

Respecting Human Rights in the Cocoa Supply Chain

MARS WRIGLEY

Cocoa for
Generations



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About this report

Cocoa is not only one of the key ingredients of our world-renowned chocolate brands, it is central to the livelihoods of an estimated 350,000 cocoa farmers in our global supply chain. We depend on cocoa farming communities, and this mutual relationship drives us to continuously strive to create a sustainable cocoa supply chain where human rights are respected, and everyone has the opportunity to thrive.

While we issue annual updates on our overall Cocoa for Generations Strategy, in 2021, ILO's [International Year for the Elimination of Child Labor](#) →, we're sharing this more detailed description of our approach and current initiatives to advance respect for human rights. This includes the status of programs we are implementing, what we are learning and where more effort and collaboration is needed to achieve our 2025 human rights goals. Faster, focused action and commitment is needed across the cocoa sector to drive lasting change. We are encouraged where we see steps forward and committed to deepening efforts together with others.

By sharing stories from the field throughout this report, we want to give a voice and visibility to the men and women who work tirelessly to improve life for those in their cocoa growing villages and who truly make a difference in their communities.

All data points in this report refer to data collected up to December 2020, unless otherwise noted. All photos were taken with consent.



A letter from Andrew Clarke,
Global President Mars Wrigley

Procurement with purpose



In September 2019, I was privileged to visit Côte d'Ivoire, the world's largest producer of cocoa, where I had a unique opportunity to meet farmers and their families and see first-hand how life in their villages and communities revolves around cocoa. This incredible experience reminded me how important thriving cocoa farmers are to our Mars Wrigley chocolate brands, and how critical it is that we continue to live our Purpose: Better Moments Make the World Smile.

By focusing each day on creating **Better Moments and More Smiles** we pave the way towards our long-term ambition: to build a more inclusive, modern, and sustainable cocoa supply chain. We believe we all have a role in creating this transformational change. Sharing our experience of what we believe works and what doesn't, can be a catalyst to encourage others to work with us and drive change that can improve lives for cocoa farmers and communities.

We know that the cacao plant is vulnerable to pests and disease and the communities that grow it are exposed to multiple challenges, from poverty to lack of access to healthcare, education or basic human rights. Vulnerable groups such as women, children and migrant workers, may face additional hardships. COVID-19 is exacerbating these vulnerabilities across cocoa farming communities and beyond.

In collaboration with others, this past year our efforts to address human rights challenges in cocoa have been driven by our [Protecting Children Action Plan](#) and we scaled up our programs to reach even more cocoa farming communities.

I'm encouraged by the strong potential of child labor monitoring and remediation systems (CLMRS) and the positive impact of our collaboration with chocolate and cocoa industry peers and cocoa suppliers – mutually sharing our knowledge is a win-win for everyone along the cocoa supply chain.

I'm also delighted to see stronger collaboration evolving with governments and civil society groups, largely focused on tackling and preventing root causes of child labor and forced labor – empowering women, expanding access to quality education, and improving farmer income. I'm particularly proud of our own efforts in these areas, especially:

- The significant **expansion of CLMRS across our cocoa supply chain in West Africa** with nearly 70% of total volumes of cocoa sourced in Côte d'Ivoire and Ghana coming from farmer groups that have CLMRS in place (from 51% in 2019).
- **Empowering women socially and economically** by doubling the Village Savings and Loans Associations program membership in 2020, reaching 24,000 members, and our \$10M commitment to CARE to reach more than 60,000 members by 2025.
- Our collaboration with the KIT Royal Tropical Institute to **conduct gender research and develop insight-driven recommendations** for potential future investments in women's empowerment in cocoa growing communities in Ghana, Côte d'Ivoire and Indonesia.

- Our \$3.3M commitment to support the Jacobs Foundation's creation of two new funding facilities aimed at **promoting quality education and early childhood development and nutrition** in Côte d'Ivoire.

While we are making strides in our approach, more must be done to reach our ambitions. Everyone involved in the cocoa supply chain must step up and help drive sustained improvements to the lives of cocoa farmers.

We also need strong public private partnerships so that government efforts to support cocoa farmers are backed up by industry and civil society and vice-versa.

There's no doubt 2020 has been filled with change, challenges, and hardships for people, communities and businesses but we have continued to see the power of collaboration, especially during such difficult times.

I hope this report contributes to broadening awareness of the challenges and opportunities in cocoa communities, and that it will be a useful tool for dialogue to help us sharpen our focus, strengthen the call to action for governments, companies and civil society to collectively step up efforts to advance respect for rights of vulnerable workers and accelerate impact.

Andrew Clarke
Global President Mars Wrigley



At a glance – Respecting human rights in the cocoa supply chain

Progress through year-end 2020

MARS WRIGLEY
Cocoa for Generations



~70%

of the total volumes of cocoa sourced from Côte d'Ivoire and Ghana came from farmer groups that have a CLMRS in place

~2,800

community based child labor monitors deployed in Côte d'Ivoire and Ghana

>58,000

Cocoa farming households reached with CLMRS in Ghana and Côte d'Ivoire

1,557

farmer organization staff and

83,499

farmers trained in Ghana and Côte d'Ivoire

Based on data provided by our cocoa suppliers



\$10M

committed to scale up VSLA* program in Ghana and Côte d'Ivoire

268

community group promoters trained to set up and coach VSLA groups

Communities with VSLA

88

VSLA groups formed

850

VSLA members

24,112

In collaboration with the Royal Tropical Institute KIT published the

Empathy Report

first step towards creating a roadmap for potential future investments in women's empowerment in cocoa growing communities in Ghana, Côte d'Ivoire and Indonesia



