

Towards a more resilient future for cocoa

2025 ECOM Cocoa Sustainability Report

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Welcome

to ECOM's annual Cocoa Sustainability Report

ECOM is one of the world's largest suppliers of cocoa beans and products to chocolate manufacturers and consumer food brands. ECOM's cocoa products are used across a wide range of applications, including chocolate, ice cream, fillings, desserts, baked goods, creams and beverages.

Our origin-sourced supply chain spans 10 cocoa-producing countries where local teams procure beans, manage traceability and implement farmer engagement programmes. This on-the-ground presence, combined with extensive experience across producing regions, provides us with insights into supply chain dynamics, which we actively share with our clients and the wider industry. In 2025, we sourced from 31 countries across the globe.

This report is structured around ECOM's Smarter Cocoa Charter, our global sustainability strategy for our cocoa operations. The Charter outlines our commitment to promoting responsible practices, defines the key challenges in the cocoa sector, and highlights our actions for improving conditions for farmers and their communities. It also provides a framework for tracking and communicating progress against our objectives.

In this fifth annual Cocoa Sustainability Report, we present our progress against the key performance indicators (KPIs) established in the Charter. The report covers our global cocoa operation's footprint, including origin-sourcing countries, secondary sourcing regions, and our factories and offices for the calendar year 1 January to 31 December 2025.

All the activities reported are those of ECOM's Cocoa division, unless otherwise stated. 'ECOM Cocoa' and 'ECOM' are used interchangeably throughout the report. 'ECOM Group' refers to our global operations and policies, covering our Cocoa division, other commodities and operations.

The programmes, initiatives and actions referenced in this report have been implemented in collaboration with a range of partners, including donors, clients, non-governmental organisations (NGOs) and issue-specific experts. Where possible, these partners have been acknowledged in our disclosures.

We continue to follow the Global Reporting Initiative (GRI) topic standards, including the Sector Standard for Agriculture, Aquaculture and Fishing. The GRI content index and information on ECOM Group's sustainability performance will be available in the [2025 ECOM Group Sustainability Report](#) that will be published later in 2026. This report has not been externally assured.

Any adjustments reflect the ongoing evolution of our approach to sustainability as we progress against our indicators. These changes respond to evolving conditions and priorities across our sourcing origins and among our stakeholders.

Unless otherwise stated, all financial figures are reported in US dollars (US\$).

Full disclaimer available [here](#)

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1 Introduction

*growing a smarter
future for cocoa*

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1.1

A note from our Cocoa CEOs

In 2025, sustainability continued to grow in importance across our business, strengthening supply chain resilience and influencing how we work with customers, suppliers, and partners. This edition of our Cocoa Sustainability Report highlights the practical steps ECOM teams are taking across our operations to support a more resilient cocoa sector.

In cost-competitive markets, clear regulation plays an important role in creating a level playing field. Although implementation of the EU Deforestation Regulation (EUDR) has been delayed twice, it is already accelerating demand for deforestation-free cocoa and influencing sustainability commitments within and beyond Europe. ECOM continues to invest in long-term supply chain initiatives, origin diversification, and farmer support programmes to satisfy this demand.

Alongside these external challenges, we are proud of the progress our teams have made toward achieving our Smarter Cocoa KPIs. Over the past year, we have continued to strengthen implementation across origin operations while also improving how we measure impact and accountability. ECOM now has 100% of our origin-sourced supply chains covered by the Gender Equity Index (GEI) framework and corresponding improvement plans. Building on this foundation, we introduced a new KPI in 2024 to track both coverage and measurable progress over time. By monitoring changes in GEI scores, we can assess how effectively gender-responsive systems are being embedded into our operational practices and service delivery across our origin operations.

This journey has also reinforced important lessons about implementation, partnership, and continuous improvement. In an increasingly volatile operating environment, the commitment and resilience shown by our teams, the farmers we work with, and partners continue to bring the values of Smarter Cocoa to life.

These developments reflect a broader change across the sector. Sustainability is no longer a parallel agenda, but a core part of how resilient, transparent, and functional supply chains are built and maintained. At ECOM, we remain focused on turning regulatory requirements, market expectations, and on-the-ground realities into practical action. In turn, we support producers, improve supply chain integrity and contribute to long-term stability for our customers and partners.

Guus de Gruiter & Nicolas de Wasseige
ECOM Cocoa CEOs

1.2

About ECOM’s Cocoa division

Where we operate

ECOM is one of the world’s largest cocoa traders and processors, sourcing high-quality beans and products from more than 30 countries around the world. We sell the beans directly to our clients or process them into cocoa mass, butter, cake and powder in our six factories across three continents. As part of the ECOM Group, our Cocoa division draws on vast experience in agricultural goods.

2,000+

Cocoa employees

950+

agronomists and field staff

1,000+

staff work directly in cocoa sustainability at origin¹

30+

sourcing countries

Farmers in our direct origin-sourced supply chain: +194k

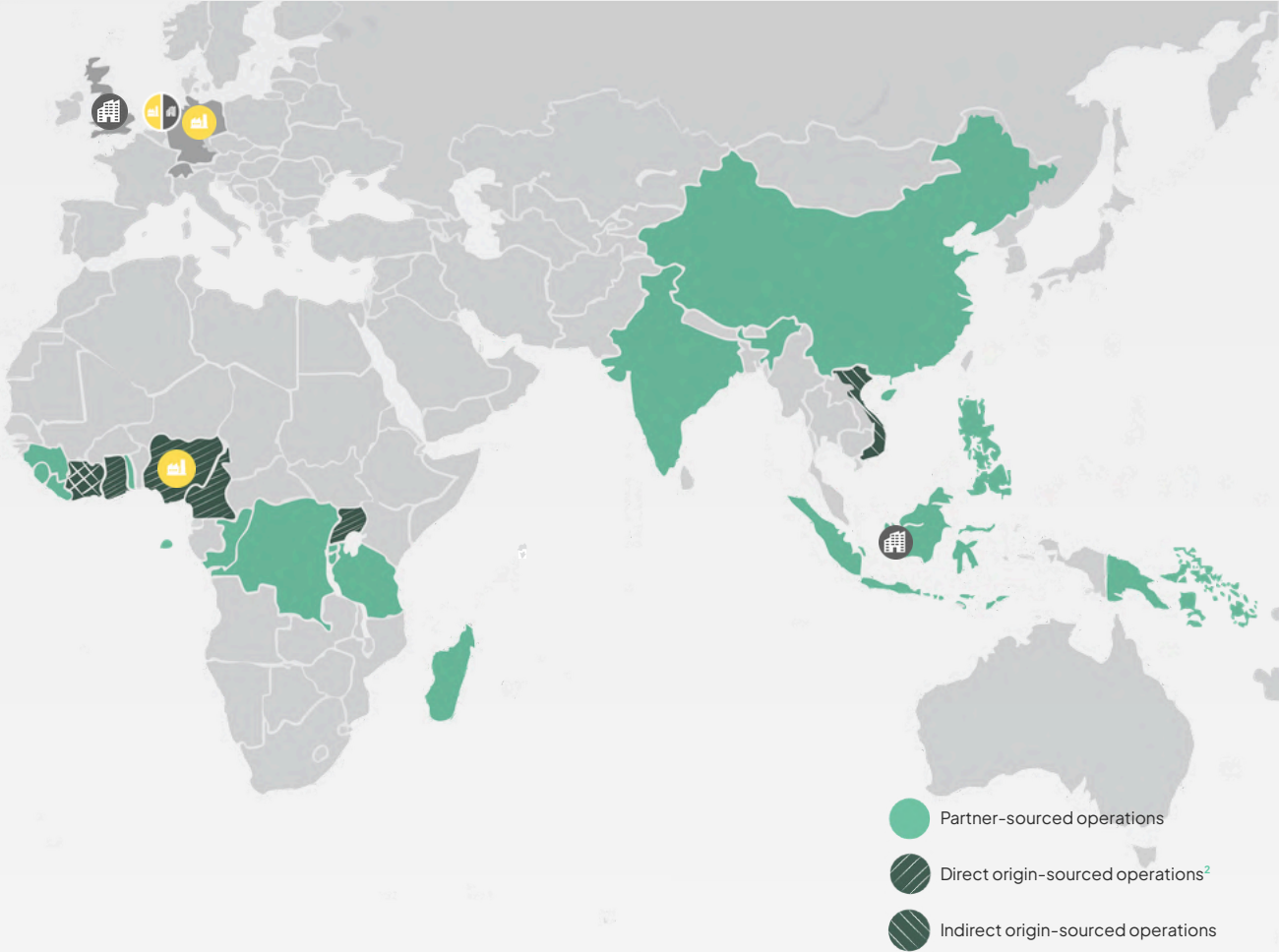
Estimated farmers in our total origin-sourced supply chain: +220k

Estimated total farmers across both our origin-sourced and partner-sourced supply chains: +600k

¹ Employee numbers do not include contracted workers

² All origins we source from in our origin-sourced supply chain. This refers to all volume purchased through a locally ECOM-managed operation (covering 10 countries). Nicaragua is no longer considered an origin operation as activity is limited to a 20-hectare ECOM-owned farm producing small volumes of cocoa alongside coffee cultivation and research plots.

³ These are project and quality staff whereas in-country sourcing is conducted via third-party exporters and does not fall under the scope of origin-sourced operations. This covers Indonesia, Guinea and Sierra Leone



- Partner-sourced operations
- Direct origin-sourced operations²
- Indirect origin-sourced operations
- Trade Office
- Factories

Number of employees by country¹

Our operations

Total cocoa employees: 2,098
Male: 1,666
Female: 432

Cameroon	255	Ghana	402	Netherlands	207	Switzerland	1	Vietnam	3
Colombia	1	Guinea ³	4	Nigeria	245	Uganda	27		
Côte d'Ivoire	80	Indonesia	3	Peru	133	United Arab Emirates	2		
Ecuador	74	Liberia	6	Sierra Leone	6	United Kingdom	33		
Germany	144	Mexico	450	Singapore	4	United States	18		

1.4

ECOM's cocoa value chain & sourcing models

We operate across a diverse range of origins where local market structures and consumer demand differ. This results in different sourcing models with varying levels of traceability and farmer engagement. To manage this complexity, we operate three main sourcing models: direct sourcing within our origin operations; indirect sourcing through local partners within our origin operations; and volumes sourced via partners through non-origin based trade desks. This diversified structure reflects the scale of our global footprint and the differing levels of control and traceability across origins as it continues to evolve over time.

Within origin-sourced supply chains, we play a central role as an aggregator and exporter, connecting producers to global markets. This position provides strong visibility across the supply chain and enables more effective engagement with producers and suppliers. As of 2025, cocoa is sourced through origin operations in 10 countries: Cameroon, Colombia, Côte d'Ivoire, Ecuador, Ghana, Mexico, Nigeria, Peru, Uganda, and Vietnam.

In 2025, ECOM sold over 700,000 metric tonnes of bean equivalent (BEQ) across our supply chain, made possible by the work of an estimated 600,000 farmers. More than 250,000 MT BEQ came from our origin-sourced supply chains, engaging over 220,000 farmers. This strong origin presence is central to our approach, enabling close collaboration with farmers and more direct impact on the ground.

Our teams work directly with farmers to improve agricultural practices, strengthen farm management, increase yields and build resilience to climate change. This support also extends to communities, addressing key social challenges such as gender equality and child labour.

ECOM processes cocoa into butter, liquor, and powder across six facilities worldwide, supplying customers in over 75 countries, while continuously improving operational efficiency and reducing environmental impact. Through our partner-sourced supply chains, we work with external suppliers to strengthen transparency and due diligence through structured engagement and reporting.

Across all activities, this integrated approach enables us to improve equity and enhance environmental performance throughout the value chain.

Direct origin sourced operations

Our direct sourcing model means we are the first point of sale for farmers, cooperatives, or organised producer groups, depending on the origin. In most countries, this is supported by dedicated in-country field teams who work closely with farmers to deliver engagement and sustainability programmes. While some origins have well-developed programmes, others have limited coverage, where the initial focus of our field teams is often on building traceability systems.

Direct sourcing provides a strong foundation for traceability, with producer data, farm locations, and sustainability information digitally registered. Even in cases where intermediaries are involved (such as franchise holders in Ghana or licensed buying agents in Nigeria), sourcing is still classified as direct if full traceability data is captured and shared. We currently operate direct origin-sourcing models in eight countries: Cameroon, Côte d'Ivoire, Ecuador, Ghana, Mexico, Uganda, Nigeria, and Peru. In 2025, we reached 194,222 farmers, which accounted for 87% of our origin purchases.

Indirect sourcing through our origin operations

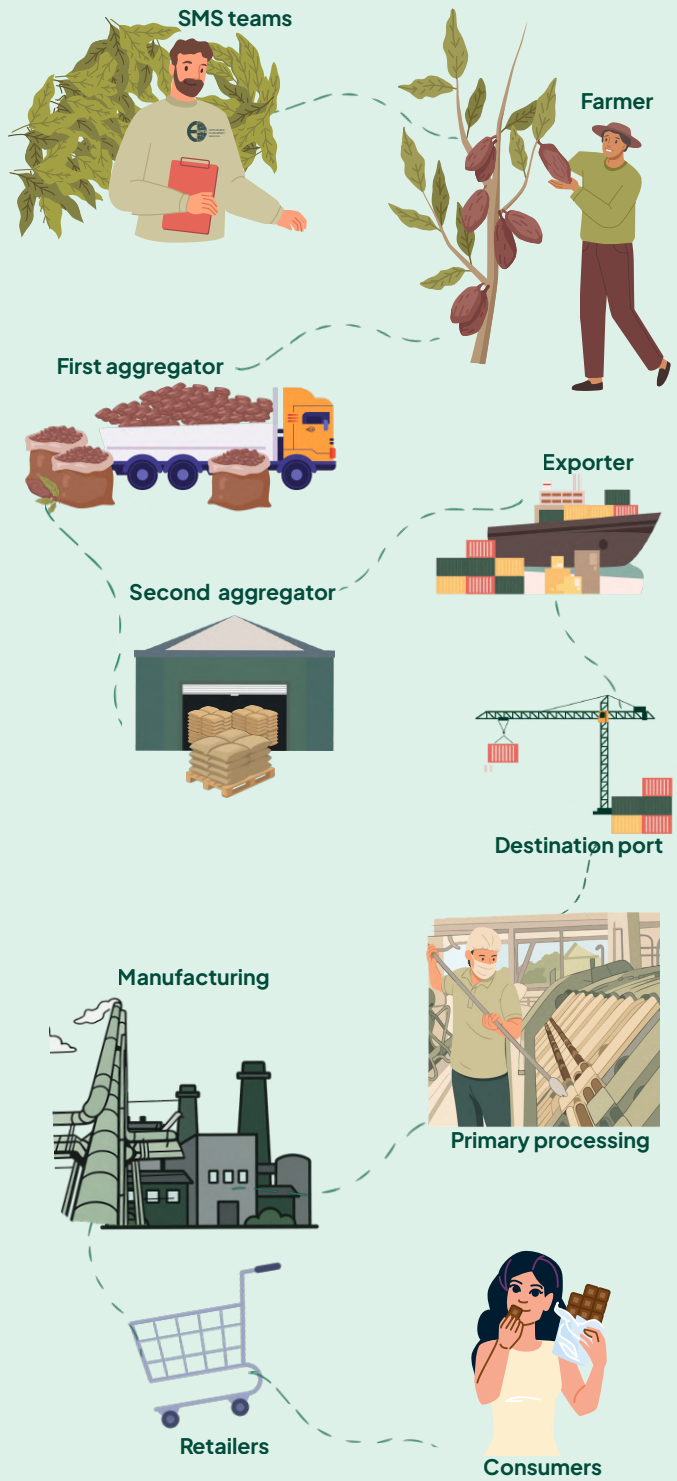
We also operate indirect sourcing models in several origins. In 2025, these channels reached an estimated additional 30,000 farmers and accounted for around 13% of our origin purchases. In some countries, such as Colombia and Vietnam (primarily coffee origins for ECOM with established in-country teams), cocoa is sourced entirely through indirect channels. In other origins, such as Ecuador, direct and indirect models coexist, reflecting different operational realities and evolving market dynamics over time.

Under indirect sourcing, cocoa is purchased from intermediaries by our local entity. As a result, producer-level information and farm data are not always available, leading to lower levels of traceability. This can be due to data not being systematically captured along the supply chain, or because such information is not commercially accessible to ECOM.

Partner-sourced operations

Beyond origin operations, we source cocoa through our European, American and Asian trade desks through partner-sourced supply chains. These include volumes purchased from third-party suppliers such as traders, exporters, and cooperatives who operate as exporters, and may cover both certified and conventional cocoa. Partner relationships vary in nature. In some cases, we have local staff that support quality and project implementation but do not purchase cocoa locally. This includes some long-standing collaborations where cocoa is fully traceable and may even be linked to volumes originating from sustainability programmes implemented by trusted partners.

Other partnerships are more transactional and driven by short-term market dynamics. These typically offer lower visibility on region of origin, certification status, and quality specifications, reflecting historically limited market demand for traceability. However, this is increasingly evolving in response to changing regulatory requirements and rising customer expectations.



Strategic Partnerships and Certifications

Around 95% of global cocoa beans are traded on international commodity markets, with more than one third processed in Europe⁴. Most cocoa is produced by smallholder farmers, who sell to local buyers such as cooperatives or intermediaries before reaching exporters. From there, cocoa enters global supply chains for trading, processing and supply to manufacturers and retailers.

Where we engage

We engage in partnerships across our value chain with suppliers, clients, civil society, certification and accreditation bodies, tackling challenges facing our industry. We regularly fund and co-fund projects and receive funding provided by clients and partners.

Partnerships are essential to addressing complex challenges such as climate change, farmer livelihoods, and child labour. By working with farmers, cooperatives, governments, NGOs, and customers, we can align efforts, share expertise, and improve transparency. These collaborations also improve accountability across the supply chain, helping to drive measurable progress. They enable long-term investment, coordinated action, and more inclusive outcomes for farming communities, helping build a more resilient and sustainable cocoa sector.

In 2025, our partners included:

- African Cocoa Funds
- Basic Needs
- Beyond Chocolate
- Center for International Forestry Research and World Agroforestry (CIFOR-ICRAF)
- Child Learning and Education Facility (CLEF)
- Cocoa Research Institute of Nigeria (CRIN)
- Corus International Lutheran World Relief (LWR)
- Cranfield University
- Belgian Agency for International Cooperation (Enabel)
- Enveritas
- Equal Origins
- European Cocoa Association (ECA)
- Farmerline
- Farm Radio International
- Federation of Cocoa Commerce (FCC)
- German Development Agency (GIZ)
- German Investment Corporation (DEG)
- Harvest Field
- Initiative Pour Le Developpement De L'Agriculture En Afrique (INIDAA)
- International Cocoa Initiative (ICI)
- KIT Royal Tropical Institute
- leonardo. impact
- Living Income Community of Practice (LICO-P)
- Meridia
- Nature-based Insights (Nbl)
- Netherlands Enterprise Agency (RVO)
- NITIDAE

- Proforest
- PUR Projet
- 60 Decibels
- Solidaridad
- The Sustainable Food Lab (SFL)
- The Sustainable Trade Initiative (IDH)
- Swisscontact
- Swiss Platform for Sustainable Cocoa (SWISSCO)
- Swiss State Secretariat for Economic Affairs (SECO)
- Technoserve
- Tetra Tech
- UC Berkeley
- United Nations Development Programme (UNDP)
- United States Department of Agriculture (USDA)
- University of Victoria
- Verité
- Vert+

Certifications and verified programmes

We run globally recognised certifications and verified programmes to adopt best practices.

We currently hold the following certifications:

- Fairtrade International
- Fairtrade USA
- Organic for EU, National Organic Program and Bio Suisse (CH)
- Rainforest Alliance
- Third-party assessments (e.g. EcoVadis and Sedex)

We also implement the following programmes:

- Cocoa for Good (Hershey's)
- Cocoa Life (Mondelez)
- Cacao Trace (Puratos)
- Fazer Cocoa Vision
- Ferrero Farming Values Cocoa Programme
- Lindt Cocoa Farming Programme
- Mars Responsible Cocoa
- Nestlé Cocoa Plan
- Nestlé Income Accelerator
- Smarter Cocoa LATAM



⁴ Swiss Platform for Sustainable Cocoa. (n.d.). Cocoa facts and figures. Kakaoplattform.

2 Sustainability at ECOM Cocoa

“Sustainability is embedded in our business through long-standing partnerships and a strong presence at origin. By addressing interconnected economic, social and environmental challenges, we strive to deliver lasting impact for farming communities while strengthening the resilience and integrity of our supply chains.”

Carlos Rodriguez
Sustainable Trade Coordinator

Key challenges to sustainability

Our long-standing success is rooted in collaboration with producers and their communities, as well as with partners, clients, and many others across our value chain. By building resilient, mutually beneficial relationships, we have earned the trust of our stakeholders, who rely on us to manage business responsibly and with integrity.

