



Template for DISCO action plans

Subsectors 'Traders & Processors' and 'Manufacturers & Brands'

Instructions

To gather more quantitative insights in what individual signatories are contributing to the DISCO goals in the upcoming years and how the partnership is progressing jointly, the Steering Committee agreed that all signatories will develop and publish individual action plans. These action plans show how they are contributing to the DISCO goals in the upcoming 3 years (until end 2026), and:

- are based on the commitments from the [DISCO declaration](#);
- have a strong link with the indicators from the ISCO Reporting Framework;
- explain how the principles on procurement practices as laid down in the DISCO procurement practices position paper, are being implemented by DISCO signatories.

You are asked to fill below template and submit it by **30 June 2024 the latest** to the DISCO Secretariat: Mark de Waard, dewaard@idhtrade.org and Lisa Graepel, graepel@idhtrade.org.

After submission and review by the DISCO Secretariat, all DISCO action plans will be published on the DISCO website. The DISCO Secretariat will analyse and summarise the action plans. The outcomes of this analysis will be shared and discussed during the annual General Assembly at the end of 2024.

For more guidance on defining the actions around the three impact themes, it is recommended to consult the DISCO Roadmaps on [living income](#), [deforestation and forest degradation](#), and [child labour](#). For more information on the quantitative targets, the definitions and usage of the indicators, please consult the [ISCO Reporting Framework](#).

All action plans will cover the period 2024-2026. The quantitative targets track progress cumulatively until the end of 2026, including what's already been achieved. Progressive targets with intermediate milestones could also be included. It is also requested to give a brief qualitative description. Where needed, references to a more comprehensive description of the strategy could be included.

General information

Export Trading Group (ETG)
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Plans on DISCO ambitions to enable living incomes

Living income gap measurement

Describe in max. 200 words what your organizations' plans are to measure income gaps throughout your supply chain, and describe the methodology, including which living income benchmark will be used for measurement of the income gaps¹.

¹ Recommended methodology: [LICOP's Guidance Manual on Calculating and Visualizing the income gap to a Living Income Benchmark](#)

Living Income Benchmarks

As Living Income benchmarks, we strive to use or develop as much as possible benchmarks that are specific to the region and target population. Following the Anker methodology, we have designed a questionnaire in collaboration with the Royal Tropical Institute (KIT), which calculates the living income benchmark based on the costs of the following four categories:

- Cost of food
- Cost of housing
- Cost of non-food non-housing (NFNH) items, including:
 - Healthcare costs
 - Education costs
 - Goods and services costs like clothing and footwear, furniture, transportation, and communication.
- Unforeseen costs resulting from events such as droughts, crop failure, long-term illness, death

We are also engaged in countries where less research on this topic has been carried out to identify the best LI benchmark. In collaboration with KIT and Oxfam Novib, we conducted a comparative review of living wage and income benchmarks in Togo. This was done through the Midjo project, co-funded by the FBK fund of RVO.

Beyond Beans is thus also supporting research to make progress in the benchmarks to be used. These benchmarks go beyond mere survival, advocating for a quality of life that allows for savings, security, and participation in societal activities. They serve as critical tools in addressing issues of poverty, inequality, and sustainable development by promoting fair labour practices and guiding policy decisions in corporate social responsibility (CSR) initiatives that ETG is engaged to better.

Living Income Gaps

Our current LI gap calculations include detailed sample studies of the LI gap in sourcing countries (and regions): Ivory Coast, Ghana, and Togo, together with KIT, IDH and Agri-Logic (Farmer Field Book).

Detailed sample studies will be expanded in several origins in collaboration with KIT.

In addition, we continue our work on developing reliable proxy indicators that can be collected at larger scale. We endorse partnerships with different traders/processors to collaborate and make such data collection scalable, uniform and more cost effective.

Substantiate this by setting a quantitative target on the following indicator:

Total # and % of farming households in supply chain for which a living income gap is measured:

By the end of 2024	# 1,000 of farming households	2 % of farming households
By the end of 2025	# 10,000 of farming households	13 % of farming households
By the end of 2026	# 35,000 of farming households	39 % of farming households

Living income strategy implementation

Describe in max. 300 words what your organizations' plans are:

- to implement living income strategies (according to the ISCO definition²) throughout your supply chain;
- what that strategy entails and how the multiple income drivers around land size, yield, price, cost of production and diversified incomes are addressed;
- the expected impact around living income gap closure for households (households that closed the gap and those moving towards closing the gap).

