Cautious steps towards sustainable cocoa

Retailer Cocoa Collaboration 2024/25 Annual Trader Assessment Results

NOVEMBER 2025

RETAILER COCOA COLLABORATION

Acknowledgements

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Driving environmental and social improvements in cocoa supply chains

The Retailer Cocoa Collaboration (RCC) is a coalition of six major UK and European retailers that supports industry efforts to drive environmental and social improvements in the cocoa sector.

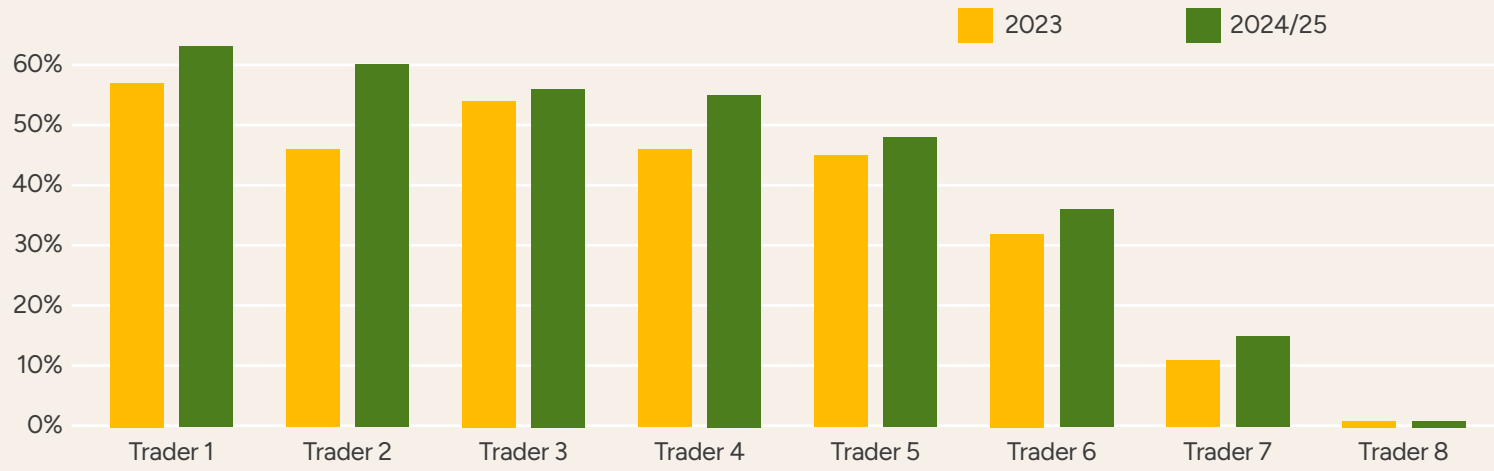
In this 2024/25 report, we share insights into the current state of the trader stage of the supply chain. We provide context on the cocoa market, present key insights on traceability, indirect supply, living income, gender, and child labour, and conclude with recommendations for traders and retailers.

RCC 2024/25 Trader Assessment
Since 2019, we have been collecting and assessing data on cocoa trader performance across social and environmental metrics. This report highlights data from eight major cocoa traders, six of whom responded to our questionnaire. You can read more about the assessment process in Appendix 1.

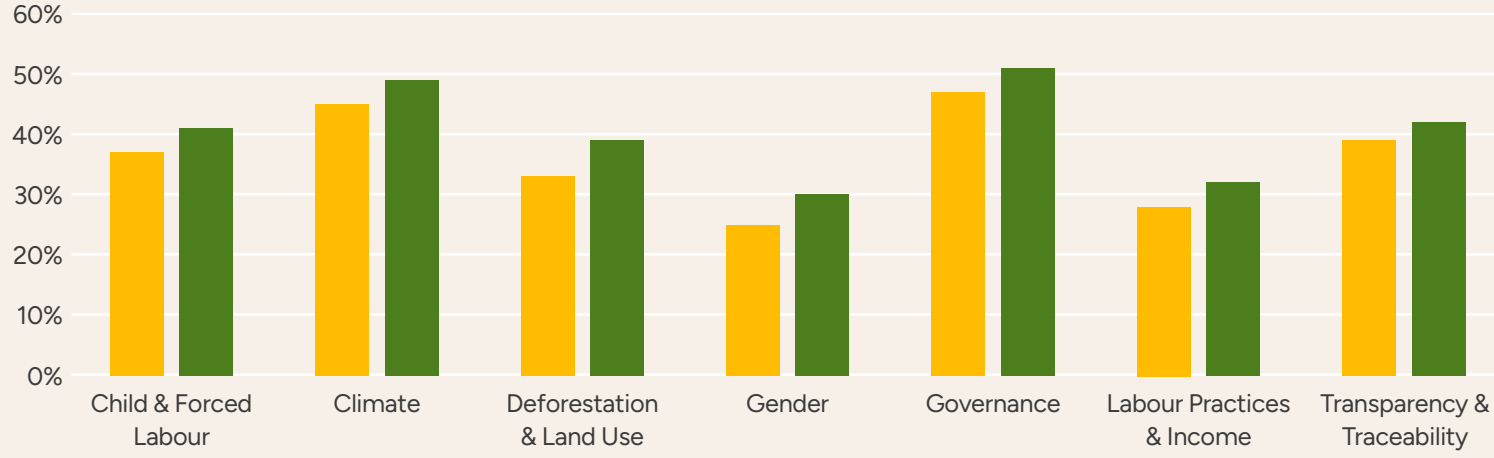
Overall, trader performance improved in 2024/25 when compared with previous years. This year's average score was 42%, compared to 35% in 2023.

