

Cocoa coalition outlines its proposals for ambitious EU legislation to benefit farmers, producer countries and consumers

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FERRERO

MARS WRIGLEY



- Unique coalition of companies, NGOs, certification organisations and multistakeholder organisations further outlines its vision for future EU legislation affecting the cocoa sector.
- Both the forthcoming proposals for legislation – on corporate due diligence and on deforestation – can provide the basis for the transformation of the sector, benefiting producer countries and cocoa farmers.
- The coalition believes in particular that both pieces of legislation should apply to all companies, without exclusions.
- It should be comprehensive and harmonised, aiming to ensure respect for the laws of the producer country, human and labour rights, including the right to an adequate standard of living, rights of land tenure and access, and environmental sustainability, including forest degradation and ecosystem harm.

We, a group of companies (Ferrero, Mars Wrigley, Mondelēz International, Nestle, Tony's Chocolonely), certification organisations (Fairtrade International, Rainforest Alliance), NGOs (Fair Trade Advocacy Office, VOICE Network) and multi-stakeholder organisations (International Cocoa Initiative), are today publishing our proposals for the key features we hope to see included in forthcoming EU legislation on due diligence and deforestation.

Consistently with the position [we announced in 2019](#), we believe that the introduction of mandatory EU-wide due diligence legislation can have a positive impact in driving the necessary transformation of the cocoa and chocolate sector. We welcome the two processes currently under way within the European Commission to introduce legislative proposals for due diligence.

We support the introduction of a general obligation on companies to conduct human rights and environmental due diligence across their entire operations and supply chains, and hope to see this

included in the legislative initiative on sustainable corporate governance, including corporate due diligence, led by DG Justice & Consumers.

We call on this legislation to require companies to work with their suppliers and supply-chain partners, especially in producer countries to identify, address and report on risks in their supply chains rather than abandon or avoid high-risk sources of cocoa. The criteria underlying the due diligence obligation should aim to ensure respect for human and labour rights, rights of land tenure and access, the laws of the producer country, and environmental sustainability. This includes explicit respect for the right to an adequate standard of living as a fundamental human right: a 'living income', to be understood as a precondition to access other human rights.

We also call on DG Environment to come forward with proposals for due diligence legislation to minimise the risk of deforestation associated with cocoa products placed on the EU market, and to extend this to include forest degradation and ecosystem harm.

Both pieces of legislation should be implemented as uniformly as possible across the EU, avoiding a patchwork of different member state approaches, and should cover companies irrespective of their size – this is fundamental in the cocoa and chocolate sector to avoid distortion and maximise impact, given its fragmentation. They should be enforced by government agencies with sufficient powers and resources, and contain dissuasive penalties and access to remedies, including provisions for civil liability, in order to help drive real change in the sector.

We believe that all companies in the cocoa sector must implement such due diligence obligations; they are well-placed to generate and protect social and environmental benefits through due diligence efforts.

We are confident that such legislation has the potential to benefit producer countries by reinforcing their efforts to establish a sustainable cocoa sector for the long term. If the legislation is well designed, it should ensure that the burdens of adjustment are shared fairly throughout the supply chain and cocoa farmers are not left to bear additional costs without sufficient support, and contribute to achieving a living income for cocoa farmers, an essential means of establishing a sustainable cocoa sector. It should encourage meaningful stakeholder engagement, by companies or their suppliers, as a key tool of carrying out due diligence.

For the legislation to be fully effective, however, it needs to be coupled with the strengthening of the enabling environment for sustainable cocoa farming on the ground, and we therefore also call on the European Commission to pursue the establishment of bilateral partnership agreements between the EU and cocoa-producing countries – as we have argued in [our joint position paper on partnerships](#).

[Our joint position paper on due diligence legislation is available here](#). We look forward to engaging with the European Commission, member-state governments and Members of the European Parliament on our proposals, and we invite others to endorse our joint position paper.

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