



# Trends in the Implementation of Ethical Supply Chains

## A 2020 Snapshot of the Cocoa Sector

February 2021  
(revised July 2021)

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# Glossary

## Cocoa Supply Chain Levels:

**Producers:** Almost all cocoa (90%) is grown by smallholders. Smallholders grow cocoa and carry out post-harvest processing (splitting, drying, and fermenting). Cocoa is either sold directly to small traders or sold to intermediaries who transport it to cooperatives.<sup>1</sup>

**Processors:** Cocoa processors are called “grinders.” Cocoa beans are either ground into cocoa liquor in the producer country or (more commonly) exported and ground abroad in facilities in North America or Europe.<sup>2</sup>

**Traders:** An importer, exporter, and/or seller of non-finished products within the country of production. Many traders and processors are vertically integrated and carry out both the export/import and grinding operations.<sup>3</sup>

**Manufacturers:** Manufacturers purchase cocoa powder, butter, and other derivatives from traders and/or grinders, and use these derivatives to make chocolate and other cocoa-containing products.

**Retailers:** Retailers include supermarkets and restaurants, which sell cocoa-containing products, either under the retailer’s brand (“own brand”) or under the manufacturer’s brand.

**Commitment:** Any corporate statement that targets: procurement or production of certified (or otherwise “sustainable”) commodities, procurement of sustainable commodity certificates/credits, supply chain traceability, supplier certification, bilateral purchase agreements, any other organizational target of low/zero deforestation or ecological degradation.

**Coarse Grained Risk Assessment:** As defined by the Accountability Framework: “An initial screening (generally conducted across all geographies and supply chains) whereby risk of non-compliance is assessed at national or sub-national scales based on the nature of the commitment and general information about the sourcing areas.”<sup>4</sup>

**Fine Grained Risk Assessment:** As defined by the Accountability Framework: “A more detailed analysis that utilizes additional data about the sourcing area, is based on more precise location and boundary data for suppliers, and/or considers other supplier characteristics that may affect risk levels.”<sup>5</sup>

**Certification:** Company commits to purchasing commodities audited by an independent third party to adhere to widely used sustainability standards (e.g., Rainforest Alliance certification) and in certain cases, to proprietary internal certification systems.

**Ethical Supply Chains:** Commodity production, trade, and finance that are free from recent deforestation or ecosystem conversion and that fully respect human rights, including the rights of indigenous peoples, local communities, and workers (as defined by the Accountability Framework Initiative).<sup>6</sup>

**Traceability:** A company’s ability to determine the origin or intermediate source of a commodity within its supply chain (e.g., 100% of cocoa is traceable to the plantation).

**Zero Deforestation:** A company commits to “zero deforestation,” “no-deforestation,” “deforestation-free” or similar language that implies “no deforestation anywhere,” whether the company has defined the term or not.

**Zero Net Deforestation:** Forest loss is offset by forest restoration and afforestation on degraded land. This can be achieved through direct restoration or the purchase of forest carbon offsets, biodiversity offsets, or other environmental currencies.

**Zero Gross Deforestation:** No loss of forest area over time caused by conversion to non-forest.

<sup>1</sup> International Cocoa Organization. “Harvesting & Post-Harvest Processing.” Accessed 28 Jan 2021. [www.icco.org/harvesting-post-harvest-new/](http://www.icco.org/harvesting-post-harvest-new/)

<sup>2</sup> International Cocoa Organization. “Processing Cocoa.” Accessed 28 Jan 2021. [www.icco.org/processing-cocoa/](http://www.icco.org/processing-cocoa/)

<sup>3</sup> International Cocoa Organization. “Trading and Shipping.” May 2015. [www.icco.org/about-cocoa/trading-a-shipping.html](http://www.icco.org/about-cocoa/trading-a-shipping.html)

<sup>4</sup> Accountability Framework initiative, Supply Chain Management, 2020, [accountability-framework.org/operational-guidance/supply-chain-management/](http://accountability-framework.org/operational-guidance/supply-chain-management/)

<sup>5</sup> Accountability Framework initiative, Supply Chain Management, 2020, [accountability-framework.org/operational-guidance/supply-chain-management/](http://accountability-framework.org/operational-guidance/supply-chain-management/)

<sup>6</sup> Accountability Framework Initiative. “FAQs about the AFI,” accessed 08 Feb 2021. [accountability-framework.org/about/about-the-initiative/faqs-about-the-afi/](http://accountability-framework.org/about/about-the-initiative/faqs-about-the-afi/)



# Introduction

Cocoa production is an important driver of land-use change, particularly in West Africa, where 70 percent of the world's cocoa is grown.<sup>7</sup> In addition to its significant contributions to historical and current deforestation,<sup>8</sup> cocoa production has also faced intense public scrutiny due to human rights violations, especially the use of child labor in major cocoa growing regions like Côte d'Ivoire and Ghana.

In response to growing global attention to these negative consequences of cocoa production, there has been a recent surge in public-private partnerships and public commitments by consumer-facing companies and their suppliers to eliminate deforestation and protect human rights within their cocoa supply chains. Sustaining broad scale improvements in addressing these cocoa-related impacts requires an understanding and evaluation of company actions across the sector.

For this analysis, *Supply Change* researched and analyzed company sustainability commitments, production and procurement policies, and progress reporting against the common approaches for pursuing ethical supply chains outlined in the Accountability Framework.

The report examines the activities of 65 of the world's largest chocolate manufacturers, candy companies, and cocoa exporters, with a focus on those sourcing from Ghana and Côte d'Ivoire, the top two cocoa producing countries. These companies included all 33\* cocoa buyer signatories to the Cocoa and Forest initiative (CFI), which together trades, sources, or uses up to 85 percent of cocoa globally.<sup>9</sup> Through this initiative, the 33 major cocoa and chocolate companies are working with NGOs and the governments of Cote d'Ivoire and Ghana to eliminate cocoa-driven deforestation. Many of the CFI signatories released annual updates on their achievements in May 2021, which have a bearing on transparency in the cocoa industry. See Box 1 for more information on the CFI.

For each company, *Supply Change* reviewed all publicly available commitment data and information sources from 2017 to 2020 that are company-managed (e.g., websites, commodity-specific dashboards, sustainability reports)<sup>10</sup> to identify key components of implementation of no-deforestation commitments and policies, specifically on the companies' use of risk assessments, supply chain mapping and traceability, management of non-compliant suppliers, and monitoring practices.

<sup>7</sup> World Bank Group. *Cote d'Ivoire Economic Update: Executive Summary* (English. Washington, D.C. 2019). [documents.worldbank.org/curated/en/898811564687854478/Executive-Summary](https://documents.worldbank.org/curated/en/898811564687854478/Executive-Summary)

<sup>8</sup> Ninety percent of West Africa's primary forests have been destroyed. In Cote d'Ivoire 80% of forests have disappeared since 1970, in part due to cocoa production. Source: Antonie Fountain and Friedel Huetz-Adams. "Cocoa Barometer 2018." VOICE Network. 2019. [www.voicenetwork.eu/wp-content/uploads/2019/07/2018-Cocoa-Barometer.pdf](http://www.voicenetwork.eu/wp-content/uploads/2019/07/2018-Cocoa-Barometer.pdf)

<sup>9</sup> The Cocoa & Forests Initiative. "The Cocoa & Forests Initiative is an active commitment of top cocoa-producing countries with leading chocolate and cocoa companies." Accessed 25 Jan 2021.