However, there was once again a wide range in scores between the highest and lowest scoring traders. Several of the lower-performing traders continue to source and trade considerable volumes of cocoa, underscoring potential risks for downstream customers, including retailers.

Overall trader performance %



Assessment Area Scores: YoY progress



See p13 for glossary of terms

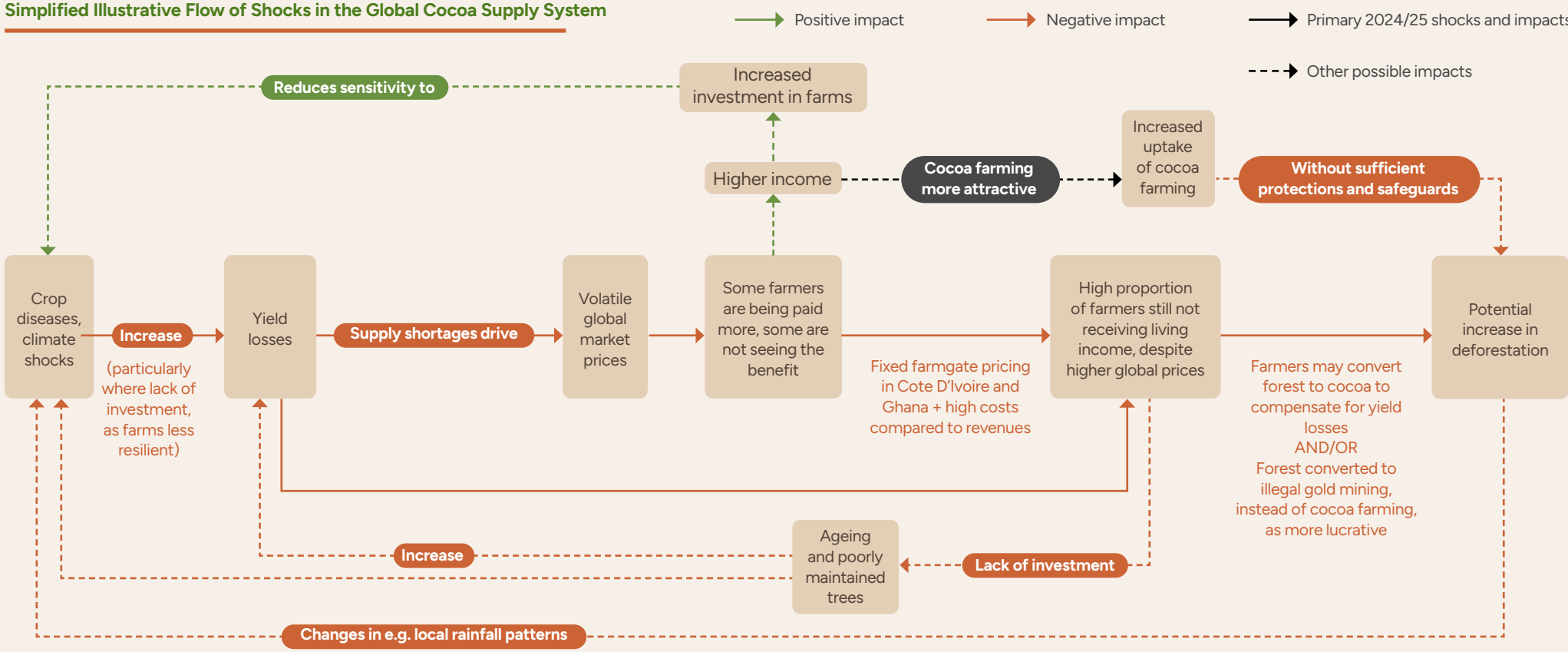
Another volatile year in cocoa

In 2024/25, we continued to see significant challenges for the cocoa sector.

