Swiss Platform for Sustainable Cocoa

SWISSCO
TECHNICAL NOTES

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Introduction

The present document is a complementary, explanatory document that supports and guides the members of the Swiss Platform for Sustainable Cocoa in their understanding of the SWISSCO Roadmap 2030 as well as when completing the bi-annual Member Survey. This survey is essential for the Platform to be able to track progress on the implementation of the Roadmap 2030.

This document includes relevant references, outlines applied methods where applicable, and contains a glossary of definitions and methodologies.

The Technical Notes are intended to serve as an evolving document – one that will develop over time and be further developed based on practical experience and feedback from members.

Changes in the Technical Notes will not impact the content of the SWISSCO Roadmap.

Revised version 2.0, February 2026.

Ambition 1:
All cocoa farming households with viable farm sizes and sustainable yields earn at least a living income.

Context / Explanation

Achieving a decent standard of living for coffee farmers and workers requires clear definitions:

- A **Living income (LI)** is the total annual net income of a household—including both farm and off-farm earnings—needed to achieve a decent standard of living – covering essential needs such as food, household, healthcare, education and savings.
- The **Living Income Gap**, which SWISSCO aims to reduce, is the difference between the actual income earned by farming households and the living income benchmark (LIB) required to reach a dignified standard of life.

The ambition is to close the living income gap for farming households with a viable farm size and sustainable yields (according to the Fairtrade indicators), and to reduce it for all farming households, particularly the most vulnerable ones, irrespective of their farm size and yields.

According to Fairtrade (2025), the estimated sustainable farm size and yield benchmarks are 3.8 hectares and 800 kg per hectare in Ivory Coast, and 2.75 hectares and 600 kg per hectare in Ghana.

LiCOP's Aligned Inclusive Living Income Narrative and Indicators indicates that "targets that promise that 100% of farmers will reach a living income incentivize a move away from the most vulnerable, as they are not likely to reach the living income benchmark due to factors beyond the program's control".

While we acknowledge this challenge, we aim to take a step further by pursuing a living income for those farmers fulfilling farm size and yield conditions, while focusing on reducing the income gap for those who are more vulnerable through complementary activities aimed at enhancing overall income.

To achieve this Roadmap's ambition of reducing the living income gap, the proposed contributions are twofold: (A) implementing concrete activities acting upon various levers, and (B) to understand the effects of interventions on moving the needle.

A. Interventions

Reducing the living income gap requires a coordinated, multi-stakeholder approach, involving all sector actors. SWISSCO promotes a smart mix of interventions depending on companies' priorities, expecting supply chain members to engage collaboratively and strategically along several impact levers, such as:

1. **Securing financial incentives for sustainable production** by promoting transparent pricing mechanisms such as offering premiums or bonuses that contribute to improved incomes, fostering sustainable procurement practices etc.
2. **Improving yields and/or reducing production and household costs** by providing technical assistance, training, and access to inputs that help boost on-farm productivity within sustainable boundaries, as well as supporting more efficient farming practices, reducing input costs, offering access to affordable services (also for off-farm-related expenditures), etc.
3. **Diversifying income** by encouraging and enabling off-farm income activities to stabilise household incomes and reduce dependency on cocoa alone.
4. **Establishing measures such as price mechanisms or incentives directly linked to Living Income Benchmarks** particularly in case of low cocoa prices (eg. Living Income Reference Prices).
5. **Acting upon enabling conditions** which includes infrastructure development, market access, climate adaptation strategies, and capacity-building efforts, etc.

To assess the member's respective levels of ambition (1-3), SWISSCO will consider the number of levers that supply chain members implement. To achieve Level 1, we expect members to implement at least two of the above-mentioned levers and three levers for Level 2. For the highest Level 3 we expect the implementation of at least four levers including price mechanisms or incentives linked directly to LIB.

Interventions can be both projects that are implemented directly by companies as well as interventions established through SWISSCO's funding schemes.

SWISSCO also relies on partnerships with NGOs, research institutions, and the public sector to leverage networks, expertise, and resources on successful actions supportin a living income.

B. Living Income Measurement

To evaluate the impact of living income interventions—and to better understand household income, its contributing factors, and its consequences—a range of methodologies is often used. While this diversity reflects strong sectoral interest, it also results in fragmented efforts and inefficiencies. Conducting different living-income relevant studies in the same countries, without coordination, using divergent methodologies and without sharing of data leads to siloed data collection, missed efficiencies, and higher overall costs for the sector.

Another challenge to overcome is the free-rider problem: when one organisation conducts and publishes a study, others may rely on the results without contributing to the cost or effort. This discourages collaboration and leads to duplication of efforts, often with limited comparability of the studies' results.

SWISSCO therefore proposes a joint, data-driven approach in selected countries by:

- using standardised, compatible methodologies,
- ensuring findings are broadly accessible and actionable,
- efficiently using resources through pooled funding of SWISSCO members and other actors in the sector,
- combining studies to cover CHIS, LIB and potentially LIRP or others, in a single effort, whenever feasible.

