



**Product specific sustainability
assessment within the value chains
of chocolate manufacturers in Germany**



Executive Summary

The chocolate industry is facing growing challenges in connection with the environmental and social impact of the global cocoa trade. The **increasing demand for sustainably produced chocolate** has led companies to increasingly rely on cocoa beans that have been produced according to defined sustainability standards.

Certificates such as sustainability labels reduce information asymmetries and help to communicate ethically differentiated product characteristics. **Trust in sustainability labels**, which can be strengthened by additional labeling methods such as Quick Response (QR) codes, plays a key role here. Trust is also meaningful for policy-making: mandatory communication of sustainability criteria is **highly accepted by consumers**. **In this context, trust** in and the **perceived integrity of political actors** are important factors.

Effective communication strategies are needed to promote sustainable consumption. **Consumers should be addressed holistically**, including their emotional and social side as well as personal beliefs. Media presentation, e.g. via **virtual reality experiences**, that convey the lives of cocoa farmers can increase the willingness to pay for sustainable products. **Focusing on the negative consequences of non-sustainable actions** can increase consumers' problem awareness – information about **positive consequences** in turn strengthens a sustainable attitude.

Sustainability standards should minimize negative ecological and social consequences and improve the living conditions of cocoa farmers. The selection of sustainability labels should be based on transparent criteria such as **fair premium payments and holistic sustainability concepts** to ensure credibility. Clear communication by chocolate manufacturers about the reasons for selecting certain sustainability labels is key.

Companies should take responsibility in the producing countries by integrating documented **sustainability projects**. Companies can make a difference and improve environmental and social conditions by actively participating in sustainable local resource projects. Companies should focus more on the targeted marketing of sustainability projects to meet the growing interest of informed consumers. Examples include literacy courses, training on cocoa by-products, organic cocoa farming and the promotion of local community projects. Collaboration with **cooperatives** in the growing countries is crucial to successful design and implementation, with clear **communication** and an intercultural confidant.

By **bundling their purchases** of sustainably produced cocoa, companies can jointly promote positive change. In particular, the purchase of cocoa from company projects in countries of origin could be an effective means of ensuring compliance with various sustainability criteria. In addition to the traceability of the cocoa purchased, these projects, seek to **ensure a living income, deforestation-free production and the exclusion of child and forced labor**, provided they include appropriate instruments. This enables manufacturers of products containing cocoa to take various sustainability criteria into account as well as to obtain and pass on the very information that has become necessary as a result of reforms at German and European level.

For further Information please visit our website.



Value Chains and Consumer Decisions – Remote Effects of Governance and Product Biographies Using Cocoa as an Example

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