Adverse weather conditions linked to climate change, crop diseases (such as Cocoa Swollen Shoot Virus (CSSV) and Black Pod), and underinvestment in key producing regions contributed to another poor harvest season. Traders reported that resulting supply shortages and record-high cocoa prices presented significant commercial and operational challenges for their businesses.

Many farmers in emerging production regions, such as Latin America, saw an increase in income that reflects the high global cocoa prices. However, farmers in the primary cocoa-producing regions of Ghana and Côte d'Ivoire, where national governments set the farmgate price of cocoa, were delayed in receiving income increases aligned with global market prices, at the same time as suffering from dramatic yield losses.

Simplified Illustrative Flow of Shocks in the Global Cocoa Supply System



FINDINGS

Prospect of EUDR pushing traceability gains

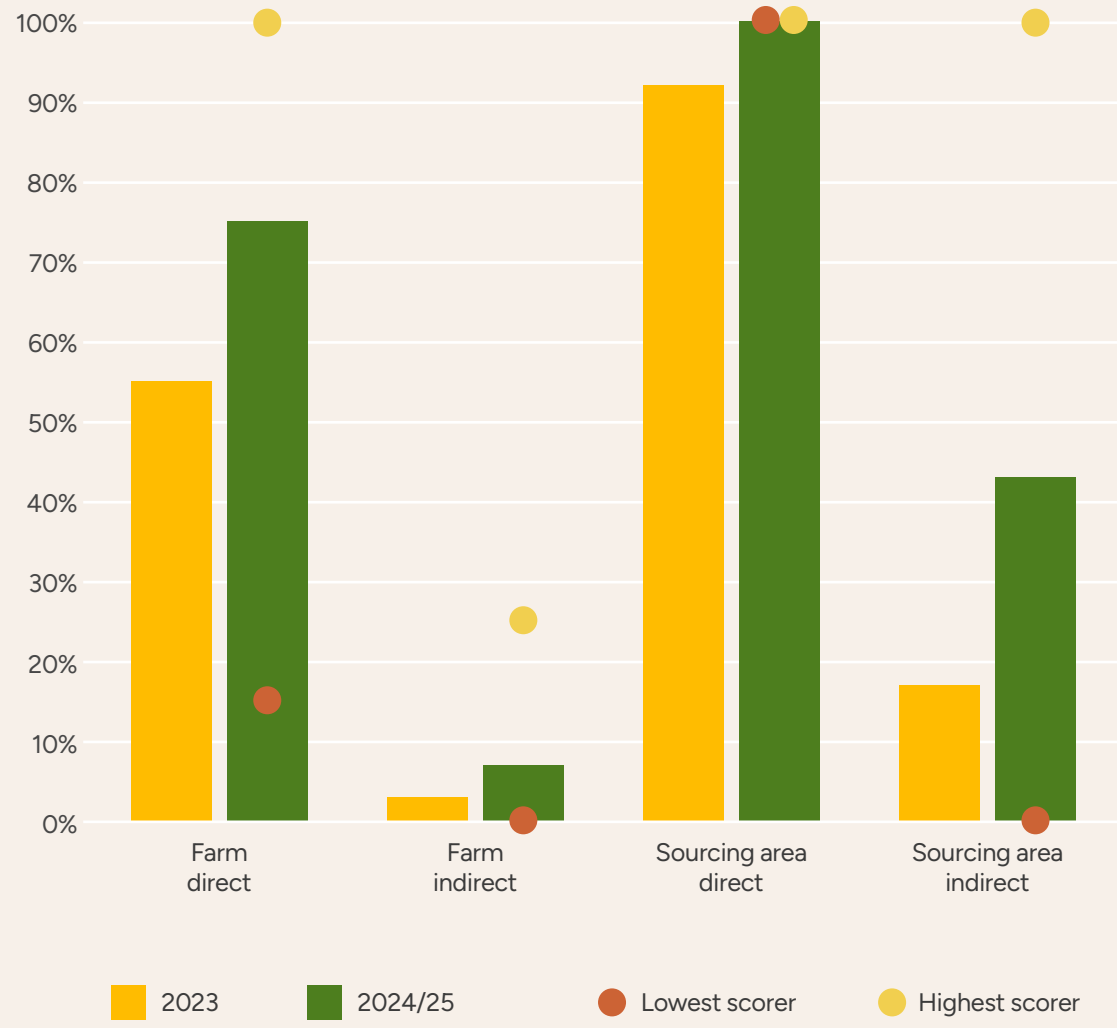
In 2024/25, we saw a continued increase in traceability. On average, reporting traders state that 100% of direct supply can now be traced to sourcing area, and 75% to farm. Indirect supply traceability is still significantly lower than direct supply traceability, with just 7% on average traceable to farm.