[www.idhsustainabletrade.com/initiative/cocoa-and-forests/](http://www.idhsustainabletrade.com/initiative/cocoa-and-forests/)

<sup>10</sup> Note: there are no third-party managed public disclosure platforms for cocoa as there are for other commodities (e.g., Roundtable for Sustainable Palm Oil Annual Communications of Progress for palm oil, or Roundtable for Responsible Soy's Annual Reports for soy)

\* There are 35 company signatories to the CFI. *Supply Change* chose to omit two signatories – UPL and SIAT – from this analysis because they are not major cocoa producers or buyers

# The Supply Change Cocoa Companies

Forest Trends' *Supply Change* Initiative draws from publicly available data to track a global set of companies representing all levels of the supply chain from producers to retailers, and their commitments to address commodity-driven deforestation related to cocoa and the "big four" commodities – palm, soy, timber & pulp, and cattle.

In an effort to support stakeholders' decision-making and, ultimately, to drive transformational change, this tracking also includes associated commitment goals and procurement policies, as well as the progress companies have made in achieving their commitments over time.

The 65 *Supply Change* (SC) cocoa companies researched [see Table 1 below] for this report include some of the largest cocoa exporters from Ghana and Cote D'Ivoire, as well as many of the largest chocolate manufacturers and candy companies in the world. Company research covered mostly downstream United States (US)- and Europe-based companies, as these markets drive current global demand for cocoa, with the

US being the largest importer of cocoa by total volume.<sup>11</sup> Many of these companies operate in Consumer Goods sectors,<sup>12</sup> with 63 Consumer Staples and two Consumer Discretionary. These sectors include industries and sub-industries like Food Retail, Food Products, and Personal Care Products.

This research includes a smaller proportion of upstream companies because small-scale farmers produce most of the world's cocoa, while a handful of influential commodity traders (e.g., Cargill, Olam, and Barry Callebaut) dominate cocoa processing and international trade. Most of the 65 companies manufacture (42) and/or retail (23) chocolate products, while just one (Kuapa Kokoo, a cocoa farmers' cooperative in Ghana) produces cocoa, 15 process cocoa, and 13 trade cocoa or chocolate products. Most companies had headquarters in North America (20) or Europe (28), with a minority in Asia (12), South America (2), Oceania (1), and Africa (2). There was an even split between publicly traded (29) and privately held (36) companies.

**TABLE 1. COCOA COMPANIES RESEARCHED BY SUPPLY CHANGE**

AHOLD DELHAIZE	GRUPO NUTRESA	PEPSICO
ALBERT HEIJN	GUITTARD CHOCOLATE COMPANY	PLADIS
ALFRED RITTER	HERSHEY COMPANY	PURATOS
BARRY CALLEBAUT GROUP	INDCRESA	SAINSBURY'S
BLOMMER CHOCOLATE	J H WHITTAKER & SONS	STARBUCKS COFFEE COMPANY
CARGILL	JB FOODS	STRAUSS GROUP
CARREFOUR	JUSTIN'S	SUCDEN
CASA LUKER	KELLOGG COMPANY	SUPERUNIE
CÉMOI	KROGER	TARGET
CHOCOLATS HALBA	KUAPA KOKOO	TESCO
COCOANECT	LIDL STIFTUNG & CO.	THE EXPORT TRADING GROUP
COCOCO CHOCOLATIER	LINDT & SPRÜNGLI	TOMS GROUP
COOP SWITZERLAND	LOTTE CO.	TONY'S CHOCOLONELY
COSTCO	MARKS & SPENCER	TOOTSIE ROLL INDUSTRIES
CROWN CONFECTIONARY	MARS	TOUTON GROUP
CVS HEALTH	MAYORA INDAH	UNILEVER
DIVINE CHOCOLATE	MEIJI HOLDINGS	UNIVERSAL ROBINA CORPORATION
ECOM AGROINDUSTRIAL	MIGROS	VALRHONA
EZAKI GLICO	MONDELÉZ	WALMART
FERRERO TRADING	MORINAGA & CO.	WHOLE FOODS MARKET
GCB COCOA	NESTLÉ	
GENERAL MILLS	OLAM INTERNATIONAL	
GODIVA CHOCOLATIER	PBC LIMITED	

<sup>11</sup> The Observatory of Economic Complexity. "Chocolate." Accessed 25 Jan 2021. [oec.world/en/profile/hs92/chocolate](https://oec.world/en/profile/hs92/chocolate)

<sup>12</sup> As classified by the Global Industry Classification Standard (GICS) Standards

# Key Findings on Trends in Corporate Implementation of Ethical Cocoa Best Practices

- ➔ **More than half of companies (41/65) had at least one commitment to source sustainably-produced cocoa, and more than half of these companies with commitments (25/41) reported the percent of their supply in compliance.** However, none of the companies reviewed had commitments that were fully aligned with the Accountability Framework's recommendations on setting commitments.
- ➔ **Only eight companies set timebound targets to achieve zero gross deforestation (ZGD) for their cocoa supply chains, as recommended by the Accountability Framework, though more established sustainability commitments with varying degrees of alignment.** An additional 18 companies included aspirational statements on ZGD (i.e., not connected to progress reporting) within other types of sustainable cocoa commitments (e.g., commitments to certification).
- ➔ **Roughly half of companies (33/65) reported assessing risk from deforestation in their cocoa supply chains, though few publicly disclosed details on their approach to assessing this risk.** Without these details, the effectiveness of the companies' approaches to risk assessment cannot be evaluated, and the approaches may not be sufficiently accounting for the full scope of environmental and social risks in cocoa supply chains.
- ➔ **Over half of the companies reviewed are implementing traceability systems, suggesting a growing company focus on understanding their cocoa supply chains.** Forty-four companies report that they intended to trace their cocoa volume back through the supply chain, with most intending to trace cocoa volumes back to the farm level (36/44). However, only 21 of those companies report any percent of the volume traceable back to the farm. Many companies appeared to favor certification chain of custody systems (19) as a means to ensure their cocoa supply is sufficiently known and/or controlled, as opposed to or in addition to tracing the supply to the farm level.
- ➔ **Most tracked companies reported engagement with suppliers, however, the support does not necessarily reach cocoa smallholders.** The report found that 40 of the 65 companies reviewed reported engaging with (or planning to engage with) their suppliers on sustainability and human rights issues. Of the 41 with at least one cocoa commitment or policy, 22 companies reported engaging with suppliers at all supply chain levels, including to smallholders, while 10 companies reported engaging only with their direct suppliers.
- ➔ **More than half of the companies (41/65) have systems to monitor and verify general environmental and social supplier standards, though most do not assess commitment compliance at the production level.** Of these, 15 companies used surveys or audits, 12 used geospatial monitoring, four used ground-based monitoring, and six used other methods.
- ➔ **While a third of companies (25) noted that they addressed non-compliant suppliers, only 12 companies had policies to engage with non-compliant suppliers to help resolve the non-compliance.** Fifteen companies disclosed the criteria for supplier suspensions, exclusions, or reversals, and six companies disclosed that their response to non-compliant suppliers differed depending on the severity of the non-compliance and the willingness or capacity of the supplier to address the issue.