Sustainability is central to this approach, with much of our cocoa team based at origin and working directly alongside producers. As an origin-empowered company, we implement global policies and strategies across a wide footprint while adapting to the specific contexts, challenges, and needs of each sourcing location.

Economic challenges

Recent sector analyses suggest that progress toward living incomes remains limited. Despite periods of higher cocoa prices, poverty remains a structural constraint on farmer wellbeing and resilience.

While price increases in 2024 and 2025 temporarily improved incomes, volatility in global markets continues to pose risks. The 2026 Chocolate Scorecard (based on 2025 data) reports that the share of cocoa farmers known to be earning a living income rose from 16% in 2024 to 29% in 2025^{5, 6}. However, less than one in three farmers in major chocolate supply chains are still known to earn a living income.

These economic pressures are closely linked to broader human rights challenges, including child labour and gender inequality, often compounded by limited access to education, healthcare, and clean water. Inflation, insecurity, and lack of livelihood diversification further increase household vulnerability.

Price surges can also have unintended environmental impacts⁷. In Côte d'Ivoire and Ghana, higher prices appear to have historically contributed to farm expansion into forests, with cocoa linked to roughly one-third of forest loss over the past 60 years. For low-income farmers, price spikes can create incentives to expand production to boost earnings in the absence of strong safeguards.

This dynamic is reinforced by land tenure systems that may indirectly reward forest clearance with informal land rights. In parts of West Africa, including Liberia, Sierra Leone, and Guinea, migration and informal settlement further contribute to land conversion. As a result, higher cocoa prices can increase deforestation pressure, with persistent farmer poverty remaining a key underlying driver.

Linking environmental and social risks

Cocoa supply chains face interconnected environmental risks, including climate change, deforestation, biodiversity loss, soil degradation, and water stress. These pressures reduce productivity and increase production volatility in key origins. Rising temperatures, shifting rainfall patterns, and extreme weather events are already affecting yields, while continued ecosystem degradation weakens natural carbon storage and long-term supply stability.

Climate risks also contribute to an increased prevalence of pests and diseases, increasing yield uncertainty and income volatility. Unpredictable harvests weaken household resilience, limit investment capacity, and can negatively affect labour conditions. These risks are closely linked to social challenges such as poverty and limited livelihood diversification. As regulation and market expectations evolve, addressing these risks is increasingly essential for resilient and viable supply chains.

For ECOM, this is a climate agenda and a question of natural capital and supply chain resilience. The long-term availability and quality of cocoa depend on healthy ecosystems. Protecting forests, restoring landscapes, and supporting improved farming practices are therefore central to managing risk and ensuring supply continuity.

We recognise these challenges as interconnected and context-specific, requiring tailored responses rather than one-size-fits-all approaches. Climate resilience efforts, such as climate-smart agriculture (CSA), face limited adoption not only due to short-term financial constraints for smallholders (such as reduced income during transition periods, higher labour demands, upfront input costs, and less flexibility compared to low-input systems) but also due to broader behavioural change barriers.

In many West African cocoa systems, where low-input agriculture has long been the norm, adoption requires a fundamental change in how farmers approach and manage their farms. Farmers must agree that new approaches are worth the additional effort and uncertainty, and that they will deliver reliable, long-term benefits. For liquidity-constrained farmers, these combined economic and behavioural trade-offs make long-term investment particularly difficult.

Conditional cash transfer programmes, or income accelerators, aim to help overcome these barriers by providing targeted incentives linked to behavioural change. Customers are increasingly adopting similar approaches, reflecting growing recognition of the need to directly address income gaps and adoption constraints. While ECOM supports the scaling of initiatives, their effectiveness depends on trusted, direct engagement at farm level within supply chains.

Addressing the challenges

We are embedding responsible practices across our operations while supporting suppliers to uphold consistent standards. Investments in due diligence, traceability, and responsible sourcing strengthen supply chain resilience and risk management. These investments also improve productivity and support stronger long-term commercial performance. In increasingly regulated and reputation-sensitive cocoa markets, sustainability is becoming a key competitive advantage rather than a trade-off.

Traceability and transparency are central to our responsible sourcing strategy. While global, multi-tiered supply chains present inherent challenges, we have long collected farm- and producer-level data digitally and continue to strengthen these systems. This work is further supported by Integrity powered by BanQu, our blockchain-based solution designed to enhance first-mile transparency across direct supply chains.

Ultimately, cocoa sustainability is a systems challenge. Farmer livelihoods, price signals, regulation, and landscape dynamics are deeply interconnected, and progress in one area can easily be undermined without coordination across others. Achieving lasting impact will require collective action, combining incentives for deforestation-free production with sustained investment in farmer incomes, climate resilience, and ecosystem restoration.

Those working in sustainability understand that meaningful progress takes time. Transforming cocoa supply chains requires long-term commitment, continuous learning, and collaboration across the sector. We are fortunate to work with business leaders and customers who are willing to invest in more resilient and responsible sourcing models – despite the complexity of the challenges involved.

While we may not always meet every ambition or target, we believe that transparency around progress and ongoing challenges is essential to driving credible, long-term change for farming communities, forests, and the future of cocoa production.



⁵ Fountain, A., & Huetz-Adams, F. (2025). Cocoa Barometer 2025.
⁶ Chocolate Scorecard. (2025).
⁷ Berman, N., Leblois, A., & Soubeyran, R. (2023). Crop prices and deforestation in the tropics. Journal of Environmental Economics and Management, 119, 102819.



2.2
The Smarter Cocoa Charter

Our Smarter Cocoa Charter was introduced in our 2021 Cocoa Sustainability Report. It is a unified strategy for all our cocoa sustainability efforts, with clear timebound targets to direct and track our progress.

The Charter contributes to the Group's commitments by driving forward our mission to grow a smarter future for cocoa, increasing both our impact and our accountability.

- Key
- Completed
 - In progress
 - Closed

IMPROVE
farmer and worker
livelihoods

KPIs

- Train 100% of farming communities in ECOM origin-sourced supply chains in child protection and the prioritisation of education by the end of 2029⁸
- Integrate child and youth wellbeing activities for 100,000 farmer households as a preventative approach to child labour by the end of 2028
- Begin implementing locally adapted roadmaps to address living income gaps in all direct origin-sourced supply chains by the end of 2027
- Provide access to farmer-centred services to 100% of producers in our ECOM origin-sourced supply chains by the end of 2025
- Have 100% of ECOM origin-sourced supply chains covered by the Gender Equity Index GEI and improvement plans by the end of 2025
- Achieve a 15% increase in the Gender Equity Index score across origin-sourced operations by the end of 2027

PROTECT
and regenerate nature

- Train 100% of producers in climate-smart agriculture in ECOM origin-sourced supply chains identified as being at high risk of negative impacts from climate change by the end of 2030⁸
- Ambition to reach Net-Zero emissions in our entire value chain by 2050
- Establish a baseline of land management emissions and removals for all direct origin-sourced supply chains by the end of 2027
- Implement preventative strategies for 100,000 individuals to contribute to halting or the reversal of deforestation by the end of 2028
- Assess biodiversity risk for 100% of the origin-sourced supply chains by the end of 2027

MANAGE
change through transparency
and traceability

- Ensure 100% of beans purchased through ECOM origin-sourced supply chains are sustainable by the end of 2025
- Achieve 100% traceability to farmer for all beans by the end of 2026
- Roll out human rights and environmental due diligence process and assess risks for all tier one suppliers by the end of 2025.
- Identify and prevent deforestation, in respect of land that has been degraded or deforested since 2020, with the implementation of a strong monitoring, risk assessment, due diligence and remediation process in all our supply chains by 2025
- Complete a partnership and purchasing practices map across the cocoa supply chain, identifying risks and opportunities to improve transparency and responsible sourcing practices, to enable us to provide evidence-based insights to our policies by the end of 2028
- Benchmark ECOM's forced labour mitigation procedures with the Verité Farm Labor Due Diligence Initiative and develop a roadmap to work towards leadership in each section by 2027

⁸ Data has been adjusted, please see detailed explanation within KPI section

2025 highlights

100%

of our origin-sourced supply chains covered by the Gender Equity Index framework and improvement plans.

41,712

individuals participating in VSLAs

75%

of individuals participating in VSLA groups are women

207,735

children covered by CLMRS in ECOM's supply chain across origin countries

75%

of producers in direct origin-sourced operations received training on GAPs

100%

of producers in our direct origin-sourced supply chains had access to at least one farmer-centred service

19%

female farmers in direct origin-sourced supply chain



Case studies overview

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Read more

Community radio engagement in Cross River State



Read more

Managing child labour risk: the role of CLMRS



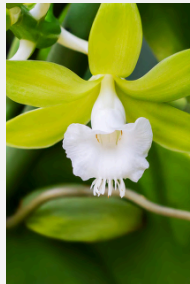
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RVO in Côte d'Ivoire



Read more

Partnering to deliver quality education at scale in Côte d'Ivoire



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Diversifying cocoa incomes through vanilla cultivation in Ecuador



Read more

Gender Equality and Social Inclusion



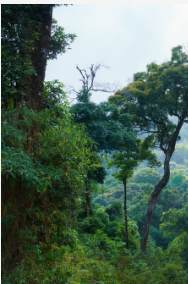
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Biochar in cocoa farming: five lessons from the field



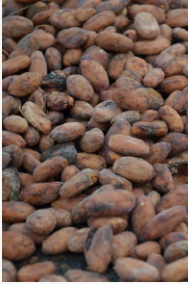
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Addressing deforestation risk in Cross River State through partnership with WCS



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Building segregated cocoa supply through trusted partnerships



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Mapping galamsey risk in Ghana's cocoa supply chain



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Building practical sustainability solutions in cocoa supply chains



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Informal and formal grievance mechanisms



Read more

Developing due diligence systems for forced labour risk in Cameroon

3 Improving farmer and worker livelihoods

“Sustainability is embedded in our organisation’s DNA. Our commitment to ethical business practices, sustainable development, and resilient supply chains in the communities where we operate is closely aligned with the vision of our financial partners. We are proud that our partners recognize ECOM’s leadership in this area, and we are grateful for their continued support in advancing our shared sustainability goals.”

Sophie Delassue
Head of Corporate Finance and Treasury



3.1

Improving farmer and worker livelihoods Overview

Our focus

ECOM Cocoa’s long-term vision is to support the producers we partner with, their families, and communities ensuring cocoa remains a profitable and viable livelihood. The first pillar of the Smarter Cocoa Charter focuses on improving the livelihoods of producers and workers by addressing the interconnected challenges that impact them.

Poverty remains a central barrier. While periods of high cocoa prices can temporarily increase incomes, market volatility and structural constraints often prevent lasting progress. Limited infrastructure, low financial inclusion, and barriers to saving and investment mean that short term gains do not consistently translate into long term stability. In some cases, sudden income increases can also create negative pressures at community level⁹.

Limited access to education, healthcare, and economic opportunities, combined with inflation and unstable incomes, contribute to human rights risks, including child labour and gender inequality¹⁰. These challenges are intensified by climate-related pressures such as rising temperatures, irregular rainfall, drought, and pests. These pressures reduce productivity, increase income uncertainty, and weaken households’ ability to plan and invest.

In this context, improving livelihoods requires more than increasing income alone. The Charter promotes more equitable business practices by linking income improvement with action on child and forced labour, gender inequality, community engagement and human rights risk management.

ECOM recognises that there is no single solution to these challenges, and that effective action must be tailored to local contexts through close collaboration with partners and stakeholders.

Read more about our efforts to improve farmer and worker livelihoods in our [2025 ECOM Group Sustainability Report](#).

Our commitments

- Empowering producers, workers and their communities to optimise their profitability and ultimately reduce poverty
- Eliminating breaches of human rights through proper risk identification and remediation

⁹ See Andres Leon’s interview in our [2024 Cocoa Sustainability Report](#) (p.26)
¹⁰ Food and Agriculture Organization of the United Nations (FAO) & Oxford Poverty and Human Development Initiative (OPHI). (2022). *Measuring rural poverty with a multidimensional approach: The Rural Multidimensional Poverty Index*. FAO Statistical Development Series, No.19.

Our KPIs

KPIs	Material Topic	Status
Train 100% of farmer communities in ECOM origin-sourced supply chains in child protection and the prioritisation of education by the end of 2029	Child labour	In progress
Integrate child and youth wellbeing activities for 100,000 farmer households as a preventative approach to child labour by the end of 2028	Child labour	In progress
Begin implementing locally adapted roadmaps to address living income gaps in all direct origin-sourced supply chains by the end of 2027	Living income	In progress
Provide access to farmer-centred services to 100% of producers in our ECOM origin-sourced supply chains by the end of 2025	Management of relationships with suppliers	Complete
Have 100% of ECOM origin-sourced supply chains covered by the Gender Equity Index (GEI) and improvement plans by the end of 2025	Gender equality	Complete
Achieve a 15% increase in the Gender Equity Index score across origin-sourced operations by the end of 2027	Gender equality	In progress

See our full list of KPIs [here](#)

Progress against our KPIs

3.2
Child and forced labour
Farming community training

KPI: Train 100% of farmer communities in ECOM origin-sourced supply chains in child protection and the prioritisation of education by the end of 2025

Status: In progress, with new 2029 target

Freedom from child labour is recognised under international frameworks such as the ILO Declaration on Fundamental Principles and Rights at Work (1998)¹¹ and the United Nations Convention on the Rights of the Child. These frameworks establish that children should not engage in work that harms their health, safety, or development. Despite this, child labour remains a significant global challenge¹². As child labour is closely linked to broader human rights risks, including the worst forms of child labour that may constitute modern slavery, ECOM takes modern slavery risks seriously and is committed to continuous improvement in identifying, preventing, and addressing modern slavery across our operations and supply chains. Read more in our [Group Modern Slavery and Due Diligence Statement](#).

In 2024, an estimated 137.6 million children were engaged in child labour worldwide, including 54 million in hazardous work¹³. Sub-Saharan Africa remains the most affected region, with 86.6 million children involved in labour - more than three times higher than other regions. Agriculture accounts for 61% of global child labour, rising to around 70% in sub-Saharan Africa.

In cocoa-producing regions, child labour is influenced by complex economic, social, and cultural factors. Within smallholder systems, children may participate in age-appropriate, non-hazardous tasks that are compatible with schooling. Distinguishing these from exploitative or hazardous work is essential, yet often difficult in contexts where access to education and post-school opportunities is limited.

Climate-related shocks can further reduce farm income, increasing pressure on households to rely on children's labour. Addressing child labour therefore requires tackling these underlying constraints, not prohibition alone.

Recent assessments by the U.S. Department of Labor's Bureau of International Labor Affairs indicate varying levels of progress. Côte d'Ivoire, Cameroon, and Ghana were rated as making "Moderate Advancement" in addressing the worst forms of child labour. Ecuador achieved "Significant Advancement", while Uganda showed "Minimal Advancement". These external assessments support our country-level risk analysis (outlined on page 18 in our [2023 Cocoa Sustainability Report](#)) to determine programme prioritisation alongside our customer priorities.

Community engagement remains central to ECOM's approach. Training initiatives aim to clarify what constitutes child labour, distinguish acceptable tasks from hazardous work, and reinforce the importance of education. ECOM set a target to train 100% of farmer communities in its origin-sourced supply chains on child protection and education by the end of 2025, covering both direct and indirect sourcing.

In 2025, these efforts reached 3,386 communities, representing around 80% of origin-sourced volume. An additional 767 communities in Côte d'Ivoire were reached through partner-sourced supply chains. While this marks substantial progress, full coverage was not achieved across our whole origin-sourced supply chain.

We will continue reporting on community-level training in higher-performing origins where systems are well established, while extending the target timeline to 2029 and extending outreach efforts in regions where progress has been slower.

Community-level child protection coverage across origins

ECOM's community-level child protection and awareness-raising activities are implemented through a range of supply chain models, reflecting differences in infrastructure, programme maturity, and sourcing structures across origins. Coverage levels therefore vary significantly between regions, depending on the presence of established Child Labour Monitoring Systems (CLMRS), the availability of dedicated field teams, and the extent of customer-funded sustainability programmes.

West Africa

In West Africa, where CLMRS are more established in countries such as Côte d'Ivoire and Ghana, community-level engagement forms a core part of implementation and supports high levels of coverage. Please read more about CLMRS [here](#).

In these contexts, more than 90% of communities were reached. However, coverage was lower in origins where systems are still developing. In Nigeria and Cameroon, 61% and 65% of communities were reached respectively. This reflects capacity constraints and the earlier stage of CLMRS implementation in these countries.

In addition, some outreach activities, such as radio broadcasts, are not systematically tracked at community level, which limits the ability to fully capture overall coverage.

It is also important to note that the role of community-level training within CLMRS is evolving. Emerging best practice places greater emphasis on household-level engagement as part of targeted remediation, rather than community-wide approaches.



¹¹ ILO. (2022). ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up
¹² UNICEF (1989, November 20). The United Nations Convention on the Rights of the Child. United Nations.
¹³ Summary of the Child Labour Global Estimates 2024: trends and the road forward. (n.d.).

Child and forced labour

Farming community training

Continued

We continue to see value in community awareness as a preventative tool and therefore maintain this KPI to support broader coverage and early risk identification.

To address gaps in West Africa, ECOM plans to take the following steps:

1. Increase field-level capacity in Nigeria and Cameroon to support expanded outreach through staff training.
2. Develop and strengthen CLMRS in these countries to improve the reach and effectiveness of child protection interventions and further align with the International Cocoa Initiative (ICI) guidance on implementation and reporting.
3. Increase company-led efforts around community awareness, supporting more stable and consistent coverage across our sourcing footprint.

These steps are expected to contribute to broader and more consistent child protection coverage across our supply chains.

Beyond West Africa

Performance differences beyond West Africa are closely linked to the structure and maturity of our supply chains. This highlights a key limitation in the current operating model in achieving consistent coverage across all origin operations.

In direct sourcing origins where customer-funded programmes and certifications are more established, such as Peru and Ecuador, over 90% of communities received at least one training session in 2025. These models benefit from dedicated field teams, stronger traceability systems, and well-developed sustainability programmes, which enable more consistent and systematic community engagement.

By contrast, we did not reach communities in origins where dedicated sustainability teams are not yet in place or where certification coverage remains limited, namely Uganda, Colombia, Mexico, and Vietnam. These origins together represent approximately 12% of our origin-sourced volumes. In these countries, ECOM Group typically has a stronger coffee presence, while cocoa sourcing is more opportunistic and not yet supported by structured sustainability programmes, which constrains the delivery of community-level training.

Traceability coverage is increasing in the indirect sourcing areas to comply with regulation. This will allow us to potentially extend our outreach beyond our direct supply chains for risks that are identified at a country level. We will also continue to invest in building the capacity of our sustainability teams, especially in Mexico and Uganda where programmes are expanding.

Industry collaboration

ICI is a non-profit organisation working to improve the lives of children and adults at risk of child and forced labour in cocoa-growing communities. The organisation has a particular focus in West Africa, where these risks are most prevalent. Its work focuses on child protection through the development and scaling of CLMRS, alongside guidance on community engagement, risk assessment, and monitoring approaches aligned with international standards.

Over the past 13 years, ICI has worked with industry, governments, civil society, and farming communities to reduce child labour through community development programmes and CLMRS implementation. ICI's 2021-2026 Strategy focuses on expanding coverage through three key pillars: building fully responsible supply chains with transparent prevention and remediation systems; strengthening enabling environments through supportive policies, due diligence legislation, education, and social protection; and promoting coordinated, multi-stakeholder action across industry, governments, civil society, and donors.

ECOM works closely with ICI and serves as a Board Member of the organisation, contributing to our strategic direction while benefiting from ICI's technical expertise, research, and guidance. In recent years, ICI's work has helped bring greater structure and clarity to CLMRS implementation, strengthening ECOM's ability to define programme costs, improve comparability across systems, and align monitoring approaches through clearer definitions of key indicators and data points.

Addressing human rights risks in cocoa requires collaboration across companies, governments, and civil society. Through our engagement with ICI, ECOM benefits from shared learning and data insights that support more effective risk identification and response as part of our broader responsible sourcing and due diligence approach.

Spotlight



3.2.1

Community radio

engagement in Cross River State

In 2024, ECOM's team in Nigeria launched a weekly educational radio programme in Cross River State, broadcast on Cross River Broadcasting Corporation (CRBC) at 89.7 MHz. The initiative was designed to reach cocoa producers across seven local government areas, combining guidance on Good Agricultural Practices (GAP) with awareness-raising on child protection, the importance of education, and basic computer literacy.

The programme continued throughout 2025, maintaining weekly broadcasts alongside community engagement activities. It delivers practical farming advice and child protection messaging, reinforcing content provided through field-based training and household visits. Estimated listenership reached over 5,000 people. To complement the broadcasts, we provided personalised coaching through field technicians, as well as community sensitisation sessions. A quiz segment introduced in 2024 remained part of the format, encouraging listener participation and reinforcing key messages.

In 2025, approximately 105 listeners participated, with 24 correctly answering all quiz questions and receiving prizes such as school supplies, hygiene products, and agricultural inputs. This component has also helped identify potential CLMRS Ambassadors who promote child protection and responsible farming practices within their communities and schools.