The European Union Deforestation Regulation (EUDR) has been a critical driver of increased traceability. It has empowered responsible sourcing teams to emphasise the importance of traceability, enabling:

- Setting of traceability targets and KPIs (also driven by customer sourcing requirements)
- Investment in IT systems, digital mapping tools and ground-truthing programmes (linked to the requirements of EUDR).
- Development of more detailed sourcing guidelines and due diligence questionnaires to improve visibility in indirect supply chains. These have lagged – and continue to lag – behind direct supply chains.

Many traders are strong EUDR advocates, partly because they have already invested in readiness and risk management to ensure compliance. While full compliance remains a work in progress for some, several reported readiness for the December 2025 deadline.

Traceability in Cocoa Supply Chains: YoY Progress



% polygon mapped in direct and indirect supply chain

FINDINGS

Indirect Supply – still lagging behind direct supply

In the latest assessment, there was no substantial improvement in monitoring or reporting progress in indirect supply chains.

Efforts have largely focused on direct supply chains, with traders only recently beginning to engage more systematically with indirect suppliers.

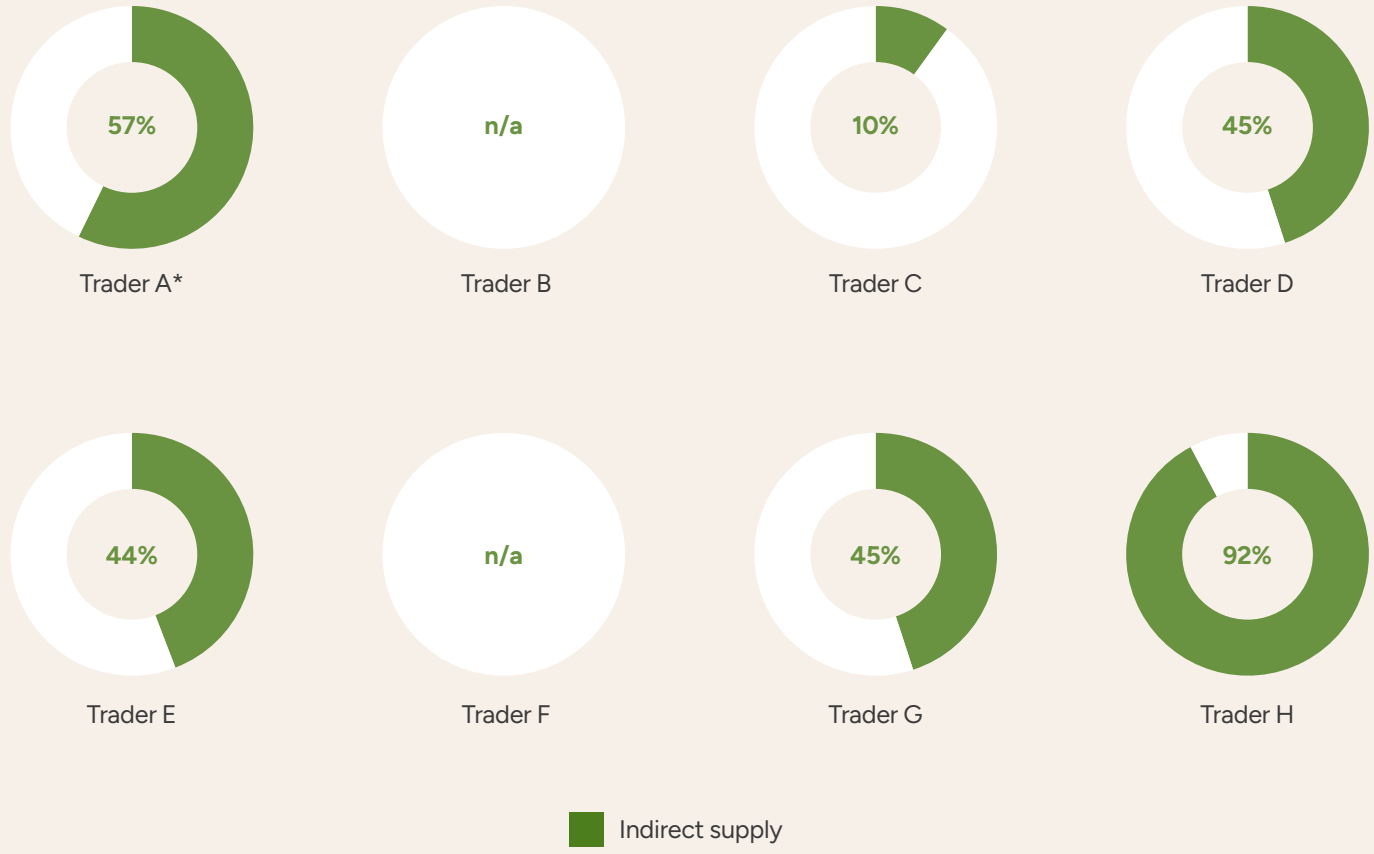
Some traders have introduced Corporate Social Responsibility questionnaires to assess risk in areas such as EUDR compliance and child labour in their indirect supply chains.