# Key Finding 1: A Majority of Companies Lack Clear Commitments to Address Deforestation from Cocoa Production

Strong and time-bound corporate commitments to ethical commodity production, sourcing, and financing are essential for action and accountability. Over half (41/65) of SC companies have made at least one commitment to source sustainably produced cocoa. Of those, only eight had time-bound zero gross deforestation (ZGD) commitments in their cocoa supply chain (in alignment with the Accountability Framework) and three had commitments for zero net deforestation (ZND). Out of the companies with ZGD commitments, the majority were privately owned and headquartered in Europe.

Despite these companies having at least one commitment, there is much progress to be made as none of the SC companies had commitments that fully aligned with the Accountability Framework's ("The Framework") recommendations. Only Mars and Chocolats Halba explicitly noted a cutoff date for forest conversion for 2008 and 2018, respectively. The CFI includes January 1, 2018 as the cutoff date for forest conversion for its signatories.

All eight companies with ZGD commitments restricted those commitments to specific geographies (e.g., cocoa originating from certain countries, like Cote d'Ivoire and Ghana) and only half specified that the commitment applied to all direct and indirect suppliers. This contrasts with the Framework, which advocates for a commitment scope that covers companies' entire supply chains and/or clear rationales for excluded segments.

Many of the SC companies lacked no-deforestation commitments but did have commitments to achieve certification for some or all of their supply chain volumes. While certification-based commitments can address

deforestation, their production standards may not protect all types of ecosystems and may or may not include elements to ensure transparency and accountability across company subsidiaries, joint venture operations, and supply chains. In addition, the no-deforestation aspirations in these commitments are not identified by companies as primary goals and lack time-bound targets or deadlines. Out of the 31 companies with cocoa sustainability commitments for which ZGD was not the commitment goal, 20 included such ZGD aspirations embedded in commitments to certification, traceability, or general sustainable production.

For companies seeking to strengthen their commitments with accompanying ZGD goals, developing stand-alone deforestation commitments, with time-bound targets and cut-off dates, can help drive meaningful action.<sup>14</sup> Common certification systems can also be used to identify appropriate cut-off dates for no-deforestation commitments, as the Accountability Framework encourages companies to align with existing cutoffs. For instance, the Rainforest Alliance incorporates a 2014 cut-off date as a criterion for no-deforestation and no-conversion.<sup>15</sup>

Out of the 30 companies aiming for no-deforestation by way of a commitment or aspiration, only six companies applied their commitments to their full supply chain (all geographies, all products, and all suppliers). Companies with commitments that apply to their global cocoa supply chain have greater control to monitor and verify compliance with their commitments.

A majority (25) of the 41 companies with commitments report quantitative progress made toward achieving their cocoa commitment in 2020.

<sup>14</sup> Accountability Framework. "How to write a strong ethical supply chain policy." [accountability-framework.org/how-to-use-it/resources-library/how-to-write-a-strong-ethical-supply-chain-policy/](https://accountability-framework.org/how-to-use-it/resources-library/how-to-write-a-strong-ethical-supply-chain-policy/)

<sup>15</sup> Rainforest Alliance. "Additional Details on Requirements for No conversion." 2020. Accessed 25 Jan 2021. [www.rainforest-alliance.org/business/wp-content/uploads/2020/06/Annex-12-Additional-Detail-On-Requirements-For-No-conversion.pdf](https://www.rainforest-alliance.org/business/wp-content/uploads/2020/06/Annex-12-Additional-Detail-On-Requirements-For-No-conversion.pdf)

As roughly half (33/65) of the companies analyzed were signatories to the CFI, a number of commitments identified were developed using language and targets recommended by the CFI (see Box 1). This resulted in a number of

commitments that incorporated some (but not all) Accountability Framework guidance.

## BOX 1: THE COCOA & FORESTS INITIATIVE

As signatories to the Cocoa & Forests Initiative, 33\* of the companies reviewed by *Supply Change* have pledged to support the initiative's collective goal of achieving zero gross deforestation in the cocoa industry. Company signatories of the CFI released individual company action plans in March 2019, outlining specific implementation activities and targets to meet the CFI's collective goal. The action plans include targets to address forest protection and restoration, sustainable cocoa production and farmers' livelihoods, and community engagement and social inclusion in cocoa farming communities in Ghana and Cote d'Ivoire. The CFI provides templates that recommend certain targets for the signatories to strive for, such as mapping farmers to ensure they are not deforesting or encroaching on protected areas, tracing cocoa to the farm level, and providing farmers with agricultural support (agroforestry trees, workshops, etc.). Companies are expected to release annual reports on the progress they have made to achieve the targets outlined in their action plans.\*\* As of May 2021, *Supply Change* had identified 15 companies with publicly available annual progress updates for 2020.

The Framework's Core Principles were consulted during the development of the CFI Frameworks for Action. However, the CFI's approach does not fully incorporate all of the Accountability Framework's guidance for setting commitments.

The ultimate goal of the CFI is to eliminate deforestation from the cocoa industry, but this goal is not time-bound, and the reporting framework focuses company reporting on intermediate goals (traceability, smallholder support, etc.), and only some companies had time-bound, quantitative targets (i.e., percentage of deforestation-free cocoa) to the larger zero-deforestation goal.

Of the 33 CFI companies reviewed, only 10 had made quantitative, time-bound goals to eliminate deforestation in their own cocoa supply chain. Sixteen others set targets to achieve related objectives, such as achieving farm-level traceability and/or sourcing certified sustainable cocoa that would support the eventual (not time-bound) goal of ZGD in their cocoa supply chain. These 16 companies referenced the CFI's collective ZGD goal but did not explicitly commit to achieving this in their own supply chain.

Furthermore, the actions companies take as part of the CFI do not cover the full global scope of their cocoa supply chain as recommended by the Accountability Framework; CFI agreements focus signatory actions towards cocoa-driven deforestation in signatory countries, which currently includes Ghana and Cote d'Ivoire. None of the CFI signatories extended their commitment to their full global cocoa supply chain in addition to their actions in Ghana and Cote d'Ivoire.

\* There are 35 company signatories to the CFI. *Supply Change* chose to omit two signatories – UPL and SIAT – from this analysis because they are not cocoa buyers, and their contributions to the CFI appear to be primarily as providers of technical support for cocoa farmers.

\*\* "Action Plans to End Deforestation Released by Governments of Côte d'Ivoire & Ghana and Leading Chocolate & Cocoa Companies." World Cocoa Foundation. 2019. <https://www.worldcocoaoundation.org/press-release/action-plans-to-end-deforestation-released-by-governments-of-cote-divoire-and-ghana-and-leading-chocolate-cocoa-companies/>