Given the data similarity across various study types, combining efforts is both efficient and cost-effective. In this spirit, SWISSCO engages with key stakeholders to conduct these studies jointly, including its members, partners and other actors in the sector. SWISSCO's research sector members will generate evidence and foster collaboration by conducting studies and engaging colleagues from the Global South.

SWISSCO expects supply chain members to actively participate in joint studies that are relevant to their supply chains, whether these are coordinated by SWISSCO or by other organisations. A study is considered relevant to a company only if it sources from the country in which the study is conducted. Supply chain members at Level 1 are expected to participate in one selected joint living-income study, whereas those in Level 2 are expected to participate in two selected studies. Supply chain members in Level 3 are expected to participate in all relevant studies conducted in the countries from which they source.

Participation in studies for supply chain members entails to contribute funding, ensuring that a sample of farmers in their supply chain can be interviewed, and being open to sharing results. In case the study/studies are coordinated by SWISSCO, the data gathered will only be published at aggregated level. Each participating supply chain member will receive a dossier with figures corresponding to their supply chains. NGOs will provide on-site support and access to their interventions.

Methods and References

For living-income related studies, harmonised methodologies, validated by manifold actors, allow to compare results.

- The Cocoa Household Income Study (CHIS) methodology helps identify the actual incomes of farming households and,
- Living Income Benchmarks (LIBs) developed by the Anker Research Institute determine how much households need to earn to achieve a living income.

By comparing the LIB ("should be") with CHIS data ("is"), we can identify the Living Income Gap.

Using the resulting dataset and including additional datapoints, can make it possible to calculate a Living Income Reference Price (LIRP) based on Fairtrade's methodology.

The Living Income Community of Practice further gathers methodological knowledge to draw upon.

Timeline

As of February 2026, the following CHIS, LIB and LIRP studies are planned (see tables below). Moving forward, SWISSCO proposes to implement, whenever possible, one integrated study per selected country/region and period, encompassing the data collection needed to determine the actual household incomes via CHIS methodology, the Living Income Benchmark (LIB) and potentially, the Living Income Reference Price (LIRP).

This list is non-exhaustive and subject to change. It will be adjusted in accordance with the strategic interests of the platform and its members. Therefore, further efforts can be integrated in the following planning.

Ghana

Year	Study	Lead
09/2024	CHIS (Baseline)	SWISSCO/COCOBOD
2025 - 2026	CHIS	SWISSCO/COCOBOD
	LIB subnational scale	Anker Research Institute / Sustainable Food Labs
2028 - 2029	CHIS	SWISSCO/COCOBOD

Ivory Coast

Year	Study	Lead
2025	CHIS (Baseline)	GIZ + SWISSCO
2028	CHIS	GIZ

Madagascar

Year	Study	Lead
2027	CHIS (Baseline)	SWISSCO + Helvetas
	LIRP	Fairtrade
2030	CHIS	SWISSCO

Andean region: Ecuador, Perú, Colombia

Year	Study	Lead
2026	LIRP (Perú)	Fairtrade
2026	CHIS Perú (Baseline)	SWISSCO
2029	CHIS	SWISSCO

Central America: Dominican Republic, Honduras

Year	Study	Lead
2026	CHIS (Baseline)	SWISSCO
	LIRP (Honduras & DomRep)	Fairtrade
2029	CHIS	SWISSCO

Theory of Change - Ambition 1

Outputs

Companies act on key levers:

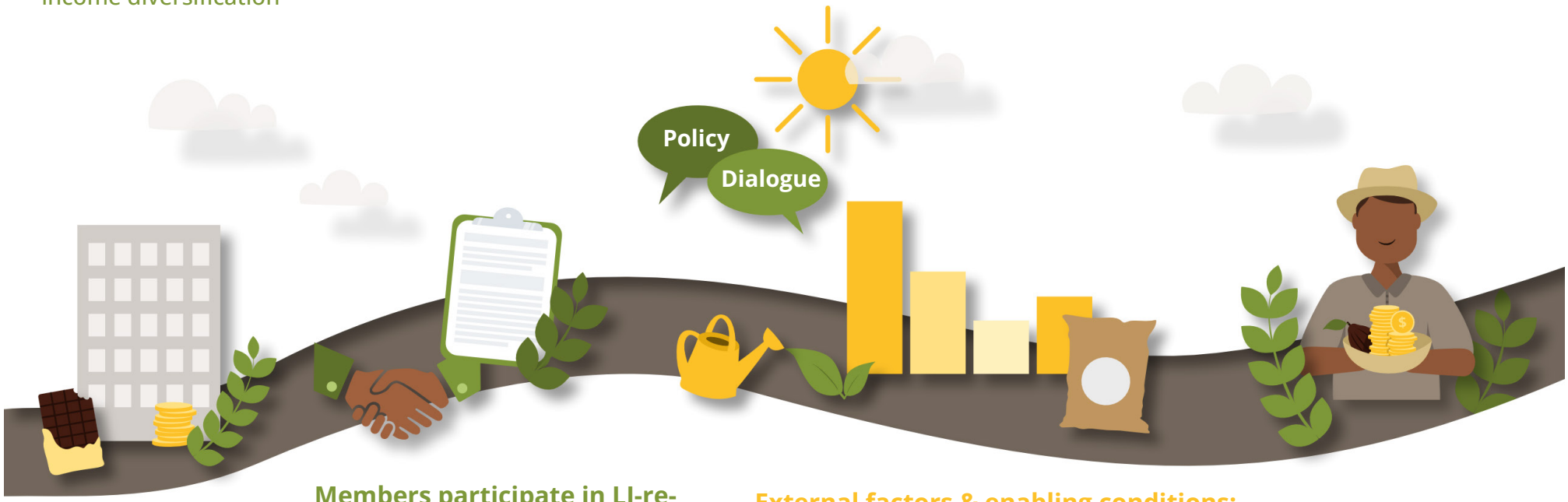
- yield
- price, financial incentives
- production, household costs
- income diversification