Despite its broad reach, the initiative presents monitoring challenges. As broadcasts are not linked to identifiable participants, it is difficult to track engagement or assess behavioural change at household or community level. Improving monitoring approaches for this type of intervention remains a priority.

Beyond the radio programme, we trained 65% of farmers in our origin-sourced Nigeria supply chain on child protection and the prioritisation of education. The radio initiative complements these efforts, while also supporting wider outreach on GAP in a context where producers face ongoing challenges, including limited awareness, variable yields, and climate pressures.

Managing child labour risk: the role of CLMRS

Child Labour Monitoring and Remediation Systems (CLMRS) are a central approach used across the cocoa sector to identify and address child labour risks within supply chains. These systems were originally developed with support from the International Labour Organization to move beyond one-off audits and provide continuous monitoring at the household and community level.

CLMRS operates through regular data collection, community-based monitoring, and follow-up support. Field agents engage directly with farming households to gather information on children’s activities, schooling and living conditions.

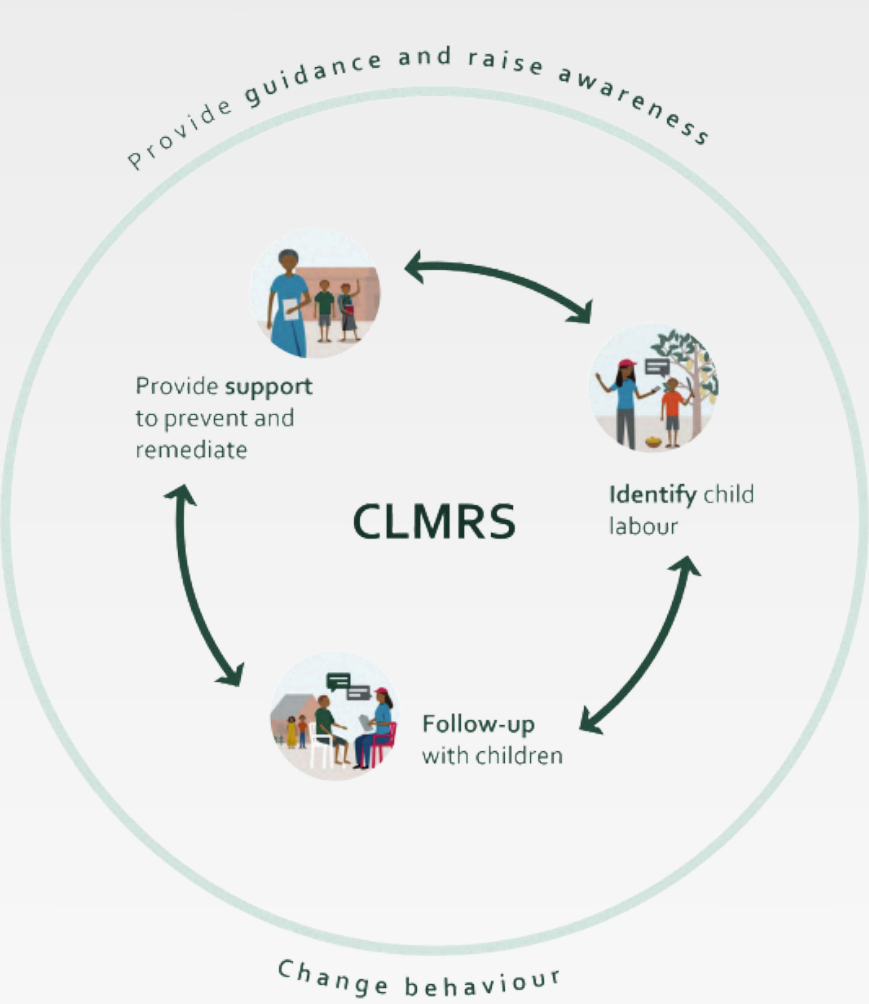
Where risks are identified, tailored remediation measures are implemented, which may include supporting access to education, school materials and/or awareness-raising. Progress is then tracked over time, enabling a more dynamic and responsive approach to risk management.

In 2025, CLMRS covered 207,735 children in ECOM’s supply chain across multiple origin countries, with 20,964 cases of child labour identified. This included 14,746 cases in Côte d’Ivoire, 5,068 in Ghana, 1,063 in Nigeria and 87 in Cameroon. The higher number of cases in certain origins highlights the expansion of our systems and the improvement in their ability to detect cases of child labour across our supply chain. In total, 93% of the identified cases have received and/or are receiving remediation or support from ECOM.

Evidence from sector research shows that identification rates between boys and girls can vary due to structural and social factors. Girls’ work is often less visible, as it may take place within the household or involve domestic tasks, which can lead to underreporting. Barriers to education, including access, cost and social norms, continue to influence children’s participation in school across cocoa-growing regions. These dynamics underline the importance of gender-sensitive approaches within monitoring systems.

ECOM teams are identifying higher rates of girls than previous years, showing an increase in the quality of systems. Across these programmes, girls represented a significant share of identified cases, accounting for approximately 44% overall, with similar proportions observed across Côte d’Ivoire (44%), Ghana (45%) and Nigeria (44%), and a lower share in Cameroon (21%). These figures highlight that child labour affects both boys and girls, though risks and visibility may differ across contexts.

CLMRS has contributed to improved visibility of child labour risks and strengthened the ability of companies and partners to respond. However, it is not a standalone solution. Broader structural challenges, such as poverty, limited access to quality education, and gaps in enforcement continue to shape the prevalence of child labour.



This diagram is sourced from the International Cocoa Initiative (ICI). Read more about CLMRS in the ICI report [here](#).

As highlighted in international assessments, sustained progress depends on coordinated action across governments, industry and civil society, including strengthening education systems, labour inspection capacity and social protection measures.

For this reason, CLMRS is most effective when integrated into a wider due diligence framework. At ECOM, it forms one component of a broader approach that combines monitoring, community engagement and long-term investment in farmer livelihoods. This integrated model aims to address the symptoms and underlying drivers of child labour, supporting more sustainable outcomes over time.

Aligning with the CLMRS guidance developed by ICI
In 2024, we partnered with the NGO Verité to assess the alignment of our CLMRS with best practices and relevant international standards. Over a five-month period, Verité conducted a comprehensive review, including field visits in Côte d’Ivoire and Ghana, stakeholder interviews, and an analysis of programme materials and data systems.

The review confirmed our significant investments in awareness raising, capacity building, and robust systems for household risk profiling, case tracking, and reporting. It also identified key areas for improvement, including greater standardisation across programmes, stronger coordination and resourcing for monitoring and remediation, and improved measurement of CLMRS impact on child labour and its root causes.

Building on these findings, alignment with best practice guidance has been a priority across programmes during the 2024/25 and 2025/26 growing seasons. The review provided important external validation while reinforcing the need to improve consistency, coordination, and impact measurement across implementation.

We focused on increasing standardisation across programmes and strengthening internal ownership of CLMRS quality and impact. This has been supported by clearer country-level strategies to guide engagement with internal stakeholders and customers.

We have also increased resourcing for monitoring and remediation, alongside improved coordination with government and other relevant stakeholders at the landscape level to enhance programme sustainability and effectiveness. In parallel, we are refining reporting systems to enable more consistent year-on-year tracking of CLMRS performance. This includes progress on child labour prevalence and underlying root causes, with improved integration into national data systems where possible.

3.3

Child and youth wellbeing

KPI: Integrate child and youth wellbeing activities for 100,000 farmer households as a preventative approach to child labour by the end of 2028
Status: In progress

Addressing labour rights in agriculture for children and adults is essential to building sustainable and responsible supply chains. Preventive efforts should also focus on supporting child and youth wellbeing, tailored to the needs of individuals and communities. By creating safe and supportive environments, these initiatives address the root causes of child labour and help children grow into healthy, productive lives, playing a vital role in enabling them to reach their full potential.

We work closely with independent experts to better understand the root causes of child labour in rural communities, recognising that it can stem from a range of interconnected factors, including limited opportunities for young people, cultural norms, persistent poverty, and seasonal labour demands.

Insights generated through these partnerships are shared with our customers to promote informed decision-making and encourage targeted investment in prevention strategies across the regions where we operate.

Over the past year, one key focus area has been addressing financial strain at the household level. This has included supporting participation in Village Savings and Loan Associations (VSLAs) and providing technical assistance and income diversification support. In 2025, 41,712 individuals participated in VSLA groups, 75% of whom were women. We also supported 31,685 individuals through formal income diversification programmes, with women representing 60% of participants.

To help address labour shortages during peak agricultural periods, we worked with partners to establish 769 labour groups across 223 communities. We also continued to strengthen community-level safeguarding mechanisms through the establishment and support of 300 community child protection committees in 2025, helping communities identify risks early and create safer environments for children and young people.

These interventions form part of a broader child and youth wellbeing approach. While community labour groups help households manage seasonal labour demands and reduce pressures that can contribute to child labour risks, VSLAs strengthen household resilience by improving access to savings, credit, and financial planning.

Spotlight



3.3.1

Our collaboration with RVO in Côte d'Ivoire

In 2023, ECOM partnered with The Netherlands Enterprise Agency's (RVO) Fund Against Child Labour (FBK) and the consultancy Propellerfish on a project to understand how to protect children in cocoa communities from hazardous activities.

The project is co-funded by FBK and the Dutch Ministry of Foreign Affairs. Phase A of the project involved investigating the causes of child labour by developing a human-centred design approach to refine our CLMRS based on conversations with cocoa-growing communities.

In 2024, the project entered Phase B, focusing on expanding access to sustainable and innovative technologies such as labour-saving tools, while creating job opportunities for young people and strengthening their skills. It also supported the improvement of school management systems and promoted women's entrepreneurship and access to microfinance. The project strengthened company due diligence processes and developed action plans to address child labour beyond the funding period.

The programme supported productivity and youth engagement through subsidised services such as pruning and weeding, combined with the establishment of community-based labour groups. Implementation took place in 2024–2025 across 10 communities in four cooperatives in Côte d'Ivoire. In total, 509 farmers expressed interest and 437 enrolled, with 18 labour groups established, trained, and equipped. A co-financing model, where farmers contributed 20% of costs, supported both uptake and long-term ownership.

School governance and community-led education systems were also strengthened. This included improving needs assessments in high-risk communities, with six schools assessed to date, alongside the establishment of community child protection committees. The development of school management committees (COGES), school canteen systems, and education support initiatives such as reading clubs is planned for 2026, laying the foundation for more sustainable and locally managed education services.

The project improved women's economic empowerment through the establishment and support of Village Savings and Loan Associations (VSLAs). These groups promote financial inclusion, gender equality, and income-generating activities. In total, 29 VSLAs were supported, including nine newly created groups, reaching around 650 members.

Most groups have already received training on financial literacy and entrepreneurship, with further capacity building and links to microfinance institutions planned to strengthen long-term financial inclusion. Due diligence systems were integrated, which included developing a baseline and a mixed-methods Monitoring, Evaluation, and Learning (MEL) framework in partnership with KIT to assess impacts on child labour, income, and child wellbeing.

The programme also included strengthening supplier due diligence through risk-based segmentation and embedding due diligence principles into procurement decisions. Overall, the results support a more structured, evidence-driven approach to child labour prevention.

ECOM and its partners aim to develop a multi-year plan to expand successful interventions beyond the project period by integrating them into existing customer sustainability programmes and securing co-financing. This plan will be developed based on validated results and will guide expansion to additional cooperatives and communities.

Spotlight

3.3.2

Partnering to deliver quality education at scale in Côte d’Ivoire

In Côte d'Ivoire, where a large share of the world's cocoa is produced, access to quality education remains a persistent challenge. Recent assessments indicate that a vast majority of children do not reach expected literacy and numeracy levels by the end of primary school, while childlabour continues to affect school attendance in cocoa-growing regions.

To address these challenges, ECOM supports the Child Learning and Education Facility (CLEF), a multi-stakeholder initiative that comprises government, industry and philanthropic partners. The programme improves access to education and learning outcomes through a combination of infrastructure development, teacher training, and community engagement.

CLEF takes a systems approach, aligning with national education priorities and existing delivery structures to support sustainable change. It combines the construction of schools with teachers' professional development on effective teaching practices and encourages greater involvement from parents and communities.

CLEF provides bridging classes with accelerated learning programmes to bring out-of-school children into formal education. The coalition also supports community-level engagement with participating communities involved in monitoring school construction and promoting the value of education.

Across all these areas, 2025 saw meaningful progress. School infrastructure continued to expand, with three new schools completed and construction underway on 27 more. Meanwhile, 165 bridging classes established by CLEF supported 3,101 out-of-school children in transitioning into formal education.

Teacher training remained a central focus, with 10,500 teachers trained to improve classroom practice, and 360 inspectors and pedagogical advisors trained to strengthen oversight and coaching.

Alongside these efforts, complementary interventions began in 2025. A school feeding pilot reached more than 29,000 children across 120 schools, helping to boost attendance and concentration in the classroom.

Construction work also began on 18 childcare facilities, which will provide day care and early education to younger children agreed 3 to 5.

While translating teacher training into consistent classroom practice remains a work in progress, monitoring data helps pedagogical advisors tailor their support accordingly. Similarly, bridging classes have successfully reached out-of-school children and ongoing efforts are focused on improving long-term retention in formal education. These experiences underscore the importance of sustained engagement, adaptive programme design, and strong collaboration between partners.



Living income

KPI: Begin implementing locally adapted roadmaps to address living income gaps in all direct origin-sourced supply chains by the end of 2027

Status: In progress

A living income is a fundamental human right and we have a collective responsibility to ensure that our staff and the producers we work with obtain one. Achieving a living income is a complex process influenced by factors that extend beyond a single company's direct control. Land size, market prices, weather variability, household structure and national infrastructure all affect producer income levels.

An effective approach requires continuous assessment of key income drivers, including farm productivity, income diversification, cost of living and resilience to external shocks¹⁴. It also requires recognition that progress will vary between producers and contexts. Rural poverty remains systemic in many cocoa-growing regions. Limited access to services and capital constrains producers' ability to invest in their farms and livelihoods.

Gender disparities further impact incomes. Women play an important role in cocoa production but often face restricted access to land, finance, training and participation in decision making. These structural conditions influence income potential and must be reflected in programme design.

Regulatory approaches to cocoa pricing differ significantly across origin countries. In some regulated systems, forward contracts and hedging mechanisms can delay the transmission of price increases to producers. In more liberalised markets, farmgate prices may respond more directly to global trends, but producers in these systems often have limited access to price stabilisation tools or the financial education to turn temporary high prices into long term financial stability. These structural differences affect income outcomes and require context-specific responses.

Our goal is to help producers achieve a living income. However, we decided not to set a strict achievement target for producers. Instead, we focus on developing and implementing roadmaps that highlight the best levers to facilitate change. We also strive to measure and report ongoing improvements across the farming community.

Setting a fixed target could oversimplify the issue and lead to unintended consequences, such as favouring producers with stronger starting conditions, potentially widening inequality. We aim to make steady progress in improving income levels across our supply chains and act where gaps are most significant. As such, success is defined by transparent progress in narrowing income gaps while addressing the structural constraints producers face. This approach supports transparent measurement of income progress and alignment with sector expectations.

Local living income roadmaps

In 2024, we committed to developing locally adapted living income roadmaps with our origin teams. These roadmaps are designed to provide a structured framework for closing income gaps through coordinated action with partners and customers.

In 2025, ECOM started the roadmap development process in Ecuador, Nigeria, Ghana and Côte d'Ivoire. The roadmaps include a defined living income methodology, measurement cycles and tracking mechanisms aligned with other ECOM programmes. They also incorporate farmer segmentation approaches, enabling origin teams to identify barriers and tailor interventions accordingly.

Segmentation supports more effective programme design. For example, producers with access to additional land or labour may benefit from income diversification strategies, while those approaching living income benchmarks may benefit from financial management tools. This differentiated approach reflects the varied starting points and risk profiles present across cocoa-growing communities.

Progress will continue to be reviewed annually to assess impact, adjust interventions and ensure alignment with evolving regulatory and market expectations.

Spotlight



3.2.1

Diversifying cocoa incomes through vanilla cultivation in Ecuador

Building on earlier living income analyses, Agroarriba, ECOM's local entity in Ecuador, identified farmers with smaller landholdings as a group particularly vulnerable to income volatility.

In July 2025, ECOM began working with DEG Impulse gGmbH, a subsidiary of DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH. DEG Impulse supports the project with funds from the German Federal Ministry for Economic Cooperation and Development (BMZ) through the develoPPP programme. This collaboration builds on a previous GIZ-Agroarriba idPP engagement which analysed the living income gap and improvement interventions within the cocoa supply chain. The findings identified high-value complementary crops, including vanilla, as viable options for farmers with high technical capacity but limited scope for land expansion.

Based on these outcomes, Agroarriba is implementing a targeted vanilla programme focused on approximately 250 cocoa farmers, of whom around 70% are women. Vanilla was selected in part because of its compatibility with existing cocoa systems and its suitability for careful, labour-intensive management. Read more on the DEG project in our [2025 Group Sustainability Report](#).

The programme combines technical and commercial components. An expert consultant is developing a supply chain-specific vanilla manual and training materials covering site selection, crop management, post-harvest processing and market analysis. A train-the-trainer approach equips Agroarriba's technical team to deliver practical group sessions and provide ongoing coaching to farmers. Training includes business planning and financial literacy, supporting producers to manage more diversified farm enterprises and reinvest additional income into cocoa production.

Following their training, participating farmers will receive planting material and key inputs. Agroarriba technicians support land preparation and planting to ensure appropriate growing conditions. Post-harvest processing equipment will be distributed at farm level, enabling curing and conditioning to take place locally and allowing farmers to retain greater value before sale.

The project is estimated to contribute an additional \$268 per year to a family's income. While this is not a large amount overall, managing eight plants requires relatively low investment, so from a cost-benefit perspective it represents high value. Furthermore, distributing only a small number of vanilla seedlings at this stage is intentional. Vanilla cultivation is entirely new to participating farmers, and the crop is labor-intensive to manage. Starting with a limited number of plants allows farmers to gain experience and develop the necessary skills without taking on excessive risk or workload. If vanilla cultivation proves successful and suitable for their farming systems, they can gradually expand production in the future.

It is also important to motivate producers so that they voluntarily expand the project and increase the number of plants over time. The programme also focuses on establishing secure market links. Agroarriba is mapping potential buyers and negotiating offtake agreements with support from ECOM's global team. Options include leveraging existing relationships within cocoa supply chains and engaging specialised logistics partners to facilitate delivery.

By introducing vanilla as a complementary crop within existing cocoa systems, the initiative seeks to increase household income, reduce living income gaps and support reinvestment in cocoa productivity. In doing so, it aligns commercial objectives with a structured approach to income diversification and long-term supply chain resilience.

¹⁴ Read more about external shocks such as tariffs in our [2025 Group Sustainability Report](#)

3.5

Providing support services for producers

KPI: Provide access to farmer-centred services to 100% of producers in our ECOM origin-sourced supply chains by the end of 2025

Status: Completed

ECOM is proud to share that we achieved this KPI and continue to provide farmer-centred services to producers in our direct origin-sourced supply chains. These services are designed to support farm productivity, operational efficiency and income stability through direct engagement and practical support delivered by origin teams and partner programmes.

Farmer-centred services include the distribution of agro-inputs, hybrid cocoa seedlings, shade-trees and Personal Protective Equipment (PPE). They also include the development of VSLAs and demonstration plots.

Other services include crop-price information, advisory services, technical visits to farms and one-to-one coaching for farm development plans. Likewise, the collection and destruction of empty chemical containers, pruning services, and equipment leasing of farm tools are all key services.

In 2025, 100% of producers in our direct origin-sourced supply chains had access to at least one farmer-centred service.

Over recent years, we have consistently achieved high levels of service coverage, providing producers with reliable access to crop price information, technical guidance, inputs and agricultural tools that support farm operations.

This KPI is now closed, however, these services will continue to be delivered through ongoing programmes. Access to farmer-centred services remains a core component of our origin engagement model and will extend beyond the 2025 milestone. Looking ahead, we want to prioritise services that deliver the greatest value and we are exploring further engagement with producers to better understand their needs and what services are the most meaningful to them.

The following list outlines the additional services that were not included in the original KPI definition:

- Cocoa collection (on-farm transport to buying centres)
- On-farm and Off-farm Income Generating Activities
- Farm mapping and shade tree geotagging
- Distribution of Sanitation and Hygiene equipment
- Compost services
- Targeted group trainings (e.g. climate-smart agriculture)
- Premium payments and cash transfers
- Subsidies for children's education and other forms of child labour remediation
- Access to mobile money / financial institutions
- Health insurance
- Soil analysis
- Community development (infrastructure like boreholes, etc.)
- Vocational training for youth (incl. establishment of youth service providers for farm operations)

Examples from origins on high-impact services

In Nigeria, the team identified VSLAs as one of the most meaningful services for farmers. As highlighted by Dr. 'Femi Okeniyi :

"Communities and farmer groups are supported to form savings groups, enabling members to save regularly and access loans. This intervention has significantly benefited farmers who were previously unable to save and were reliant on high-interest loans from LBAs (cocoa buyers) and microfinance institutions."