Despite these steps, progress remains limited, for example:

- Key commitments, such as voluntary deforestation- and conversion-free (vDCF) pledges or support for living income, often exclude indirect supply chains.
- There is a much lower level of monitoring and reporting in indirect supply chains, for example of the prevalence of child labour, coverage of Child Labour Monitoring and Remediation Systems (CLMRS), and extent of polygon mapping.

As several traders source significant volumes of cocoa indirectly, this remains a key risk hotspot for the occurrence of human rights abuses and deforestation.

Proportion of trader cocoa volumes that are indirect



*Global % not disclosed, average % of indirect/direct split of key sourcing regions taken

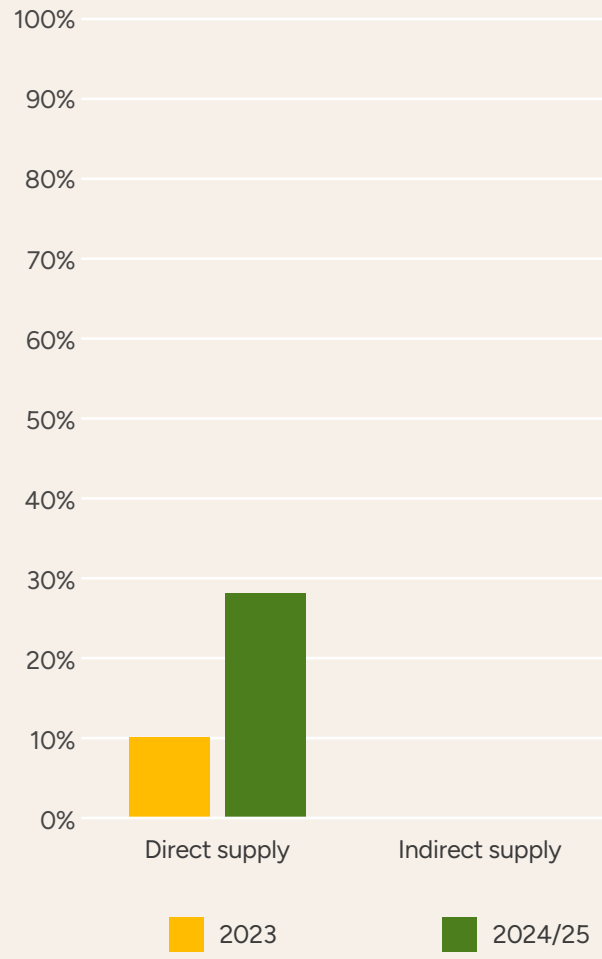
Living income – persistent poverty underpins cocoa issues

Poverty underpins the major social, environmental and productivity issues associated with cocoa supply chains. Child labour is inextricably linked to poverty; farmers living below the poverty line may be forced to resort to unpaid or child labour to increase household income. Ensuring that farmers earn a living income remains one of the key levers available to traders to promote sustainable cocoa supply chains.

In 2024/25, the average proportion of farmers that receive a living income did increase compared to 2023, but it is still a minority who do. This indicates that recent increases in global cocoa prices have not consistently translated into higher incomes for farmers. Overall, reporting on living income is limited, with no visibility at all of living income in indirect supply chains.

Several traders report implementing a range of strategies to address poverty, frequently in collaboration with NGOs such as IDH, community organisations, or other corporate partners such as Tony's Chocolonely. However, without sustained investment and a coordinated, multi-faceted approach, these individual mechanisms are unlikely to be sufficient to address poverty and to ensure that cocoa is a sufficiently profitable crop to provide a living income from producing it.

Average proportion of farmers reported as receiving a living income*



*Note that definitions of living income/wage vary by company and producing country. Examples of different methodologies used to calculate living income include the World Bank Poverty Line, the Anker Method, and the Living Income Community of Practice.

FINDINGS

Risk of women farmers being left behind

Women make up a significant proportion of the cocoa workforce, but face systemic barriers such as limited access to land, finance, training, and decision-making roles. Sustainability programmes that do not intentionally include women risk overlooking them, which can reinforce existing inequalities within cocoa communities.

Trader strategies to promote gender equality are generally less well-developed than initiatives that address other social issues. Some traders have set commitments to improve the position of women in their cocoa supply chain, but monitoring remains limited. Key indicators, such as the percentage of cocoa farmers that are women, the level of investment in women, and the proportion of women in leadership positions, are underreported, particularly in indirect supply chains. Supporting evidence and independent verification of reported figures is also lacking.