Outcomes

- perceived price increased
- yield increased
- costs reduced
- income diversified

Impact

All cocoa farming households with viable farm sizes and sustainable yields earn at least a living income.



Members participate in LI-related studies (CHIS, LIB etc.)

Peer Learning & Knowledge Exchange

Accountability

Public-Private Partnerships

External factors & enabling conditions:

- farm size, land scarcity and inequality
- global cocoa market price volatility
- climate change and its impact on productivity
- macroeconomic and political conditions (e.g. inflation, currency fluctuations)
- certain national policies (e.g. fixed farm gate prices)

Ambition 2:
Cocoa production safeguards human rights by ensuring fair labour conditions and eliminating child and forced labour.

Context / Explanation

Human rights challenges in the cocoa sector, particularly around child and forced labour, are deeply rooted in structural vulnerabilities such as poverty, weak law enforcement, and limited access to education and other essential basic services.

The three ambition levels defined for SWISSCO members are designed to recognise the diversity of company capacities while encouraging continuous improvement.

Level 1 focuses on establishing a strong Human Rights Due Diligence (HRDD) foundation, including the implementation of robust processes or programmes that identify risks of and monitor and remediate cases of child labour along the supply chain, such as a Child Labour Monitoring and Remediation System (CLMRS) or equivalent practices.

Equivalent practices allow flexibility for companies with robust systems already in place or using alternative, equally effective models such as community-based approaches (see SWISSCO Issue Brief on Child Labour for further information on alternative approaches to CLMRS).

Level 2 builds on this by seeking to achieve increased coverage (min. 80%) of the supply chain by such processes, programmes and systems as well as members' active engagement in collaborative initiatives to increase efficiencies and avoid duplication of efforts.

Level 3 aims for full (100%) supply chain coverage, while also emphasising the scaling and alignment of these efforts with national frameworks and systems to ensure long-term systemic impact.

Key expectations for alignment by companies are:

- Support the development and roll-out of data sharing protocols that allow for smooth exchange of information between private and public systems.
- Share relevant data from CLMRS with national authorities to enable integration with National Child Labour Monitoring Systems (such as SOSTECI in Ivory Coast or GCLMS in Ghana).
- Provide feedback on national indicators used for monitoring child labour to ensure coherence with private systems.
- Align CLMRS indicators and data collection tools with those used in national systems to avoid duplication and increase consistency.
- Collaborate with governments in the use of unique ID numbers for cocoa households, to ensure harmonisation across systems and reduce overlaps and gaps in monitoring.
- Share risk assessment data (e.g. findings from internal or collaborative child labour and forced labour risk assessments) with relevant public institutions to support coordinated and targeted interventions.
- Facilitate linkages between private child labour identification systems and public child protection case management systems. This includes enabling referrals of identified cases to government social services for appropriate remediation and support.

While each level requires progressively greater investment and complexity, they also offer increasing potential for meaningful, lasting impact at both the farm and system levels.

Methods and References

The UN Guiding Principles on Business and Human Rights (UNGPs), adopted in 2011, set a global standard for how businesses should respect human rights.

Grounded in international human rights law, they establish that companies - irrespective of their size, sector, or location – have a responsibility to avoid infringing on human rights and to address any adverse impacts they are involved in, both within their operations and across their value chains.

For SWISSCO members implementing Human Rights Due Diligence (HRDD) based on the UNGPs, this implies three core requirements:

1. **Adopt a Human Rights Policy Commitment**: Members must formally commit to respecting human rights, based on consultations with stakeholders. This policy helps embed human rights across company operations and identifies key risk areas and policy gaps.
2. **Implement HRDD Processes:** Members need to establish and maintain systems to proactively identify, prevent, mitigate, and track adverse human rights impacts. This is not a one-off exercise but an ongoing process that reflects evolving risks and contexts.
3. **Establish Grievance Mechanisms:** To detect problems early and enable remediation, members should provide accessible channels through which rightsholders and affected individuals can raise concerns.