This highlights the importance of improving farmers' access to affordable finance as a key enabler of resilience and income stability. The team in Nigeria also pointed to the value of additional services that fall outside the original scope of this KPI, such as community infrastructure and premium payments.

According to Juan Alfonso Pacherre Cedeño, our local SMS Manager, one of the most valued services for farmers in Mexico has been the distribution of improved cocoa seedlings and shade trees alongside the establishment of demo plots. Many farmers are adopting more diversified agroforestry systems, which support cocoa productivity while also contributing to carbon capture, biodiversity conservation, and climate resilience at farm level.

These efforts are strongly reinforced by services provided outside the scope of this KPI, particularly group technical assistance and regular field visits. Farmers receive training on good agricultural practices, including pruning, nutrition, disease management, shade regulation, soil conservation, and farm rehabilitation. These practical trainings and continuous field engagement have helped improve productivity and resilience, especially in areas previously heavily affected by moniliasis.

Farmers highly value the ongoing presence of the technical team in the field as it builds trust, enables follow-up, and provides support tailored to local realities. In addition, farmers increasingly appreciate participation in programmes linked to certification, traceability, and deforestation-free supply chains, as these initiatives help prepare them for future market requirements.

Famer centred services provided	Crop-price information and advisory services	Cocoa seedling distribution	Shade-tree distribution	Technical visits to farms and farm development plans (1-1 visits)	Demonstration plots	Pruning services (incl. equipment leasing)	Village Savings and Loan Associations (VSLAs)	Personal Protective Equipment (PPE) distribution	Agro-inputs	Collection/destruction of empty chemical containers
Côte d'Ivoire										
Cameroon										
Ecuador										
Ghana										
Mexico										
Nigeria										
Peru										
Uganda										



3.6
Gender equality

KPI: Have 100% of ECOM origin-sourced supply chains covered by the Gender Equity Index (GEI) and improvement plans by the end of 2025
Status: Complete

Women play a crucial role in cocoa farming, yet their contributions are often overlooked. There are significant disparities between men and women in areas such as income, access to skills training and financial resources. Women frequently lack direct control over household income or access to land, limiting their opportunities for empowerment and growth.

The Gender Equity Index (GEI) is a tool for identifying structural barriers within our origin operations for addressing gender biases. It provides a diagnostic framework for assessing service provision, participation, decision-making and access to resources. It also forms the basis of Gender Equity Development Plans (GEDPs), in each origin.

Our approach of linking gender equity diagnostics to broader programme design is supported by recent research. For example, the ICI published a report highlighting the role of integrating gender equality into livelihood and cash-based programming. The study found that when financial support is combined with gender empowerment, there are measurable improvements in women's decision-making power and financial autonomy¹⁵.

Households where women directly received cash transfers reported more equitable financial decision-making outcomes compared to control groups. The same research indicates that combining cash transfers with VSLAs and Gender Action Learning System (GALS) training led to stronger impacts on gender equality indicators than financial support alone.

Better Together workshops

The Better Together workshops remain a core component of GEI implementation. Led by Equal Origins, these workshops support origin teams in interpreting GEI results and translating diagnostic findings into practical action plans. Activities include analysing GEI diagnostics, gender integration planning, resource alignment and gender-responsive budgeting. The objective is to develop internal capacity to deliver farmer services that account for gender-specific barriers and priorities.

Through these processes, GEDPs are updated and refined, with progress tracked through follow-up assessments and annual reviews. Progress will continue to be reviewed annually, with a focus on practical outcomes, integration into service delivery and alignment with evolving regulatory expectations on human rights due diligence.

Progress across origin operations

In 2025, GEI and GEDP coverage expanded further across our origin-sourced supply chains. Since the beginning of the process, ECOM has completed the GEI in nine country teams. Seven of these countries (refer to map on **page 6**) have cocoa staff that implement sustainability interventions with farmers. The others are primarily coffee operations. In 2025, the countries with GEDPs were Cameroon, Nigeria, Côte d'Ivoire and Ecuador. As of Q1 of 2026, Ghana, Peru, Colombia, Mexico and Uganda all have refined GEDPs as well.

Country	GEI Completion Year	Current Status
Cameroon	2025	GEI completed and GEDP developed
Colombia	2026 ¹⁶	GEI completed and GEDP developed
Côte d'Ivoire	2024	GEI completed and GEDP developed
Ecuador	2025	GEI completed and GEDP developed
Ghana	2022	GEI completed and GEDP developed
Mexico	2025	GEI completed and GEDP developed
Nigeria	2024	GEI completed and GEDP developed
Peru	2025	GEI completed and GEDP developed
Vietnam	N/A	Cocoa operation closed in December 2025; no further action planned

¹⁵ International Cocoa Initiative. (2025). How gender equality and financial inclusion shape the impacts of cash transfers. ICI.

¹⁶ Final report was generated in January 2026

What we’ve learned

Emerging gaps

Cross – origin patterns from GEI validation • Aggregate level only • No scores, no partner identifiers

Our analysis has identified four cross-cutting gaps that present opportunities to strengthen gender integration across our programmes.

Cross-functional structures

Creating structures such as gender committees, which bring different functions and teams together, enables responsibility and learning to be shared effectively across departments. In Cameroon and Nigeria, gender committees have been formed to engage in sensitisation of staff and farmers, carry out gender analysis, and generate ideas on gender responsive service provision.

These structures include representatives for each sourcing region, ensuring that approaches are adapted to each context and learning is shared. In Mexico, the team is exploring how gender committees that were originally set up to comply with certification requirements can broaden their scope and take a pro-active role in promoting gender equity in organisational culture.

Policies and internal practices

There is a need to further formalise gender-responsive practices through internal and farmer-facing policies. This includes strengthening internal governance and ensuring that engagement with cooperatives and farmers consistently reflects inclusive and equitable approaches.

Clear policies can help embed good practices and align day-to-day operations with broader gender objectives. For example, following initial engagement with the GEI, the ECOM Ghana team developed a full GESI strategy in 2023-2027, which covers institutional practices, inclusive workplace culture and inclusive supply chains.

In addition, an Operational Policy for Farmer Engagement offered detailed guidance to staff for gender responsive and socially inclusive engagement with farmers. Teams in Côte d'Ivoire, Cameroon and Nigeria have been reviewing internal gender policies and developing farmer-facing operational policies as part of their GEDPs.

Strengthening staff capacity

Building staff capacity remains a key priority. This includes working with local gender experts while also developing the internal capabilities of teams to conduct gender analysis and apply gender-responsive approaches in their work. Baseline assessments highlight Gender Analysis as a common priority in Cameroon, Nigeria, and Ecuador, with related gaps across the framework.

Technical teams are being supported to engage more inclusively with women and to systematise these practices across operations. Embedding gender equity into staff mandates through targeted training, sensitisation, and the integration of gender-related KPIs will be critical to driving sustained change. This may vary by origin. For example, in Ecuador, technical staff have been trained on addressing gender issues in communities, including identifying and responding to risks of gender-based violence.

Data, measurement & evaluation

Improving the gender responsiveness of data collection and monitoring systems is another key area for development. Existing data should be better leveraged for gender analysis, while new approaches are needed to capture more meaningful indicators at scale.

Moving beyond simple participation metrics, there is an opportunity to develop indicators that more effectively measure how our programmes benefit and empower women and contribute to transforming gender relations. Strengthening how data is collected, analysed, and used will be essential for demonstrating impact and informing decision-making.

In Peru, the team identified the need to measure and analyse women's participation across all programmes and activities. Their GEDP includes training for field staff on gender responsive data collection, as part of a wider move to digitalisation, as well as strengthening the capacity of their team to analyse this data. In Ghana, the team identified the need to use participation data more effectively. This will help understand the dynamics of women's participation in programmes and activities.

Progress against our KPIs Continued

3.8

Gender Equity Index

KPI: Achieve a 15% increase in the Gender Equity Index score across origin-sourced operations by the end of 2027
Status: In progress

As country teams engaged with the GEI under earlier versions of the framework, this phase focused on validating submitted responses, addressing inconsistencies or gaps, and assessing the implications of framework updates on scoring.

The outcome is a consolidated set of baselines to support the implementation of Gender Equity Development Plans (GEDPs) and enable consistent tracking of progress.

Next Steps

The ALIGN project, supported by SWISSCO, aims to strengthen gender-responsive systems within ECOM's cocoa operations and to share validated tools and practices across the sector. Building on newly validated Gender Equity Index (GEI) baselines from nine ECOM origin teams and Equal Origins' work with other partners, the project establishes a collaborative network that provides a shared space for practical, applied learning.

The project has 2 phases. The objective of Phase 1 Track A was to confirm the integrity, coherence and comparability of Gender Equity Index baselines across participating ECOM origins prior to advancing implementation and monitoring. These validated baselines inform Phase 2 activities, including ECOM-focused peer learning exchanges, as well as the broader GENLIN, which aims to share insights across the cocoa sector.

GEDP Priorities and Opportunities for GENLIN

Current GEDP priorities cluster around six core areas which we hope to explore in the Gender Equity Learning and Innovation Network (GENLIN):

1. Cross-functional collaboration and governance

Building cross-functional structures for gender equity by combining sustainability, HR, regional, and field teams to ensure alignment and shared accountability.

2. Gender policy and institutional frameworks

Developing internal and farmer-facing policies to formalise gender-responsive practices and guide engagement with cooperatives and farmers.

3. Staff capacity and capability building

Enhancing staff capacity on gender through training in gender analysis, gender-responsive programme design, and practical approaches to reaching and supporting women farmers directly.

4. Gender-responsive data and analysis

Improving data collection and analysis by adopting participatory methods, improving data quality, and making more effective use of existing data for gender insights.

5. Integration into core business functions

Embedding a gender lens across core business areas, including risk management, budgeting, sustainability planning, and internal communications to ensure gender is not treated as a standalone topic.

6. Monitoring, evaluation, and learning MEL

Advancing gender-responsive monitoring and evaluation by developing practical and meaningful indicators that go beyond participation metrics to better capture outcomes and impact.

Now that ECOM has 100% of our origin-sourced supply chains covered by the GEI and improvement plans, the next step is to hold ourselves accountable to progress. We have since introduced a new KPI to expand coverage into performance.

This KPI changes the focus from implementation to measurable change. Rather than monitoring adoption of the GEI framework alone, we are now using the GEI score as an indicator of progress across origin operations. By analysing changes in GEI scores over time, we can assess how effectively gender-responsive systems are being embedded within service delivery and operational practices.

The 15% improvement target reflects our intention to drive incremental, measurable progress across origins by the end of 2027. It also recognises that maturity levels vary between contexts and that improvements require sustained effort, internal capacity and adaptation to local conditions.

In partnership with Equal Origins, we are continuing to refine the structured processes used to analyse GEI results, interpret trends and translate findings into updated action plans. Using the GEI as a monitoring and learning tool enables origin teams to identify gaps, prioritise interventions and review progress annually.

This approach provides continuity beyond the 2025 coverage milestone and supports integration of gender equity considerations into broader due diligence and operational systems.

Spotlight



3.7

Gender Equality and Social Inclusion

ECOM continued implementing Gender Equality and Social Inclusion (GESI) activities across origins in 2025.

In Ghana, initiatives included mentorship engagement with schoolgirls during International Women's Day activities, and a Boy Child Empowerment Summit that reached 158 boys with sessions focused on gender-based violence prevention and positive masculinity.

Menstrual hygiene education and sanitary pad distribution programmes in Nigeria and Ghana supported 3,000 schoolgirls, helping to reduce absenteeism and improve their participation in education. The International Day of the Girl Child was commemorated with 137 students (86 girls and 51 boys), alongside teachers and local education representatives, promoting leadership and equal opportunity.

Internal capacity-building also formed part of the programme, including gender training for 34 drivers and 17 staff members across treasury, administration, IT and data functions. A reproductive health webinar was also held to support a gender-responsive workplace environment.

4 Protecting and regenerating nature



“Sustainability is no longer a parallel function – it is embedded in how we manage Ghana and create long-term value. We see that strengthening livelihoods, building community climate resilience, and maintaining traceable supply chains are essential to both positive impact and business continuity.”

Sudhir Kumar
Country Director, ECOM Ghana

4.1

Protecting and regenerating nature

Overview

Our focus

The second Smarter Cocoa pillar focuses on protecting and regenerating nature across cocoa-growing landscapes. This requires understanding the environmental pressures that impact ecosystems and cocoa supply chains. It also involves working with farmers and other stakeholders to address specific impacts. As with **Improving farmer and worker livelihoods**, the challenges within this pillar are closely interconnected.

Our approach is increasingly informed by primary data, helping us better understand farm-level practices and land-use change. By combining traceability, monitoring, farmer support, and partnerships, we aim to reduce deforestation risk while supporting long-term productivity and farmer resilience. Better data also strengthens our ability to measure carbon footprints, track progress against climate ambitions, and target interventions where they can have the greatest impact.

A major barrier to protecting and regenerating nature is deforestation. In 2025, around 4.3 million hectares of tropical rainforest were lost, equivalent to more than 11 American football fields per minute. This was driven by agricultural expansion, logging, mining, and infrastructure development¹⁷. Cocoa expansion has historically contributed to forest loss in key producing regions, particularly in West Africa, placing biodiversity-rich forests such as the Congo Basin and Upper Guinean Forest under increasing pressure¹⁸.

Deforestation drives biodiversity loss, weakens carbon sinks, and disrupts the ecological systems that cocoa production depends on. It reduces pollination, natural pest regulation, soil fertility, and water availability, while also contributing to climate instability and long-term supply risks¹⁹. In Ghana and Côte d'Ivoire, years of forest conversion combined with climate change, disease pressure, and poor agronomic practices have contributed to crop failures and recent spikes in cocoa prices, affecting global supply and market stability²⁰.

However, cocoa can also contribute to more resilient landscapes for farmers and their communities. Agroforestry systems that integrate shade trees can enhance biodiversity, improve soil health, sequester carbon, and support long-term productivity²¹. Our approach recognises that climate mitigation and adaptation are inherently connected. This perspective informs our support for climate-smart agriculture (CSA), agroforestry, and payments for ecosystem services (PES), which help strengthen farm resilience while preserving the ecosystem services that underpin sustainable cocoa production.

Our commitments

- Optimising our natural resource management practices
- Improving producer resilience to the effects of climate change
- Amition to reach Net-Zero in our Scope 1, 2 and 3 emissions by 2050

¹⁷ Potapov, P., Turubanova, S., & Tyukavina, S. (2024). Fires drove record-breaking tropical forest loss in 2024. Global Forest Watch

¹⁸ World Wide Fund for Nature. (2025). From past to future: How business-as-usual cocoa drives forest loss and what we can do. WWF.

¹⁹ Bentley-McKune, J. (2025, November 18). Congo Basin deforestation threatens regional rainfall and global cocoa supply - Zero Carbon Analytics. Zero Carbon Analytics.

²⁰ Kozul-Wright, A. (2025, April 21). Bitter truth: Why has chocolate become so expensive? Al Jazeera.

²¹ Bennet et al. (2021). Impact of cocoa agricultural intensification on bird diversity and community composition. Conservation Biology

Our 2025 KPIs

KPIs	MaterialTopic	Status
Train 100% of farmers in climate-smart agriculture in ECOM origin-sourced supply chains identified as being at high risk of negative impacts from climate change by the end of 2030	Climate change mitigation/ Climate change adaption	In progress
Ambition to reach Net-Zero emissions in our entire value chain by 2050	Climate change mitigation	In progress
Establish baseline of land management emissions and removals for all direct origin-sourced supply chains by the end of 2027	Land use management including deforestation	In progress
Implement preventative strategies for 100,000 individuals to contribute to halting or the reversal of deforestation by the end of 2028	Land use management including deforestation/ Climate change mitigation	In progress
Assess biodiversity risk for 100% of the origin-sourced supply chains by the end of 2027	Land use management including deforestation	In progress

See our full list of KPIs [here](#)

4.2

Climate change mitigation and adaptation

KPI: Train 100% of producers in climate-smart agriculture in ECOM origin-sourced supply chains identified as being at high risk of negative impacts from climate change by end of 2030

Status: In progress, with a new 2030 target

Climate change continues to present material risks across cocoa-producing regions, affecting yields, farmer livelihoods and long-term supply stability. This was evidenced through the completion of our 2023 KPI to “carry out country-level climate change risk assessments across all cocoa origins”. Read about this previous workstream on page 41 of our [2023 Cocoa Sustainability Report](#). In response, we focused on improving how climate-related risks are assessed and addressed across our supply chain.

Climate-smart agriculture (CSA) refers to farming practices that aim to increase productivity, strengthen resilience to climate impacts, and reduce greenhouse gas emissions where possible. This includes approaches such as agroforestry, improved soil and water management, integrated pest control, and crop diversification, tailored to local conditions.

We view agroforestry as a key lever for both mitigation and adaptation. Integrating trees into cocoa systems helps regulate microclimates, improve soil health, enhance biodiversity, and sequester carbon. It also provides farmers with diversified sources of income.

Implementation on the ground continues to support these priorities. Overall, we distributed:

- 2,110,218 multi-purpose trees for on-farm planting
- 163,692 multi-purpose trees for off-farm planting

During this period, 39% of producers in direct origin-sourced supply chains were trained in CSA. An additional 34,146 farmers were trained through our trusted partners in Côte d'Ivoire. While this falls short of the 2025 target, the outcome reflects lower customer demand in certain origins and an intentional shift in approach rather than a slowdown in activity.

Additionally, 75% of producers in direct origin-sourced operations received training on GAPs during the same period. While there is some overlap between GAP and CSA content, GAP training is primarily focused on improving farm productivity, quality, and profitability rather than reducing greenhouse gas emissions or supporting climate adaptation. As a result, these activities are not included within the scope of this KPI.

Over the past year, we prioritised the collection of detailed farm-level data to guide how these practices are applied. We hope this will support us in developing localised understanding of what effective, context-specific CSA looks like across different origins and farming systems.

A key step in this transition has been the rollout of ECOM's [Green Meter](#) across all cocoa origin operations. Green Meter collects farm-level data on greenhouse gas emissions and agricultural practices, providing visibility into emissions hotspots and production systems. This allows more precise identification of where intervention is required and supports the development of targeted decarbonisation strategies. The dataset also shows how farmers are currently managing their land, forming a practical foundation for relevant support.

Alongside this rollout, we are developing a Resilience Score to assess the ability of cocoa farmers to withstand, adapt to, and recover from climate and environmental pressures. The score integrates Green Meter data to evaluate the adoption of key practices such as agroforestry, water management, soil health improvement and crop diversification. While still in development, we hope to also incorporate broader off-farm factors, including ecosystem health integrity and connectivity to provide a clearer view of climatic resilience across sourcing regions.

These developments mark a shift from a training-led model to a more data-led approach. Although this required a rephrasing of training activities in the short term, it establishes a stronger basis for delivering measurable outcomes in emissions reduction and farmer resilience across the supply chain. We remain committed to this KPI and will continue to integrate insights from primary data into training delivery, alongside extending the timeline to 2030 to better reflect this transition.

To address the gaps in meeting this KPI, we plan to take the following targeted steps:

1. Review CSA curricula across all direct origin-sourced supply chains against Green Meter findings to improve the quality, relevance and localisation of training delivery.
2. Increase targeted company-led CSA training in high-risk sourcing areas based on Green Meter and resilience assessment findings.
3. Conduct a review of existing long-term CSA coverage targets across customer programmes and grant-funded projects to better understand current coverage gaps and future training needs.
4. Expand company-led CSA training efforts to support more stable and consistent coverage across sourcing regions.



Progress against our KPIs continued

4.4

Our net-zero ambition

KPI: Ambition to reach Net-Zero emissions in our entire value chain by 2050

Status: In progress

Reducing greenhouse gas emissions across the value chain is a core priority for ECOM. This includes emissions from our own operations (Scope 1 and 2) as well as, more significantly, those linked to the cultivation of cocoa (Scope 3).

Our ambition is to achieve net zero emissions by 2050, aligned with a 1.5°C pathway. This reflects the scale of emissions within agricultural supply chains and the sector's critical role in meeting global climate goals. Our approach prioritises direct emissions reductions across the value chain, supported by improved data, traceability and targeted farm-level interventions.

For Scope 1 and 2 emissions, we are implementing targeted measures across our operations, including energy efficiency improvements, fuel switching and increased use of renewable energy in processing facilities. Scope 3 emissions, which account for approximately 93% of our footprint, require a broader approach involving supplier engagement, changes in agricultural practices and alignment with external frameworks and customer programmes.

We are improving emissions measurement and monitoring at farm level through tools such as [Green Meter](#), while developing targeted interventions to improve farm management practices and prevent future deforestation. These actions address key emissions drivers within cocoa supply chains, particularly land use change and production systems.

We recognise that the pace and scale of Scope 3 reductions will be influenced by external factors, including farmer behaviour, evolving regulation, client expectations, certification standards and the availability of robust carbon accounting methodologies for the land sector. In response, we continue to refine our approach to ensure credible and measurable progress, including exploring third-party verification of Scope 3 targets and data in line with increasing expectations around transparency and accountability.