To date **\$2.9M**

collectively saved by farming households in our VSLA program with CARE

Contracted with suppliers to pay an additional **farmer cash premium**

per metric ton of cocoa sourced under our Responsible cocoa program

Supporting the **Living Income Differential**



\$3.3M

investment to support the Jacobs Foundation's creation of two new public-private education facilities in Côte d'Ivoire

Supported **improvement of school environments**

through infrastructure projects, including **63** classrooms, **44** canteens, **16** latrines and **11** boreholes

Supported **early childhood development**

programs and **vocational training programs** through suppliers

* Village Savings and Loans Associations

Cocoa for Generations

Respecting human rights in our cocoa supply chain: our commitment

Our journey to positive impact

We have worked in collaboration with industry peers, governments, non-governmental organizations (NGOs) and other stakeholders toward achieving sustainable cocoa production for decades. However, progress has been too slow and our ambition for cocoa farming families to thrive has not yet been realized.

Structural inequalities, poverty and human rights risks exist in cocoa farming communities around the world, particularly in Côte d'Ivoire and Ghana, where more than 60% of the world's cocoa is grown and the majority of farming households live below the World Bank extreme poverty line, earning less than US\$2,500 annually per household.¹ Insufficient law enforcement and limited access to basic infrastructure such as roads, clean water, healthcare, mobile connectivity, banking and education, limit people's ability to thrive.

We've been vocal about our belief that global supply chains are broken and that companies depending on commodities grown by smallholder farmers are at a crossroads.

"To secure long-term supplies and meet mounting expectations from investors, regulators, and consumers, companies need innovative new approaches in how commodities are bought and sold – approaches that deliver step changes in the incomes of those who grow them."²

"Business needs to push boundaries and extend ambitions to the farthest reaches of our impact" and "move beyond commodities that are bought and sold in markets where the lowest cost is the largest business driver. Instead, [companies] must shift to long-term models for corporate buying that are anchored on building mutuality, reliability, resilience and risk management into the core of our buying patterns."³

“

Simply put, it's good business to think beyond commodities and invest in supply chains that will help business become stronger and more resilient in the future. Every business has an opportunity to rethink our buying power by focusing on what and where we source, fixing our weakest links, factoring real costs into our pricing, and working collaboratively to advance long-term change."⁴

BARRY PARKIN,
CHIEF SUSTAINABILITY OFFICER,
MARS, INCORPORATED

In 2018 we launched our [Cocoa for Generations Strategy](#) (C4G) backed by a plan to invest \$1 billion over ten years (2018–2028) with the ambition of contributing to transforming the cocoa supply chain so that global sustainable development goals are met, human rights are respected, the environment is protected, and cocoa farmers, their families and their communities have the opportunity to thrive. Part of this strategy was the development of our [Protecting Children Action Plan](#), with a planned investment of around \$300M (2018-2028).

The plan sets out our approach to tackling human rights issues in terms of:

1. Robust monitoring and remediation systems,
2. Women's social and economic empowerment,
3. Expanding access to quality education, and
4. Working to improve farmer income.





Mars, Incorporated approach to human rights

Our C.A.R.E. framework

The United Nations Guiding Principles on Business and Human Rights → (UNGPs) outline the duty of governments to protect and fulfil human rights, and the role of companies to respect human rights. As a private company Mars is committed to respecting human rights in our value chain, starting with areas where we have the most influence, and where we can have the greatest impact. Our aim is to prioritize action on the most severe human rights impacts and where we believe we can make the most valuable contribution, with a particular emphasis on potentially vulnerable groups.

The business philosophy of Mars, Incorporated is deeply rooted in our [Five Principles](#) →: Quality, Responsibility, Mutuality, Efficiency and Freedom. These Principles are the foundation of our [Human Rights Policy](#) → and our [Supplier Code of Conduct](#) →, which are informed by the UNGPs, the [International Bill of Human Rights](#) →, and the [International Labor Organization's 1998 Declaration on Fundamental Principles and Rights at Work](#) →.

To guide human rights decisions and actions across our business, we have developed an action-oriented framework in close consultation with human rights experts.

The framework draws on the UNGPs and informs our strategy and planning development through four key phases: Commit, Assess, Respond, Engage – or [C.A.R.E.](#) → for short. We use the C.A.R.E. framework to develop Human Rights Action Plans for priority raw material supply chains, including the cocoa [Protecting Children Action Plan](#) →.



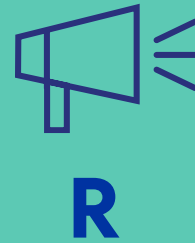
COMMIT

Integrate human rights into cocoa procurement systems and key performance indicators, commit appropriate financial and human resources and ensure that appropriate governance and support systems for implementation are in place.



ASSESS

Conduct human rights risk assessments, build capabilities of suppliers and other partners, seek to strengthen the human rights aspects of certification standards and rigorously evaluate the effectiveness and impact of community-level programs.



RESPOND

Establish robust data collection and management systems, deploy human rights due diligence (monitoring, prevention and remediation) programs in collaboration with partners, and support community development programs designed to help address root-causes of human rights issues in areas such as education, income and women's empowerment.