**TABLE 2. BREAKDOWN OF COCOA COMPANIES TRACKED BY SUPPLY CHANGE AND THEIR COMMITMENT(S)**

COMPANIES REVIEWED BY SUPPLY CHANGE	COMPANIES	
	NUMBER	
COMPANIES ACTIVE IN COCOA SUPPLY CHAINS	65 (100%)	
COMPANIES WITH COCOA COMMITMENT(S)	41 (63%)	
COMPANY COVERAGE OF ZERO NET DEFORESTATION (ZND) & ZERO GROSS DEFORESTATION (ZGD)	COMPANY(IES) - (OUT OF 41)	
COMPANIES WITHOUT ANY ZND OR ZGD COCOA COMMITMENTS/ASPIRATIONS	15 (37%)	
COMPANIES WITH ZND COCOA COMMITMENT(S)	3 (7%)	
COMPANIES WITH ZND ASPIRATIONS UNDER OTHER TYPE OF COCOA COMMITMENT*	1 (2%)	
COMPANIES WITH ZGD COCOA COMMITMENT(S)	10 (24%)	
COMPANIES WITH ZGD ASPIRATIONS UNDER OTHER TYPE OF COMMITMENT*	20 (49%)	
ELEMENTS OF COMMITMENTS OR ASPIRATIONS	# OF COMPANIES WITH ZGD COMMITMENT(S) / (OUT OF 10)	# OF COMPANIES WITH ZGD ASPIRATION** (UNDER OTHER COMMITMENT) (OUT OF 20)
TIME-BOUND	8 (80%)	N/A***
CUTOFF DATE	2 (20%)	N/A
ALL GEOGRAPHIES	0 (0%)	6 (38%)
ALL COMPANY PRODUCTS	10 (100%)	17 (85%)
FULL SUPPLY CHAIN	5 (50%)	9 (56%)
FULL ACCOUNTABILITY FRAMEWORK ALIGNMENT ****	0 (0%)	0 (0%)

NOTE: Companies can have multiple commitments.

Other commitment types focus on certification or other types of commitments.

\*\* Companies are considered to have a zero gross/zero net deforestation commitment if the main (quantified) target of their commitment is for zero gross or zero net deforestation. Companies are considered to have a zero gross/zero net deforestation aspiration if they have unspecific language, an improvement process without a specific outcome, and incorporate it as a goal of their commitment, but the main target may be for something else (e.g., procuring certified commodity volumes). This number does not include companies that also have zero gross deforestation commitments.

\*\*\* Some of the commitments associated with the ZGD aspirations may have been time-bound, but those targets did not apply for ZGD and aspirations by definition are not time-bound. Therefore, this was not applicable.

\*\*\*\* Commitments with "Universal Coverage" are time-bound, have a cutoff date, cover all geographic sourcing/operating locations, all products the company sells, and all suppliers.

## Key Finding 2: Company Reporting on Risk Assessment Approaches Lacks Sufficient Detail

Many companies conduct risk assessments to identify risks of non-compliance with company commitments across different segments of the supply-base. The Accountability Framework advocates that risk assessments should cover a company's entire supply and management systems related to commodity production and use accepted methods and clearly defined metrics.<sup>16</sup>

Overall, *Supply Change* found that company disclosure on risk assessment is patchy and often insufficient for external parties to evaluate deforestation risk across a company's entire supply chain. Only some companies provided details on their risk assessment approaches in individual disclosures, though the CFI (through collaboration with World Resources Institute's [Global Forest Watch](#)) is equipping its signatories with geospatial tools to assess deforestation risks in cocoa-producing areas.

Of the 65 companies reviewed, 33 reported conducting risk assessments in their cocoa supply chains. Within their risk assessments, two companies reported using materiality (Ahold Delhaize and Hershey Company) assessments,<sup>17</sup> one used Life Cycle Assessments (Chocolats Halba), 14 used another approach (e.g., geospatial analysis) and 17 did not provide details about their risk assessment approaches. A quarter of the companies (18) disclosed procurement requirements for cocoa that drew from the results of risk assessment. This included prioritized engagement with high-risk suppliers (5), monitoring of cocoa suppliers in high-risk areas (3), and sourcing from jurisdictions demonstrating improvements in deforestation-related metrics (1). Only one company disclosed its risk assessment was "course-grained" (broad), while four disclosed their risk assessment was "fine-grained" (specific).

In comparison to other methods, companies using fine-grained assessments are better able to understand and mitigate potential risk. Out of the four companies (Cémoi, Indcresa, Tony's Chocoloney, and Valrhona) that disclosed their risk assessment as fine-grained, all were privately owned manufacturers and/or retailers headquartered in Europe. Most other companies provided little detail on the scope of their risk assessments.

To mitigate potential risk, companies like Barry Callebaut conduct annual risk assessments and engage with high-risk suppliers. To measure risk across different regions, Barry Callebaut implements country-specific risk assessments. The company also has a robust third-party assessment tool for assessing human rights abuses, such as child labor.

Due to the limited information available, *Supply Change* was unable to confirm the extent to which deforestation was incorporated in many companies' risk assessments and procurement requirements for their cocoa supply chains.

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<sup>16</sup> "Accountability Framework Operational Guidance on Supply Chain Management." [accountability-framework.org/operational-guidance/supply-chain-management/](https://accountability-framework.org/operational-guidance/supply-chain-management/)

<sup>17</sup> Materiality assessments are assessments that companies undertake to identify and prioritize actions to address environmental, social, and corporate governance-related issues that might affect the company's financial performance.

## Key Finding 3: Companies Are Increasingly Focusing on Traceability to Understand Environmental and Human Rights Risks

Companies purchasing agricultural products, like cocoa, often seek to identify all their direct and indirect commodity suppliers (supply chain mapping) and trace commodity volumes back to the point where sources are known and/or controlled. These two steps are essential to understanding environmental and human rights risks associated with commodity production, and for ensuring compliance among suppliers so that commitments are fulfilled. Traceability may present a particular challenge in cocoa supply chains, as most of the world's cocoa is produced by smallholder farmers and trades hands between many intermediaries before even reaching the exporters.

The Framework identifies four approaches that companies can take to achieve acceptable levels of traceability that allow the company to be confident deforestation is not occurring in their commodity supply chains. These approaches include: (1) trace the commodity volume back to the source of production; (2) use certification chain of custody systems that track product origins and certifies that production did not contribute to deforestation; (3) trace the commodity volume to an intermediate supplier with visibility to the source of production and effective controls against deforestation; and (4) trace the commodity's origin to a

**FIGURE 1. DISCLOSED INTENTIONS FOR TRACEABILITY AND CONTROL OF COCOA SUPPLIES**



NOTE: Some SC companies use multiple approaches

jurisdiction where it has been demonstrated that the area's performance with regard to specific social or environmental issues is adequate to fulfil the buyer's commitments.

The SC companies in this analysis overwhelmingly favored the first two approaches (Figure 1). Thirty-six companies specified that they intended to trace their cocoa volumes to the source of production, while at least 19 companies were sourcing cocoa that had been physically certified by the Rainforest Alliance. Seven companies reported tracing to an intermediate supplier with adequate control/visibility of suppliers back to production, and three companies (Unilever, Valrhona, and Nestlé) reported tracing to a jurisdiction with adequate environmental protection. Eleven companies disclosed traceability intentions but did not provide information on specific approaches.

One potential driver of increased traceability efforts for many cocoa buyers is their participation under the joint commitments and action under the Cocoa & Forest Initiative (CFI). Out of the 36 companies pursuing farm-level traceability, 26 are members of the CFI. As part of the CFI, the governments of Côte d'Ivoire, Ghana, and Colombia are implementing institutional frameworks to address cocoa-driven deforestation. This includes establishing important baseline data on land cover and forest boundaries that signatory companies can use to identify areas at risk of deforestation and instances of deforestation in their direct supply chain.<sup>19</sup>

Though deforestation rates have slowed in West Africa since the CFI began, the initiative's success will depend on coordinated monitoring of progress and resolution of political, cultural, and economic drivers of deforestation. Some groups, such as Mighty Earth<sup>20</sup> and the VOICE Network,<sup>21</sup> have also raised concerns about the CFI's lack of

inclusion of farmers and other NGOs, and CFI's limited geographic scope that does not cover at-risk forests in the Congo, Southeast Asia, and most of the Amazon.