Members are encouraged to align their actions with internationally recognised frameworks and best practices:

- OECD Due Diligence Guidance for Responsible Business Conduct – offering practical recommendations for integrating human rights due diligence into business operations.
- International Cocoa Initiative (ICI) "CLMRS Core Criteria" (2025) which set clear definitions, minimum standards and audit guidance for CLMRS in cocoa
- International Labour Organization (ILO) Guidelines on CLMRS – providing additional technical guidance to strengthen child labour monitoring efforts in line with international labour standards.

SWISSCO encourages members to apply these standards as the foundation for their activities across all ambition levels.

Theory of Change - Ambition 2

Outputs

Companies implement robust HRDD system:

- alignment with intl. frameworks (e.g. UNGP)
- alignment with national frameworks
- increased / increasing coverage

Outcomes

- more children at risk identified
- more children in child labour identified
- more cases of child and forced labour remediated

Impact

Cocoa production safeguards human rights by ensuring fair labour conditions and eliminating child and forced labour.

Members participate in projects and impact assessments

Peer Learning & Knowledge Exchange

Accountability

Public-Private Partnerships

External factors & enabling conditions:

- weak social protection measures
- weak enforcement of labour laws
- climate change and its impact on socio-economic resilience
- political instability
- lack of access to social security services

Ambition 3:
Cocoa production does not contribute to deforestation and actively supports the restoration of degraded forest ecosystems.

Context / Explanation

The most commonly used definitions around forest, deforestation and degradation are provided by the FAO and the Accountability Framework initiative (AFi).

For cocoa sourcing that needs to comply with the EUDR, the definitions in the legal text (EUDR Legal Text**) and the respective FAQs apply**. Please note that the EUDR definition of forest and deforestation are based on the definitions by FAO.

For exports of cocoa to non-EU/non-CH countries, either the FAO or the AFi definitions can be chosen to adhere to Ambition 3.

Regarding restoration of degraded forest ecosystems, SWISSCO recommends taking into account the AFi definitions (as opposed to the definitions provided by FAO which focus on reforestation, which is a narrower concept than restoration).

Definition of Forest by FAO (see FRA 2000 on definitions of forest and forest change): Land with tree crown cover (or equivalent stocking level) of more than 10 percent and area of more than 0.5 hectares (ha). The trees should be able to reach a minimum height of 5 meters (m) at maturity ***in situ.***

May consist either of closed forest formations where trees of various storeys and undergrowth cover a high proportion of the ground; or open forest formations with a continuous vegetation cover in which tree crown cover exceeds 10%. Young natural stands and all plantations established for forestry purposes which have yet to reach a crown density of 10% or tree height of 5m are included under forest, as are areas normally forming part of the forest area which are temporarily unstocked as a result of human intervention or natural causes, but which are expected to revert to forest.

Includes: forest nurseries and seed orchards that constitute an integral part of the forest; forest roads, cleared tracts, firebreaks and other small open areas; forest in national parks, nature reserves and other protected areas such as those of specific scientific, historical, cultural or spiritual interest; windbreaks and shelterbelts of trees with an area of more than 0.5 ha and width of more than 20m; plantations primarily used for forestry purposes, including rubberwood plantations and cork oak stands.

Excludes: Land predominantly used for agricultural practices.

Definition of Forest by AFi (see Accountability Framework): Land spanning more than 0.5 hectares with trees higher than 5m and a canopy cover of more than 10%, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or other land use. Forest includes natural forests and tree plantations.

Definition of Deforestation by FAO (EUDR Legal Text and FRA 2000 on definitions of forest and forest change): The conversion of forest to agricultural use, whether human-induced or not. Deforestation refers to change of land cover with depletion of tree crown cover to less than 10%.

Definition of Deforestation by AFi (see Accountability Framework): Loss of natural forest as a result of: (i) conversion to agriculture or other non-forest land use; (ii) conversion to a tree plantation; or (iii) severe and sustained degradation.

It has to be noted that AFi refers specifically to natural forests while the FAO definition refers to all forests which also include tree plantations.

Definition of Forest Degradation by FAO (FRA 2000 on definitions of forest and forest change): Takes different forms, particularly in open forest formations, deriving mainly from human activities such as over-grazing, over-exploitation (for firewood or timber), repeated fires, or due to attacks by insects, diseases, plant parasites or other natural sources such as cyclones. In most cases, degradation does not show as a decrease in the area of woody vegetation but rather as a gradual reduction of biomass, changes in species composition and soil degradation.

Definition of Forest Degradation by AFi (see Accountability Framework): Changes within a natural ecosystem that significantly and negatively affect its species composition, structure, and/or function and reduce the ecosystem's capacity to supply products, support biodiversity, and/or deliver ecosystem services.

Definition of Forest Restoration (see Accountability Framework): The process of assisting the recovery of an ecosystem, and its associated conservation values, that has been degraded, damaged, or destroyed. This definition refers to restoration as a means to remedy environmental harms or reverse the loss of environmental values.

Methods and References

All Levels: In order to be able to claim their cocoa supply chain as deforestation-free, the cocoa that SWISSCO members import to Switzerland and the European Union shall adhere to the requirements of the EUDR.

Cocoa exported to the rest of the world needs to stem from areas where no forest has been converted into agricultural land but does not need to include other EUDR-related instruments.