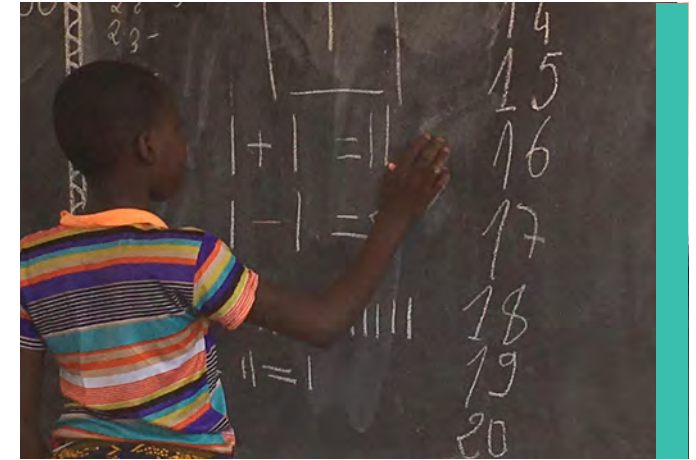
ENGAGE

Collaborate with and actively engage a wide range of relevant stakeholders, governments and industry leaders to support improved human rights conditions and strengthen systems, and publicly communicate our commitments, progress and challenges in a transparent manner.

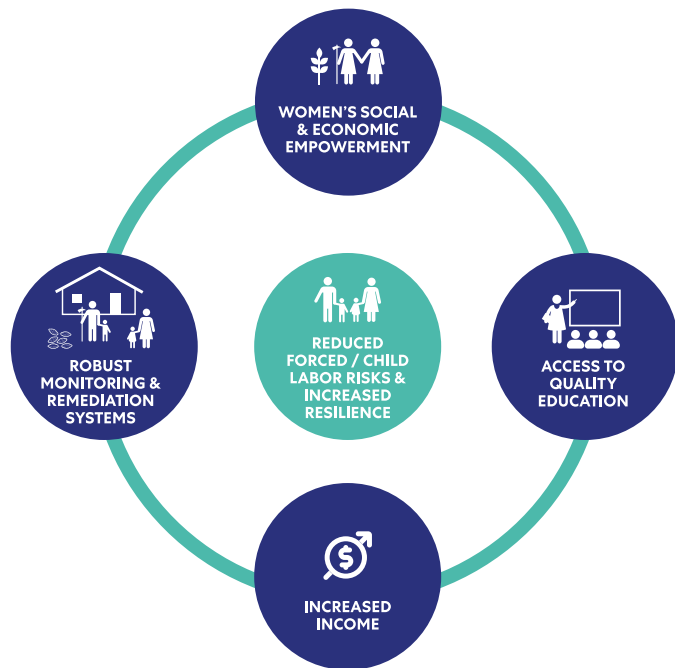
Protecting Children Action Plan

In February 2020, we launched our **Protecting Children Action Plan** → (PCAP), our approach to identifying, preventing and mitigating human rights issues in our cocoa supply chain.

Developed using our C.A.R.E. framework, the PCAP sets out how we seek to work with suppliers, governments, experts and others to identify, prevent and mitigate human rights issues. It prioritizes child and forced labor risks in our extended cocoa supply chain by establishing robust data collection and management systems, implementing effective human rights due diligence processes in collaboration with partners, and supporting community-based investments and development programs designed to address the root-causes of human rights issues in the areas of women's empowerment, education and income.



Our approach comprises four main levers, designed to be mutually reinforcing:



1. Robust Monitoring & Remediation Systems

Our first priority is to ensure our suppliers have in place robust child and forced labor monitoring and remediation systems designed to identify, prevent and help to remediate cases of child labor and forced labor as appropriate.



2. Women's Social & Economic Empowerment

The well-being of women in cocoa communities is a critical link to family food security and nutrition, education, and health and the long-term prospects for a future of thriving cocoa farming households and communities.



3. Increasing Access to Quality Education and Development Opportunities for Children

Access to quality education and development opportunities for children are critical components of driving better long-term futures for children in cocoa-growing communities. In the long term, investing in education can have a positive circular effect: educated children can earn higher incomes and contribute more to the development of their own children, households and communities.



4. Working to Improve Income

At Mars, we believe everyone working within our extended supply chains should earn sufficient income to maintain a decent standard of living. We are defining and piloting models for increasing productivity and diversifying household income, through other cash crops and non-farm earnings, for example. This work is taking place in collaboration with suppliers, expert implementation partners and the [Farmer Income Lab](#) →.



Child labor and forced labor: definitions and context

Child labor

Cocoa is mainly grown in West Africa by smallholders on family farms and it is not uncommon for children to help out. Not all work done by children is problematic but when the tasks are hazardous or when it gets in the way of their schooling it is defined as child labor (see box for full definition). It has been documented that child labor poses a significant risk in cocoa supply chains. Yet despite decades of effort from multiple players, no single or easy solution has been found to combat these multi-faceted and complex human rights issues.

In order to be able to address child labor efficiently it is key to understand the context in which children are working. The International Labor Organization (ILO) identifies **some forms of work that differ from hazardous child labor**→. Such work may include activities such as helping parents around the home, assisting in a family business or earning money outside school hours. These kinds of activities can contribute to children's development and to the welfare of their families, providing them with skills and experience which can help prepare them to be productive members of society during their adult lives.

The most up-to-date survey of child labor in the cocoa sector⁵ in Côte d'Ivoire and Ghana indicates that, among children working in cocoa:

- 85% attend school
- 94% work for either their parents or relatives
- boys aged 14-17 are found to be the group most at risk
- working with sharp tools such as machetes, carrying heavy loads and exposure to agrochemicals are the most common hazardous tasks carried out by children.

Visit the International Cocoa Initiative to learn more about the **Challenge**→ of Child Labor and Cocoa and some of the **activities**→ that can have a real, positive impact to tackle Child labor.

Forced labor

The Global Slavery Index 2018⁶ estimates the prevalence of forced child labor in the cocoa sector to be 0.17% of children in child labor in Côte d'Ivoire and less than 2% in Ghana. It also finds that forced adult labor is less than half a percent for adults working in the cocoa sector in both countries. Regardless of prevalence, any findings of forced labor are of great concern. A 2019 Verité report assessing forced labor in Côte d'Ivoire found that recently arrived migrant workers are most at risk⁷ suggesting that limited opportunities for decent work in migrant workers' places of origin is an important driver of forced labor risk.