Of those 36 companies disclosing farm-level traceability goals, 21 disclosed any percent that was traceable to the farm level, and just seven disclosed that more than 75 percent of their supplies were traceable to the farm level. *Supply Change* was able to identify twenty-nine companies reported mapping individual cocoa farms and disclosed the number or percent of cocoa farms they had mapped, perhaps encouraged by farm mapping targets recommended by the CFI for its company signatories. The CFI requires farms be polygon-mapped with a unique farmer ID to be considered traceable. Improvements in traceability and supply chain visibility will be crucial for companies to understand and address deforestation risks in their cocoa supply chain but it is often one of the largest obstacles for companies attempting to eliminate deforestation from their supply chain. Following on the heels of traceability is transparency. Corporate disclosures of supplier lists and locations, along with the proliferation of civil society accountability tools, like [Mighty Earth's Cocoa Accountability Map](#), could lead to wider transparency within the sector. Moreover, these developments will make it harder for companies to delay or avoid implementing sustainability risk measures

<sup>18</sup> World Cocoa Foundation. "Cocoa & Forests Initiative: Private Sector Progress Report 2018-2019." 2019. [www.worldcocoafoundation.org/wp-content/uploads/2018/08/WCF\\_Report\\_14.6\\_051420.pdf](http://www.worldcocoafoundation.org/wp-content/uploads/2018/08/WCF_Report_14.6_051420.pdf)

<sup>19</sup> World Cocoa Foundation. "Cocoa & Forests Initiative Reports Progress, Aims to Expand Effort." 19 May 2020. [www.worldcocoafoundation.org/press-release/cocoa-forests-initiative-reports-progress-aims-to-expand-effort/](http://www.worldcocoafoundation.org/press-release/cocoa-forests-initiative-reports-progress-aims-to-expand-effort/)

<sup>20</sup> Higonnet et al., *Cocoa and African Deforestation: Assessing the Cocoa and Forests Initiative in Ghana and Cote d'Ivoire*, Mighty Earth, 2019, [www.mightyearth.org/wp-content/uploads/Problems-and-solutions-concerning-the-CFI-in-Ghana-and-Co%CC%82te.-final.pdf](http://www.mightyearth.org/wp-content/uploads/Problems-and-solutions-concerning-the-CFI-in-Ghana-and-Co%CC%82te.-final.pdf)

<sup>21</sup> Antonie C. Foundtain and Friedel Huetz-Adams, 2020, *Cocoa Barometer 2020*, [www.voicenetwork.eu/wp-content/uploads/2020/12/2020-Cocoa-Barometer.pdf](http://www.voicenetwork.eu/wp-content/uploads/2020/12/2020-Cocoa-Barometer.pdf)



# Key Finding 4: Supplier Engagement is Increasingly Common, but May Not Reach Smallholders

Engaging with direct and indirect suppliers, including smallholder producers, is essential to fulfilling a company's supply chain commitments and to supporting producer livelihoods, increasing productivity, and ensuring stable commodity supplies. Between 1.8 and 2 million smallholder farmers produce cocoa in West Africa.<sup>22</sup> Smallholder farmers' lack of resources and their vulnerability to climate change and other disturbances can undermine their ability to comply with sustainable practices. As a result, smallholders can significantly benefit from consistent engagement and support from companies.

In trying to understand how companies address concerns throughout their supply chains, this analysis identified 40 SC cocoa companies engaging with their suppliers on sustainability and human rights issues. Of the 38 companies with cocoa sustainability commitments, 31 engaged with suppliers on these commitments. Seven of the companies that do not have a commitment to sustainable cocoa do engage with suppliers and smallholders on key issues such as preventing child labor violations, raising farmer incomes, and improving cocoa yields. Only 26 companies reported engaging with suppliers at all supply chain levels, back to the source

of production, while 14 companies reported engaging only with their direct suppliers. To increase engagement with indirect suppliers, the Accountability Framework advocates active company engagement with direct suppliers to (1) push commitments to the production level and (2) support implementation of commitments across suppliers' entire business, including through technical support or other incentives.

Given that smallholders produce 90 percent<sup>23</sup> of cocoa in major growing regions and often need additional financial or technical resources to comply with the company's commitment, this is a missed opportunity for broad scale improvement, especially in West Africa.<sup>24</sup>

Among the types of support companies disclosed providing to their suppliers, 39 (31 with commitments) reported distributing technical support, 20 (16 with commitments) reported contributing financial support, 10 (eight with commitments) reported allocating support for community development, and 26 (21 with commitments) disclosed providing other means of support. For smallholder suppliers specifically, 27 companies provided technical support and 11 provided financial support.

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<sup>22</sup> Thomson, A., Streck, C., Kroeger, A., Koenig, S. 2017. *Forest and climate-smart cocoa in Côte D'Ivoire and Ghana: aligning stakeholders to support smallholders in deforestation free cocoa*. Washington, D.C.: World Bank Group. [documents.worldbank.org/curated/en/317701513577699790/Forest-and-climate-smart-cocoa-in-Côte-D-Ivoire-and-Ghana-aligning-stakeholders-to-support-smallholders-in-deforestation-free-cocoa](https://documents.worldbank.org/curated/en/317701513577699790/Forest-and-climate-smart-cocoa-in-Côte-D-Ivoire-and-Ghana-aligning-stakeholders-to-support-smallholders-in-deforestation-free-cocoa)

<sup>23</sup> Ingrid Schulte et al. *Supporting Smallholder Farmers for a Sustainable Cocoa Sector*. Climate Focus. 2020. Accessed 25 Jan 2021. [www.climatefocus.com/sites/default/files/Supporting%20Smallholder%20Farmers%20for%20a%20Sustainable%20Cocoa%20Sector%20June%202020.pdf](https://www.climatefocus.com/sites/default/files/Supporting%20Smallholder%20Farmers%20for%20a%20Sustainable%20Cocoa%20Sector%20June%202020.pdf)

<sup>24</sup> Thomson, A., Streck, C., Kroeger, A., Koenig, S. 2017. *Forest and climate-smart cocoa in Côte D'Ivoire and Ghana: aligning stakeholders to support smallholders in deforestation free cocoa*. Washington, D.C.: World Bank Group. [documents.worldbank.org/curated/en/317701513577699790/Forest-and-climate-smart-cocoa-in-Côte-D-Ivoire-and-Ghana-aligning-stakeholders-to-support-smallholders-in-deforestation-free-cocoa](https://documents.worldbank.org/curated/en/317701513577699790/Forest-and-climate-smart-cocoa-in-Côte-D-Ivoire-and-Ghana-aligning-stakeholders-to-support-smallholders-in-deforestation-free-cocoa)

<sup>25</sup> World Cocoa Foundation. "Action Plans to End Deforestation Released by Governments of Cote d'Ivoire & Ghana and Leading Chocolate & Cocoa Companies." 4 Mar 2019. Accessed 25 Jan 2021. [www.worldcocoafoundation.org/press-release/action-plans-to-end-deforestation-released-by-governments-of-cote-divoire-and-ghana-and-leading-chocolate-cocoa-companies/](https://www.worldcocoafoundation.org/press-release/action-plans-to-end-deforestation-released-by-governments-of-cote-divoire-and-ghana-and-leading-chocolate-cocoa-companies/)

The CFI may play a role in influencing many of these companies to engage with direct and indirect suppliers throughout their supply chain, back to the source of production. The CFI's Action Plan template also suggests goals and targets for supporting cocoa farmers, such as the distribution of native trees for agroforestry practices, payment for ecosystem services (PES) schemes, and awareness campaigns.<sup>25</sup>

Out of the 65 companies reviewed, a growing number of companies report supporting smallholders to incentivize sustainable production. Continued company engagement with suppliers and greater technical support will also help improve livelihoods in smallholder communities.<sup>26</sup>

#### COMPANIES IN ACTION: NESTLÉ

Nestlé provides suppliers with agricultural training and access to financial services to incentivize sustainable cocoa production. Nestlé also distributes provisions to assist with community development, such as educational facilities and building local infrastructure. Additionally, Nestlé works to monitor and measure their progress toward their goals for supplier support, by establishing key performance indicators in accordance with the Nestlé Cocoa Plan.