All Levels: "Costs for the development and implementation of tools to comply with the traceability requirements are covered and are not at the expense of farmers" means that the companies are responsible for ensuring traceability by providing either mapping services to farmers or the tools for farmers/ cooperatives/ extensionists to map the farms so that costs don't have to be borne by the farmers.

The aforementioned services need not necessarily be provided by the reporting company itself but can also be provided by upstream companies who are supplying cocoa to the reporting company.

Level 1 and 2: Best practices for Landscape Initiatives can be found under Core Criteria for Mature Landscape Initiatives (2024) | ISEAL Alliance

Ambition 4:
Agroforestry practices are widely adopted in cocoa production.

Context / Explanation

Definition of basic agroforestry (see World Cocoa Foundation): Include a minimum of 16 multi-purpose trees per hectare and at least three different non-cocoa species.

Definition of advanced agroforestry (based on ISCO Definitions adapted in consultation with SWISSCO members): 30-40% shade cover at maturity on the area under agroforestry, minimum of 70 multi-purpose trees/ha, minimum 5 different species, 2 strata above cocoa.

Definition of Dynamic Agroforestry (see Issue Brief on Agroforestry for more information): multi-strata (min. 3) system with pioneer, secondary and primary species mimicking the natural succession of forests in the first years.

Consists of at least 10 different tree species/ha occupying the middle and higher strata above the cocoa tree, at least 1 biomass tree per each cocoa tree, capable of providing up to 30-40% shade cover at maturity on the area under agroforestry and cover crops are widely used.

Please note:

All promoted agroforestry systems are inherently based on good agricultural practices such as integrated pest, disease and nutrient management, pruning, high quality planting material with resistant varieties adapted to local conditions (e.g. shade tolerance), while providing farmers with the training needed for the correct implementation of these practices.

Methods and References

See Issue Brief on Agroforestry for best practices and success factors for the successful implementation of agroforestry regarding the impact on nature, climate, income as well as social well-being in the cocoa sector.

Ambition 5:
Cocoa production aligns with achieving global climate goals through reducing GHG emissions for both near-term (2030) and long-term (2050).

Context / Explanation

Paris Agreement: Full legal document established in 2015 and ratified in 2016, currently 195 of 198 nations have committed to it (April 2025).

Definition of Net Zero by 2050: limit the increase in the global average temperature to well below 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels."

Definition GHG Emissions: Seven greenhouse gases (GHGs) are acknowledged under the UN Framework convention on Climate Change: CO2, CH4, N2O, HFCs, PFCs, SF6, and NF3.

GHG emission accounting under the Paris Agreement: There are multiple processes under the UN Framework convention on climate change to measure progress on GHG emission reduction, including the Global Stocktake, under the Nationally Determined Contribution Tracking, and through the IPCC Assessment Report.

Science Based Targets initiative (SBTi): SBTi can so far be seen as the globally most recognized and comprehensive effort for companies to establish meaningful and credible carbon reduction targets.

Definition of Scope: To help delineate direct and indirect GHG emission sources, improve transparency, and provide utility for different types of organisations and different types of climate policies and business goals, three "Scopes" (Scope 1, Scope 2, and Scope 3) are defined for GHG accounting and reporting purposes.

When measuring the company's emissions, these Scopes indicate which emitting activities can be limited to the company's own actions (Scope 1 and 2) and which activities are extended to actions in the company's value chain (Scope 3) (Guidance Document SBTi)

Please note that for the agricultural commodities sector, around 80-90% of the Scope 3 emissions stem from land use change such as deforestation.

Scope 3 for SMEs**:** While SBTi does not require SMEs to set Scope 3 emissions for near-term targets, SMEs must commit to measuring and reducing their Scope 3 emissions for 2050. This should help SMEs build a foundation for their emissions reduction efforts, which can then be expanded to include more comprehensive Scope 3 emissions reduction targets as their capabilities and resources grow.

Methods and References

Level 1 and 2: Best practices for climate action can be found under various resources, including SBTi Services, SBTi Case studies, SBTi guide for SMEs; World Cocoa Foundation GHG accounting for cocoa for emission data.

Level 3: Compliance with SBTi guidelines (currently under revision, see draft Corporate Net-Zero Standard V2). Dedicated SBTi Sector Guide for Forest, Land and Agriculture (FLAG).

Offsetting: SWISSCO applies the SBTi recommendations, which prefer removals over offsets and has set a limit of 10% of total emissions for residual emissions, which can be offset.