The ILO defines child labor as: “work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that:

- is mentally, physically, socially or morally dangerous and harmful to children; and/or
- interferes with their schooling by: depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work.”

The ILO defines the **worst forms of child labor**, as work that “involves children being enslaved, separated from their families, exposed to serious hazards and illnesses and/or left to fend for themselves on the streets of large cities – often at a very early age.

Whether or not particular forms of ‘work’ can be called ‘child labor’ depends on the child’s age, the type and hours of work performed, the conditions under which it is performed, and the objectives pursued by individual countries. The answer varies from country to country, as well as among sectors within countries.”

The ILO defines **hazardous child labor** or hazardous work as “the work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.”⁸

Forced labor is defined by the ILO as “all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.”⁹



Striving for better data and deeper understanding of the cocoa supply chain

Conducting supply chain mapping and traceability analysis is essential to understanding our supply chain. Human rights risk assessments build on that foundation, providing actionable insights on current risks and conditions, as well as root causes of salient issues.

In 2019 we reported the percentage of cocoa we source that is traceable to a country of origin, to a farmer group within that country, and to the individual farms supplying that farmer group, and we also published [a list of the tier-1 suppliers we directly source cocoa from](#). Building on that, in 2020 we disclosed data on [our Tier 2 farmer groups with the release of an interactive map](#) showing the names, general locations and total number of farmers in each farmer group from which we sourced cocoa in the 2018/2019 crop year in Côte d'Ivoire, Ghana, and Indonesia as part of our Responsible Cocoa program. Going forward we'll continue to look for additional technologies and leading practices, including from other sectors, to inform approaches to enhance traceability of the cocoa supply chain.

As we increase our understanding and level of traceability, we work with experts such as [Verité](#) and [Verisk Maplecroft](#) to better understand any human rights risks at country and regional levels.

Verité, our global human rights expert, has supported us with insights from desk-based research on human

rights risks across all 13 sourcing origins within our cocoa supply chain. These assessments have helped to guide us in prioritizing our actions, including our emphasis on implementing CLMRS in West Africa and customized, context-based approaches in other countries. Verité has recently updated their research, taking into consideration changes to risks, including relevant Covid-19 related impacts.

We believe that suppliers who build their capabilities to assess risks on an ongoing basis, together with expert partners, are better equipped to address them in longer-term, sustained ways.

We also collaborate with certifiers to strengthen their standards and assurance process across the industry, to push for more effective monitoring, evaluation and learning. We are pleased to see the [2020 Rainforest Sustainable Agriculture Standard](#) include requirements to assess and address human rights based on a risk-based approach. "This new, risk-based approach focuses on prevention, engagement, improvement, and incentivizing farms and companies to tackle these issues rather than hiding them."¹⁰



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Throughout our longstanding relationship, the Rainforest Alliance has continuously worked with Mars Wrigley to test and implement innovative approaches to improving the lives of cocoa farmers. The results of this ongoing work are reflected in Mars's Cocoa for Generations program and the new 2020 Rainforest Alliance certification program. We are grateful for this open and constructive relationship over the years.”

KERRY DAROCI, KEY INNOVATION ACCOUNT MANAGER, MARKETS TRANSFORMATION RAINFOREST ALLIANCE

In other origin countries, our efforts will be prioritized based on human rights risk assessments in the cocoa sector in those countries. Based on supply chain assessments in Indonesia, we are currently developing a proposed approach to enhance the child protection systems and capacity of communities, government and the cocoa supply chain to address the safety, well-being and development of children in Indonesia. We aim to roll out this program in 2021.

Currently, risk assessments are being conducted by our suppliers in Brazil and four other origins. Country specific action plans seeking to protect human rights in the cocoa supply chain based on the recommendations of these assessments will be developed where appropriate.



Mars Responsible Cocoa specification

Prior to supplying cocoa to Mars under our Responsible or Sustainable Cocoa programs, our suppliers align to the expectations articulated in the [Mars Supplier Code of Conduct](#), which describes the human rights standards we expect our first-tier suppliers to uphold, including addressing child labor and forced labor risks.

In 2019, we introduced a Responsible Cocoa specification, a set of expectations of our suppliers, which include having robust systems in place designed to monitor, identify, and remediate any human rights issues. The specification sets forth that we expect our suppliers to demonstrate that they understand the risks in their supply chain, have a plan to address them, and demonstrate their action and impact. Suppliers are also expected to have a human rights policy and forced labor action plans and to train staff on human rights topics.

Our approach is one of continuous improvement and support to build capabilities of suppliers and includes a process to assess compliance with our specification and help drive action.

Our expectations include:		
Policy & Risk Analysis	Robust monitoring and remediation systems	Reporting
<ul style="list-style-type: none"> Have a written human rights policy that describes the supplier's commitment and approach to eradicating child labor and forced labor Understand the child labor and forced labor risks that may exist in their supply chain and have a plan to address them 	<ul style="list-style-type: none"> Set up an effective monitoring and remediation system covering at-risk cocoa producing households which at a minimum should include: <ol style="list-style-type: none"> 1. Training and raising awareness; 2. Monitoring; 3. Identification; 4. Case management; 5. Expertise and/or partnerships Have a plan in place to implement the relevant recommendations Verité has published for addressing forced labor risk in countries listed as at risk of forced labor 	<p>Report progress on meeting the expectations detailed in the Responsible Cocoa specification</p>



“

Our Responsible Cocoa specification sets clear expectations for our suppliers, helps to drive increased ownership and engagement, and helps us ensure that we are working with suppliers who are investing in addressing key risks. It enables our suppliers to support farmers who implement responsible farming practices with more cash premiums and influences our suppliers to take more responsibility and share in the risks and benefits of investing in sustainability programs.”