Traders are investing in a range of initiatives to empower women, including Village Savings and Loan Associations (VSLAs), and targeted training programmes. These activities represent a positive step toward enhancing gender inclusion within cocoa supply chains.

However, to improve understanding of progress and outcomes from such initiatives, it is essential that traders collect, monitor and report gender-disaggregated data, particularly within indirect supply chains.

Trader reporting on gender equality metrics

	Direct supply chain	Indirect supply chain
Public commitment to improving position of women across cocoa supply chain	5/8 traders	2/8 traders
Measure and publicly report on progress to achieve gender equality	5/8 traders	2/8 traders
% farmer groups with women in a position of leadership (i.e. a formal decision-making role)	5/8 traders	No traders disclosed
% cocoa farmers that have received finance (e.g. loans, insurance) from traders that are women	3/8 traders	No traders disclosed

FINDINGS

Child labour – some progress, still a significant gap

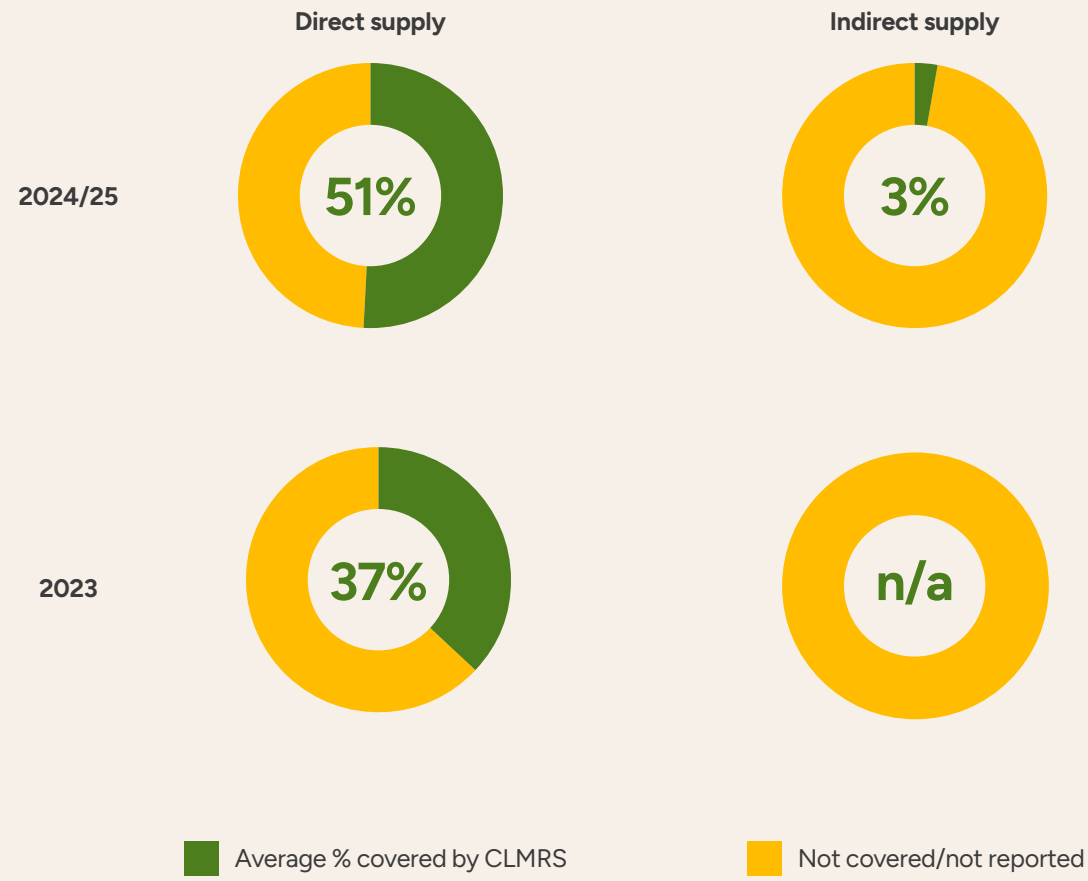
Child labour remains a significant human rights concern in cocoa supply chains, particularly in West Africa. While limited, age-appropriate tasks outside school hours are permitted under the ILO's definition of child work, much of the work undertaken by children on cocoa farms is hazardous and harmful. Risks include pesticide exposure, injuries from tools and machinery, and missing out on an education.

To address this, cocoa traders should actively monitor supply chains and implement remediation measures. In 2024/25, the average proportion of cocoa farming households covered by Child Labour Monitoring and Remediation Systems (CLMRS) increased compared to 2023, driven by traders expanding the scope of their engagement to farmers who had not been surveyed before.

However, in direct supply chains, on average only 51% was covered by CLMRS, and coverage of indirect supply chains with CLMRS was severely underreported. In addition, only 50% of traders reported full independent verification of CLMRS in their direct supply chain (and just 25% in indirect supply chain).