² See [ISCO Reporting Framework](#), p. 38

Our living income strategy focuses on supporting and implementing programs that address income drivers and puts the household, and not only the farmer, at the forefront. Reaching a Living Income requires action at multiple variables – this is why our strategy always focuses on a smart mix of interventions to enable households earn a Living Income from multiple sources.

The Enroute project (2022-2024) is built on existing research and policy work, where we do field innovations with 600 households. The project tests different approaches – traditional farmer services (GAP, pruning, VSLA set up, GALS training) versus in-cash mechanisms. Neither farmer services nor higher price mechanisms will close the Living Income gap on their own, rather both areas require and deserve attention, and a combination of the two approaches is likely to lead to maximum impact.

Other programs such as the Income Accelerator programs (in collaboration with Nestlé, Hershey) also focus on households first, and have a smart mix approach to tackle the living income gap, but also child labor and deforestation. The projects focus on tackling these issues through activity support but also cash transfers. The essence of the programs is to tackle poverty related issues by incentivizing and supporting change in the cocoa farming households – on farm and community level. Cash transfers are also seen as tools that can support a behavioral change for the well-being of the households.

All of these programs are strongly monitored in order to determine what the best approaches are close the living income gap. The ambition is that through income drivers such as increased productivity through adoption of improved pruning, a higher price (getting a premium) and the cash transfer (cf. incentive), in addition to a support to diversify incomes of households with VSLA set up and Gender Action Learning System, households will reach the living income benchmark.

Lastly, we focus on diversifying income for cocoa farmers by turning waste into value. One initiative is the production of cocoa juice from the fruit pulp, offering farmers an additional revenue source beyond cocoa beans. Additionally, by converting cocoa pod waste into biochar, we aim at soil health improvement and boost productivity, further increasing farmers' earnings. These innovations support our commitment to sustainable agriculture and closing the income gap for cocoa farming households through diverse, resilient income sources.

Substantiate this by setting a quantitative target on the following indicator:

Total # and % of farming households in supply chain for which a living income strategy is implemented:

By the end of 2024	# 10,700 of farming households	16 % of farming households
By the end of 2025	# 13,100 of farming households	16 % of farming households
By the end of 2026	# 27,000 of farming households	30 % of farming households

Procurement practices

Describe in max. 200 words what your organizations' plans are to change procurement practices, based on the three agreed principles in the DISCO Procurement Practices Position Paper³ (please comment on each principle):

- Farmers are adequately remunerated so that sustainable cocoa farming can be profitable and enable them to earn a living income.
- Farmers and farmer groups are reliably and promptly paid for the cocoa beans supplied.
- Farmers and farmer groups have assurances from their off-takers in the form of longer term agreements for the supply of sustainable cocoa in the years to come.

³ See DISCO [Procurement Practices Position Paper](#)

Annually ETG | BB focuses on increasing the certified sales linked with additional sustainability activities. By increasing certified sales it means that we establish a direct supply chain and sign contracts with cooperatives, LBCs and suppliers. Since 2023 we sign detailed agreements with the cooperatives/LBCs/suppliers outlining particular volumes for that season and roles and responsibilities for the collaboration. Although in the agreement it is outlined that volumes and premiums can change year to year, the intention is that we have a long term partnership. These partnerships cover a minimum of 70% of farming households in our supply chains.

Additionally we agree with our clients and suppliers to increase the digital payment of premiums to improve transparency during payment of premiums. We also implemented digital traceability with our entire supply chain to ensure compliance with EUDR, timely payment and adequate payment of premiums and to monitor delivery of cocoa beans.

As mentioned previously we design and implement programs to improve the LI for our farmers by unconditional and conditional payments, crop diversification and other Income Generating Activities but also looking at (green) fertilisation, farm rehabilitation, extension services (Cocoaching) and labour services to increase the yields of the farmers.

The qualitative targets below are in line with our Living Income Strategy targets, since this is the principle with the smallest coverage. The other two principles (reliable and prompt payments, long-term agreements) cover a much larger share of our supply chains.