BILAL BIWANY, MARS WRIGLEY COCOA SUSTAINABILITY MANAGER.



Monitoring and remediation systems

Our goal

We will seek to ensure 100% of at-risk families in our cocoa supply chains are covered by Robust Child labor and Forced Labor Monitoring and Remediation Systems by 2025.

Based on data provided by our suppliers, nearly 70% of the total volumes of cocoa we sourced from Côte d'Ivoire and Ghana came from farmer groups that have a CLMRS in place¹¹ – CDI: 68% and GH: 71%

Implementing robust child labor monitoring and remediation systems (CLMRS) has proven to have the potential to meaningfully reduce the risks, prevalence and severity of child labor, and it's a model we expect all suppliers to have in place in West Africa by 2025. Additionally, for those countries identified as at risk for forced labor we expect our suppliers to implement forced labor risk monitoring and remediation actions.

Data from ICI→ has revealed that Child Labor Monitoring and Remediation Systems (CLMRS) have been shown to reduce hazardous child labor among children identified by the CLMRS by around 50%. A recent study→, commissioned by the World Cocoa Foundation, assessed the effectiveness of cocoa industry interventions (CLMRS and others) in reducing child labor in cocoa growing areas of Côte d'Ivoire and Ghana and demonstrated that hazardous child labor has been reduced by one-third in communities where company programs consisting of bundles of interventions have been in place for at least three years.

Mars has collaborated with the International Cocoa Initiative (ICI) since its creation on initiatives and actions to address child labor in the cocoa supply chain. ICI developed and implemented the cocoa sector's first Child Labor Monitoring & Remediation System approach as a tool to identify and remediate cases of child labor, in line with the UN Guiding Principles for Business and Human Rights that encourage companies to assess and address the most salient risks in their supply chains. ICI also supports the cocoa sector on continuous innovation of CLMRS, pooling experiences and sharing its analysis widely with the sector, including adapting it, and adding on complementary measures, to render it effective in managing the risk of forced labor. Mars suppliers are continuously improving and adapting their approach on CLMRS based on expert insights and learnings.

“

At ICI, we believe that true sector-wide change in cocoa will only happen when we reach 100% coverage of all at-risk children with effective and sustainable systems that prevent and remediate child labor and forced labor. This will not only require serious commitment and a dramatic expansion of effort and investment from all parties, it will also demand that results and lessons are shared transparently so that knowledge can spread across the sector. We truly hope that with the release of the Mars Cocoa Human Rights Report, the valuable insights it offers and the important commitments made within will inspire others to join our collaborative journey, scaling up lasting solutions for a cocoa supply chain where farmers and their families can thrive.”

NICK WEATHERILL, EXECUTIVE DIRECTOR OF ICI



Number of farmer organizations with CLMRS in Côte d'Ivoire and Ghana

Farmer Organization	
2017	8
2018	64
2019	102
2020	109

“

We see Mars' emphasis on expanding CLMRS coverage in its West African cocoa origins as an important development in the ongoing fight against child labor and risk of forced labor in the cocoa sector. Robust child labor monitoring and remediation systems not only provide a critical on-ground infrastructure for identifying and helping at risk children and workers. They can also facilitate suppliers and civil society partners to collaborate directly with cocoa-producing families and communities to address root causes, reduce the risks that lead to child and worker vulnerability in the first place, and drive enduring changes in practices.”

ELIZABETH GARLAND, SENIOR DIRECTOR FOR RAW MATERIALS PROGRAMS, VERITÉ



Monitoring and remediation systems interventions

The interventions are implemented at household and community levels, reaching suppliers' staff, cocoa farming families and farmer groups with training and / or awareness-raising on preventing and addressing child labor and forced labor.

Community-based monitors, farmer groups and suppliers work to raise awareness about the dangers of child labor and the risks of forced labor, identify cases and provide remediation to identified cases at individual or community level, as appropriate. The type of remediation is tailored to the situation and consists of a range of activities to support identified children and prevent future cases of child labor. They include targeted awareness raising on child labor, the provision of school kits, birth certificates, set up of income generating activities, the creation of Village Savings and Loans Associations (VSLAs).

AWARENESS RAISING

In 2017, child labor monitors working for Mars' suppliers began visiting at-risk households of farmer groups in Ghana and Côte d'Ivoire to understand their family profiles, including number of children as well as school attendance and to sensitize them about child labor risks.

Year	Households reached
2017 (CDI)	>4,000
2018 (CDI)	>19,000
2019 (CDI + Ghana)	>34,000
2020 (CDI + Ghana)	>58,000
2025 ambition	180,000

The number of households and farmer groups who have benefited from visits and sensitization has increased significantly since 2017. We anticipate that in order to achieve our Cocoa for Generation ambition by 2025, at least 180,000 cocoa farming households will need to be reached with an estimated 540,000 children in our four West African origins (Ghana, Côte d'Ivoire, Cameroon and Nigeria).





Monitoring and remediation systems interventions

In 2020, through our suppliers, nearly 2,800 community child labor monitors were deployed in the cocoa growing communities in Ghana and Côte d'Ivoire to help monitor, prevent and raise awareness on child labor.

The implementation of CLMRS would not be possible without the dedication of community-based monitors and the farmers themselves to bring about change.