While there is a moderate baseline for CLMRS coverage, it is essential that traders increase CLMRS coverage and other activities aimed at mitigating child labour risk over the coming year.

Proportion of cocoa farming households surveyed by Child Labour Monitoring and Remediation Systems



Other key findings

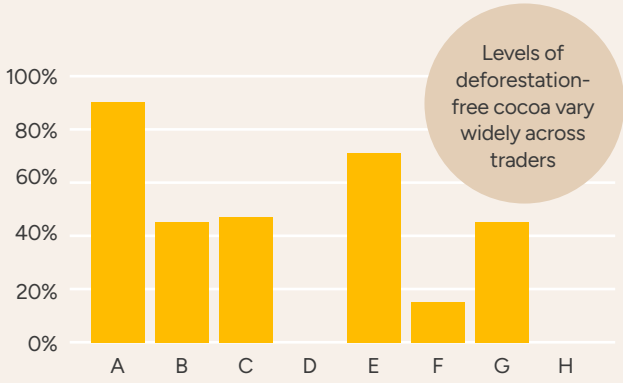
Science Based Targets initiative (SBTi)

5 traders now have an SBTi verified target

6 traders have included FLAG in their target

Deforestation commitments

% of deforestation-free cocoa by trader



Certification levels

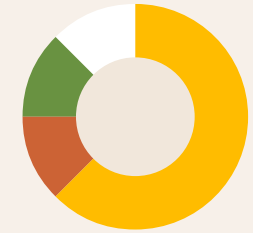
Rainforest Alliance continues to be the most prevalent independent scheme, followed by Fairtrade and Organic. Most traders have developed their own proprietary schemes with average percentages higher than independent schemes.

% of trader's supply (direct & indirect) certified

	FairTrade	Rainforest Alliance	Organic
A	**2%**	**28%**	**Not disclosed**
B	**6%**	**49%**	**1%**
C	**Not disclosed**	**Not disclosed**	**0%**
D	**0%**	**100%**	**2%**
E	**Not disclosed**	**Not disclosed**	**Not disclosed**
F	**7%**	**34%**	**1%**
G	**Not disclosed**	**Not disclosed**	**Not disclosed**
H	**10%**	**33%**	**3%**

Agroforestry policy

Seven traders have an agroforestry policy, but only five of these policies cover all sourcing regions.



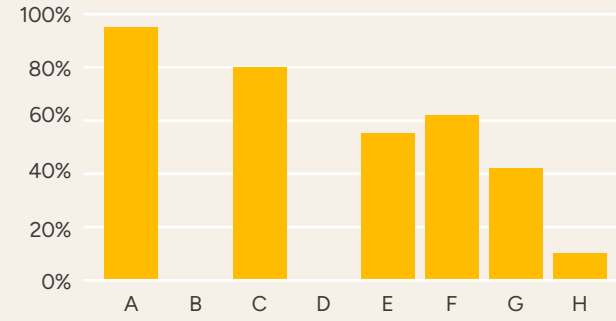
Yes - all regions
Yes - only specific countries
Yes - only West Africa
No

Good Agricultural Practices

Traders commonly offer training to supply chain cocoa farmers on good agricultural practices (GAP). These are methods to increase yields in an environmentally sustainable way. These include practices such as disease management and pruning.

The percentage of farms that have received GAP training varies widely across traders.

% of farms that have received GAP training



Recommendations for traders

1.

Continue to strengthen traceability and support relevant regulations

Continue to work towards 100% traceability to farm in both direct and indirect supply chains. Support regulations that drive transparency and action in deforestation-risk supply chains. While the regulatory landscape remains uncertain, continue to work with industry groups to establish standards and best practices for cocoa sourcing.

2.

Include indirect supply chain in sustainability commitments and risk assessments

Expand commitments to cover the indirect supply chain and include the indirect supply chain within the scope of environmental and social risk assessments. Improved engagement with indirect suppliers is critical for identifying and mitigating deforestation, extreme poverty and human rights abuses.

3.

Promote gender-inclusive supply chains

Set clear, time-bound commitments and action plans to enhance gender inclusion. This should include the collection of gender-disaggregated data, particularly from indirect suppliers.

4.

Invest in living income and climate resilience

Deploy a combination of strategies to boost farmer living income and financial security, rather than solely focusing on areas such as productivity or certification premiums. Monitor and report on the proportion of farmers achieving a living income to evaluate the effectiveness of different interventions. Invest in resilience-building activities (such as agroforestry) in cocoa-growing landscapes to mitigate the impacts of climate shocks and disease.

5.

Address and transparently report on child labour

Set time-bound targets for full supply chain coverage under CLMRS. Report transparently on progress, including the number of cases identified and remediated.

