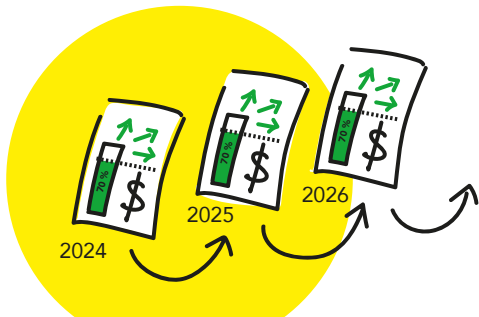


Good Purchasing Practices in Cocoa



Living Income Reference Price

Retailers and brands must commit to requiring a publicly available LIRP from the traders they source from and must be willing to pay for this. Traders must commit to paying a publicly available LIRP. This commitment must include transparent calculations of how the farm gate price they pay is sufficient to close the remaining gap and must be applicable to the majority of the cocoa farmers in the supply chain, not just some outliers.



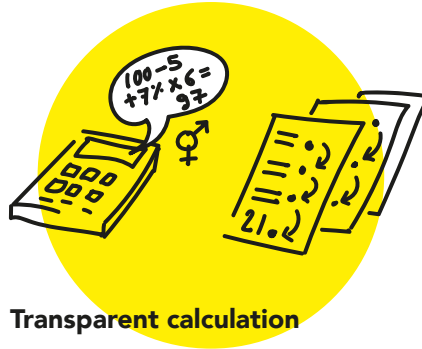
Asymmetric long-term contracts

Traders, retailers and brands, should implement long-term asymmetrical contracts within a specific timeframe, including realistic volumes, the living income reference price, renegotiation mechanisms, and clear rights and responsibilities for buyers and farmers.



Respect the contract

Contracts and volumes must be respected, and effective complaint mechanisms with real consequences for noncompliance should be in place.



Transparent calculation

Every company – retailer, brand, trader – should have a calculation of the living income gap of median farmers in their supply chain, and a timebound gender-sensitive commitment to close this gap.



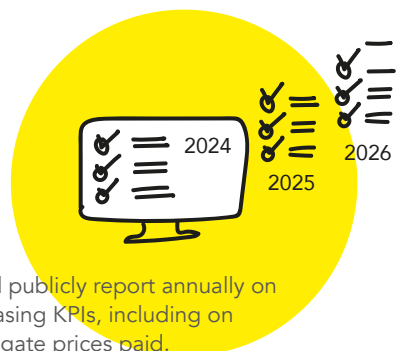
Review

All actors need to regularly review their income approaches with a gender lens to ensure interventions actively combat gender inequality, rather than exacerbate it.



Publish a time-bound policy

Companies should publish a time-bound living income policy, and annually report on how the living income gap is closed, including a gender-disaggregated measurement.



Report

Companies should publicly report annually on responsible purchasing KPIs, including on volumes and farm gate prices paid.

The core business of companies is the buying and selling of their products. Companies are only sustainable if their core business is.