

Regulatory developments in the European Union:

What you need to know

Social, economic and environmental challenges are increasingly garnering the attention of policy makers. Broader EU political developments, as well as initiatives taking place at a Member State level, are expected to accelerate market transformation towards an even more sustainable cocoa sector.

Last updated in December 2022.

Please note that this factsheet was developed based on the latest available developments we are aware of. It is solely intended as an informational resource, not as a legal advice. This factsheet is not exhaustive of all regulatory developments across the EU.

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Policy Developments at EU level

Deforestation Regulation

Reducing EU's contribution to deforestation and forest degradation worldwide, by banning products linked to deforestation-risk commodities from the EU market.

Forced labor Regulation

All products made with forced labor will be banned from being placed or made available on the EU market, including import and export.

CSDD Directive

The EU Council proposed a Directive on mandatory Corporate Sustainability Due Diligence (CS3D). It aims to address human rights and environmental impacts across value chains.

Timeline and milestones



You can access Cargill's 2022 ESG report [here](#).



Why is Cargill your partner in navigating this rapidly evolving regulatory environment?



We support the CSDD Directive, and we are committed to keep on identifying, assessing, and remediating environmental or human rights harms.



In line with the [Cargill Policy on Forests](#) and [Cargill Human Rights Commitment](#), Cargill is committed to respecting human rights and reducing, and ultimately eliminating, deforestation from our supply chains whilst respecting farmers' need to make a living from cocoa.



We are actively participating in the EU Cocoa Talks and engaging in public consultations via our Government Relations Team and our industry associations in order to build an ambitious roadmap to improve the economic, social and environmental sustainability of cocoa production and trade.



We have over 20 years of experience in cocoa sustainability and through the [Cargill Cocoa Promise](#) we invest in targeted interventions with farming households and farmer organizations, while forging strong local and sector-wide partnerships and delivering supply chain transparency through technology digitalization.

How Cargill can help you:

- Our customers benefit from our [Promise Cocoa](#) solutions and demonstrate leadership in addressing Member State voluntary initiatives on sustainable cocoa.
- Access the [CocoaWise™ Portal](#) to increase visibility into your supply chain and accurately and credibly inform your sustainability reporting with the most relevant KPIs.

Implications

All companies operating within the EU will need to implement due diligence if they are sourcing commodities, such as cocoa, as well as derived products and other chocolate ingredients.

The upcoming legislation will include a new set of obligations and possibly liabilities, requiring companies to know their supply chains in detail and understand the associated environmental and human rights risks. Companies will be required to act on the insights and communicate publicly on their progress around the environmental, human rights and due diligence standards.

Join us in creating meaningful change, because a change in cocoa growing community benefits all



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National policies impacting the cocoa sector in Europe



Belgium

Human Rights Due Diligence

In April 2021, the Parliament voted in favor of a Belgian due diligence law proposal to strengthen the obligations of companies throughout their supply chains. No further developments yet.



France

Due Diligence law - Duty of Vigilance

A legally binding obligation, which requires all large* French companies to develop a vigilance plan & undertake due diligence with regards to the companies they control, all their contractors and suppliers. [📄 More information](#)

National Strategy Against Imported Deforestation (SNDI)

France aims to eliminate the imports of products linked to deforestation by 2030. [📄 More information](#)



United Kingdom

Modern Slavery Act.

Since 2015, large companies publish an annual statement, which includes information on the impact of their operations on the community, and the environment.

See [Cargill Modern Slavery and Human Trafficking Statement](#).

The Environment Act 2021 and Deforestation Due Diligence

The government ran a public consultation from 3 December 2021 to 11 March 2022 to seek views on the detail of regulations that will implement these provisions, to ensure that these are designed effectively. Awaiting implementation through secondary legislation. [📄 More information](#)

* with over 5,000 employees in France and over 10,000 globally



Germany

German Supply Chain Act

Coming into force from 1st January 2023 for companies with > 3000 employees, and from January 2024 for companies with at least 1000 employees, it sets mandatory human rights and environmental due diligence for German companies, at both direct, and indirect supplier level. [📄 More information](#)



The Netherlands

Child Labor due diligence law

In May 2019, the Senate voted to adopt a child labor due diligence law which enforcement is pending. In November 2022, the Parliament published a proposal for a Responsible and Sustainable International Business Act, addressing human rights and environmental impacts in supply chains, now being assessed by the Dutch government. [📄 More information](#)



Norway

Norwegian Transparency Act

The act came into effect on 1 July 22. It requires businesses to respect human rights, ensure decent working conditions and public access to information on how businesses deal with diverse human rights impacts.

See [Cargill's public statement](#) in support of the act.



Switzerland

Act on Due Diligence and Reporting Obligations

In March 2022, a draft ordinance was published by the Swiss government specifying climate related obligations. It is to be enforced from January 2023. [📄 More information](#)

Policy developments regarding cocoa & chocolate sustainability in Europe:

What you need to know about the voluntary industry initiatives on sustainable cocoa (ISCOs) in Europe.

Voluntary industry initiatives on Sustainable Cocoa in Europe



Beyond Chocolate

Beyond Chocolate is a multi-stakeholder **voluntary partnership** for a sustainable Belgian chocolate industry and is committed to:

- By 2025, end **deforestation** due to cocoa grown for Belgian region
- By 2030, cocoa growers earn a **living income**
- All chocolate sold & produced in Belgium shall be **certified**

[More information](#)



Dutch Initiative on Sustainable Cocoa (DISCO)

- Cocoa farming families will be enabled to earn a **living income** by 2030
- Cocoa-related **deforestation** and forest degradation will have ended in supply chains by 2025
- Effective measures and necessary actions contributing to ending **child labor** by 2025 are taken

[More information](#)



German Initiative on Sustainable Cocoa (GISCO)

During the 2022 meeting in Brussels, GISCO committed to work together with 'Beyond Chocolate' and DISCO with an aim to ensure better **living conditions** for cocoa farmers in a sustainably thriving cocoa sector.

[More information](#)



Swiss Platform for Sustainable Cocoa (SWISSCO)

In their 2030 roadmap, SWISSCO is targeting four areas focusing on people and environment which are aligned with the SDGs set by the UN-GA and to have **80% of all cocoa bean equivalents** imported into Switzerland sourced from sustainable production.

[More information](#)



British Sustainable Cocoa Partnership (BRISCO)

Influenced by the national platforms formed by various European countries, IDH the Sustainable Trade Initiative is assessing the interest among UK-based cocoa and chocolate industry players as well as civil society and government to establish a British Sustainable Cocoa Partnership.

[More information](#)



French Initiative on Sustainable Cocoa (FRISCO)

In October 2021, FRISCO was signed with a commitment to:

- Eliminating **deforestation** related imports by 2025
- Ending **forced & child labor** in cocoa producing regions by 2025
- Achieve **living income** for farmers by 2030

[More information](#)

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