and cake (1805, 18032).*

3.2.2 Indicators on living income

Indicator 2.1: Score (stage) of progressing towards reaching or exceeding the existing recognised living income benchmark

Indicator 2.1.1: Volume of cocoa sourced per applicable score (stage) of progressing towards reaching or exceeding the existing recognised living income benchmark

Indicator 2.1.2: # of farming households per applicable score (stage) of progressing towards reaching or exceeding the existing recognised living income benchmark, with the support of a DISCO signatory.

Objective:

Understanding company performance with regards to:

- calculating living income gaps for farming households;
- implementing 'smart-mix' of interventions to close income gaps;
- "effective progress" towards reaching or exceeding the existing recognised living income benchmark.

Harmonized with other European initiatives on sustainable cocoa?

No (not yet). The questionnaires from the other platforms cover living income related reporting as project reporting. They may however be interested to adopt the DISCO approach to focus mainly on supply chain reporting linked to volumes and adopting a stepwise process.

Questionnaire:

Traders/processors	Please specify the volume of cocoa sourced (# MT BE) and # of households in your supply chain per applicable score (stage) of progressing towards reaching the existing recognised living income benchmark. <ul style="list-style-type: none">• Score 0:<ul style="list-style-type: none">➢ Volume of MT-BE for which the reporting signatory does not apply Living Income strategies as defined in DISCO (measurement of income gaps + 'smart mix' LI strategy to actively contribute to improving the living income of cocoa farming households)• Score 1:<ul style="list-style-type: none">➢ Volume of MT-BE sourced with a reliable claim* that the cocoa beans come from cocoa farming households for whom the living income gap is calculated - without reaching the requirements of score 2.➢ Please specify the # of farming households in your supply chain for which your company supported** the measurement of the actual household income and the calculation of the living income gap - without reaching the requirements of score 2.
Larger manufacturers/brands	
Maybe in a later stage also for: Smaller manufacturers Retailers	

	<ul style="list-style-type: none"> • Score 2: <ul style="list-style-type: none"> ➢ Volume of MT-BE sourced with a reliable claim that the cocoa beans come from cocoa farming households for whom the living income gap was calculated and that a smart mix living income strategy (as per the definition used in the DISCO Roadmap on LI) was developed - without reaching the requirements of score 3. ➢ Please specify the # of farming households in your supply chain for which your company supported** the development or update of a smart mix living income strategy (as per the definition used in the DISCO Roadmap on LI) - without reaching the requirements of score 3. • Score 3: <ul style="list-style-type: none"> ➢ Volume of MT-BE sourced with a reliable claim that the cocoa beans come from cocoa farming households that “effectively progress” towards reaching or exceeding the existing recognised living income benchmark. ➢ Please specify the # of farming households in your supply chain that “effectively progress” towards reaching or exceeding the existing recognised living income benchmark, with the support of your company.
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** A “reliable claim” means: (a) that the sustainability characteristic (in the example above “sourced from a whom the living income gap is calculated”) is well documented at that stage of the supply chain, and (b) that measures are implemented to provide assurance on the trustworthiness of the data.*

A “reliable claim” does not require segregation between cacao with and cacao without this claim. As per a mass balance system, mixing is allowed, as long as assurance is being provided that the claim is passed on to cocoa containing products with an aggregated corresponding volume of cocoa bean equivalents that may not exceed the volume of cocoa beans sourced and documented with this claim at the start of the chain of custody / value chain. In other words the risk of over-claiming shall be very well mitigated

***The supported calculation of the living income gap and the development or update of a smart mix living income strategy – referred to above, must have occurred in the past 2 years. This acknowledges practices that undertake such efforts only once every 2 years; stating that doing it every year is does not add much added value compared to doing it every 2 years.*

Remarks:

- ✓ We could for score 3 (for example) require a yearly average progression equivalent to 5% of the recognized living income benchmark”, calculated and documented for at least the past 3 years and counting up to at least 100% of the benchmark. Farming households that have earlier progressed to reach the living income benchmark remain eligible for “score 3” as long as they do not regress below this living income benchmark.
- ✓ However farming households that already exceeded the living income benchmark without a living income strategy support are not eligible for this claim (“progressing towards reaching or exceeding the existing recognised living income benchmark”).
- ✓ This shall be discussed and agreed upon with the other ISCOs.

Indicator 2.2: Contributions to support the partnership in reaching goals around living income

Objective:

Understand what non-supply chain partners in the partnership could potentially contribute to the partnership to reach the goals around living income.

Harmonized with other European initiatives on sustainable cocoa?