## Key Finding 5: A Third of Companies Disclose Policies for Managing Non-Compliant Suppliers

When companies issue commitments or policies to eliminate deforestation, ecosystem conversion, or human rights abuses from their supply chains, achieving their goals depends on ensuring that the material they purchase from their suppliers are compliant with those policies. If a buyer determines that a supplier does not meet expectations for protection of ecosystems and human rights, that supplier would be considered non-compliant with the buyer's policies.

The Accountability Framework states that companies should have clear, consistent, and documented policies and procedures for how supplier non-compliance will be addressed. These should include systems through which the buyer will support suppliers in meeting supply chain goals, procedures for supplier engagement in the case of non-compliance, and ways in which buyers will consider supplier non-compliance in future purchasing decisions (including through exclusion). These policies and procedures should be

made public and communicated to current and potential suppliers.

Out of the companies reviewed, more than one-third (25) disclosed that they had a policy to address non-compliance with their commitment or related procurement requirements. Though some companies publicly disclosed few details on their policy for responding to non-compliant suppliers, a majority of those that disclosed having a policy provided additional details on their response and consequences for non-compliant suppliers. Fifteen companies disclosed the criteria for supplier suspensions, exclusions, or reversals, and six companies disclosed that their response to non-compliant suppliers differed depending on the severity of the non-compliance and the willingness or capacity of the supplier to address the issue.

The Framework also recommends companies publish non-compliance policies that prioritize supplier engagement and require non-compliant suppliers to work with the company to develop and adhere to a time-bound

<sup>25</sup> World Cocoa Foundation. "Action Plans to End Deforestation Released by Governments of Cote d'Ivoire & Ghana and Leading Chocolate & Cocoa Companies." 4 Mar 2019. Accessed 25 Jan 2021. [www.worldcocoaafoundation.org/press-release/action-plans-to-end-deforestation-released-by-governments-of-cote-divoire-and-ghana-and-leading-chocolate-cocoa-companies/](http://www.worldcocoaafoundation.org/press-release/action-plans-to-end-deforestation-released-by-governments-of-cote-divoire-and-ghana-and-leading-chocolate-cocoa-companies/)

improvement plan to keep the company's business, which six companies described doing. Based on the data, a number of the companies operating in the cocoa sector have begun to develop such non-compliance policies that manage and

incentivize adherence to company deforestation-free pledges. This indicates a way forward for companies that have not yet disclosed such policies.

#### COMPANIES IN ACTION: UNILEVER

When non-compliant suppliers are discovered, Unilever works with the suppliers to identify the cause and develop a time-bound plan for corrective action. Their consistent annual third-party auditing process is a key asset for Unilever to validate supplier compliance with procurement standards and to drive greater visibility of supply chain operations.

## Key Finding 6: Over Half of Companies Monitor Suppliers Using a Mix of Approaches

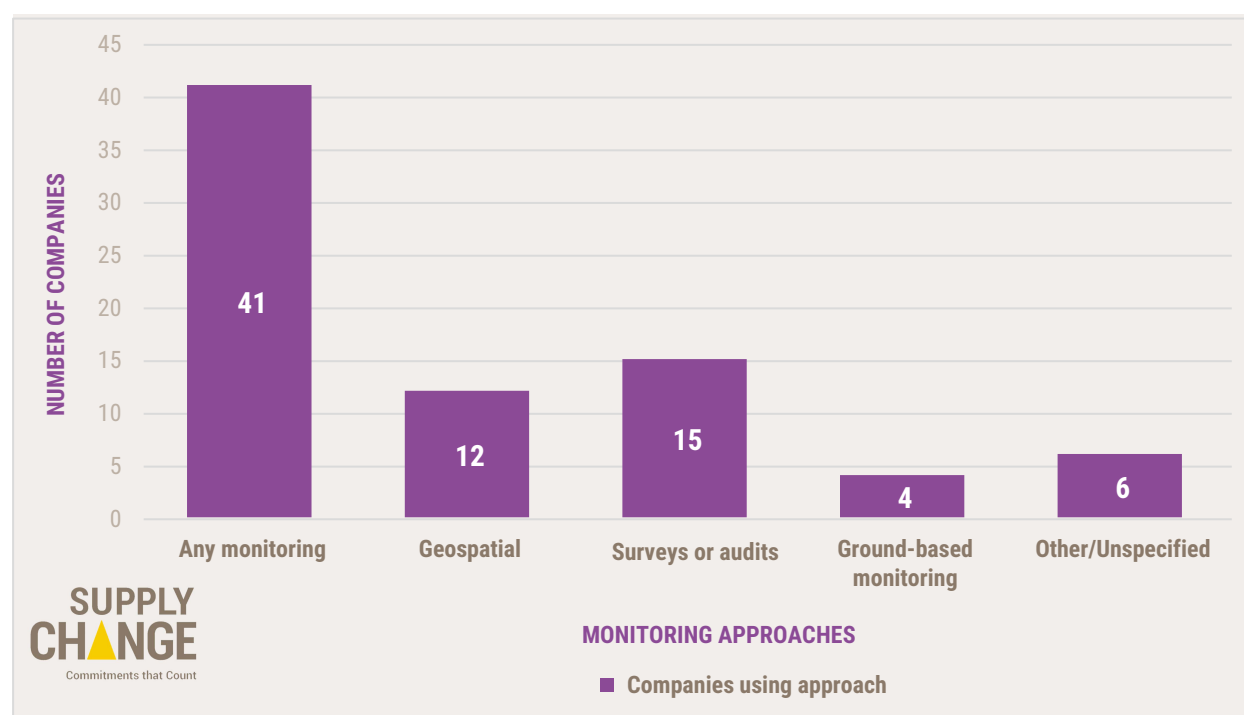
Implementing effective monitoring and verification systems enables companies to assess risk and performance relative to supply chain goals, maintaining transparency, and evaluating and demonstrating progress over time. Monitoring commitment implementation and outcomes may be required at the level of production units, sourcing areas, and/or suppliers' management systems.<sup>27</sup>

Out of the 65 companies reviewed, 41 reported monitoring supplier and/or supply chain operations for environmental and social impacts (Figure 2). The largest portion of companies (15) were using supplier surveys or audits to monitor their supply chain (including those facilitated by a certification standard), with a considerable number (12) using geospatial monitoring tools to monitor forest conditions at the source of production. Four companies were using a ground-based monitoring approach (e.g., in person visits) and six companies did not specify their approaches.

