

Template for DISCO action plans

Subsectors 'Retailers' and 'Smaller Manufacturers'

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 <u>30 June 2024 the latest</u> to the DISCO Secretariat: Mark de Waard, <u>dewaard@idhtrade.org</u> and Lisa Graepel, <u>graepel@idhtrade.org</u>.

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 <u>living income</u>, <u>deforestation and forest degradation</u>, and <u>child labour</u>. 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

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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: <u>LICOP's Guidance Manual on Calculating and Visualizing the income gap to a Living Income Benchmark</u>

Our strategy to support DISCO's living income goals is by sourcing Tony's Open Chain chocolate, which tracks the gap between actual incomes and the living income benchmark in Côte d'Ivoire and Ghana using a multidimensional poverty index (see the Tony's Open Chain Impact Report for details).

We currently source private label chocolate bars, letters, and Christmas wreath cookies through Tony's Open Chain, with plans to expand across more private label products. We also aim to repurpose cacao by-products into other products. For all other chocolate, we require either Rainforest Alliance or Fairtrade certification, both offering a Living Income module.

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

Total volumes in MT-BE² and % sourced for which a living income gap is measured:

By the end of 2024	810 MT-BE sourced	17 % in supply chain
By the end of 2025	835 MT-BE sourced	17,5 % in supply chain
By the end of 2026	860 MT-BE sourced	18 % in supply chain

Living income strategy implementation

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

- to implement living income strategies (according to the ISCO definition³) 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).

Our strategy to support DISCO's living income goals is by sourcing Tony's Open Chain chocolate, which measures the gap between actual incomes and the living income benchmark in Côte d'Ivoire and Ghana (see Tony's Open Chain Impact Report for details).

We currently source private label chocolate bars, letters, and Christmas wreath cookies through Tony's Open Chain, with plans to expand across more private label products. For all other chocolate, we require either Rainforest Alliance or Fairtrade certification, both offering a Living Income module.

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

Total volumes in MT-BE and % sourced for which a living income strategy is implemented:

By the end of 2024	810 MT-BE sourced	17 % in supply chain
By the end of 2025	835 MT-BE sourced	17,5 % in supply chain
By the end of 2026	860 MT-BE sourced	18 % in supply chain

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 Paper⁴ (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.

² Metric Ton Bean Equivalent. Methodology to calculate MT-BE in <u>ISCO Reporting Framework</u>, p. 39

³ See <u>ISCO Reporting Framework</u>, p. 38

⁴ See

• 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.

Our strategy to support DISCO's living income goals is by sourcing Tony's Open Chain chocolate, which ensures fair remuneration and long-term agreements. To promote clarity on procurement practices, we actively contributed to writing the DISCO Procurement Practices Position Paper, ensuring a shared understanding across all parties.

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

Total volumes in MT-BE and % sourced for which the procurement practices are adapted in line with the principles from the DISCO Procurement Practices Position Paper:

By the end of 2024	<> MT-BE sourced	<> % in supply chain
By the end of 2025	<> MT-BE sourced	<> % in supply chain
By the end of 2026	<> MT-BE sourced	<> % in supply chain

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.

As mentioned, we require Rainforest Alliance or Fairtrade as a minimum, both of which include traceability in their certification standards. The Tony's Open Chain model also ensures traceability, with 100% of the farms GPS-mapped.

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

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

Origin unknown	191 MT-BE	4 %
Country known	4596 MT-BE	96 %
Cooperative known	0 MT-BE	0 %
Farm known and having at least	4596 MT-BE	96 %
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.		

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

Origin unknown	0 MT-BE	0 %
Country known	4777 MT-BE	100 %
Cooperative known	0 MT-BE	0 %
Farm known and having at least	4777 MT-BE	100 %
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.		

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

Origin unknown	0 MT-BE	0 %
Country known	4777 MT-BE	100 %
Cooperative known	0 MT-BE	0 %

Farm known and having at least	4777 MT-BE	100 %
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.		

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

Describe in max. 200 words what your organizations' plans are to source from suppliers that have signed and adhered to the national initiatives aiming to end cocoa related deforestation (e.g. Cocoa & Forests Initiative) in the countries you source from.

We require Rainforest Alliance and Fairtrade certification and use Tony's Open Chain for part of our volume, with plans to expand. Achieving DISCO standards depends on certification schemes meeting clear benchmarks, so our goals will adjust based on their progress.

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

Volumes in MT-BE and % sourced from a supplier that signed all national initiatives aiming to end cocoa related deforestation that the supplier sources from.

By the end of 2024	0 MT-BE sourced	0 % in supply chain
By the end of 2025	<> MT-BE sourced	<> % in supply chain
By the end of 2026	<> MT-BE sourced	<> % in supply chain

Deforestation-free sourcing

Describe in max. 200 words what your organizations' plans are to source deforestation-free⁵.

We require Rainforest Alliance and Fairtrade certification as a baseline, and we participate in Tony's Open Chain for part of our volume, with plans to expand further.

All standards include deforestation-free sourcing. In line with the EUDR, all chocolate must be deforestation-free by the end of 2024, or by 2025 if the EUDR is postponed.

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	4596 MT-BE sourced claimed	96 % sourced claimed
	deforestation-free per 2024	deforestation-free per <year></year>
By the end of 2025	4777 MT-BE sourced claimed	100 % sourced claimed
	deforestation-free per <year></year>	deforestation-free per <year></year>
By the end of 2026	4777 MT-BE sourced claimed	100 % sourced claimed
	deforestation-free per <year></year>	deforestation-free per <year></year>

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.

⁵ See ISCO Reporting Framework, p. 27

We require Rainforest Alliance and Fairtrade certification as a baseline and participate in Tony's Open Chain for part of our volume, with plans to expand further. All standards include a Child Labour Monitoring and Remediation System (CLMRS) requirement.

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

Total volumes in MT-BE and % sourced that are covered by a Child Labour Monitoring and Remediation System (CLMRS) or equivalent system:

By the end of 2024	4596 MT-BE	96 %
By the end of 2025	4777 MT-BE	100 %
By the end of 2026	4777 MT-BE	100 %