No (not yet). There is no similar indicator/questionnaire available. Further alignment will however be sought with the reporting by non-industry members / signatories from the other ISCOs. There is scope

for alignment of the above indicator with the other ISCOs, but it may be noted that there are 2 conflicting expectations: on the one hand requesting additional elements for more information and effective reporting by all type of members; and on the other had the desire to minimize the reporting burden.

Questionnaire:

For each question they can answer yes/no with the possibility to add some text (max 100 words per question) if they answer 'yes'

Certification/standard organizations	<p>Has your organization/institution supported the DISCO partnership in reaching its goals around living income in the following areas:</p> <ul style="list-style-type: none"> • support companies with available expertise and resources in data collection to measure living income gaps • support companies with available expertise and resources in the development and/or implementation of living income strategies to close living income gaps • engaging through counterpart organizations with local stakeholders in producing countries for the enhancement of an enabling environment for supply chain interventions to close living income gaps • support civil society organisations and government authorities in producing countries providing a social safety net to cocoa farmers who fail to make a living income • integrate living income gap measurement and income driver calculations into certification schemes (for certification & standard organizations only) • fill existing knowledge gaps on identifying and developing effective strategies that support cocoa farming families in reaching a living income • other – please specify
Civil society	
Service providers & knowledge institutes	
Government	<p>Has your organization/institution supported the DISCO partnership in reaching its goals around living income in the following areas:</p> <ul style="list-style-type: none"> • guide DISCO signatories to available existing subsidies that can be used for the measurement of living income gaps • guide DISCO signatories to available existing subsidies that can be used for the development and/or implementation of living income strategies to close living income gaps • engage through embassies with local stakeholders in producing countries for the enhancement of an enabling environment for supply chain interventions that allow living income generation • other – please specify

3.2.3 Indicators on ending deforestation and forest degradation

Indicator 3.1: Value chain environmental due diligence implementation

Objective:

Understand to what extend DISCO signatories are already working on the DISCO ambitions on due diligence.

Harmonized with other European initiatives on sustainable cocoa?

Yes

Questionnaire:

Traders/processors	Has your organization adopted and implemented environmental risk management and/or due diligence approaches in its supply chain?
Larger manufacturers/brands	

*Maybe in a later stage
also for:
Smaller
manufacturers
Retailers*

Indicator 3.2: # and list, per sourcing country, of companies that signed national initiatives aiming to end cocoa-related deforestation in sourcing countries

Objective:

Understand for how many countries DISCO signatories reached the ambition on underwriting national initiatives aiming to end cocoa-related deforestation.

Harmonized with other European initiatives on sustainable cocoa?

No. There is no indicator that could be used as the ISCO framework doesn't have a similar approach since other ISCOs don't have this commitment

Questionnaire:

Traders/processors	In which of the following countries sources your company from and have you signed a national initiative aiming to end cocoa-related deforestation?
Larger manufacturers/brands	<ul style="list-style-type: none"> • Sourcing from Cameroon and signatory of Roadmap to Deforestation-free Cocoa? • Sourcing from Colombia and signatory of Cocoa, Forests & Peace Initiative? • Sourcing from Côte d'Ivoire and signatory of Cocoa and Forests Initiative? • Sourcing from Ghana and signatory of Cocoa and Forests Initiative? • Sourcing from Liberia and signatory of Liberia's Cocoa Sector Platform Initiative?

Remark:

Potential additional (outcome type) indicator related to forest preservation and restoration could be developed in the future:

Volume and % of cocoa sourced per score (stage of efforts and effectiveness) towards ending cocoa related deforestation

Potential indicator be further developed and agreed upon

- ✓ As a value-chain indicator, it could be applied by (a) Traders/processors, (b) Larger manufacturers/brands, (c) Smaller manufacturers and (d) Retailers.
- ✓ Please specify the volume of cocoa (expressed in MT BE) sourced per applicable score (stage of efforts and effectiveness) towards ending cocoa related deforestation
 - ✓ Score 0: no claim
 - ✓ Score 1: sourced from cocoa producing communities covered by an area-level strategy for forest preservation and restoration,
 - ✓ Score 2: sourced as per requirements of score 1 + sourced from cocoa producing communities performing well in their forest preservation and restoration and effectively reaching set outcome targets of preserving remaining forests and restoring degraded forest or deforested areas in their cocoa producing area.
- ✓ The above proposal applies a logic that a national initiative towards ending cocoa related deforestation (indicator 3.2) shall provide a policy framework and a conducive environment for

corresponding area-level strategies and initiatives. However it is chosen to track the national initiatives and the area-level strategies and initiatives with separate indicators.