Many companies also disclosed sourcing cocoa through certification standards, which regularly monitor the cocoa farmers that they certify to assess their compliance with environmental and social criteria. Out of the companies reviewed, 15 reported sourcing cocoa through the Rainforest Alliance certification standards, which monitors companies through regular and comprehensive auditing procedures and enhanced traceability measures.

<sup>27</sup> Accountability Framework. "Operational Guidance on Monitoring and Verification." [accountability-framework.org/operational-guidance/monitoring-and-verification/](https://accountability-framework.org/operational-guidance/monitoring-and-verification/)

**FIGURE 2. COMPANIES DISCLOSING USE OF FRAMEWORK-ALIGNED STRATEGIES TO MONITOR SUPPLIER COMPLIANCE & COMMITMENT PROGRESS**



NOTE: Some companies use multiple monitoring approaches.

## COMPANIES IN ACTION: MARS

Mars' comprehensive approach to monitoring suppliers ensures it can measure supplier performance and mitigate potential exposure to deforestation. Mars' monitoring system combines satellite data and on-the-ground verification to examine their suppliers over time. For instance, as part of its Cocoa for Generations Strategy, Mars uses GPS mapping to monitor supplier exposure to deforestation and human rights. The company works closely with its suppliers and has published lists of its direct suppliers (tier 1) and indirect suppliers at the farm group level (tier 2).

By monitoring their supply chains and/or performance at the source of production, 25 SC companies were able to quantify the percentage of their cocoa volumes in compliance with their commitment (See Figure 3). Eighteen companies, including Barry Callebaut, Hershey Company, and Mondelēz, claimed they verified their commitment progress through a third party, with most verification conducted as part of the certification process. Hershey, for example, reports using independent auditors to verify that its certified cocoa supplies follow the environmental and social standards in their cocoa commitment specifications.<sup>28,29</sup>

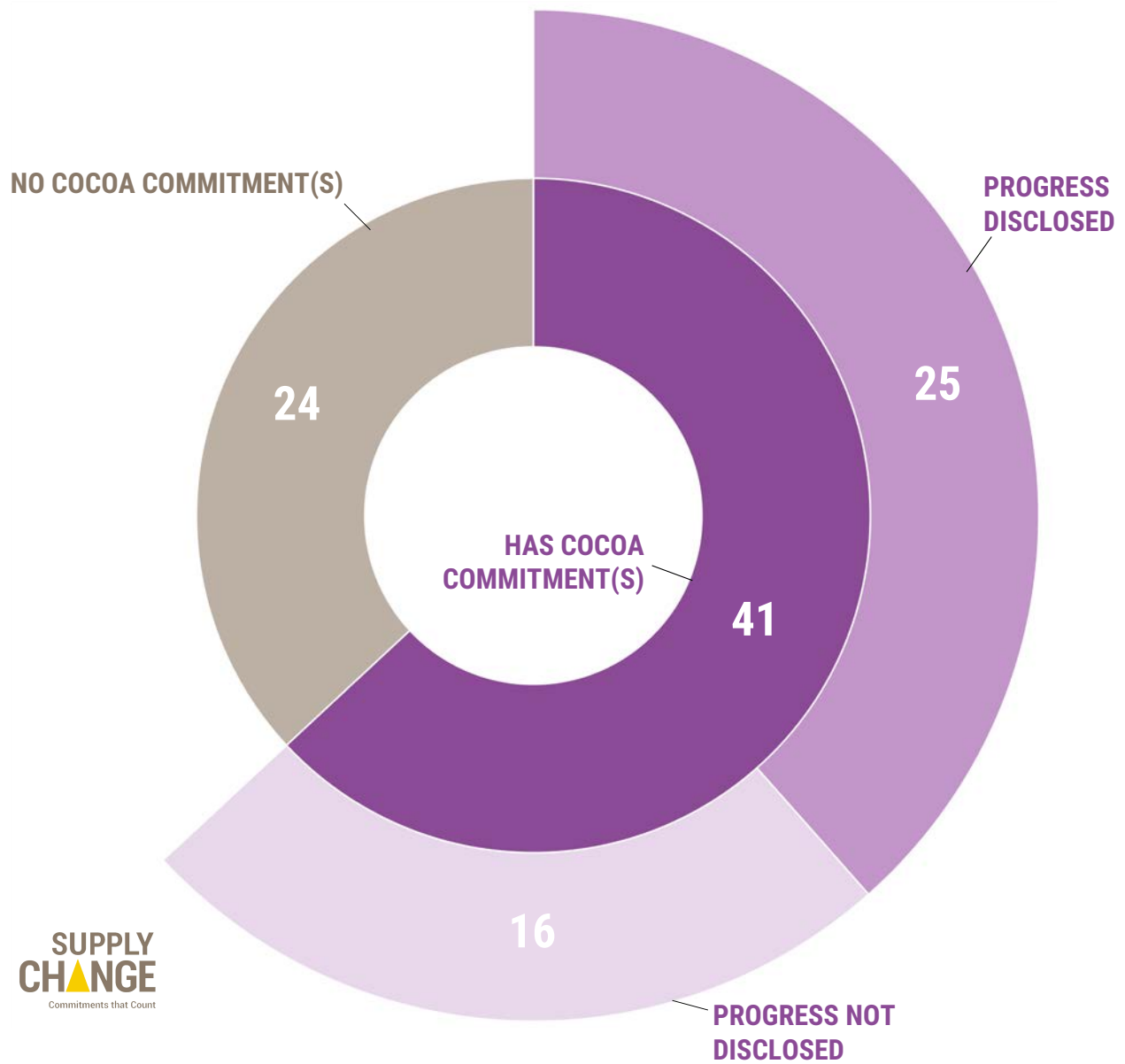
Most SC companies carried out monitoring and verification for their supply chains using surveys, audits, and geospatial monitoring. Several companies rely on third-party certifications to verify supplier compliance with deforestation-free standards. Overall, corporate reporting on monitoring and verification for both direct and indirect suppliers is frequently minimal, which can lead companies to overlook serious risks in their cocoa supply chains. This reveals a clear opportunity for companies to increase transparency for how they manage forest risks in cocoa supply chains.

<sup>28</sup> Hershey Company. "Hershey's Cocoa Certification Press Release." Accessed 25 Jan 2021. [www.thehersheycompany.com/content/dam/corporate-us/documents/legal/source-100-certified-cocoa-2020.pdf](http://www.thehersheycompany.com/content/dam/corporate-us/documents/legal/source-100-certified-cocoa-2020.pdf)

<sup>29</sup> It is not clear whether this refers to the standard audits facilitated by the certifying body as part of the certification process, or if Hershey's is applying additional scrutiny.



**FIGURE 3: COMPANIES DISCLOSING QUANTITATIVE PROGRESS TOWARD COCOA COMMITMENT(S)**



# Conclusion

Companies face mounting pressure from investors, buyers, civil society, and consumers to ensure their cocoa supply chains are ethical. Nevertheless, *Supply Change* research found that few companies had zero deforestation commitments, and none had commitments that were fully aligned with the Accountability Framework, though many others established sustainability commitments with varying degrees of alignment.

For many companies, understanding potential environmental and social risks in their cocoa supply chains is crucial for commitment setting and implementation.