Theory of Change - Ambitions 3 - 5

Outputs

Companies act on key levers:

- deforestation-free supply chain (mitigation)
- restoration of ecosystems (adaptation, sequestration)
- increase implementation of agroforestry solutions (adaptation, sequestration)

Outcomes

Ambition 3: 100% deforestation free

Ambition 4: Successful adoption of agroforestry practices in landscapes

Ambition 5: GHG emission reduction in cocoa production aligns with global climate goals

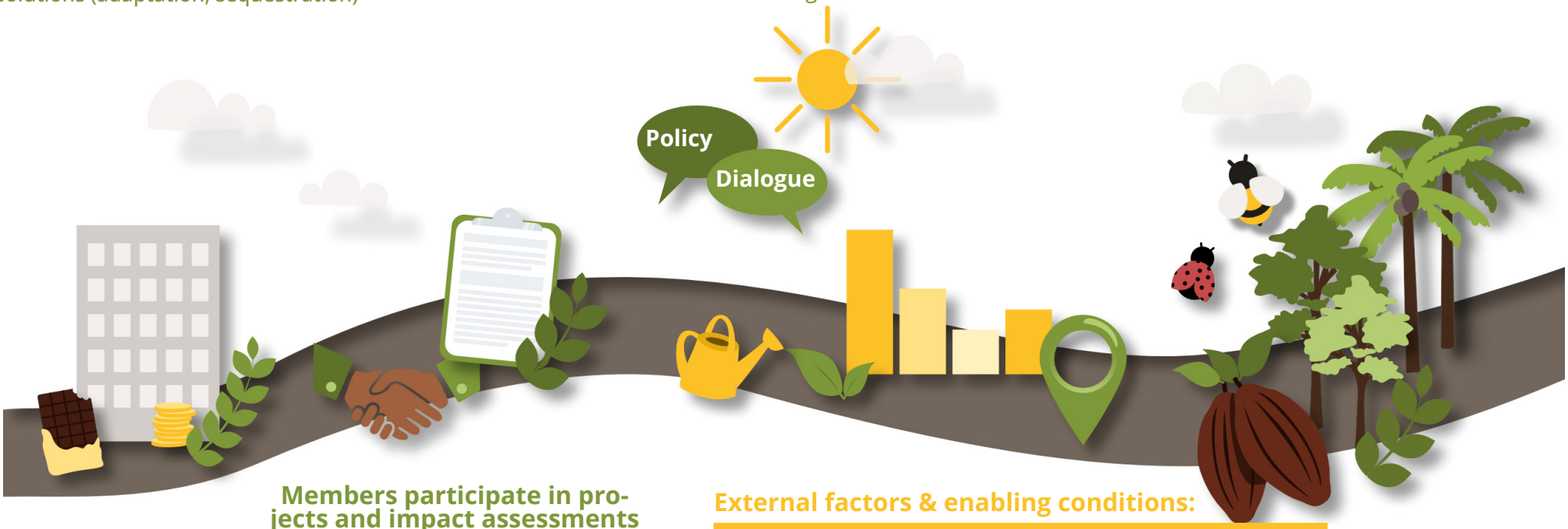
Impact

Strengthened climate resilience

Reduced GHG emissions

Increased biodiversity

Enhanced ecosystem services



Members participate in projects and impact assessments

Peer Learning & Knowledge Exchange

Accountability

Public-Private Partnerships

External factors & enabling conditions:

- level of forest degradation
- enforcement of forest protection
- land tenure rights and tree ownership
- climate change
- market access
- monetisation of carbon removal
- enabling policies
- adoption of new farming practices

Ambition 6:
The physical flow of products containing cocoa to Switzerland relies on fully traceable and transparent supply chains

Context / Explanation

The revised Roadmap proposes to build on the sourcing statistics that has been implemented when launching SWISSCO through the Declaration of Intent in 2017.

By referring to the new ISEAL Code for Good Practice for Sustainability Systems, Code compliant schemes (mainly Fairtrade and Rainforest) are recognised under (the highest) Level 3.

For Level 2 schemes, the schemes currently accepted as part of the SWISSCO Sourcing Statistics are accepted but will undergo an appraisal done by SWISSCO in collaboration with ISEAL by the end of 2026.

Thus far, accepted sustainability schemes are: Lindt Farming Programme, Cocoa Life, Cocoa Horizon, Organic (Biosuisse/EU/Demeter), Fair for Life and Hand in Hand.

The schemes will be assessed against the following **four core criteria**

- **Independence:** The verifying organisation must be sufficiently independent from the company. Justification must include evidence that conflicts of interest are identified and mitigated.
- **Verification:** The scheme must have a documented procedure that describes the performance requirements to be verified, how non-compliance and corrective actions are handled, the frequency of verification, and the qualifications required of the verifying organisation. The procedure must also include a consistent assessment methodology.
- **Monitoring & Evaluation:** The scheme has an explicit process for M&E which at a minimum covers whether the scheme contributes to its intended outcomes and impacts, whether participants demonstrate improved performance, and whether there is any occurrence of unintended negative effects.
- **Transparency:** The scheme makes its organisational structure public and provides information on the scheme's objective and strategies, including a mechanism to receive feedback.
  Besides, the scheme makes the information on the verification procedure as well as the process and the results of M&E publicly available, using the results to evaluate and improve the scheme. Data on the scheme of relevant size is published in the ITC Standards Map.

Schemes reported under Level 1 will also be assessed against these four criteria. But since companies and verifying organisation tend to be smaller compared to Level 2, the assessment will take into account the limited scale and capacities in terms of financial and human resources.

The appraisal will be conducted by the SWISSCO Coordination Office and may consult external experts if deemed necessary.