Indicator 3.3: % of cocoa sourced per cocoa origin transparency level

Objective:

Understand the current status in relation to the DISCO ambition on transparency and traceability.

Harmonized with other European initiatives on sustainable cocoa?

Yes

Questionnaire:

Traders/processors	Please provide the corresponding % of volumes of cocoa, per "cocoa origin transparency level" that were applicable to your organization's supply chain for the reporting year. <ul style="list-style-type: none"> • Score 1: origin unknown or only country of origin known. • Score 2: country and region of origin known. • Score 3: country, region and municipality/cooperative of origin known. • Score 4: farm known, in addition to the country, region and municipality/cooperative of origin. • Score 5: farm known and having point coordinates of the farm household (farm mapping). • Score 5+: farm known and having polygon boundaries of the farm. • Score 6: farm known, having polygon boundaries of the farm and farm fields verified as not in a protected forest and as not comprising land that was deforested since 2018.
Larger manufacturers/brands	
<i>Maybe in a later stage also for:</i> Smaller manufacturers Retailers	

Indicator 3.4: % of cocoa beans in supply chain directly and indirectly sourced

Objective:

Understand the percentages of sourced cocoa beans for DISCO signatories through a direct supply chain, in relation to the DISCO commitment on reporting for direct vs. indirect supply chain.

Harmonized with other European initiatives on sustainable cocoa?

Yes

Questionnaire:

Traders/processors	Please specify the volume of cocoa that your organization has sourced as expressed in % for direct sourcing* for the reporting year.
Larger manufacturers/brands	
<i>Maybe in a later stage also for:</i> Smaller manufacturers Retailers	

**For cocoa to be categorized as "cocoa sourced through a direct supply chain", there shall be a relatively stable partnership and collaboration, conceived to span at least 3 years, between the cocoa sourcing company and the cocoa producer (cocoa farming household). Such partnership and collaboration may cover issues such as price, quality, good agricultural practices, as well as social, human rights and environmental issues, certification requirements, etc. The partnership and collaboration between the cocoa sourcing company and the producers (cocoa farming households) may be conducted through cooperatives, farmer organisations, and/or other intermediaries embedded within the direct supply chain.*

Indicator 3.5: Contributions to support the partnership in reaching goals around ending deforestation and forest degradation

Objective:

Understand what non-supply chain partners in the partnership could potentially contribute to the partnership to reach the goals around ending deforestation and forest degradation.

Harmonized with other European initiatives on sustainable cocoa?

No (not yet). There is no similar indicator/questionnaire available. Further alignment will however be sought with the reporting by non-industry members / signatories from the other ISCOs. There is scope for alignment of the above indicator with the other ISCOs, but it may be noted that there are 2 conflicting expectations: on the one hand requesting additional elements for more information and effective reporting by all type of members; and on the other had the desire to minimize the reporting burden.

Questionnaire:

For each question they can answer yes/no with the possibility to add some text (max 100 words per question) if they answer 'yes'

Certification/standard organizations	<p>Has your organization/institution supported the DISCO partnership in reaching its goals around ending deforestation and forest degradation in the following areas:</p> <ul style="list-style-type: none"> • support companies with available expertise and resources in carrying out due diligence assessments on the cocoa they purchase to ensure no cocoa from legally protected and non-compliant areas enters in their supply chain • support companies with available expertise and resources to increase traceability in both their direct and indirect supply chain • support partnerships in collaborative approaches in protecting remaining forest remnants and restoring degraded cocoa producing landscapes while promoting the installation of cocoa agroforestry systems • engage in building coalitions with local stakeholders in cocoa producing countries and cocoa producing landscapes to streamline interventions on protecting remaining forest remnants and restoring degraded cocoa producing landscapes while promoting agroforestry • integrate due diligence and traceability requirements into their certification schemes (for certification & standard organizations only) • fill existing knowledge gaps on forest protection, forest restoration and agroforestry • other – please specify
Civil society	
Service providers & knowledge institutes	
Government	<p>Has your organization/institution supported the DISCO partnership in reaching its goals around ending deforestation and forest degradation in the following areas:</p> <ul style="list-style-type: none"> • support companies with available expertise and resources in carrying out due diligence assessments on the cocoa they purchase to ensure no cocoa from legally protected and non-compliant areas enters in their supply chain • guide DISCO signatories to available existing subsidies that can be used for efforts around ending deforestation and forest degradation, forest restoration and promoting agroforestry • engage with local authorities in producing countries to build coalitions in cocoa producing countries and landscapes to strengthen interventions on protecting remaining forest remnants and restoring degraded cocoa producing landscapes while promoting agroforestry • engage with governments in importing/consuming countries to further develop and support an EU agenda that contributes to the actions against deforestation and forest degradation, including monitoring the

	follow-up, implementation and coherence of the EU action plan against deforestation <ul style="list-style-type: none"> • other – please specify
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3.2.4 Indicators on ending child labour