Our net-zero ambition remains unchanged. It provides a clear long-term direction for investment, programme design and supply chain engagement. Achieving this ambition will require sustained collaboration with partners, customers and producers, alongside continued improvements in data quality and implementation at scale.

Spotlight



4.5

Biochar in cocoa farming: five lessons from the field

Biochar is a carbon-rich material produced by heating organic matter such as wood, crop residues or manure in a low-oxygen environment through a process known as pyrolysis. In the absence of oxygen, the material does not burn but instead converts into a stable form of carbon.

ECOM is currently advancing a number of biochar pilot projects across cocoa, coffee and cotton supply chains. These pilots have often been initiated in response to client interest and emerging market opportunities, including collaborations with clients such as Mars, reflecting growing demand for carbon removals that deliver agronomic benefits at farm level. Read more in our [2025 Group Sustainability Report](#). Camila Olmedo, ECOM's Regional Sustainability Manager in LATAM, shares her insights on disseminating biochar in the field in Peru and Ecuador, as part of a pilot with Mars.

"This is not a new concept. More than 2,500 years ago, indigenous communities in the Amazon Basin discovered that adding charcoal to soil could create exceptionally fertile land, now known as Terra preta. This story has proven to be a powerful way to engage farmers, creating an immediate connection to the concept of biochar and the value of indigenous knowledge."

Scientific literature consistently shows that biochar can improve soil structure, water retention, nutrient availability and microbial activity across a range of crops. In cocoa, however, evidence is still emerging. Our pilot is among the first structured efforts to assess these effects at farm level. While it is too early to draw conclusions on yield impact, the agronomic foundation is strong.

During implementation, the most significant practical constraint we identified was not the technology itself, but access to biomass. In this case, cocoa pruning residues alone are insufficient to sustain biochar production at scale. Farmers require additional sources of dry woody material, yet this supply is both limited and inconsistent over the year.

Transporting biomass to centralised kilns introduces logistical complexity and additional costs, which can quickly undermine the economic viability of the model. Any credible scale-up approach will need to address biomass collection and processing from the outset, whether through decentralised kiln systems or community-level aggregation points. This remains an area we are continuing to assess.

We also observed that adoption depends on clear, short-term benefits for farmers. Biochar production is labour-intensive, requiring time and effort for biomass collection, management of pyrolysis and application in the field. In many cases, this also involves hiring additional labour, the cost of which has increased in the past two years alongside higher cocoa prices.

Our experience shows that without tangible, near-term benefits such as improved yields or reduced input costs, uptake requires active project support. We are currently assessing whether the agronomic returns justify the labour investment at farm level. This is a central question in determining whether biochar can move beyond the pilot stage within our supply chains.

Lastly, one of the most unexpected outcomes of this pilot was the level of engagement from farmers and field teams when learning to manage the pyrolysis process together. Mastering kiln construction, controlling combustion and reading smoke are skills that engage a different kind of learning compared to a training manual or digital platform."

Through these pilots in cocoa with collaboration including Mars and farmers, we are assessing how biochar can help contribute to soil health, carbon management and territorial resilience within the landscapes connected to our supply chains.

Progress against our KPIs continued

4.6

Land management emissions

KPI: Establish a baseline of land management emissions and removals for all direct origin-sourced supply chains by the end of 2027
Status: In progress

In 2025, ECOM continued the rollout of **Green Meter** to support farm-level carbon measurement across our global supply chains, reaching 6 cocoa origins: Côte d'Ivoire, Mexico, Ecuador, Cameroon, Ghana, and Peru. Green Meter collects primary data on production systems, land use and management practices, allowing emissions and removals to be quantified at farm level and aggregated across sourcing regions.

Gathering primary data to measure land management emissions is a key step in understanding how to collaborate with farmers to reduce the climate impact of agricultural supply chains. These emissions relate to how land is used and managed at farm level, including practices such as fertiliser use, soil management, agroforestry and crop systems.

Establishing a baseline provides the reference point against which changes in emissions and carbon sequestration can be tracked over time. This allows us to identify high-impact interventions and supports the development of targeted decarbonisation strategies across different origins and production systems. This is important because land-based emissions vary significantly depending on local conditions such as soil type, climate, farming systems and landscape dynamics.

We are progressing implementation across multiple origins with completed carbon assessments, ongoing data collection and additional projects in development. To date, for cocoa, this includes:

- 5 completed carbon baseline land management emission assessments
- 7 ongoing assessments
- 2 additional projects in development
- Cocoa-specific insights from more than 1,200 farm assessments
- 183 technicians trained to support data collection and implementation

Assessments are being conducted across a range of cocoa- and coffee-producing countries, reflecting a phased rollout based on sourcing priorities, operational readiness and partner engagement. In cocoa supply chains, baseline development is underway across several key origins, with a combination of completed assessments and ongoing baseline studies supporting future coverage.

Across cocoa-producing regions, land-use change is consistently the main source of emissions. At farm level, crop residue management is a key hotspot, particularly the practice of leaving wet cocoa pod husks in piles, alongside farm-level fermentation, which can generate additional emissions through liquid waste. Shade tree density also varies significantly between farms and is the main driver of biomass carbon stocks, with agroforestry systems offering the greatest potential to increase carbon storage while strengthening climate resilience.

The baseline work informs emissions reduction and removals strategies. By identifying emissions hotspots and current land management practices, we can prioritise interventions such as agroforestry, soil health improvement and changes in farm management systems. These interventions can then be tracked over time to assess their impact on emissions, productivity and resilience.

Green Meter also supports alignment with emerging requirements for carbon accounting in the land sector. The tool has been independently reviewed against the Greenhouse Gas (GHG) Protocol requirements, supporting consistency with recognised methodologies and improving transparency for clients and partners. Establishing land management baselines remains a multi-year process for ECOM. Progress to date provides a foundation for scaling measurement across additional origins and strengthening the link between farm-level data, supply chain emissions and long-term net-zero objectives.



4.7

Preventative strategies for deforestation

KPI: Implement preventative strategies for 100,000 individuals to contribute to halting or the reversal of deforestation by the end of 2028

Status: In progress

As long as forests offer a more attractive short-term economic opportunity than alternative livelihoods, deforestation will persist. Traceability plays an important role in identifying where deforestation risk exists within supply chains, improving transparency and enabling risk management.

However, it does not address the underlying economic drivers of land conversion at farm level. We are therefore increasing our focus on preventative approaches that strengthen sustainable livelihoods in forest-dependent communities. These approaches help reduce reliance on income linked to deforestation and support more stable long-term land-use choices.

In cocoa systems, there is often a delay between land conversion and its visibility in supply chains. Cocoa trees typically take three to five years to reach full productivity, depending on the variety. As a result, deforestation happening today may only become visible in supply chains several years later, when tracing and managing affected volumes is significantly more complex.

The drivers of deforestation include low productivity, income pressure, insecure land tenure, limited awareness of regulations, and weak enforcement or management of protected areas. In many contexts, customary land-use systems, as well as tribal and Indigenous rights also play an important role in influencing land-use decisions and forest governance.

This time lag between land-use change and supply chain visibility reinforces the need to shift from reactive monitoring to early, preventative action. We are strengthening engagement with farmers and communities upstream, supporting approaches that address the root causes of deforestation and reduce the likelihood of forest conversion before it occurs.

Our approach focuses on targeted interventions, including promoting sustainable intensification, improving farm planning, and land-use management through clearer farm delineation. It also focuses on developing stronger land tenure arrangements, respect for protected area boundaries, and supporting agroforestry adoption, particularly in forest buffer zones. As part of our efforts, 124,015 farmers have been trained on international regulatory requirements, including the EUDR, which ensures compliance with emerging due diligence obligations.

By focusing on early intervention, we aim to reduce future supply chain risk, support alignment with evolving regulatory frameworks, and strengthen long-term landscape management.



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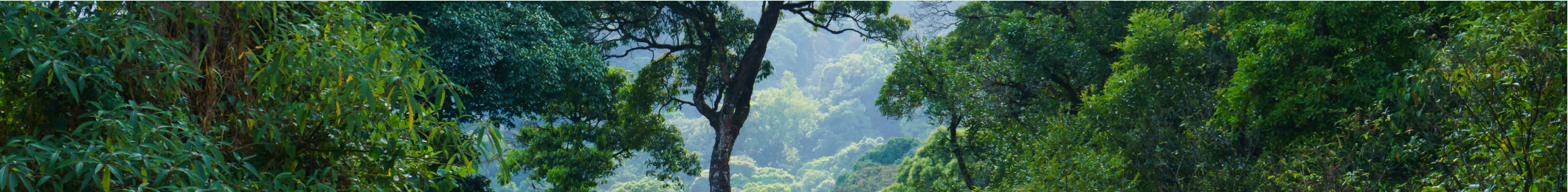
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regenerating nature

5 Managing change through
transparency and traceability

Spotlight



4.8

Addressing deforestation risk in Nigeria through partnership with the WCS

In Nigeria, we are working with the Wildlife Conservation Society (WCS) to support the development of a deforestation-free cocoa landscape in Cross River State. Nigeria is identified as a high-risk region for deforestation within our supply chain, and this partnership focuses on addressing these risks at landscape level.

WCS is a global conservation organisation that combines scientific research, field-based programmes and community engagement to protect wildlife and ecosystems. Its work highlights the links between biodiversity, livelihoods and climate resilience, particularly in regions where agricultural expansion and environmental pressures intersect.

Cross River State contains four protected areas managed by WCS, which form an important ecological corridor between Nigeria and Cameroon. These forests support biodiversity and help regulate local climate conditions that support agricultural production. Ongoing deforestation and climate change are increasing pressure on these systems, contributing to declining land suitability for cocoa and raising long-term supply risks. Through this partnership, we align cocoa sourcing with landscape-level conservation efforts. The focus is on reducing deforestation risk within a 20 km buffer of protected areas and supporting viable farming systems and local livelihoods.

Activities are structured across several areas. These include forest protection and restoration through monitoring, protected area management and reforestation. We also support landscape coordination and policy engagement with local stakeholders to improve land use planning and enforcement.

The partnership promotes climate-smart cocoa production, with a focus on agroforestry systems and improved farm management practices. It supports farmer livelihoods by improving cocoa productivity, strengthening market access and encouraging income diversification. We are also improving traceability and supply chain transparency by supporting Licensed Buying Associations. Community engagement remains a central focus and we are actively involved in community forest management and promoting social inclusion.

The partnership supports broader work across our supply chain to improve awareness and compliance with regulatory requirements. Beyond the scope of this project, 125,206 farmers have been trained on local forest policy, forest protection, and restoration. This includes via education campaigns to inform local communities about the long-term benefits of forest preservation.

This work contributes to ECOM's commitment to invest in preventative strategies that contribute to halting or the reversal of deforestation by the end of 2028. It also feeds into a wider focus on biodiversity and resilience. Forest ecosystems in cocoa-producing regions support soil health, water regulation and microclimates that support long-term productivity. As climate pressures increase, maintaining these ecosystem functions becomes more important for sustaining viable cocoa production.

4.9

Community forest management in Cameroon

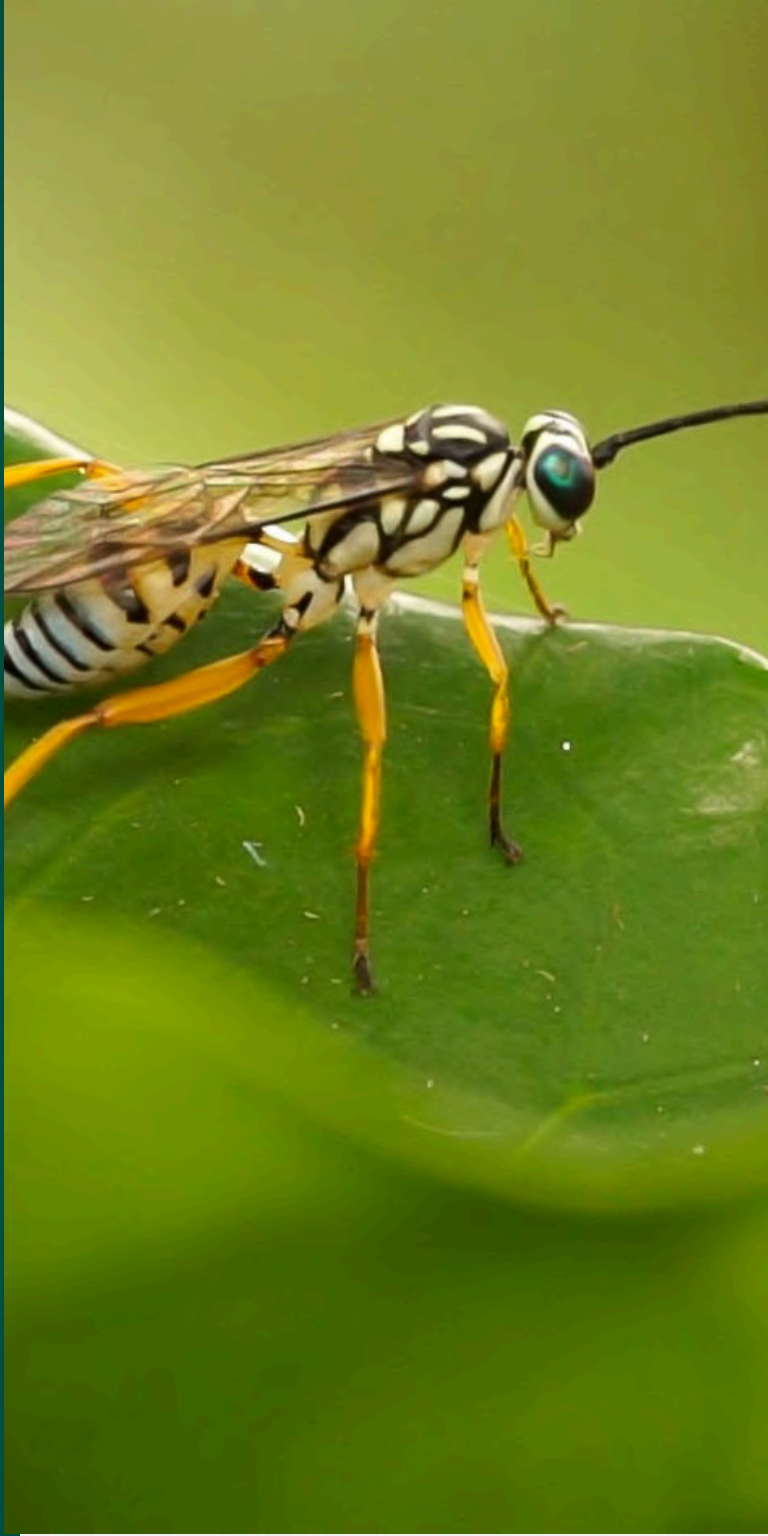
The “Sustainable Cocoa Production in the Context of Community Forest Management” project was implemented in Cameroon’s Centre Region by ECOM’s Cameroon entity, in partnership with IDH Sustainable Trade Initiative. The project aimed to increase smallholder cocoa productivity and incomes while reducing reliance on nearby community forests. It adopted an integrated approach combining agroforestry, certification and traceability, income diversification with a focus on women, child labour monitoring and remediation, and strengthened forest governance.

Our approach responded directly to local challenges, including income inequality, limited economic opportunities for women and growing environmental degradation linked to agricultural expansion. Implementation also faced operational and external challenges, including the timing of seedling distribution and climate-related risks, which provided valuable lessons for future phases.

Overall, the project proved effective in delivering planned outputs, with clear progress toward positive outcomes. It reached over 3,500 farmers, improved cocoa productivity and contributed to an estimated 17.6% increase in household income. Diversifying crops and services helped reduce dependence on cocoa and eased pressure on forest resources.

Social outcomes were also notable, including increased participation of women in economic activities, and higher household spending on education and healthcare, supported in part by certification premiums. Child labour monitoring systems have been introduced with initial remediation measures in place, although continued follow-up will be important to ensure sustained impact.

The project demonstrates that combining cocoa intensification with environmental conservation is possible, particularly when supported by diversification and targeted economic incentives. Institutional capacity within cooperatives and forest governance structures is stronger, and market systems for non-cocoa products are beginning to emerge. Continued investment in these areas will be essential to ensure that income gains translate into resilient livelihoods and lasting environmental outcomes.



4.12

Biodiversity risk

KPI: Assess biodiversity risk for 100% of the origin-sourced supply chains by the end of 2027
Status: In progress

Biodiversity refers to the variety of roles that living organisms play in ecosystems. It includes diversity within species, between species, and across ecosystems, as well as the ecological functions they support, such as nutrient cycling, food production, and climate regulation.

These dimensions highlight that biodiversity is about how ecosystems function and sustain life. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services' definition of biodiversity serves as a foundational framework for international policy and decision-making related to biodiversity conservation and sustainable development.

The Biodiversity Consultancy defines "state of nature" metrics as a set of standardised indicators to track progress toward halting and reversing biodiversity loss. These focus on key dimensions such as ecosystem extent and condition, landscape intactness, and species extinction risk. Biodiversity is measured using indicators like species richness and diversity, species occurrence records, and functional or genetic diversity.

We are developing an approach to assessing biodiversity risk across our origin-sourced supply chains. This remains a complex and developing area, reflecting the local nature of biodiversity and the current lack of standardised methodologies at scale.

A range of global screening and remote-sensing tools are available to provide initial insights into biodiversity risk. These tools help identify broad patterns such as deforestation, population ranges of endemic species, and proximity to protected areas. They will be a starting point for risk mapping linked to this KPI across our origin-sourced regions.

We have conducted a biodiversity review of the various tools and data layers available to support with biodiversity risk. The tools we have reviewed include: the World Database on Protected and Conserved Areas (WDPCA), the IUCN Red List of Threatened Species, and the Global Biodiversity Information Facility (GBIF). We have also aggregated metrics such as the WWF Biodiversity Risk Filter, Biodiversity Intactness Index (BII) and the SEED Index.

These datasets provide consistent, global coverage and support high-level risk screening. However, biodiversity is inherently context-specific. Global datasets alone do not fully capture local ecological conditions such as species composition, habitat quality, ecosystem function, and landscape connectivity. These factors can vary significantly within small geographic areas. For this reason, a meaningful biodiversity strategy begins with risk assessments using global screening tools later paired with local data collection and ground-based validation.

We are exploring how to integrate these methods into a practical and scalable framework. This includes assessing which indicators are most relevant for our supply chains and how they can be incorporated into existing data systems over time. Approaches such as Essential Biodiversity Variables and State of Nature Metrics provide a structured way to assess ecosystem extent, condition and species risk, while field-based monitoring methods support more detailed understanding of local biodiversity dynamics.

Progress to date has focused on building internal understanding of available tools and defining what an effective biodiversity risk assessment should look like in practice. Given the current stage of market and regulatory development, demand for detailed biodiversity assessments remains limited, which has influenced the pace of implementation to date.

Many of the most impactful interventions for biodiversity gain align closely with addressing deforestation and long-term supply chain resilience. Activities such as forest restoration, riparian buffer protection, and landscape connectivity initiatives often sit outside farm boundaries.

As a result, initiatives do not always align with traditional carbon accounting approaches or qualify as insetting. This can make it more difficult to justify or incentivise investment through carbon-focused mechanisms alone, even where these interventions are critical for reducing deforestation risk and protecting ecosystem integrity. In this context, there is increasing recognition that biodiversity and wider nature outcomes may provide an important complementary pathway for promoting off-farm interventions that are not captured through carbon accounting frameworks.

5 Managing change through transparency and traceability

“Sustainability is no longer a standalone workstream; it is increasingly part of how we manage risk, allocate resources and make operational decisions. From a business and finance perspective, the value lies in bringing greater transparency, discipline and accountability into the supply chain, so that sustainability commitments are supported by robust processes and measurable outcomes. As expectations from customers, regulators and our own teams continue to evolve, embedding sustainability into day-to-day decision-making is essential for building a more resilient and responsible cocoa business.”

Shivani Gupta

Commodity Operations Director - Cocoa beans

5.1

Managing change through transparency and traceability Overview

Our focus

The global economy is increasingly interconnected, making ethical and transparent supply chains essential for long-term business resilience. Due diligence plays a critical role in identifying and managing social and environmental risks, strengthening stakeholder trust, and supporting sustainable growth. At ECOM, we continuously integrate responsible business practices across our operations and work closely with suppliers to promote consistent standards throughout our supply chains.

We recognise the complex challenges inherent in agricultural supply chains and remain committed to continuous improvement and alignment with internationally recognised standards. Our policies provide the framework for ethical business conduct, and suppliers are expected to comply with our [Supplier Code of Conduct](#). Potential impacts on farming communities are assessed through structured risk evaluation processes, while our [Supply Chain Due Diligence Policy](#) outlines the mechanisms used to identify, prevent, mitigate, and remediate adverse impacts.