Methods and References

- ISEAL's Code of Good Practice for Sustainability Systems: ISEAL Codes of Good Practice
- Four Core Criteria have been developed in conjunction with ISEAL based on the full ISEAL's Code of Good Practice
- ITC Standards Map: StandardsMap

Glossary

Agroforestry, advanced:

30-40% shade cover at maturity on the area under agroforestry, minimum of 70 multi-purpose trees/ha, minimum 5 different species, 2 strata above cocoa (based on ISCO Definitions adapted in consultation with SWISSCO members).

Agroforestry, basic:

Includes a minimum of 16 multi-purpose trees per hectare and at least three different non-cocoa species (see World Cocoa Foundation).

Agroforestry, dynamic:

Multi-strata (min. 3) system with pioneer, secondary and primary species mimicking the natural succession of forests in the first years. Consists of at least 10 different tree species/ha occupying the middle and higher strata above the cocoa tree, at least 1 biomass tree per each cocoa tree, capable of providing up to 30-40% shade cover at maturity on the area under agroforestry and cover crops are widely used (see Issue Brief on Agroforestry for more information).

CLMRS Coverage:

Coverage refers to households and children reached by the CLMRS and in scope to receive services at a specific point in time. Covered households are a subset of all targeted households and include those who received Monitoring Visits in the past 24 months (and remain included for further support and follow up as needed) and those assessed as "low risk" by a predictive model in the past 12 months (for whom no further action is required).

Households or children no longer in scope (for example, if a child has turned 18 or a household has moved away) must be excluded from the total coverage reported at that point in time.

Cocoa and Cocoa Preparations:

Cocoa preparations comprise the following commodities:

HS 1801.00 Cocoa beans: whole or broken, raw or roasted.

HS 1802.00 Cocoa waste: cocoa shells, husks, skins and other cocoa waste.

HS 1803.10 Cocoa paste / liquor: cocoa paste, not defatted. (Conversion factor: 1.25)

HS 1803.20 Cocoa cake: cocoa paste, wholly or partly defatted. (Conversion factor: 1.18)

HS1804.00 Cocoa butter: cocoa butter, fat and oil. (Conversion factor: 1.33)

HS 1805.00 Cocoa powder: cocoa powder, not containing added sugar or other sweetening matter. (Conversion factor: 1.18)

HS 1806.00 Chocolate, other: Chocolate and other food preparations containing cocoa

HS 1806.1 Cocoa powder: containing added sugar or other sweetening matter (Conversion factor: 0.4)

HS 1806.2 Other preparations: in blocks, slabs or bars weighing more than 2 kg or in liquid, paste, powder, granular or other bulk form in containers or immediate packings, of a content exceeding 2 kg (Conversion factor: 0.4)

HS 1806.3 Other: in blocks, slabs or bars, filled (Conversion factor: 0.2)

HS 1806.32 Other: in blocks, slabs or bars, not filled (Conversion factor: 0.4)

HS 1806.90 Other food preparations: containing cocoa, chocolate other than blocks, slabs or bars (e.g. balls, easter bunnies, etc.), finished products =< 2 kg (Conversion factor: 0.2)

Deforestation by EUDR and FAO:

The conversion of forest to agricultural use, whether human-induced or not. Deforestation refers to change of land cover with depletion of tree crown cover to less than 10% (EUDR Legal Text and FRA 2000 on definitions of forest and forest change).

Deforestation by AFi:

Loss of natural forest as a result of: (i) conversion to agriculture or other non-forest land use; (ii) conversion to a tree plantation; or (iii) severe and sustained degradation (see Accountability Framework).

It should be noted that AFi refers specifically to natural forests while the FAO definition refers to all forests which also include tree plantations.

Direct supply chain:

For cocoa to be categorised as "cocoa sourced through a direct supply chain", there shall be a relatively stable partnership and collaboration, in which the individual cocoa farmers / farming families are known (registered). Such partnership and collaboration may cover issues such as price, quality, good agricultural practices, social, human rights and environmental issues, certification requirements, etc.

This partnership and collaboration between the cocoa sourcing company and the producers (cocoa farming households) may be conducted through cooperatives, farmer organisations and / or other intermediaries embedded within the direct supply chain.

Forest by FAO:

Land with tree crown cover (or equivalent stocking level) of more than 10 percent and area of more than 0.5 hectares (ha). The trees should be able to reach a minimum height of 5 meters (m) at maturity in situ (FRA 2000 on definitions of forest and forest change)

May consist either of closed forest formations where trees of various storeys and undergrowth cover a high proportion of the ground; or open forest formations with a continuous vegetation cover in which tree crown cover exceeds 10%. Young natural stands and all plantations established for forestry purposes which have yet to reach a crown density of 10% or tree height of 5m are included under forest, as are areas normally forming part of the forest area which are temporarily unstocked as a result of human intervention or natural causes, but which are expected to revert to forest.