Substantiate this by setting a quantitative target on the following indicator:

Total # and % of farming households in supply chain for which the procurement practices are adapted in line with the principles from the DISCO Procurement Practices Position Paper:

By the end of 2024	# 10,700 of farming households	16 % of farming households
By the end of 2025	# 13,100 of farming households	16 % of farming households
By the end of 2026	# 27,000 of farming households	30 % of farming households

Plans on DISCO ambitions to end deforestation and forest degradation

Traceability

Describe in max. 200 words what your organizations' plans are to source traceable up to the farm level.

To guarantee total transparency on the origin of its cocoa beans, ETG | Beyond Beans uses a digital solution, Mergdata, to track each batch of cocoa in real time, from the first aggregator to its export. To facilitate the adoption of this new technology, ETG | Beyond Beans has set up comprehensive training programmes adapted to each stakeholder in the supply chain, covering traceability issues, the European Due Diligence Regulation (EUDR), as well as data collection methods (paper and digital).

See further description of our traceability system under "deforestation-free sourcing".

Substantiate this by setting a quantitative target on the following indicator:

Volume in MT-BE and % sourced per traceability level by the end of 2024.

Origin unknown	0 MT-BE	0%
Country known	6500 MT-BE	10%
Cooperative known	6500 MT-BE	10%
Farm known and having at least one coordination per farm (farm mapping) / Farm known, having point coordinates and /or polygons for plots less than 4ha and polygon boundaries of the plots bigger than 4ha.	52,000 MT-BE	80%

Volume in MT-BE and % sourced per traceability level by the end of 2025.

Origin unknown	0 MT-BE	0%
Country known	8000 MT-BE	10%
Cooperative known	5600 MT-BE	7%
Farm known and having at least one coordination per farm (farm mapping) / Farm known, having point coordinates and /or polygons for plots less than 4ha and polygon boundaries of the plots bigger than 4ha.	66,400 MT-BE	83%

Volume in MT-BE and % sourced per traceability level by the end of 2026.

Origin unknown	0 MT-BE	0%
Country known	9000 MT-BE	10%
Cooperative known	2700 MT-BE	3%
Farm known and having at least one coordination per farm (farm mapping) / Farm known, having point coordinates and /or polygons for plots less than 4ha and polygon boundaries of the plots bigger than 4ha.	78,300 MT-BE	87%

Signing national initiatives aiming to end cocoa related deforestation in sourcing countries

Describe in max. 300 words what your organizations' plans are to sign and adhere to the national initiatives aiming to end cocoa related deforestation (e.g. Cocoa & Forests Initiative) in the countries you source from by indicating:

- Which national initiatives your organization already signed and are planning to sign
- Beyond deforestation free initiatives, what is your organization doing to contribute to protecting forests and restoring natural forests degraded by cocoa production, especially around:
 - (HCV/HCS) mapping;
 - Monitoring forest remnants;
 - Establishment of cocoa agroforestry systems;
 - Restoration of natural forests that have been degraded by cocoa.

Commented [LG1]: [Remi van Balen | Beyond Beans](#) could you update where needed/possible?

Beyond Beans is implementing various interventions and projects aimed at protecting and restoring natural ecosystems. These projects are implemented in partnerships with local governments, NGOs, companies and research institutes, allowing for high level stakeholder engagement and knowledge exchange.

Our interventions and projects focus on establishment of cocoa agroforestry systems, reforestation and awareness raising. We continuously improve these interventions and extend these practices to new sourcing areas with our clients. Improvements are made to adapt interventions with learnings from the sectors' collaboration groups, key knowledge institutes, internal learning and impact analysis and smarter use of geospatial data.

Examples are targeted reforestation where landscape effects are maximized (corridors, buffers to/between HCV/HCS areas), including, and expanding payment for ecosystem services (PES) models to agroforestry establishment, and informed shade tree selection to maximize positive effects on cocoa and biodiversity on farm.

Other examples how we work on these topics are:

- Since 2022, we worked the restoration of Galamsey mining sites in Ghana.
- We are establishing Dynamic Agroforestry (DAF) plots in Ghana to explore the future vision for a cocoa sector that is part of the solution.
- We trial biochar production by smallholder farmers to reduce reliance chemical fertilizers and increase soil fertility and carbon storage.
- We are distributing clean cookstoves in Côte d'Ivoire to reduce forest clearing for fuel purposes.
- In partnership with a consortium of universities (ETH Zurich, Cambridge University and Oxford University) we are contributing to research about adoption of agroforestry, [shade tree selection](#) and [landscape effects](#).
- Next to research we plant over 500,000 trees per year on and off farm.