Mars collaborates with [World Agroforestry \(ICRAF\)](#) → to work with a local Ivorian NGO *Fraternité Sans Limites* to implement child protection actions in 46 communities of the Nawa Region of Côte d'Ivoire, a cocoa production belt in the country. This activity is rolled out through the creation of Volunteer Service Groups, Community Child Protection Committees (CCPC) and Children's Clubs that offer discussion spaces where children can learn and debate about their rights.



Bertin is a child labor monitor working in a farmer cooperative in Côte d'Ivoire. Bertin oversees awareness raising sessions and the development of child labor remediation plans in three cocoa growing villages.

"Every day I visit at least two cocoa growing families. What I appreciate the most about my job is building trust between the farmers and myself. Once I earn their trust, I can engage them and help them understand how important it is to work together for the children's wellbeing. It's a mutual relationship! I learn so much from the cocoa farmers and I have a great relationship with the children! They are my daily motivation to be the best Child Labor Monitor."



Moise is the president of a Volunteer Service Group in Côte d'Ivoire, a group of men and women working together voluntarily to offer agricultural services in cocoa farming in order to help each other and reduce the need to ask their children for help.

"We started the Volunteer Service Group (10 members) in 2019 and it's very dynamic! We wish to be part of the solution and it is our role and duty to help cocoa households so that they do not ask children for help on the cocoa farms. Many farmers started working with us because we offer some facilities such as low prices (half price compared to sharecroppers) and above all being members of the same community is a reason of trust."



Aya is married with four children and has been a member of the CCPC since 2019.

"I never had the chance to go to school during my childhood. Fortunately, we are now more aware of the importance of sending our children to school and keeping them away from dangerous farming activities. If my parents had been aware of this, I would probably be a different person today. I want to make a difference for children in my village, and for my children and other children to have better opportunities in life."



Monitoring and remediation systems interventions

TRAINING

Through data received from suppliers, the number of trainings given to farmer organization staff, farmers and child labor community monitors are summarized in the accompanying table.

	Farmers organization staff	Farmers	Community monitors
Côte d'Ivoire (2020)	1150	42,899	1,126
Ghana (2020)	407	40,600	1,669
Rest of world (2019)	265	44,508	NA

These trainings focus on presenting a variety of topics related to preventing child labor and forced labor and are repeated regularly to deepen knowledge and include newcomers, with a focus on different topics and different ways to engage trainees.

Training is not only important at the farmer level, it's important throughout our entire supply chain, and that includes our suppliers and our own Mars Associates.

We work with our global human rights expert, Verité, on customized trainings aimed at strengthening the understanding of human rights issues and human rights risk management among Mars associates and Mars cocoa suppliers. In 2020, Verité trained nearly 100 field and office-based Mars associates from a variety of functions.

And in collaboration with ICI, funded by Mars, Verité facilitated a comprehensive training targeted at ICI members. 45 persons attended the training representing 18 different entities, including Mars suppliers, civil society organizations and certifiers. The training aimed to increase knowledge about forced labor risks, and to build capacity to develop appropriate policies and programming related to this important human rights issue.



The Sucden team members that attended the ICI / Verite training appreciated the insights provided for this complex subject. This is a great example of how Mars invests in programs for the common good of all its suppliers, helping to provide raw materials that are sustainable and meet the increasing expectations relative to human rights."

RAPHAELLE PEINADO, SUSTAINABILITY MANAGER, SUCDEN

In Indonesia, in collaboration with Mars and Cargill Cocoa & Chocolate, Save the Children Indonesia is implementing a context-based Child Labor Monitoring and Remediation System in the South Sulawesi communities of Bone and Wajo, based on the Community Based Child Protection Committees (CBPC) model. This program is a robust monitoring and remediation approach designed to protect the rights of children.

Community groups take responsibility for monitoring the welfare and safety of children in their own communities, which includes taking preventive and responsive measures where appropriate.

Save the Children is setting up and building the capacities of the CBPCs to raise awareness and encourage community members to report concerns relating to children's rights. Supply chain staff and cocoa collectors are also being trained on the risks of hazardous child labor, and on monitoring and referral mechanisms. The program is also engaging local governments to build their awareness and establish the linkage on reporting and remediation of child labor, and child protection in general with government systems.



The training and materials were very interesting and very relevant. We need guidance in addressing those issues. I will help disseminate this knowledge to other farmer groups and the wider community so that it will expand and become useful knowledge for the community."

BAHARUDDIN, MEMBER OF FARMER GROUP



Women's social and economic empowerment

Numerous studies demonstrate that enabling greater participation of women in businesses, communities and economies delivers measurable benefits. In sourcing communities, women comprise nearly half of the global agricultural labor force, while also providing unpaid work caring for their families¹². This is no different in cocoa communities where the wellbeing of children is intrinsically linked to women's social and economic empowerment.

Women influence the household quality of life and play a key role in their children's welfare and education, food security, nutrition and health, helping to drive the long-term prospects for a future of thriving cocoa farming households and communities. Therefore, programs that promote women's empowerment and capacity building are vital to helping them develop the knowledge and skills they need to protect their children and provide them with experiences and opportunities to learn and grow.

Empowering women can lead to better decisions regarding family needs and functioning of the farms, which makes the households more likely to integrate better agricultural practices and farming technologies in the long term. This in turn can result in improved incomes and ultimately better lives for children.



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"According to **UN Women**→, investing in women's economic empowerment sets a direct path towards gender equality, poverty eradication and inclusive economic growth."

In 2020 Mars CEO Grant F. Reid signed the United Nations Women's Empowerment Principles (WEPs), showing our commitment to take bold steps to advance gender equality in our workplace, marketplace and community by focusing our efforts to deliver on ambitions for women's empowerment as outlined in the **U.N.'s 2030 Agenda for Sustainable Development**→.