Recommendations for retailers

1.

Maintain and strengthen sustainable cocoa policies

Develop and uphold clear policies specifying sustainable cocoa sourcing. These policies provide a foundation for meaningful engagement with both suppliers and customers and support broader sustainability objectives across the supply chain.

2.

Hold traders accountable and encourage transparency

Continue to challenge traders on their sustainability commitments and monitor progress. Continue active engagement with suppliers and traders through key forums, conferences, and industry groups.

3.

Advocate for stronger regulatory and standard-setting frameworks

Actively support regulations and sustainability standards in both producer and consumer countries. Strong regulatory frameworks help create a level playing field and support consistency in data collection across the supply chain. While the regulatory landscape remains uncertain, continue to work with industry groups to establish standards and best practices for cocoa sourcing.

4.

Build consumer education and awareness

Highlight the importance of responsible cocoa sourcing, providing clear information on the social and environmental impacts of cocoa production. Support campaigns, marketing initiatives, and digital platforms that communicate the importance of ethical sourcing, while championing brands investing in sustainable cocoa.

5.

Invest beyond premiums through collaborative initiatives

Look beyond paying certification premiums to other forms of investment that drive systemic improvements in cocoa sustainability. For example, invest and participate in 'multi-stakeholder projects involving brands, traders, governments, and NGOs.

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Key terms

Child labour: Work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development, as defined by the International Labour Organisation (ILO).

Direct supply: Volumes bought directly from the cocoa farmer.

Indirect supply: Volumes bought through intermediaries, such as licenced buying groups or other traders.

Living income: The net annual income required for a household in a particular place to afford a decent standard of living for members of that household, as defined by the Accountability Framework Initiative. (Note that a variety of definitions are used within the cocoa industry, including by different traders).

Verified Deforestation and Conversion-Free (vDCF): No deforestation or conversion of natural ecosystems, verified by a third party, with a cut-off date of 2020, in alignment with the principles of the Accountability Framework Initiative.

Child Labour Monitoring and Remediation Systems (CLMRS): systems to monitor and prevent child labour that focus on: a) raising awareness about child labour and the resulting harm; b) identifying children in child labour through active, regular and repeated monitoring; c) providing support to children in child labour or at risk of child labour, their families and communities; and d) following up with children identified in child labour, as defined by the International Cocoa Initiative.

APPENDIX

Trader Assessment Process

Trader selection
RCC Members agreed on which traders to include in the annual assessment, based on their supply chain needs. This year, eight traders were invited to participate.

Questionnaire development
On an annual basis, 3Keel reviews the questionnaire, aiming to balance consistency, simplification and rigour. Where possible, 3Keel aligns the RCC questionnaire to other external cocoa frameworks and to other 3Keel-led coalitions, such as soy and palm oil.

Data collection
Questionnaires were distributed to traders with guidance for responses.

We received full responses from six out of eight traders. Two traders did not respond this year. Their scores have been prepared on the basis of publicly available information about their businesses or information shared with the RCC in previous assessments.

Data review and trader engagement
We reviewed and collated responses. We then arranged a call between each trader, interested RCC Members and 3Keel, to provide greater clarity, communication and transparency on the responses.

Finalisation of results
We shared trader response data with RCC Members in: i) a written one-page summary describing key elements of each trader's sustainability strategy and performance, and ii) a scorecard based on criteria that were either defined by the Member or by 3Keel in collaboration with the VOICE Network and Mighty Earth.

All charts in this report have been anonymised. The order of appearance has been scrambled and differ in each chart. For example, letter A does not refer to the same trader throughout.

Scoring Methodology Overview

We recognise that the review of commitments and policies is somewhat subjective, but every effort has been made to ensure fairness and consistency in the RCC scoring methodology across traders and years.

As in previous years, scoring was informed by guidance from the VOICE Network, who are experts in the social elements of cocoa supply chains (gender, child & forced labour, labour practices & income), and Mighty Earth, who specialise in the environmental elements (traceability, deforestation & land use, and climate).

There are around 600 questions in the assessment split into six themes (Certification & traceability, Deforestation & land use, Climate, Child & forced labour, Gender, Labour practices & income).

Each question and its response is scored out of four points, depending on the type of question. There are 20 different types and examples include scores based on:

- Whether data is transparently disclosed
- Reaching a minimum threshold (e.g. % of supply traceable to farm)
- Whether the response is a yes or a no.

Each question is categorised into one of five stages that refer to where in the sustainability journey a company is: Commitment, Target Date, Plan, Progress or Verification.

For each of the five stages, the score achieved is calculated as a percentage of the total points available in that category. These are weighted as follows: Commitments 15%, Target Dates 15%, Plan 20%, Progress 25% and Verification 25%.

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