A recent study by the United Nations Development Programme (UNDP) found that strengthening human rights and sustainability practices should be viewed not as a cost burden, but as a strategic investment in long-term competitiveness²². Across a five-year analysis of 235 global companies, the study identified a positive relationship between sustainability investment and operational efficiency, particularly return on assets, alongside neutral-to-positive investor responses. Importantly, it found no evidence that stronger human rights performance negatively affects profitability or market valuation. Investments in due diligence, traceability, and responsible sourcing can strengthen supply chain resilience, improve workforce productivity, and enhance risk management. Over time, these measures contribute to stronger financial performance while positioning sustainability as a competitive advantage in increasingly regulated and reputation-sensitive cocoa markets.

Traceability and transparency remain central to responsible supply chain management and to ECOM's sustainability strategy. Although global, multi-tiered value chains present inherent complexities, we have long collected farm- and producer-level data through digital systems and continue to refine these processes. This work is further strengthened by Integrity powered by BanQu, our blockchain-based solution, which enhances first-mile transparency across our direct supply chains.

Our commitment

- To ensure responsibility in our supply chain

²² UNDP (2025, November 6). Human rights vs. competitiveness: A false dilemma? Data on the financial implications of corporate human rights performance.

Our KPIs

KPIs	Material Topic	Status
Ensure 100% of beans purchased through ECOM origin-sourced supply chains are sustainable by the end of 2025	Management of relationships with suppliers	Closed
Achieve 100% traceability to farmer for all beans by the end of 2026	Management of relationships with suppliers	In progress
Roll out human rights and environmental due diligence process and assess risks for all tier one suppliers by the end of 2025	Management of relationships with suppliers	Complete
Identify and prevent deforestation, in respect of land that has been degraded or deforested since 2020, with the implementation of a strong monitoring, risk assessment, due diligence and remediation process in all our supply chains by 2025	Land use management including deforestation	In progress
Complete a partnership and purchasing practices map across the cocoa supply chain, identifying risks and opportunities to improve transparency and responsible sourcing practices to enable us to provide evidence-based insights to our policies by the end of 2028	Management of relationships with suppliers	In progress
Benchmark ECOM's forced labour mitigation procedures with the Verité Farm Labor Due Diligence Initiative and develop a roadmap to work towards leadership in each section by 2027	Forced labour	In progress

See our full list of KPIs [here](#)

5.2

Sourcing sustainable cocoa

KPI: Ensure 100% of beans purchased through ECOM origin-sourced supply chains are sustainable by the end of 2025
Status: Closed

While we did not achieve our 2025 target for sustainable volumes, this result must be understood within the context of how sustainability is currently defined and measured under our methodology. When developing our strategy through the Charter, we classified cocoa as sustainable when purchased as Rainforest Alliance, Fairtrade or client program verified. As a result, reported sustainable volumes are influenced not only by sustainability interventions implemented at origin, but also by client demand and purchasing requirements in consuming markets.

Despite this, persistent challenges, including farmer poverty, deforestation, and child labour, remain widespread. This raises questions about the extent to which certification alone can serve as a sufficient proxy for sustainability²³. Against this backdrop, by the end of 2025, 80% of beans purchased through ECOM’s direct and indirect origin-sourced supply chains met ECOM’s definition of sustainable, with an additional 4% sourced as organic cocoa.

Our definition
When this KPI was introduced in 2021, we defined sustainable cocoa volumes as cocoa sourced from farms benefiting from targeted economic, social, and environmental sustainability interventions, with volumes verified through recognised certification schemes or corporate sustainability programmes.

These interventions included measures to improve productivity, diversify incomes, and advance living income initiatives; address child and forced labour risks while promoting community development and gender inclusion; and support environmental outcomes through deforestation prevention, reforestation, climate-smart agriculture, and agroforestry practices.

To ensure clear, consistent, and measurable reporting, cocoa volumes were classified as sustainable when certified under recognised standards such as Fairtrade or Rainforest Alliance, or when sourced through a verified corporate sustainability programme. This approach provided an externally validated framework for assessing and tracking sustainability performance across diverse supply chains and markets.

At the same time, we recognised that sustainability is interpreted differently across regions and markets, with expectations shaped by regulatory frameworks, market maturity, and local priorities. In some producing regions, sustainability is primarily associated with improving productivity and strengthening farmer incomes, while in others it is more closely linked to environmental protection and climate resilience. These differing perspectives continue to influence how sustainability programmes are implemented, evaluated, and reported across the cocoa sector.

Measuring sustainable volumes
When we began tracking this KPI, 83% of our origin-sourced supply chain met ECOM’s definition of sustainability, representing 38% of our total supply chain. By 2025, sustainable volumes accounted for 48% of total supply chain volumes. While no clear trend has emerged over this period, the past four years have been marked by significant market volatility, meaning year-on-year fluctuations do not necessarily reflect long-term performance.

As regulatory requirements expand across producing and consuming regions, sustainability is also being defined differently across the market. In some geographies, compliance with environmental and human rights standards is increasingly becoming a baseline expectation for all traded volumes, rather than a feature linked mainly to certified or verified supply. We recognise that progress towards our target depends not only on origin-level interventions, but also on the alignment of traceability systems, certification frameworks, commercial channels, and customer demand for certified or verified cocoa.

In several origins where certification demand remains limited, ECOM continues to invest in agricultural services, community engagement, and environmental compliance measures. While these efforts strengthen farming practices and regulatory readiness, they are not always reflected in certified or verified volume figures under the current reporting methodology.

Next steps
This KPI has provided a consistent framework for tracking certified and verified sourcing over time. However, the current structure and terminology are increasingly influenced by external market demand and do not fully reflect the areas where we can most directly influence sustainability outcomes within supply chains. To maintain transparency and comparability, we will continue reporting against the existing definition across both our origin-sourced and total supply chains, while no longer setting a fixed target against this metric.

At the same time, we are developing a revised KPI framework that places greater emphasis on measurable origin-level interventions, compliance readiness, and due diligence performance. This approach will better reflect sustainability efforts implemented at origin while improving alignment between farm-level programmes and evolving market expectations. ECOM remains committed to increasing the share of cocoa sourced through programmes that support economic resilience, social inclusion, and environmental stewardship, while continuing to strengthen the systems used to track and verify these efforts across our supply chains.



²³ Cocoa Barometer 2025. (2025).

Spotlight

5.3

Transitioning from voluntary initiatives to compliance systems

For much of the past two decades, cocoa supply chains have been influenced by voluntary sustainability initiatives. Certification schemes such as Fairtrade and Rainforest Alliance served as baseline compliance while company-led programmes allowed for investment in impact strategies across supply chains.

In recent years, however, the sustainability landscape has changed significantly. Regulatory frameworks in consumer markets, including the EUDR and emerging human rights due diligence requirements are moving sustainability from voluntary commitments toward mandatory compliance. This reflects a broader trend across the Environmental Social and Governance (ESG) landscape, where regulation, investor scrutiny, and stakeholder expectations increasingly require companies to embed sustainability and compliance into day-to-day operations²⁴.

As a result, there is growing emphasis on systems that can demonstrate compliance at scale. Traceability, risk assessment, and environmental and human rights due diligence are increasingly applied across entire supply chains, helping establish a more consistent baseline, while addressing systemic risks such as deforestation and labour-related challenges.

This transition is changing how resources are allocated. Rising compliance costs risk diverting investment away from voluntary sustainability programmes, which have traditionally supported deeper engagement with defined groups of farmers through training, productivity initiatives, agroforestry, and community-based interventions. While often limited in scale, these programmes enabled more intensive support, stronger local relationships, and greater scope for innovation within specific origins.

This move toward compliance-driven models is already visible in the European cocoa market. The Centre for the Promotion of Imports from developing countries (CBI) highlights that legal sourcing, deforestation-free production, and robust traceability are becoming core requirements for continued access to the European market²⁵. Meeting these expectations requires substantial investment in traceability systems, monitoring infrastructure, and due diligence processes across global supply chains.

While these investments improve visibility and risk management, they do not always deliver the same level of direct impact at farm level as earlier programme-based approaches. Maintaining a balance between regulatory compliance and voluntary initiatives therefore remains important. Voluntary programmes continue to play a key role in piloting new approaches, enabling targeted interventions, and supporting deeper engagement with farmers and communities. Preserving this balance is essential for meeting current expectations and testing the next generation of sustainability standards and regulations.

²⁴ Shiohara, J. (2026, January 23). Global Sustainability Regulatory Trends in 2025. Compliance & Risks.
²⁵ CBI. (2021, December 7). Which trends offer opportunities or pose threats on the European cocoa market? CBI – Centre for the Promotion of Imports from developing countries.



5.4

Traceability in partner-sourced supply chains

KPI: Achieve 100% traceability to farmer for all beans by the end of 2026

Status: In progress

ECOM operates across a diverse range of sourcing models, which influences the level of visibility and control we have over traceability systems (see our sourcing models [here](#)). This KPI applies specifically to cocoa bean sourcing and reflects ECOM's ability to trace beans to farm level. It does not extend to semi-finished or finished cocoa products, where traceability to individual bean level is inherently more complex due to aggregation and processing.

In 2025, cocoa beans represented 59% of ECOM's cocoa sourcing volume, with the remaining share consisting of semi-finished cocoa products. Achieving 100% traceability for cocoa bean sourcing by the end of 2026 will require continued investment in internal systems, as well as strong alignment, data transparency, and collaboration across a broad network of upstream partners.

Traceability across our global cocoa operations has improved steadily year on year. By the end of 2025, 63% of our bean supply chain and 52% of our total cocoa supply chain were traceable to farm level. Internally, we are aligning our traceability commitments with our deforestation risk assessment approach in line with EUDR requirements, strengthening the integration between data systems, compliance processes, and sustainability due diligence.

We will continue to report annual progress against this KPI and publish updated traceability percentages each year. In parallel, we are enhancing our data collection tools and supplier engagement processes to improve the quality, usability, and efficiency of traceability data.

We also provide additional transparency through a dynamic sourcing map on our website, updated annually, which discloses community-level traceability information, alongside a published list of Tier 1 origin-sourced suppliers. This gives stakeholders greater visibility into our sourcing structure and partner network.

EUDR and sector readiness

EUDR has been a significant driver of investment in traceability systems, greater standardisation of data requirements and improved transparency across the cocoa sector. However, if implementation is delayed further or enforcement proves inconsistent, some upstream actors may deprioritise investment in farm-level traceability systems within the required timeframe.

Despite delays in enforcement to date, we continued sensitising suppliers to EUDR requirements throughout 2025 by requesting farm-level data for all bean shipments into Europe through TRACT, the supply chain traceability platform, with expansion into additional geographies as adoption grows.

Our system also supports over-declaration in line with guidance for EUDR implementation. In practice, exporters may provide full farm-level geolocation data for a farmer group, even in instances where not all farmers contributed to a specific shipment. This improves visibility of potential cocoa origins but means that precise one-to-one matching between every farm and individual lot is not always possible. We therefore consider over-declaration to meet our definition of farm-level traceability and have aligned our traceability commitments accordingly.

Structural considerations

Structural differences across sourcing models also influence traceability outcomes. Where we source semi-finished products such as cocoa liquor or butter, traceability to bean level depends largely on third-party systems and suppliers' data management practices. These differences require tailored approaches to data collection, verification and system alignment.

Progress on traceability is also influenced by customer demand for segregated sourcing models. Where customers require identity-preserved or segregated supply chains, traceability systems tend to be more robust and data collection more structured. Conversely, where demand remains focused on conventional or mass-balance models, the commercial incentive to implement full farm-level traceability may be less immediate.

We continue to engage with customers and suppliers to better align commercial requirements and sustainability objectives, including carbon reduction commitments, with traceability goals. We recognise that achieving sector-wide progress will require coordinated action across the value chain, including producers, traders, processors and brands.



Spotlight

5.5

Building segregated cocoa supply through trusted partnerships

Cocoa sourcing models vary across markets and customer requirements, reflecting differences in traceability expectations, supply chain structures, and sustainability objectives. While some supply chains operate under mixed or mass balance models, others require higher levels of physical segregation and traceability.

As a manufacturer of branded chocolate and confectionery products, certain customers require a fully segregated cocoa supply chain. Under this model, cocoa beans must remain physically separate from other volumes throughout the sourcing and logistics process, enabling full traceability back to defined supply areas. This approach creates specific operational requirements, including dedicated supply chain management, robust traceability systems, and consistent quality control.

These requirements can be implemented through different sourcing pathways depending on the origin context. In some countries, segregated supply chains can be managed directly through ECOM's own origin operations, where procurement, traceability, and farmer engagement are overseen within established sourcing networks. In other cases, achieving segregation requires building or strengthening partnerships with local suppliers and cooperatives that already operate within structured and traceable supply chains.

For example, in Côte d'Ivoire, collaboration with cooperatives within established networks such as Ecookim, our Ivorian partner, can support the development of segregated sourcing models. This is achieved by combining local supply chain management with ECOM's traceability, sustainability, and commercial frameworks. These partnership approaches enable the expansion of traceable supply while leveraging established local actors with strong relationships with farmer groups.

How integrity influenced ECOM's partnerships in Côte d'Ivoire

Building segregated cocoa supply chains requires more than traceability systems and operational controls. It depends on trusted partnerships that enable transparency, accountability, and close coordination across every stage of the supply chain.

ECOM has worked with Ecookim in Côte d'Ivoire since 2004, developing a long-term partnership focused on reliable sourcing, traceability, and supply chain coordination. Ecookim also established a direct relationship with Ferrero, a client ECOM has partnered with since 2002. As this collaboration expanded, ECOM supported the alignment of sourcing activities with client specifications, contractual requirements, and international trade processes.

Within this model, Ecookim manages sourcing and implementation of the sustainability program through its cooperative network, while ECOM supports contracting, logistics, export coordination, and client engagement. This close collaboration has helped maintain the segregation and traceability required to meet customer expectations and international standards reliably.

The partnership has also supported preparation for evolving regulatory requirements, including the EUDR, through streamlined data management, verification processes, and supply chain coordination. Alongside commercial activities, the partnership includes programmes focused on education, access to clean water, and women's participation in cocoa-growing communities.

After more than twenty years, the partnership continues to evolve in response to changing market and regulatory demands. It demonstrates how long-term, trusted relationships can strengthen segregated cocoa supply chains while supporting transparency, resilience, and sustainable sourcing at origin.



5.6

Monitoring and remediation systems

KPI: Roll out human rights and environmental due diligence processes and assess risks for all tier-one suppliers by the end of 2025
Status: Complete

ECOM has made significant progress toward this KPI through the implementation of human rights and environmental due diligence processes across our indirect sourcing model. This work extends our approach beyond wholly managed origin operations to include partner-sourced supply chains, with the objective of establishing consistent systems for risk identification, monitoring, and remediation across all tier-one suppliers.

In 2023, we introduced the supplier self-assessment for commodity suppliers within our partner-sourced supply chains. The assessment was designed to understand how suppliers identify and manage material human rights and environmental risks, including child labour, forced labour and deforestation.

Following the initial data collection phase, we reviewed and refined the assessment framework to ensure relevance across diverse operational contexts. We conducted a second assessment cycle in 2024, with further follow-up activity in 2025 to increase coverage and strengthen data quality.

In 2025, we completed our third assessment cycle. Between 2024 and 2025, submission rates for our due diligence questionnaires increased from 58.4% to 63.6%, reflecting continued engagement with suppliers and improved internal coordination.

As part of this process, ECOM attempts to engage all tier-one cocoa suppliers through a structured questionnaire designed to assess potential environmental and human rights risks within their operations and supply chains. However, not all suppliers respond within the reporting timeline.

In 2025, 90% of purchased volume came from external suppliers who completed the due diligence questionnaire or purchases from our origin entities, which are not included in our external due diligence processes. Of the remaining 10%, 6% came from suppliers who received a questionnaire but did not submit a response, and 4% came from suppliers not covered by the questionnaire. This includes new suppliers, a small proportion of client returns and individual farmer transactions which are considered outside the scope of this due diligence exercise.

We will continue to follow up with suppliers that have not yet completed the assessment. We are exploring ways to strengthen engagement, including making completion of due diligence questionnaires a standard requirement for doing business with ECOM.

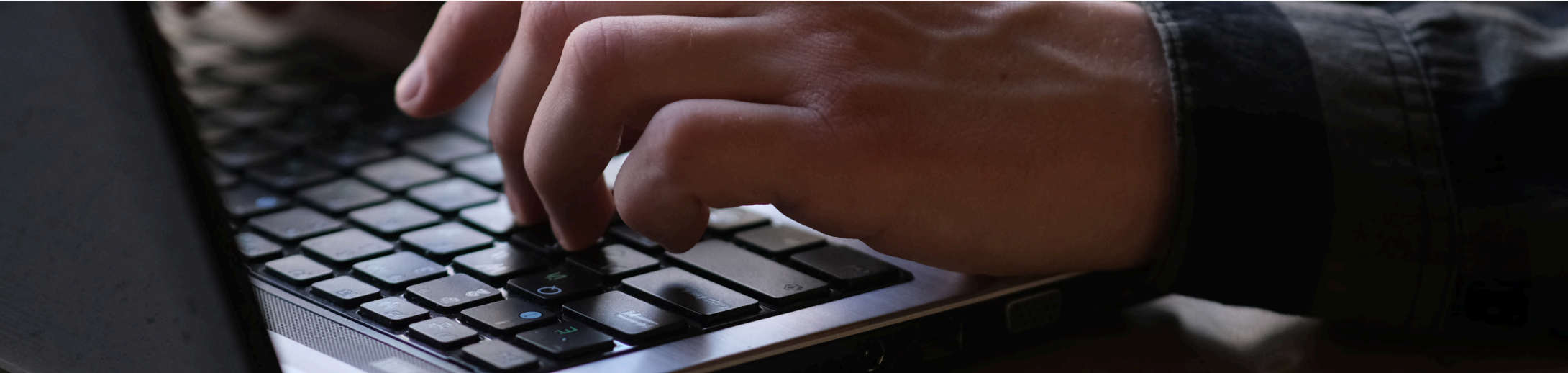
Key findings, risk areas and follow-up actions

Several common themes emerged through the assessment process. Cocoa factories were more likely to require additional follow-up due to the greater complexity of cocoa product supply chains compared to cocoa bean supply chains. This reflects EUDR requirements, which call for enhanced due diligence where supply chains present higher complexity or increased risk of product mixing. Read more about how we manage EUDR readiness in our European factories [here](#).

Additional follow-up was also undertaken in relation to broader EUDR legality requirements, including verification that suppliers incorporate land use rights and other applicable legal obligations within their due diligence systems. Suppliers reporting high numbers of casual workers were subject to further review, as reliance on casual labour can increase exposure to forced labour risks. In these cases, we assessed the policies and management practices in place to mitigate these risks.

Some suppliers indicated that labour unions were not permitted within their operations. However, follow-up discussions found that this was often due to a misunderstanding of the question, with suppliers interpreting it as asking whether a labour union currently existed at their site, rather than whether workers were permitted to organise or join unions.

Our findings inform targeted follow-up, dialogue, and risk mitigation planning. The assessment is analysed alongside context-specific country risk evaluations to support proportionate and risk-based responses. We disengage only when all reasonable avenues for mitigation have been explored and further steps are not feasible. More broadly, we recognise that due diligence is not a one-time exercise but an ongoing process that will continue to evolve as regulatory expectations and supply chain risks develop.



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5.7

Embedding due diligence into supplier relationships and commercial practices

Insights from recent supplier engagement pilots conducted by management consultancy twentyfifty reiterate that due diligence is most effective when approached as an ongoing management process. Across the pilot, all suppliers demonstrated some level of human rights and environmental due diligence (HREDD) activity, although maturity varied depending on internal systems, resources, and exposure to regulatory or customer requirements.

The findings highlight the importance of moving beyond data collection toward more targeted and adaptive engagement. Suppliers were generally aware of key risks within their operations and supply chains, but formalised risk identification and prioritisation processes were not always in place. This demonstrates the need for continued dialogue and clearer guidance to help suppliers translate awareness into structured risk management.

We also conducted supply chain deep dives in two key origin countries: Côte d'Ivoire and Mexico. These supplier deep dives covered coffee, cocoa and cotton supply chains, and suppliers were selected to reflect different categories, including high- and low-leverage relationships, and varying organisational capacity. The objective was to test engagement approaches and gain more detailed insight into risk exposure across supply chains.

In 2026, ECOM will continue refining our due diligence processes to balance comprehensive coverage with a risk-based approach. Enhancements to supplier self-assessment tools will focus on making participation straightforward and accessible. Where elevated risks are identified at country or supply chain level, we will engage suppliers to improve their risk management practices. Additionally, we are planning to do a similar supply chain deep dive in 4 more countries.



Adapted from OECD Due Diligence Guidance for Responsible Business Conduct

Legislation

Regulatory expectations continue to evolve as markets introduce more comprehensive environmental and human rights due diligence requirements. Measures such as the EUDR, the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD), and the EU Forced Labour Regulation (EUFLR) are changing market access expectations and accelerating the need for stronger traceability and due diligence systems.

These developments are driving greater transparency and accountability within the sector, while also encouraging investment in traceability, monitoring, and responsible sourcing practices. For traders, strengthening due diligence capabilities and supply chain visibility is becoming increasingly important to maintaining market access, supporting customer requirements, and ensuring long-term supply chain resilience.