Unlocking opportunities for women lifts communities, increases performance and empowers people. At Mars, we value gender diversity, and we're working to make sure that women are empowered and able to thrive in our workplace, in our extended supply chains and the agricultural communities that produce our raw materials, and in the marketplace where our brands and veterinary services are provided. Supporting the United Nations Women's Empowerment Principles is a way for us to demonstrate our commitment to doing business today in a way that creates the future we want to see."

GRANT REID, CEO MARS, INCORPORATED



Village Savings and Loans Associations



In 2016, together with CARE, we developed a Village Savings and Loans Associations (VSLA) model that includes a number of essential building blocks beyond the standard foundational savings and loans activity.

In the first year the model creates VSLAs which then become entry points to support interventions over a period of three years, with a focus on four areas:

- **Financial inclusion and connections to formal finance;**
- **Entrepreneurship to support income growth and diversification;**
- **Gender-equality interventions at individual, household and community levels, including literacy;**
- **A healthy family curriculum that promotes early-childhood development and child protection by engaging parents and households.**

The VSLA groups and their members are trained and coached by a growing network of community-based group promoters. These group promoters are selected by their communities and trained by CARE to support the VSLAs on their path to maturity in their own communities. In total, through December 2020,

268 group promoters (96 women / 172 men) are active in Côte d'Ivoire. They are an essential stakeholder in the sustainability of this program, as they now have the needed skills to support the set up and strengthening of VSLA groups in their communities and beyond, even after the formal program ends.

They typically start off as volunteers and as they extend their training and coaching services to the VSLA groups, they also may find ways to agree with the VSLA groups on how they can be paid for their support.

Based on CARE's implementation of this approach for Mars, we have strong initial indications that each element of the VSLA model will not only contribute to improving income for cocoa growing households but will also increase resilience and women's confidence, strengthen local governance and child protection, and engage couples in dialogues to reduce gender-based violence and increase joint decision making.

Our research shows that VSLAs can more than double women's average savings when they are supported for three years, as well as increase their social and economic empowerment, which is believed to contribute to the overall wellbeing of children and cocoa communities.

A third-party evaluation, commissioned by CARE and the Jacob's Foundation, of data from 226 VSLA groups in Côte d'Ivoire found:

RESULTS AFTER 3 YEARS

AT INDIVIDUAL LEVEL (AVERAGE)

+138%

SAVINGS

+55%

SIZE OF LOANS

ALL GROUPS

+124%

TOTAL SAVINGS

+160%

TOTAL LOANS



REDUCED BY 60%
PARENTS WHO ARE UNABLE TO PAY FOR SCHOOL FEES



INCREASED BY 86%
COCOA HOUSEHOLDS THAT CONSUME MORE THAN 2 MEALS A DAY



Village Savings and Loans Associations

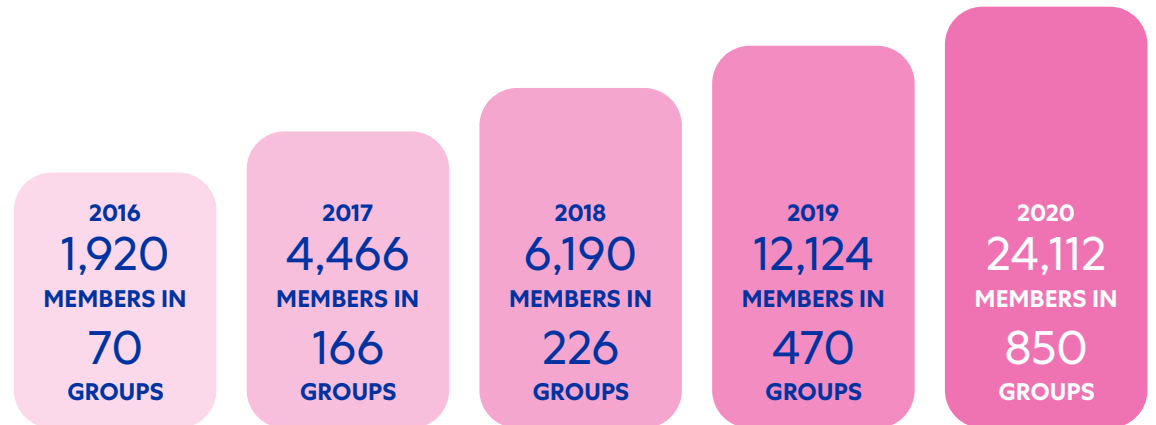
By the end of 2020, we had reached more than 24,000 VSLA members. Encouraged by this powerful model and its results, in 2020, with DOVE® Chocolate as the key brand supporting our collaboration with CARE since 2016, we committed to scale up our partnership with CARE with an investment of \$10 million USD, targeting to reach more than 60,000 members in cocoa communities in Côte d'Ivoire and Ghana by 2025.