Many of the companies with sustainable cocoa commitments reported pursuing traceability and/or certification chain of custody approaches to ensure their supplies are known and controlled, but often limited geographic scope of their commitments.

- ➔ **Risk Assessments.** Many companies reported using risk assessments for their cocoa supply chains, but few disclosed sufficient details on their approach.
- ➔ **Measuring Traceability.** Despite many companies aiming to trace their supplies back to the farm, only a few companies demonstrated progress toward measuring traceability to the farming group and farm level.
- ➔ **Certification.** Companies appeared to favor certification chain of custody systems to ensure their cocoa supply is sufficiently known and/or controlled.
- ➔ **Commitments.** Few companies had time-bound zero-deforestation commitments, and most neglected to provide a cutoff date for deforestation and limited the geographic scope of their cocoa commitment(s) to cover only cocoa sourced from certain countries.

Around half of all SC cocoa companies reported assisting their direct suppliers, most commonly through technical and financial support.

- ➔ **Smallholder Support.** Support for smallholder farmers was much less common and often did not center on forest protection.
- ➔ **Supplier Non-Compliance.** A majority of companies with cocoa commitments reported addressing non-compliant suppliers, but few disclosed clear policies detailing action plans outlining a process for remedying non-compliance.
- ➔ **Monitoring Compliance.** To check for commitment compliance, most companies employed surveys and audits, with fewer companies relying on satellite monitoring and only a handful pursuing ground-based monitoring.

Overall, the cocoa sector is making progress toward the best practices for ethical supply chains put forth in the Accountability Framework, but there is still much work to do.

**Looking forward**, the ability of companies and their investors to implement policies that effectively identify and address risks – including ecosystem conversion, human rights violations, and climate change – will be paramount to ensuring greater sustainability and stability of cocoa supplies. With cocoa produced mostly by smallholders, often under tree cover, companies face unique challenges in creating more ethical supply chains. Obstacles to assessing and addressing forest risks from cocoa have led many cocoa buyers to engage with multi-stakeholder partnerships, most notably the CFI, which brings together cocoa buyers, governments, and environmental groups to address deforestation and other issues in cocoa production. Supply chain transparency and governance may continue to improve as existing public-private partnerships like CFI mature and new alliances emerge in other cocoa producing countries.

These developments, combined with the greater availability and widespread use of increasingly precise monitoring and mapping tools, will make it easier to compare and connect corporate supply chain practices with on-the-ground impacts. For example, many companies are already using mapping tools, like Mighty Earth's Cocoa Accountability Map, which allows them to monitor changes in forest cover associated with cocoa cooperatives in their supply chains. Moreover, companies across the supply chain can look to resources like the Accountability Framework for guidance on designing strategies for effectively implementing cocoa sustainability commitments.

Ultimately, corporate efforts to reduce deforestation will need stronger controls both at the supply chain level and by governments. Additionally, greater corporate support for cocoa growers is needed to improve their livelihoods and ensure sustainable supplies. Only then will companies be able to overcome the barriers to implement the sustainable production practices necessary to comply with company commitments to ethical supply chains.

# Methodology

## Data Sources

Forest Trends' *Supply Change* Initiative draws from publicly available data sources to track a global set of companies representing all levels of the supply chain from producers to retailers, and their commitments to address commodity-driven deforestation. These companies are some of the most influential players in global cocoa supply chains. The review included a majority of companies that are signatories to the CFI, many of which are manufacturers of well-known chocolate brands that use large volumes of cocoa. This report examined associated commitment goals and procurement policies, as well as the progress companies have made in achieving their commitments over time. Company reviews covered all publicly available corporate commitment data and information sources from 2017 to 2020, including corporate sustainability or social responsibility reports, mandatory financial disclosures (such as 10-K filings or proxy statements, press releases, and information on company websites).

## Company Selection

The 65 companies selected for the report represent large global buyers and sellers of cocoa products. The dataset also incorporates many publicly traded and US-based companies. These companies were reviewed based on range of environmental and social performance indicators. This included companies' exposure to cocoa, their commitments, deforestation policies, and disclosure on monitoring and verification practices, traceability status, supplier engagement, and transparency. The data collection process underwent multiple rounds of research and review.

## Use of the Accountability Framework

Released in June 2019, the Accountability Framework represents commonly recognized best practice for addressing deforestation, conversion, and human rights abuses in agricultural and forestry supply chains. In this analysis, information publicly disclosed by companies was organized and assessed according to the principles and guidance of the Framework. By using the Framework as a basis for this report, Supply Change is able to track company progress relative to the expectations of civil society and other stakeholders.

# Acknowledgements

Forest Trends offers thanks to the Accountability Framework initiative, including support from NICFI and the Gordon and Betty Moore Foundation, for funding support to answer new research questions on corporate approaches to managing deforestation-related risks in cocoa supply chains. We also appreciate contributions from the following individuals: Leah Samberg for her expertise and guidance around the Accountability Framework, Ethan Budiansky and Richard Scobey for input on the Cocoa & Forests Initiative, Cheyenne Coxon for copy editing support, and Ciro Calderon for research assistance. We extend appreciation to the dozens of businesses and investors that lend their expertise and insights to this project, and to those companies that are making and disclosing their achievements against meaningful commitments to reducing ecosystem degradation in their supply chains.

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# About Forest Trends' *Supply Change* Initiative

*Supply Change*, an initiative of the nonprofit organization Forest Trends, is a transformational resource for businesses and the various stakeholders that hold them accountable, including investors, governments, industry groups, not-for-profits, and the public, on the extent and value of corporate commitments related to commodity-driven deforestation. *Supply Change* continuously researches and aggregates available data, providing it via a centralized, free, and publicly available web platform ([www.supply-change.org](http://www.supply-change.org)) that tracks companies, their commitments, corresponding implementation policies, and progress towards their commitments over time. More information on data sources is available in *Supply Change*'s full methodology: <http://www.supply-change.org/pages/full-methodology>

Forest Trends works to conserve forests and other ecosystems through the creation and wide adoption of a broad range of environmental finance, markets, and other payment and incentive mechanisms. Forest Trends does so by 1) providing transparent information on ecosystem values, finance, and markets through knowledge acquisition, analysis, and dissemination; 2) convening diverse coalitions, partners, and communities of practice to promote environmental values and advance development of new markets and payment mechanisms; and 3) demonstrating successful tools, standards, and models of innovative finance for conservation.

## About the Accountability Framework initiative

The Accountability Framework initiative (AFi) is a collaborative effort to build and scale up ethical supply chains for agricultural and forestry products. Led by a diverse global coalition of environmental and human rights organizations, the initiative works to create a "new normal" where commodity production and trade are fully protective of natural ecosystems and human rights. To pursue this goal, the coalition supports companies and other stakeholders in setting strong supply chain goals, taking effective action, and tracking progress to create clear accountability and incentivize rapid improvement.

At the center of this work is the Accountability Framework, a practical, consensus-based set of principles and guidance for achieving and demonstrating progress toward ethical supply chains. The Framework brings together accepted international norms, best practices, and common expectations of commodity buyers, investors, and civil society into a single integrated resource for effective action to address the deforestation, conversion, and human rights impacts of supply chains.



## Pioneering Finance for Conservation

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### Ecosystem Marketplace

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### Forest Policy, Trade, and Finance Initiative

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### Supply Change

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