Recent industry discussions, including a 2026 Living Income Due Diligence workshop, highlight that emerging regulations such as the CSDDD are reinforcing expectations for companies to identify and address living income risks across their supply chains. These discussions emphasise a risk-based approach, where companies prioritise the most severe and likely impacts and take action through purchasing practices, stakeholder engagement, and targeted interventions at origin level.

Many of these regulations are ultimately responses to broader systemic environmental and social challenges within global supply chains. While compliance is an important step, achieving meaningful and lasting impact also requires addressing the underlying drivers of these issues at origin. For this reason, ECOM continues to take a broader approach that goes beyond regulatory compliance by investing in long-term partnerships, producer support, and supply chain programmes.

We support regulatory efforts to create a more transparent operating environment across the sector. These developments reinforce the importance of continued investment, collaboration, and capacity building across supply chains to ensure all stakeholders can adapt effectively to evolving requirements. While some regulations have been reduced in scope or delayed, the overall direction of travel remains clear for international companies such as ECOM that operate across multiple geographies. The challenge for us will be determining how to ensure that our approach remains evidence-based, is financially resourced and aligned with the growing body of legislation currently in development or entering into force.

Political and policy context

The political landscape in Europe remains fluid. Recent reports highlight hesitation within the European Commission about advancing the proposed 90% emissions reduction target amid political and economic pressures²⁶. These discussions reflect ongoing tension between climate ambition and political feasibility.

EUDR and deforestation-linked commodities

The EUDR remains a central regulatory development for ECOM's cocoa operations. Following delays, the EUDR is expected to apply from 30 December 2026 for medium and large companies. The EUDR introduces mandatory due diligence requirements to demonstrate that commodities placed on or exported from the EU market are not linked to deforestation or forest degradation. This reinforces the need for farm-level traceability, geospatial data collection and risk assessment systems across origin-sourced and partner-sourced supply chains.

CSRD and CSDDD

The Council has approved Omnibus I amendments affecting CSRD and CSDDD. The Omnibus package introduces several changes that reduce the scope and prescriptiveness of the original regulations. These include a significant narrowing of company coverage, the removal of mandatory climate transition plan requirements, and the introduction of limits on value chain due diligence. Civil liability provisions under CSDDD have also been streamlined.

Despite the reduction in scope and postponement of implementation, these developments reinforce the importance of embedding monitoring, remediation and reporting processes across sourcing models. Maintaining consistency across origin and partner-sourced supply chains remains important to meet evolving regulatory expectations, customer requirements and internal risk management objectives.

EU Forced Labour Regulation

The EU Forced Labour Regulation was adopted in 2024 and is applicable from December 2027. In February 2026, the European Commission launched a public call for evidence to inform those guidelines. The consultation seeks input on acceptable forms of evidence, documentation requirements, due diligence practices and remediation approaches. This signals increased regulatory focus on forced labour risk identification, documentation and remediation mechanisms across product groups.

An expanding liability landscape

In parallel with regulatory reform, private law mechanisms are being used to pursue climate-related and human rights related claims against companies. Recent litigation has relied on attribution science to link corporate emissions contributions to specific climate-related harms²⁷.

Courts have indicated that companies may face liability claims for their proportional contribution, even where that contribution represents a small percentage of global emissions. This reinforces the importance of credible due diligence, traceability and risk mitigation systems as part of overall risk management.

These developments indicate that compliance cannot be treated solely as a reactive exercise. Market access, legal exposure and commercial resilience are increasingly linked to the robustness of traceability, due diligence and monitoring systems.

²⁶ Politico, (2025, July 2). Brussels fiddles on climate target while Europe burns. POLITICO
²⁷ Chan, T., & Setzer, J. (2026, February 26). Bridging science and law for corporate climate accountability. Grantham Research Institute on Climate Change and the Environment, London School of Economics and Political Science.



5.9

Deforestation and land use

KPI: Identify and prevent deforestation, in respect of land that has been degraded or deforested since 2020, with the implementation of strong monitoring, risk assessment, due diligence and remediation processes in all our supply chains by 2025.

Status: In progress

Deforestation remains one of the most significant land-use challenges globally. Forest ecosystems are essential for climate regulation, carbon storage, and biodiversity protection. Their continued loss contributes to rising greenhouse gas emissions, ecosystem degradation, and increasing risks to rural livelihoods and agricultural production systems.

Agricultural commodity production remains a key pressure point for forest ecosystems. Recent analysis of cocoa supply chains indicates that cocoa cultivation is still associated with deforestation risks in much of West and Central Africa. Countries such as Liberia and the Republic of Congo are increasingly identified as emerging frontiers, where production expansion into forested areas presents heightened land-use and environmental risks²⁸.

ECOM has developed robust monitoring, risk assessment, due diligence, and remediation processes to address deforestation risk across its cocoa supply chain, as outlined to the left. However, one of the largest limiting factor at present remains traceability. For all cocoa volumes traceable to farm polygons or GPS coordinates, 100% of farms have been assessed for deforestation risk.

Nevertheless, by the end of 2025, this did not yet cover the entirety of our value chain. We had anticipated that the requirements of the EUDR would help drive the level of traceability needed to achieve this KPI. However, following delays to implementation and the resulting reduction in immediate regulatory pressure, we postponed the commercial requirement for traceability for all cocoa beans in 2025.

Despite the second postponement of the EUDR, we have continued with our commitment to require the submission of geolocation data for assessment through our systems for all cocoa bean volumes entering Europe in 2026, whether as traded beans or for processing in our own factories. While the original target was set for the end of 2025, ECOM will continue working towards achieving full deforestation risk assessment across its cocoa supply chain and the traceability needed to support it. Building this visibility is a critical step towards establishing a company-wide zero-deforestation commitment and supporting compliance with evolving market and regulatory requirements.

Currently, 90% of volumes from our origin-sourced supply chain and 52% of our total cocoa supply chain are covered by direct deforestation monitoring based on traceability to farm level, where farm polygons or GPS coordinates are available. This enables us to assess deforestation risk through geospatial analysis.

In addition, a further 5% of our supply chain is covered through certification schemes, including Fairtrade and Rainforest Alliance, where we did not directly request polygon or GPS data from suppliers. In these cases, deforestation monitoring is conducted through the certification systems rather than directly by us. This means that 57% of our cocoa supply chain was covered by some form of deforestation monitoring in 2025.

To manage risk in the absence of full farm-level data, we have conducted global deforestation risk assessments and jurisdictional risk analyses to provide visibility into the overall level of deforestation risk across our sourcing regions.

Scientific research confirms that measuring and monitoring forest change remains technically complex. A recent comparative study of global forest datasets found significant discrepancies in how forest areas are defined and mapped, with different datasets agreeing on only a small proportion of forest extent globally²⁹. These differences can influence estimates of carbon storage, biodiversity impacts and forest-related poverty indicators, highlighting the need for transparent methodologies and careful interpretation of forest monitoring data.

ERDA

Addressing deforestation risk requires reliable monitoring tools and robust verification systems across supply chains. While no system is perfect, we are proud of the monitoring, risk assessment, due diligence, and remediation processes that have been developed to address deforestation risks within the supply chain. We measure deforestation using our proprietary remote sensing technology, ERDA (ECOM Research Deforestation Analysis). We began developing ERDA in collaboration with a remote sensing expert group at Cranfield University in late 2022, with the primary aim of improving the accuracy of deforestation monitoring within our supply chains.

To create an enhanced remote sensing tool, radar technology was selected to address common limitations associated with publicly available deforestation monitoring methods. Unlike optical satellite imagery, radar data can penetrate cloud cover and forest canopies, allowing for more accurate measurement of underlying woody biomass. By leveraging the fact that crop trees such as cocoa and coffee have significantly lower biomass than forest trees, ERDA can more effectively distinguish between forest removal events and routine farm management practices.

The deforestation risk assessment carried out for each farm measures the area of deforestation within its boundaries since 31 December 2020. Each farm is assigned a risk level according to the following categories:

- **No Risk:** No deforestation since the cut-off date
- **Negligible Risk:** Deforestation of less than 0.1 hectares since the cut-off date
- **High Risk:** Deforestation of greater than 0.1 hectares since the cut-off date

Where ERDA identifies potential deforestation, sourcing is paused and the Deforestation Verification Protocol (DVP) is initiated to validate the result. This two-tiered process helps prevent unnecessary farm exclusions caused by false positives while supporting supply chain continuity and long-term producer relationships.

Deforestation Verification Protocol

The DVP is a standardised Group-wide procedure for verifying automated deforestation risk identified in cocoa and coffee farms. It consists of four stages: two conducted at desktop level, and two carried out at farm level. If negligible risk cannot be established by the conclusion of stage four, the deforestation event is confirmed, and the farm becomes ineligible to supply EU-bound shipments. In these cases, remediation measures may be implemented to reduce the social impact on affected producers. Potential remediation measures include reforestation initiatives or participation in ecosystem service programmes designed to incentivise restoration and sustainable land management.

²⁸ World Wide Fund for Nature. (2025, April 7). *Business-as-usual cocoa is driving a new wave of global forest destruction, warns new WWF report*. WWF.
²⁹ Castle, S. E., Newton, P., Oldekop, J.A., Baylis, K., & Miller, D.C. (2025). Global forest dataset incongruence creates high uncertainties for conservation, climate, and development policy. *One Earth*, Article 101558.



Spotlight

5.10

Industry collaboration

ECOM has contributed to the development of the Active Deforestation Risk Assessment Methodology through participation in the multi-stakeholder process convened by the WCF and technically led by the Alliance Biodiversity International and CIAT.

The methodology was developed through the collective input of 26 companies and over 100 individual taskforce members. Stakeholders included industry representatives, academic institutions, international organisations, compliance service providers, and government authorities from seven cocoa-producing countries responsible for forest and land-use governance. This collaborative process brought together diverse expertise to strengthen sector-wide approaches to deforestation risk assessment and support more harmonised implementation across supply chains.

For cocoa trading, processing, and manufacturing companies, as well as producing country governments, the methodology provides practical guidance on best practices for deforestation-free monitoring. It can be applied whether systems are developed internally or through third-party providers, and sets out key components for robust monitoring approaches. These include guidance on interpreting deforestation risk data, verification requirements, and the actions required as part of due diligence processes.

The methodology offers step-by-step guidance across the core elements of active deforestation risk assessment. This includes plot-level data collection and quality assurance, development of forest baseline definitions, identification of non-negligible deforestation risk, legal zoning analysis, verification procedures, and mitigation protocols for plots assessed as presenting verified risk.

Two overarching principles form the approach. First, while reducing exposure to sourcing from areas with a non-negligible risk of deforestation is essential for compliance and sustainable sourcing, it is equally important to avoid the unintended exclusion of smallholder producers from markets. For this reason, datasets used for risk evaluation must undergo rigorous validation, and verification protocols should be applied before any exclusion decisions are made.

Second, recognising that no mapping system is fully precise, particularly in landscapes where forest and tree crops are difficult to distinguish within complex agroforestry systems, the methodology adopts a convergence of evidence approach. By combining multiple data sources, it improves the robustness, accuracy, and credibility of assessments, enabling a more nuanced understanding of land-use dynamics.

Through our participation in this process, we have supported the development of a practical, science-based framework that strengthens deforestation risk assessment while promoting consistent implementation across the cocoa sector.



Spotlight

5.11

Mapping galamsey risk in Ghana’s cocoa supply chain

Artisanal gold mining, commonly known in Ghana as galamsey, remains a significant challenge in several cocoa-growing regions. The term originates from the phrase “gather and sell”, reflecting the traditional practice of mining gold with basic tools and selling it locally.

For many rural communities, galamsey and cocoa farming represent important sources of income. However, artisanal mining can create environmental and social pressures that affect agricultural landscapes. Surface mining activities often involve clearing vegetation, removing topsoil and diverting waterways. In some areas, mining activity has also contributed to sedimentation and chemical contamination in local water systems.

In cocoa-producing regions, mining activity can also compete with farming for land and labour with some farmers using income from seasonal mining activities to support their farms. It can also contribute to insecurity and corruption in communities. These dynamics illustrate the complexity of the relationship between mining and agricultural livelihoods in rural Ghana.

Assessing exposure across cocoa farms

To better understand how artisanal mining may affect cocoa supply chains, we are analysing the potential exposure of cocoa farms to galamsey activity in Ghana. The project detects areas of galamsey through a change-detection algorithm called IR-MAD. By comparing baseline satellite imagery against more recent imagery, the algorithm identifies major areas with land-use change. To distinguish mining-related deforestation from other forms of land clearing, the analysis further applies to a statistical classification model based on several characteristics associated with artisanal mining patterns, notably the presence of large new bodies of water.

Building a geospatial risk dataset

The updated map of galamsey activity is then combined with ECOM’s cocoa farm geospatial dataset to assess proximity between farms and detected mining sites. For each cocoa farm, the analysis calculates the distance to the nearest detected galamsey location. Farms located within 500 metres of a mining site are classified as potentially exposed to mining-related risks. Using this approach, the analysis evaluated over 100,000 cocoa plots in Ghana. The results provide an initial indication of how galamsey activity may intersect with cocoa production areas.

Risk levels were categorised based on proximity to mining activity:

- **Low risk:** 32.1% of farms
- **Mid-low risk:** 37.5%
- **Medium risk:** 15.9%
- **Mid-high risk:** 5.4%
- **High risk:** 9.1%

In addition, 1.2% of farms were found to intersect directly with identified galamsey areas, highlighting the extent to which illegal mining is encroaching into cocoa-producing landscapes. This finding also illustrates how rapidly land-use changes are occurring within our sourcing regions and the importance of ongoing monitoring to identify and respond to emerging risks.

Validating the approach

To evaluate the accuracy of the methodology, we conducted validity testing using a sample of cocoa farms, cross-checking our results against optical satellite imagery (i.e. Sentinel-2) and high-resolution aerial imagery sources.

Further, our operations team in Ghana has also conducted in-person validation checks of farms detected to be overlapped with galamsey sites. Combining the results of both checks, the model demonstrates a strong precision of 98%, indicating that the system performs well in confirming true mining sites.

Supporting future monitoring

The project has produced several geospatial datasets and analytical outputs, including a national dataset of detected galamsey polygons, a risk dataset for cocoa farms, and visual maps illustrating mining prevalence across cocoa-growing districts.

These tools provide a baseline for monitoring how artisanal mining activity may affect cocoa production areas over time. Future work will focus on refining the detection model, expanding the classification approach through machine learning techniques and improving the integration of additional satellite data sources.



Map of established galamsey (yellow highlight)
Created by (Liang & Werner, 2023) by using mix methods: literature review and satellite imagery inspection

Partnerships and purchasing

KPI: Complete a partnership and purchasing practices map across the cocoa supply chain, identifying risks and opportunities to improve transparency and responsible sourcing practices, to enable us to provide evidence-based insights to our policies by the end of 2028

Status: In progress

Across the cocoa sector there is growing recognition that achieving outcomes depends on actions taken at every stage of the supply chain. Challenges such as farmer income, insecurity, child labour risks, forced labour concerns and deforestation pressures highlight the need for responsible sourcing practices. In this context, strengthening relationships between customers, suppliers and producers is increasingly seen as essential to improving supply chain resilience.

Recent work by NGOs and multi-stakeholder initiatives continues to emphasise responsible purchasing practices as a key element of supply chains. Organisations including the Voice Network, ISCOs, IDH and the Ethical Trading Initiative have developed frameworks and guidance aimed at improving buyer-supplier relationships and aligning procurement practices with objectives.

Although definitions vary, the literature broadly describes responsible procurement as purchasing goods in ways that meet organisational needs while considering social and environmental impacts across the supply chain. Common principles include fair and transparent pricing, shared risk management, accountability and transparency, long-term partnerships, and open dialogue between trading partners. Moving beyond purely transactional relationships towards more strategic partnerships can help companies and suppliers better manage risks.

Mapping supplier relationships

We already map suppliers across segments of our indirect cocoa supply chain. The mapping exercise evaluates a range of parameters that influence supplier capability and commitment, including stakeholder type, geographic origin, and supplier size. It also identifies existing policies, level of engagement with ECOM initiatives, duration of the commercial relationship and levels of dependency within the supply chain.

The analysis draws on several data sources, including the supplier surveys referenced in the human rights and environmental due diligence KPI, purchase data and independent desk-based research on publicly available information on suppliers. By combining these sources, we aim to build a clearer picture of supplier characteristics, engagement levels and potential areas of risk or opportunity.

In addition to identifying potential risk hotspots, the mapping exercise will also highlight examples of effective supplier partnerships and promising procurement models. These insights can help guide the development of future approaches to responsible purchasing and supplier engagement.

Current progress and next steps

As an initial step, we have started testing this approach through pilot interviews with two suppliers in Côte d'Ivoire. These interviews were designed to better understand how suppliers perceive responsible procurement, how they view their commercial relationship with ECOM and what forms of support or collaboration they consider most valuable.

Planned activities include using insights from the pilot interviews to guide further supplier interviews and defining supplier tiers based on risk, engagement and capability indicators. The next stages of the project will focus on refining supplier segmentation to then assign suppliers to categories based on the mapping framework and randomly sample a subset of suppliers from each segment for interviews.

In 2027, the intention is to follow this with a parallel engagement of customers. The findings are intended to support the development of a responsible procurement strategy by the end of 2028.

Through this process, we aim to strengthen our understanding of how purchasing practices influence supply chain outcomes and to identify practical ways to support responsible sourcing across the cocoa sector.



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Building practical sustainability solutions in cocoa supply chains

Emmanuel Baffoe-Bonnie, known within ECOM as “BB”, has nearly two decades of experience across multiple areas of the business, including audit, traceability, operations, and sustainability programme management. He is currently Acting General Manager for SMS Ghana, where he works closely with farmers, customers, and field teams to design and implement sustainability programmes that respond to evolving market expectations as well as operational realities on the ground.

In this interview, BB reflects on the changing sustainability landscape in cocoa, the importance of maintaining strong relationships with farming communities, and the practical challenges of balancing customer priorities, regulatory requirements, and farmer needs. He also shares why, after 18 years with ECOM, the direct impact on communities remains a key driver of his work.



Emmanuel Baffoe-Bonnie

Acting General Manager for SMS Ghana

What are some key lessons you have learnt after all your time at ECOM Ghana?

What has kept me in this work is the impact we see in cocoa-growing communities. When you go to the field, you see the realities first-hand. Many communities lack access to basic human rights such as clean drinking water while in others, children lack access to education and basic learning materials.

When our clients and own programmes begin to make a difference, even in small ways, such as improved access to water or better school conditions, it reinforces the value of what we do. It shows that we are not only implementing programmes but contributing to meaningful change.

One key lesson I have learned is the importance of staying closely connected to the communities we work with and contributing wherever possible. Even in difficult contexts, these experiences remain with you. Seeing tangible improvements in people’s daily lives gives a strong sense of purpose and reinforces the importance of continuing this work.

You have a lot of experience in client programme design. Could you explain how these start and how different teams work together?

The most important thing is to make sure we are aligning three key perspectives: the client, us, and the farmers we work with. We always have to look at what is really happening on the ground, our own sustainability commitments through the Smarter Cocoa Charter, and also the expectations of our partners.

By combining these priorities with a clear understanding of farmers’ needs and client objectives, we are able to design programmes that are both practical to implement and aligned with our broader sustainability commitments.

Usually, the process starts with discussions between ECOM and the client to identify the key priorities for that particular year, based on what we are seeing in the field. For example, if farmers have already received a lot of training and participation is going down, then we adjust our approach. Instead of large group trainings, we may move to more one-on-one coaching to help farmers continue applying the practices.

In the same way, if we identify specific challenges such as illegal mining or child labour in certain communities, we design programmes that directly address these issues through awareness creation, prevention, and remediation activities.

So, in general, we identify the main challenges affecting farmers and then develop them into clear proposals, which we share with clients. If the client agrees and sees value in it, they support us to implement it. In other cases, the client may come to us with their own priorities and funding and then ask us to develop a proposal with activities, approach, and budget to meet those objectives.

In all cases, the focus is to design practical and targeted programmes that respond to the real needs in the field while also meeting client expectations.

Has there been an instance these priorities don’t align?

We typically find that the shared goal is to address the sustainability challenges which address on-the-ground realities. It also helps that our own sustainability strategy, Smarter Cocoa, is broad and commits to supporting farmer livelihoods, protects the environment, and ensuring traceability.

We also take into account the well-being of farmers, workers, and our own staff, making sure that all activities are responsible and sustainable. By considering all of these factors, we are able to ensure that client expectations are met in a way that remains consistent with our global commitments and values.

That sounds very complicated. How do you approach this kind of complexity?

It may sound complex, but this is something we have been doing for many years. With experience, the process becomes more familiar and manageable, so complexity is not as apparent in practice. The important thing is to talk to everybody within the chain and engage with the farmers as well.

Some things are beyond us unfortunately, but we do our best to do things right and leverage our relationships with the farmers.

