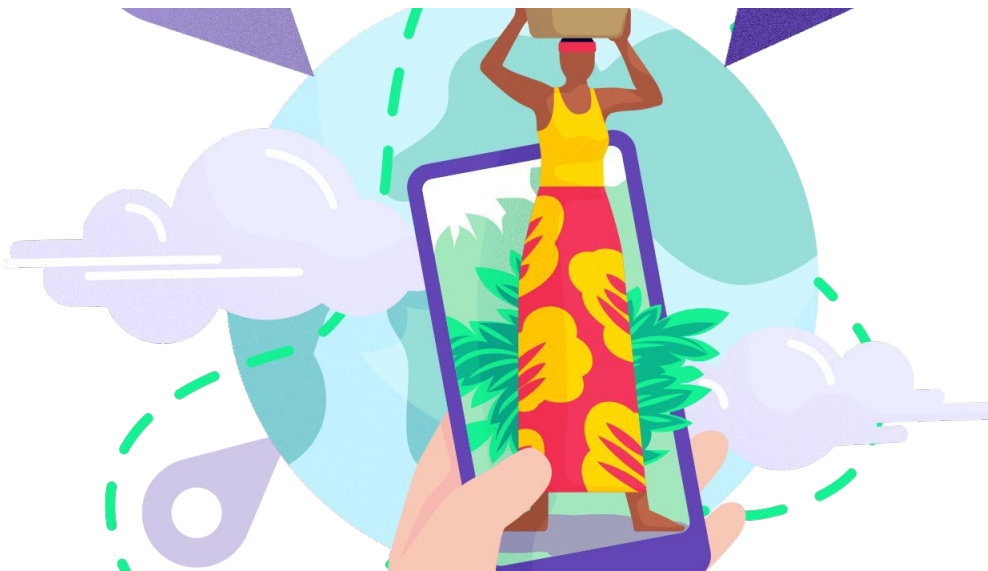# POWER OF DATA

Traceability solutions in cocoa to contribute to the Sustainable Development Goals (SDGs)

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SCHÖKI
Die wirklich faire Schokolade

To what sustainable development goal do you deliver?

1 - No poverty, 8 - Decent work and economic growth, 10 - reduced inequalities, 12 - Responsible consumption and production, 11 - Sustainable cities and communities

What was the situation?

Farmers deserve to receive a living income on cocoa prices - the true price for their work. However, most cocoa farmers still live below the poverty line. Despite promises by the chocolate industry to improve working and payment conditions for farmers, the situation continues to turn for the worst. Current schemes sand initiatives (such as certification) usually pay a premium on top of market cocoa prices. Unfortunately, the premiums are rarely high enough to really make a difference towards a decent living income.

What did you do?

We at SCHÖKI strongly believe that visibility through complete transparency along supply chains will empower the change of the most urgent problem in countries of origin: poverty. It is SCHÖKI's goal to demonstrate how the chocolate industry's value- and supply chains can become 100% transparent.

SCHÖKI is developing the tools and sharing them as open-source solutions for others to follow (SusChain.org). We believe in cooperation instead of competition.

SCHÖKI, as a chocolate brand, guarantees cocoa farmers a living income price for the cocoa delivered to produce SCHÖKI chocolate bars. Therefore, SCHÖKI identifies the paid farm gate price and pays the living income differential (LID) as an additional premium directly to the farmers.

To prove that a LID premium has been paid to cocoa producers and to scale this living income approach, a transparent and traceable supply chain is required. Therefore, SCHÖKI founded the SusChain initiative which develops a software for transparency, fairness, and accountability in raw material sourcing. By using cryptographically verified data and digital fingerprinting, SusChain is an open-source platform enabling companies to seamlessly visualise and share supply chain information, thus empowering consumers to choose products that are sourced and produced responsibly and helping farming communities to gain visibility and tackle poverty.

What are the results?

The SusChain initiative will publish a ready to use open-source software free of charge. Using this software will enable companies to collect data starting at the farm level, across all steps of their supply chains and production up to the consumer ready product. This will lead to 100% traceable and transparent chocolate supply chains which enable activities to counteract shortcomings such as poverty and abusive child labour.

SCHÖKI will use SusChain to track back its raw materials to every single farmer and pay living income prices for cocoa farmers and producers of other raw materials. By giving the software to other companies and enabling them to implement 100% transparency, they obtain the possibilities to directly use their data to start activities that lead to improvements directly at the source (e.g., fairer prices). The software will easily connect multiple stakeholders and supply chains without jeopardising the data sovereignty.

Who was involved and how?

The SusChain initiative is a cooperation of SCHÖKI and its production partners (Max Felchlin AG, Chocolat Bernrain AG) together with their sourcing partners based in Ghana, Peru, and Uganda. The project is supported by the Swiss Platform for Sustainable Cocoa and partly funded by State Secretariat for Economic Affairs SECO (Switzerland). The team is supplemented by the Institute for Applied Informatics (InfAI) at the University of Leipzig, developing the technical concept and software development.

SCHÖKI will provide initial support to the sourcing partners for the implementation and ensures complete traceability along its supply chain. In spring 2023, the first SusChain traced cocoa will be used in SCHÖKIs production. Updates on the project will be available on suschain.org and on our blog.

How could the solution be scaled?

SusChain is a free open-source software that allows companies to establish full traceability and transparency along their supply chain. SusChain has enormous potential for change in the chocolate sector. The first version will be tested in Autumn 2022. To reach our goal of a complete, user-friendly, well-developed software, further investments will be necessary.