Substantiate this by setting a quantitative target on the following indicator:

National initiatives aiming to end cocoa related deforestation signed.

	Sourcing from Ghana and signed CFI Côte d'Ivoire	Sourcing from Ghana and signed CFI Ghana	Sourcing from Cameroon and signed RDFC Cameroon	Sourcing from Colombia and signed CB&P Colombia
By the end of 2024	Signed	Signed	Not sourcing from Cameroon	Not sourcing from Colombia
By the end of 2025	Signed	Signed	Signed	Not sourcing from Colombia
By the end of 2026	Signed	Signed	Signed	Not sourcing from Colombia

Deforestation-free sourcing

Describe in max. 200 words what your organizations' plans are to source deforestation-free⁴.

⁴ See [ISCO Reporting Framework](#), p. 37

To ensure transparency and prevent the risks of infiltration by unknown cocoa beans in our supply chain, we are implementing rigorous controls at every stage, both before the cocoa season and during the season.

To join our supply chain, a farmer and their Farmer group must meet the following criteria:

- **Complete, up-to-date agricultural data:** Each farmer's socio-economic profile and polygon maps of all their plots are available and up to date.
- **Deforestation risk assessment:** Based on the polygons and the farmer registry, a deforestation risk assessment must attest to the absence of deforestation since December 31, 2020. Meridia will be used to certify that farmers comply with regulations.
- **Limitation of volumes delivered:** Maximum delivery thresholds are defined for each season, per cooperative and per farmer.
- **Signing a contract and commitments**

During the season, for cocoa to enter our supply chain, it must meet the following criteria:

- **Certified origin:** From a farmer approved in advance of the season
- **Full digital traceability:** Its physical flow from the farm to the client must be fully tracked and recorded on our MERGDATA digital tool
- **Compliance with delivery thresholds:** It must not come from a farmer or farmer groups that has exceeded authorised delivery limits.
- **No mixing:** It must not be mixed with any beans that do not comply with EUDR standards or other current programmes.

Our digital traceability system enables effective control measures to be taken in real time if any of these criteria are not met.

Substantiate this by setting a quantitative target on the following indicator:

Volumes in MT-BE and % sourced that can be claimed as deforestation-free differentiated per cut-off date (please indicate the latest date).

By the end of 2024	52,000 MT-BE sourced claimed deforestation-free per 31 Dec 2020	80% sourced claimed deforestation-free per 31 Dec 2020
By the end of 2025	66,400 MT-BE sourced claimed deforestation-free per 31 Dec 2020	83% sourced claimed deforestation-free per 31 Dec 2020
By the end of 2026	78,300 MT-BE sourced claimed deforestation-free per 31 Dec 2020	87% sourced claimed deforestation-free per 31 Dec 2020

Plans on DISCO ambitions to end child labour

Child labour Monitoring and Remediation System (CLMRS) or equivalent system roll out

Describe in max. 200 words what your organizations' plans are to roll out Child labour Monitoring and Remediation System (CLMRS) or equivalent system throughout your supply chain.

Our approach to tackle child labour in our supply chains is multifaceted:

1. We implement CLMRS, embedded in our supply chain at the community level and integrated into cocoa traceability systems, coupled with comprehensive intervention packages tailored to different households to combat child labour by addressing root causes.
2. Aligned with our CLMRS approach, we will intensify efforts in 2025 to eradicate child labour by addressing its root causes. Through initiatives like VSLA CHILD/GALS, we increase farmers' access to microcredit, improve savings culture, and diversify income sources, helping alleviate the economic pressure that often lead to child labour. We also promote gender equity, empowering women to boost household incomes, further reducing the need for child labour. Furthermore, we will start digitizing VSLAs, and link them with financial institutions, thereby building economic resilience and ensure child labour is no longer a necessity for farming households.
3. We aim to improve our collaboration with local governments and work more closely with e.g. social services in the communities where we are active. We keep on participating in the CLEF and ELAN initiatives in Côte d'Ivoire as well as other multistakeholder initiatives where we can contribute.

Substantiate this by setting a quantitative target on the following indicator:

Total # and % of farming households in supply chain that are covered by a Child Labour Monitoring and Remediation System (CLMRS) or equivalent system:

By the end of 2024	# 45,000 of farming households	69 % of farming households
By the end of 2025	# 60,000 of farming households	75 % of farming households
By the end of 2026	# 80,000 of farming households	89 % of farming households