Could you explain the relationship between ECOM and the farmers we work with, particularly the fact that they are independent and not exclusively tied to the company?

The farmers we work with are independent. While we may refer to them as ECOM farmers, they are not exclusively tied to us and are free to work with or sell their cocoa to other companies. Although we have contracts in place, these do not prevent farmers from selling to different buyers.

This can create challenges, as farmers who do not follow recommended practices may still be able to sell their produce elsewhere. As a result, it can be more difficult to ensure consistent adoption of sustainable practices and long-term engagement.

We continue to develop programmes that aim to foster loyalty. There are many farmers that have been with us for more than 10 years.

How does ECOM address situations where farmers, after receiving support and investment, choose to sell their cocoa to other buyers?

We have a formal sanctioning system in place, with clear procedures that are carefully considered before any action is taken. If a farmer consistently does not meet programme expectations, such as not selling to us over a period of time, we may decide to remove them from the programme. This ensures that our investments are directed toward farmers who are actively engaged and committed.

In your opinion, what factors determine whether a solution is scalable, adaptable and effective overtime?

Projects are scalable when they are widely adopted by farmers and can organically grow. In practice, this means designing initiatives that farmers can easily understand, accept, and implement. The more accessible and relevant a project is to farmers, the more likely it is to be adopted and successfully expanded over time.

An example would be the Village Savings and Loans Associations. In some cases, farmers take full ownership of the initiatives we introduce. They begin adopting and investing in these activities themselves, without further support from us.

In certain communities, this means that programmes continue and expand organically, as farmers replicate them independently.

Based on your years of experience at ECOM Ghana, what are your perspectives on the key priorities that should shape ECOM’s future sustainability strategy?

Our sector is highly dynamic, and conditions can change quickly. Approaches that were effective even two years ago may no longer be relevant today. For example, climate change, policies, shifts in cocoa prices, including reductions in farmgate prices can significantly impact farmers and programme planning, making it more challenging to design and implement initiatives.

Despite this, I believe there are key areas we should continue to prioritise. In particular, there is a growing need to focus on carbon-related initiatives and climate action. In addition, exploring alternative funding sources, such as donor grants alongside client partnerships, will be important to strengthen and sustain our programmes over time.

Is there a particular project you have worked on that you are especially proud of, or is it the smaller, everyday moments of impact that are most meaningful to you?

For me, it is often the smaller projects and everyday moments that are most meaningful, particularly those linked to community development. Also, through coaching and training, farmers are able to improve their yields and share that progress directly with us.

We have also seen farmers take pride in their association with ECOM. One recent example is a national best cocoa farmer who attributed much of his knowledge and success to the support and training he received through our programmes.

Beyond productivity, we see impact in farmers developing additional livelihoods. Many share that, through guidance from field officers, they are now able to generate income during the off-season, support their families, and invest in their children’s education. These kinds of outcomes are a strong reflection of the impact of our work.

5.12

Forced labour mitigation

KPI: Benchmark ECOM's forced labour risk mitigation procedures with the Verité Farm Labor Due Diligence Initiative and develop a roadmap to work towards leadership in each section by 2027

Status: In progress

Forced labour remains a recognised risk across many global agricultural supply chains, making its prevention an important component of responsible sourcing strategies. The ILO defines forced labour as "all work or service which is exacted from any person under the threat of penalty and for which the person has not offered themselves voluntarily"³⁰.

Although reliable data on the prevalence of forced labour in cocoa production remains limited, existing evidence suggests that it occurs at lower levels than other labour-related challenges in the sector. Nevertheless, the potentially severe impacts on affected individuals and communities mean that preventing forced labour remains a critical priority within responsible cocoa sourcing efforts³¹.

Several structural characteristics of cocoa production make labour risks difficult to identify and address. Cocoa is predominantly produced by large numbers of smallholder farmers operating in remote rural areas, where labour arrangements are often informal, seasonal, and reliant on migrant workers. These conditions can limit oversight and complicate monitoring efforts. Research on migrant labour in Ghana's cocoa sector, for example, highlights how informal recruitment practices, the absence of formal contracts, and dependence on intermediaries can increase vulnerability among certain groups of workers³².

Recent field research by Verité and partner institutions in Ghana and Côte d'Ivoire reinforces these concerns. Studies show that recruitment commonly occurs through verbal agreements and informal referrals, while written contracts remain rare. Wages and payment arrangements may be inconsistent or unpredictable, and access to basic labour protections and services is often limited. In Côte d'Ivoire, research suggests that as many as 97% of employment relationships within cocoa production are based on verbal agreements. Such informality can increase workers' exposure to exploitation, particularly among migrant labourers who may have limited access to legal protections or support networks³³.

At the same time, research on global supply chains demonstrates that labour risks are not simply the result of isolated practices at farm level but are shaped by wider structural and systemic conditions³⁴. Poverty, weak labour governance, limited regulatory enforcement, and fragmented supply chains can all contribute to environments in which exploitative practices are more difficult to detect and address.

These challenges underline the need for coordinated approaches to labour risk management involving companies, suppliers, governments, and civil society organisations. Recent analysis by international organisations has also highlighted the growing importance of data sharing, supply chain transparency, and cross-sector collaboration in addressing forced labour risks.

Collective initiatives are increasingly being used to improve visibility into complex supply chains and strengthen systems for risk identification, monitoring, and remediation³⁵. Greater transparency can help expose the information gaps that allow labour abuses to persist, particularly in sectors characterised by informal employment and limited traceability.

We hope to work closely with partners to highlight the information gaps that allow forced labour to persist in supply chains. This includes sharing relevant supply chain information with industry peers where appropriate, while also working with governments to strengthen the policies, institutions, and enforcement mechanisms needed to prevent abuse. Any increase in transparency must be balanced with careful safeguards around data security, confidentiality, and the protection of vulnerable workers and communities.

Benchmarking against the Verité toolkit

To strengthen our approach to labour risk mitigation, we are benchmarking our procedures against the Verité Farm Labor Due Diligence Toolkit, a framework designed to support companies in identifying, preventing and addressing labour risks within agricultural supply chains³⁶.

The toolkit aligns with internationally recognised human rights due diligence standards, including the OECD Due Diligence Guidance for Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights. It provides structured guidance across six key elements of effective due diligence systems:

- Embedding human rights within business management systems
- Assessing human rights risks and harms
- Ceasing, preventing and mitigating risks
- Tracking and improving performance
- Remediating harms
- Reporting on progress

By benchmarking our systems against this framework, we aim to identify areas where our current processes already align with leading practices, as well as areas where additional improvements may be required. The benchmarking exercise will support the development of a roadmap aimed at strengthening ECOM's approach to forced labour risk mitigation across our cocoa supply chains. This work will focus on improving internal governance structures, strengthening risk assessment processes and enhancing monitoring and remediation mechanisms.

The roadmap will also consider opportunities to further strengthen collaboration with suppliers, industry initiatives and civil society organisations working to address labour risks within agricultural sectors.

³⁰ International Labour Organization (ILO). Convention Concerning Forced or Compulsory Labour. Convention No. 29. Adopted June 28, 1930. Entered into force May 1, 1932.

³¹ Walk Free. (2025). Chocolate's hidden ingredient. Walk Free.

³² Recruitment & Labor Dynamics of Migrant Workers in the Cocoa Sector of Ghana - Verité. (2025).

³³ Findings from the field: New research in Ghana and Côte d'Ivoire focused on migrant workers in the cocoa sector - Verité. (2025).

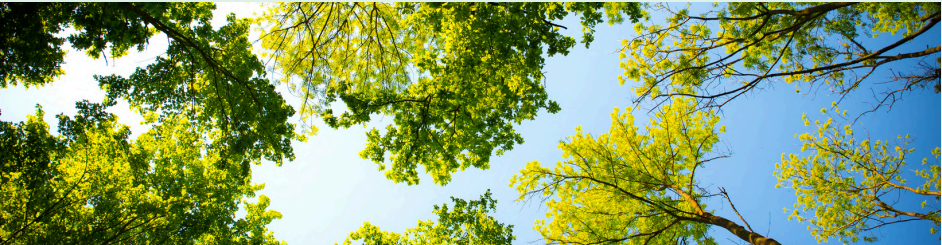
³⁴ Ishaya, B., Paraskevakis, D., Bury, A., & Bryde, D. (2024). Problematizing socially sustainable global supply chains: Theoretical insights, contextual challenges, and the issue of modern slavery. International Studies of Management and Organization, 55(2), 1-28.

³⁵ Harnessing Data and Intelligence for Collective Advantage: Ending Forced Labour in Global Supply Chains. (n.d.).

³⁶ Explore the toolkit - Verité. (2025).



Spotlight



5.13

Informal and formal grievance mechanisms

Informal grievance mechanisms

When speaking to Francis Ahiamatah, ECOM’s Sustainability Programs Manager in Ghana, he pointed out the value and challenges of informal systems. Communities have structures which are informal by nature where they prefer to resolve their grievances. These include the chief, elders, key opinion leaders, clergy, family and clan heads.

Most of these communities are closely related, and many members are connected by family ties. Issues are often resolved within these networks and escalated to higher community structures when needed. In Ghana, the chieftaincy institution is a constitutionally protected governance structure with defined roles in arbitration, customary law and community leadership. In practice, ECOM-related grievances are often raised and addressed through group meetings and community leadership structures. This contributes to low or sometimes zero formally recorded grievances in reporting.

Formal grievance mechanisms

The **Speak Up** mechanism exists to provide employees, contractors, and other stakeholders with a safe and structured way to raise concerns about misconduct, unethical behaviour, or violations of company policy. Its purpose is to ensure that issues such as harassment, discrimination, corruption, or safety risks are surfaced early and addressed appropriately, rather than being ignored or suppressed.

A third-party reporting Speak-Up platform was launched in December 2023. It is accessible 24/7 in over 70 languages via web, app or phone to employees, suppliers, customers and third parties and enables anonymous reporting. All submitted grievances are investigated by the relevant team (typically Group Legal or HR) and outcomes are monitored. ECOM strictly prohibits retaliation. The Speak Up platform is promoted through posters, HR training, and Anti-Bribery and Corruption trainings.

Safeguards are central to the system. Confidentiality is maintained to protect the identity of the reporter, and strong non-retaliation policies are enforced so that individuals feel secure in coming forward.

Having a formal grievance mechanism alongside informal channels like open-door policies and team discussions is important because it provides a reliable, documented process that ensures accountability and transparency. Recent trends show companies using Speak Up data to identify systemic issues, improve workplace culture, and strengthen governance. Ultimately, the mechanism supports broader sustainability and human rights commitments by embedding respect, integrity, and accountability into daily operations.



5.14

Developing due diligence systems for forced labour risk in Cameroon

Efforts to address forced labour risks in agricultural supply chains are increasingly influenced by new regulatory expectations around supply chain transparency and due diligence. In the cocoa sector, these challenges are particularly complex due to smallholder production systems, informal labour arrangements, and limited visibility into labour conditions in rural areas.

To explore practical responses to these challenges, we participated in a research and partnership initiative focused on developing a due diligence system for cocoa exporters sourcing from Cameroon. The project examined whether a locally adapted approach could help companies identify, monitor, and address potential forced labour risks within informal smallholder supply chains.

Cameroon’s cocoa sector presents opportunities and challenges for responsible sourcing. Compared with other major cocoa-producing countries, the sector is less structured and continues to expand rapidly, while supply chains remain fragmented and labour monitoring can be difficult. Emerging European regulations, including the CSDDD and proposed EUFLR, are increasing expectations for companies to demonstrate how labour risks are identified and managed.

The project combined legal analysis, expert interviews, stakeholder engagement, and field visits to assess how a due diligence system could operate in this context. This included reviewing international frameworks such as the UN Guiding Principles on Business and Human Rights and OECD due diligence guidance, alongside consultations with labour experts and cocoa sector stakeholders in Cameroon. The project team conducted interviews with international experts on forced labour and labour rights, alongside discussions with stakeholders familiar with Cameroon’s cocoa sector. These insights helped assess the potential feasibility of implementing a due diligence system within the local supply chain context.

Based on these findings, the project explored the development of a public-private partnership model combining supply chain monitoring, stakeholder collaboration, and data-sharing mechanisms to improve the identification and management of forced labour risks. The initiative also served as a practical case study for how international due diligence principles can be applied within informal agricultural supply chains, helping inform ECOM’s broader approach to supplier due diligence and emerging regulatory requirements.

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Appendix



Glossary of terms

Term	Definition
Agroforestry	Agroforestry is a land management system that intentionally integrates trees or shrubs with agricultural crops and/or livestock to improve farm productivity, diversify income, enhance resilience, and deliver environmental benefits such as improved soil health, biodiversity, carbon sequestration, and water management.
Agroforestry plan	An agroforestry plan is a producer-specific plan developed through a participatory process and agreed with the producer. The plan is based on an assessment of the producer's needs, interests, capacities, and farm conditions, and is designed to maximise three outcomes: productivity, economic viability, and environmental benefits. Where appropriate, a landscape-level assessment may be used instead of individual farm assessments, provided it is adapted to the circumstances of each producer during implementation. The plan should include: • The producer's production goals, income objectives, interests, ambitions, and capacity to adopt agroforestry. • An assessment of the farm, including soil, climate, size, current crop and tree density, yields, and profitability. • Recommended tree species, planting design and density, implementation timeline, labour requirements, and financial investment needed to achieve the intended productivity, economic, and environmental outcomes. • The technical assistance, coaching, inputs, and financial support the producer will require to successfully implement the plan. • Relevant market information demonstrating demand for, and access to markets for, the agroforestry products identified in the plan.
Carbon reduction roadmap	The purposeful reduction of a carbon footprint through the scientific analysis of a supply chain, mapped out through a comprehensive, long-term plan.
Certified cocoa	Cocoa that has been certified under recognized sustainability standards such as Rainforest Alliance, Fairtrade, or Organic certification schemes.
Child protection and the prioritisation of education training	Informal or non-formal education based on a curriculum and delivered to producers using best practice methods for adult learning. It is focused on increasing knowledge, understanding and skills. It can be delivered one-on-one or in groups and can be continual or a one-off. The training curriculum includes all four core topics as per industry standards: • What is child labour? • What types of work are children allowed/not allowed to do? • What activities are hazardous? • What are the associated risks?
Climate resilience	The ability of a household, community, agricultural system, or landscape to anticipate, withstand, adapt to, and recover from the impacts of climate change and climate-related shocks. In the context of cocoa farming, climate resilience is strengthened through both on-farm and landscape-level interventions. These may include agroforestry, soil and water conservation, climate-resilient planting materials, nearby forest protection or ecosystem restoration.
Climate-smart agriculture (CSA) training	An approach to agricultural production that aims to increase farm productivity and profitability, strengthen farmers' resilience to climate change, and reduce greenhouse gas emissions where possible. CSA is a set of context-specific interventions that vary according to local climate risks, farming systems, and farmer capacity. Examples include agroforestry, soil and water conservation, climate-resilient planting materials, and improved farm management practices. ECOM is working to further refine its definition and measurement of CSA using Green Meter data to better assess outcomes related to productivity, resilience, and emissions reduction.
Conventional cocoa	Cocoa produced using standard agricultural practices, which may include the use of synthetic fertilizers, pesticides, and non-organic farming methods. Cocoa produced under conventional systems is generally traceable only to the country of origin.

Glossary of terms continued

Term	Definition
Counterparty	The legal entity or individual on the opposite side of a financial transaction or contractual agreement, with whom financial or contractual risk may be associated.
Direct origin-sourced supply chains	Cocoa beans purchased directly by an ECOM-managed operation in the sourcing country from farmers, farmer groups, cooperatives, or other early points of purchase within a sourcing country. ECOM maintains direct access to traceability information for these supply chains. While the majority of direct origin-sourced cocoa is sourced through sustainability programmes, participation is not a requirement provided traceability is in place. In 2025, ECOM's direct origin-sourced cocoa supply chain operated in Cameroon, Côte d'Ivoire, Ecuador, Ghana, Mexico, Nigeria, Peru, and Uganda.
ECOM Group	ECOM Agroindustrial Corp. Limited, a company headquartered in Switzerland, together with its global operations, including the Cocoa division and all other commodities and operations (e.g. coffee, cotton, etc.).
Economic resilience	The ability of a household, community, or economic system to withstand, adapt to, and recover from economic shocks and stresses while maintaining or improving livelihoods. In the context of cocoa farming, economic resilience is often strengthened through increased cocoa productivity and profitability, improved market access, and diversified income sources that reduce dependence on a single crop or revenue stream.
Environmental, social and governance (ESG)	A company's policies, practices, impacts, and performance related to environmental stewardship, social responsibility, and corporate governance. ESG considerations aim to minimize negative impacts while enhancing positive outcomes, both in operational terms and from a reputational perspective.
EU Deforestation Regulation (EUDR)	The European Union Deforestation Regulation (Regulation EU 2023/1115). It is a landmark European law requiring companies to prove that key agricultural and forestry products sold or exported from the EU do not come from recently deforested lands.
Good Agricultural Practices (GAP)	A set of farm management practices designed to improve cocoa productivity, quality, and profitability while promoting sustainable production. GAP typically includes activities such as pruning, pest and disease management, weed control, shade management, harvesting, and post-harvest handling. These practices help maintain healthy cocoa farms, improve yields and bean quality, and provide the foundation for long-term farm performance and resilience.
Implement	Can be carried out directly by the organisation itself or its suppliers, or indirectly by building capacity among local communities or by supporting local public actors.
Income diversification programmes	Initiatives designed to increase the proportion of household income derived from sources other than cocoa production. These programmes aim to strengthen livelihoods and reduce farmers' dependence on a single crop by promoting alternative income-generating activities.
Indirect origin-sourced supply chain	Cocoa beans purchased by an ECOM-managed operation in a sourcing country through intermediaries, exporters, farmer organisations, or other early aggregation points rather than directly from producing farmers. While the cocoa enters ECOM's origin-sourced supply chain, ECOM may not maintain a direct commercial relationship with the producing farmers, and farm-level traceability information is not available. Although such information may exist, it is not managed or controlled by ECOM.
Net zero	Achieving a balance between the greenhouse gas emissions produced and the emissions removed from the atmosphere, with the goal of limiting global warming and reducing the impacts of climate change.

Glossary of terms continued

Term	Definition
Origin-sourced supply chain	All cocoa beans purchased through an ECOM-managed operation in a sourcing country, regardless of whether the cocoa is sourced under a sustainability programme. This includes both direct and indirect sourcing channels. In 2025, ECOM's cocoa origin-sourced supply chain comprised operations in Cameroon, Colombia, Côte d'Ivoire, Ecuador, Ghana, Mexico, Nigeria, Peru, Uganda, and Vietnam.
Partner-sourced supply chain	Cocoa sourced through external supply chain partners rather than through ECOM-managed origin operations. Typically purchased through ECOM's global trade desks, this category includes conventional, certified, and verified cocoa sourced from third-party suppliers. Relationships range from transactional commercial arrangements to long-term strategic partnerships, with some partners also collaborating with ECOM on sustainability activities, traceability, monitoring, and supply chain development initiatives.
Responsible practices and trade	The proactive and deliberate implementation of business practices and supply chain operations that avoid causing significant negative impacts on people, communities, or the environment.
Sustainable cocoa	Cocoa produced on farms that participate in interventions or investments aimed at improving economic, social, and environmental sustainability. These interventions may support farmer livelihoods and income generation, promote living income objectives, encourage social sustainability, and contribute to climate and environmental goals such as reducing deforestation, promoting agroforestry, climate-smart agriculture, and regenerative farming practices. Sustainable cocoa must be verified by an independent third party and include traceability mechanisms. While it does not include Organic certification, it may include certification schemes such as Rainforest Alliance and Fairtrade, as well as other third-party verified sustainability programmes.
Traceability	The ability to follow the physical movement of cocoa through specified stages of production, processing, and distribution. Traceability systems provide visibility into the origin and movement of cocoa within the supply chain and can operate at different levels of granularity, including farmer or community (first aggregation point).
Traceability to community (first aggregation point)	A traceable supply chain in which cocoa can be linked to the first aggregation point where cocoa transfers from the farmer's control to another supply chain actor and is typically mixed with cocoa from other producers. This location is usually identified through GPS coordinates and may include buying stations, cooperative sections, farmer groups, Purchasing Clerk Sheds (Ghana), traitants, pisteurs, intermediaries, or other local purchasing points.
Traceability to farm(er)	A traceable supply chain in which cocoa can be linked to individual producing farmers through unique farmer identifiers and farm location data. Farm locations are typically recorded as GPS points or polygons and linked to the first point of purchase within the supply chain. We include over declaring within definitions of traceability to farmer for our partner-sourced supply chain. Over declaring is the practice of associating a larger number of farmers and farms with a supply chain than is strictly required to account for the volume of cocoa purchased. This is commonly used in traceability systems to manage uncertainty in sourcing patterns, seasonal fluctuations, and producer participation. As a result, traceable supply chain datasets may include more farmers or land area than would be required to produce the reported cocoa volumes, meaning that inclusion in a traceability system does not necessarily indicate that cocoa from a specific farmer or farm was included in a particular shipment.



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