Includes: forest nurseries and seed orchards that constitute an integral part of the forest; forest roads, cleared tracts, firebreaks and other small open areas; forest in national parks, nature reserves and other protected areas such as those of specific scientific, historical, cultural or spiritual interest; windbreaks and shelterbelts of trees with an area of more than 0.5 ha and width of more than 20m; plantations primarily used for forestry purposes, including rubberwood plantations and cork oak stands.

Excludes: Land predominantly used for agricultural practices.

Forest by AFi:

Land spanning more than 0.5 hectares with trees higher than 5m and a canopy cover of more than 10%, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or other land use. Forest includes natural forests and tree plantations (Accountability Framework).

Forest Degradation by FAO:

Takes different forms, particularly in open forest formations, deriving mainly from human activities such as over-grazing, over-exploitation (for firewood or timber), repeated fires, or due to attacks by insects, diseases, plant parasites or other natural sources such as cyclones. In most cases, degradation does not show as a decrease in the area of woody vegetation but rather as a gradual reduction of biomass, changes in species composition and soil degradation (FRA 2000 on definitions of forest and forest change).

Forest Degradation by AFi:

Changes within a natural ecosystem that significantly and negatively affect its species composition, structure, and/or function and reduce the ecosystem's capacity to supply products, support biodiversity, and/or deliver ecosystem services (Accountability Framework).

Forest Restoration:

The process of assisting the recovery of an ecosystem, and its associated conservation values, that has been degraded, damaged, or destroyed. This definition refers to restoration as a means to remedy environmental harms or reverse the loss of environmental values (Accountability Framework).

GHG Emissions:

Seven greenhouse gases (GHGs) are acknowledged under the UN Framework convention on Climate Change: CO2, CH4, N2O, HFCs, PFCs, SF6, and NF3.

Indirect supply chain:

For cocoa to be categorised as "cocoa sourced through an indirect supply chain", there is no or minimal contact, no partnership and no collaboration between the cocoa sourcing company and the cocoa producer. The cocoa is typically sourced through (several) intermediaries which do not disclose the individual farmers / farming families that produced the cocoa.

ISEAL Code of Good Practice:

The ISEAL Code of Good Practice for Sustainability Systems (the ISEAL Code) provides a globally recognised framework, defining practices for effective and credible sustainability systems. It integrates and replaces ISEAL's previous Codes of Good Practice on standard-setting, assurance and impacts.

Landscape Initiative:

The multi-stakeholder initiative that operationalizes a landscape approach in a particular landscape, by setting common goals, taking collective action while reconciling different interests, and monitoring progress towards shared sustainability goals and outcomes at a landscape scale (Core Criteria for Mature Landscape Initiatives (2024) | ISEAL Alliance).

Living Income (LI):

Living income refers to the net annual income required for a household in a particular place to afford a decent standard of living for all members of that household. Elements of a decent standard of living include: food, water, housing, education, healthcare, transport, clothing, and other essential needs including provision for unexpected events. (Living Income Community of Practice).

Living Income Benchmarks (LIB):

Please refer to the LICOP website for an overview of living income benchmarks and studies. If there is no benchmark available for the region you are working in, please consult the LICOP FAQ living income benchmarks which provides guidance for using alternatives when there is no benchmark available.

Living Income Gap:

The difference between the actual income earned by farming households and the living income benchmark (LIB) required to reach a dignified standard of life.

Living Income Reference Price (LIRP):

The price a typical farmer household with a viable farm size and a sustainable productivity level needs in order to earn a living income from the sales of their crop. Fairtrade establishes generic Living Income Reference Prices for several core products, including cocoa and coffee, at country level, following a robust process of farm economic data analysis and stakeholder consultation.

Net Zero by 2050:

Limit the increase in the global average temperature to well below 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels."

Paris Agreement:

Full legal document established in 2015 and ratified in 2016, currently 195 of 198 nations have committed to it (April 2025).

Science Based Targets initiative (SBTi):

SBTi can so far be seen as the globally most recognised and comprehensive effort for companies to establish meaningful and credible carbon reduction targets.

Scope (1,2,3):

To help delineate direct and indirect GHG emission sources, improve transparency, and provide utility for different types of organisations and different types of climate policies and business goals, three "Scopes" (Scope 1, Scope 2, and Scope 3) are defined for GHG accounting and reporting purposes.

When measuring the company's emissions, these Scopes indicate which emitting activities can be limited to the company's own actions (Scope 1 and 2) and which activities are extended to actions in the company's value chain (Scope 3) (Guidance Document SBTi)

Methodology to calculate number of farming households in indirect supply chain:

Please calculate the number of households in your indirect supply chain by dividing the total volumes you sourced through the indirect supply chain by the average annual yield of farmers in your indirect supply chain. Please find the average annual yield for the largest cocoa producing countries below:

Country	Average land size in ha (Cocoa Barometer and CHIS Study in Ghana)	Average annual yield	Average yield in kg/ha in 2022* *2024 data available for Ghana
Ghana	3.0	1521.6	507.2
Ivory Coast	3.44	1131.7	329
Nigeria	2.3	630.89	274.3
Cameroon	3.3	1592.58	482.6
Ecuador	5.8	3840.18	662.1