Indicator 4.1: CLMRS coverage

Indicator 4.1.1: # and % of MT-BE sourced with a reliable claim “sourced from cocoa farming households covered by a CLMRS”

Indicator 4.1.2: # of farming households in the supply chain for which the implementation of a CLMRS is supported by a DISCO signatory

Objective:

Understand the deployment level of CLMRS in relation to the DISCO targets on rolling out CLMRS.

Harmonized with other European initiatives on sustainable cocoa?

Partially. This indicator is not fully aligned yet as the other ISCO's are only reporting on # of farming households. However, there is certainly scope for alignment of the volume-based indicator with the other ISCO's as this allows linking efforts with respect to mitigating child labour harm to the cocoa itself. This is still to be discussed.

Questionnaire:

Traders/processors	<ul style="list-style-type: none"> • Please specify the volume (expressed in MT-BE) of cocoa that your company sourced with a reliable claim** that the cocoa is “sourced from cocoa farming households household covered by a child labour monitoring & remediation system (CLMRS)”. • Please specify the # of farming households in your supply chain for which your company supports the implementation of a CLMRS*. (Data specified per cocoa producing country)
Larger manufacturers/brands	
Maybe in a later stage also for: Smaller manufacturers Retailers	

* To qualify as a CLMRS, in alignment with the other ISCO's, the system should meet the [definition and requirements](#), developed by ICI. Identical tooltips will be used as for the questionnaires of the other ISCOs.

** A “reliable claim” means: (a) that the sustainability characteristic (in the example above “sourced from cocoa farming households household covered by a CLMRS”) is well documented at that stage of the supply chain, and (b) that measures are implemented to provide assurance on the trustworthiness of the data. A “reliable claim” does not require segregation between cacao with and cacao without this claim. As per a mass balance system, mixing is allowed, as long as assurance is being provided that the claim is passed on to cocoa containing products with an aggregated corresponding volume of cocoa bean equivalents that may not exceed the volume of cocoa beans sourced and documented with this claim at the start of the chain of custody / value chain. In other words the risk of over-claiming shall be very well mitigated.

Indicator 4.2: Contributions to support the partnership in reaching goals around ending child labour

Objective:

Understand what non-supply chain partners in the partnership could potentially contribute to the partnership to reach the goals around ending child labour.

Harmonized with other European initiatives on sustainable cocoa?

No (not yet). There is no similar indicator/questionnaire available. Further alignment will however be sought with the reporting by non-industry members / signatories from the other ISCOs. There is scope for alignment of the above indicator with the other ISCOs, but it may be noted that there are 2 conflicting expectations: on the one hand requesting additional elements for more information and effective reporting by all type of members; and on the other had the desire to minimize the reporting burden.

Questionnaire:

For each question they can answer yes/no with the possibility to add some text (max 100 words per question) if they answer 'yes'

Certification/standard organizations	<p>Has your organization/institution supported the DISCO partnership in reaching its goals around ending child labour in the following areas:</p> <ul style="list-style-type: none"> • collaboration with local stakeholders (national and local governments, private sector and local civil society organizations) and relevant initiatives to establish multistakeholder collaborations/PPPs to bundle efforts around strengthening the institutional environment and empowering local communities to address the root causes of child labour • integrating child labour prevention, monitoring and remediation systems into their certification schemes (for certification & standard organizations only) • fill existing knowledge gaps on effective approaches to address child labour • other – please specify
Civil society	
Service providers & knowledge institutes	
Government	<p>Has your organization/institution supported the DISCO partnership in reaching its goals around ending child labour in the following areas:</p> <ul style="list-style-type: none"> • collaboration with local stakeholders (national and local governments, private sector and local civil society organizations) and relevant initiatives to establish multistakeholder collaborations/PPPs to bundle efforts around strengthening the institutional environment and empowering local communities to address the root causes of child labour • guide DISCO signatories to available existing subsidies that can be used to address child labour in company supply chains • share best practices and lessons learned from existing projects on child labour within programs/subsidies to identify which approaches work and can be upscaled • other – please specify



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