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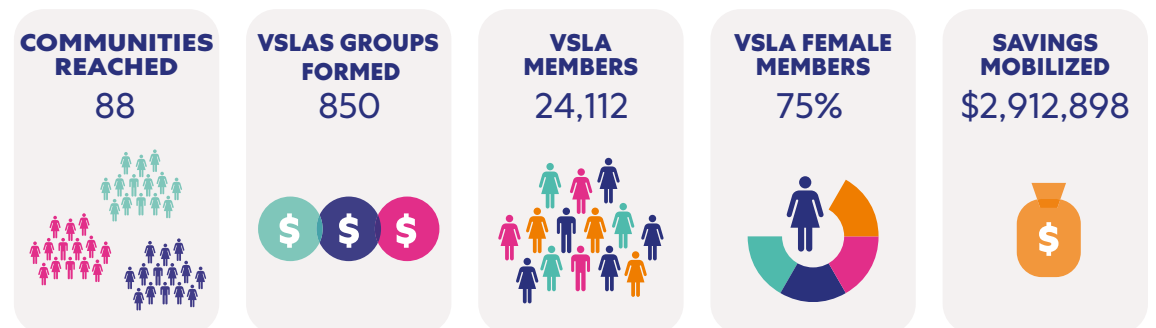
We are proud to have recently expanded our work with Mars Wrigley. Thanks to the company's investment last year→, we've already significantly scaled up our Village Savings and Loan Association programming in cocoa-growing communities in West Africa. With this expansion, we have continued to see women in Côte d'Ivoire and Ghana come together to realize critical improvements in their lives, and those of their families and communities, all under their own leadership. We look forward to continuing this important work with Mars.”

MICHELLE NUNN, PRESIDENT AND CEO OF CARE
on collaboration with Mars Wrigley in West Africa

We're already seeing the impact of our work with experts like CARE. But it is not enough. That's why we are continuing to deepen collaborations with strategic partners in our sourcing communities to understand the unique value women bring, to celebrate that value, and to support efforts that enable them to reach their full potential.



By the end of 2020, we had reached the following results through our VSLA program:





Village Savings and Loans Associations



Amenan is a mother of six children and has been a cocoa farmer for more than 30 years. She left her birth village with her husband 35 years ago to find a place where they could grow cocoa together. Since 2018 she has been the president of a VSLA group in her local village.

"After the CARE agents' sensitization about VSLA, I understood that women can do a lot of things if we are given opportunities. That's why I motivated my sisters to create a savings group."

With the loans she received through her VSLA group, she has invested in her cocoa farm, while also helping support her family and children who attend the local school.

Amenan is known as a women's leader in her community and is also a voice of women as a member of a gender committee and village council. She seeks to ensure every woman in her village is included in decision making processes.

"I'm grateful and proud to be part of the VSLA program as are many women in my village. Women's voices in Oussoukonankro are heard, we feel strong. We have our own businesses and are no longer a burden to our husbands."

Next year Amenan's VSLA group plans to buy a motorized tricycle to transport community members' commodities to the town. This will save money and help to support the VSLA members with their different income diversification projects.



Adele is a cocoa farmer and mother of two living in Côte d'Ivoire. She joined our VSLA program six years ago as a promotor and oversees three VSLA groups in her village.

Her role is to monitor, support and train the VSLAs she is responsible for and help members have visibility of the savings and loans mobilized by their group.

"Most of our members never went to school, so I must be cautious and patient with them when I train them. Some don't have literacy skills, so in this case local language helps as well."

Today thanks to financial literacy and entrepreneurship trainings, Adele has saved enough to invest in her farming activities and built a shop where she plans to sell jewelry, clothes and outfits for women. She is very proud of what she has accomplished.

"I'm passionate about my job, it may seem easy, but it requires a lot of organization to take care of my family, my farming activities and at the same time manage my VSLA groups."

Adele also can rely on the support of her husband, who is a change agent in their village as a VSLA member and president of the community development committee.

"Having a supportive husband helps me a lot, he understands when I need to spend more time with my VSLAs."

Adele appreciates that through VSLA she is learning new skills and can educate herself, and she sees the positive impact on women changing their behaviors, gaining entrepreneurial skills and participating in important decision-making processes both at their respective households and community level.



The Resilience Journey



To understand and address the barriers faced by women in cocoa growing communities, we have collaborated with the KIT Royal Tropical Institute and Pabla van Heck (independent consultant) to develop insight-driven recommendations for potential future investments in women's empowerment, otherwise known as The Resilience Journey. This work was conducted in Côte d'Ivoire, Ghana and Indonesia. The outcome will inform further engagement with the Mars suppliers and implementing partners.

Using a design thinking approach, the project aimed to understand the aspirations, challenges and realities of women's daily lives and their diversity. By listening and giving them a voice, it aimed to look beyond just "women in cocoa" and instead understand the behaviors, experiences and attitudes in relation to the (in)equality and (dis)empowerment that women face in cocoa-growing communities.

During the first phase of The Resilience Journey, called the Empathy Generation phase, the team conducted research with adolescent girls, young mothers, their 'influencers' (e.g. parents, spouses, teachers, health workers) and cocoa's first mile service providers. Participatory and iterative in nature, the research aimed to uncover any unmet needs of adolescent girls and young women and illuminate the current state and root causes of their (dis)empowerment.

The full results of this research are set forth in the Empathy Report, which can be accessed through the following [link](#)→.



Four key challenges were prioritized as a result of the research and further analysis:

- 1. Adolescence and early adulthood that determine life stages with critical "crossroads"**
While girls and young women are diverse, there are also commonalities between them. In all three countries, women face varying levels of (dis)empowerment and societal pressures in each life stage to meet certain pre-defined expectations, which can lead to potentially empowering or disempowering pathways.
- 2. Conservative gender norms that maintain unequal power dynamics**
Gender norms can be perpetuated by the established social fabric, and boys and men can be important allies in achieving gender equality.
- 3. Financial dependency and lack of transparency that limit decision making and agency**
Young women do not participate fully in the rural (cocoa) economy and are often dependent on their male family members. Raising the ambition of the next generation starts with parents and influencers, and with creating more diverse and professional job opportunities for girls and preparing boys to share tasks in the household.
- 4. Young women that are excluded from cocoa's benefits**
Cocoa's first mile is male-dominated. Although this constrains women's empowerment, there is also an opportunity to use this channel for change.



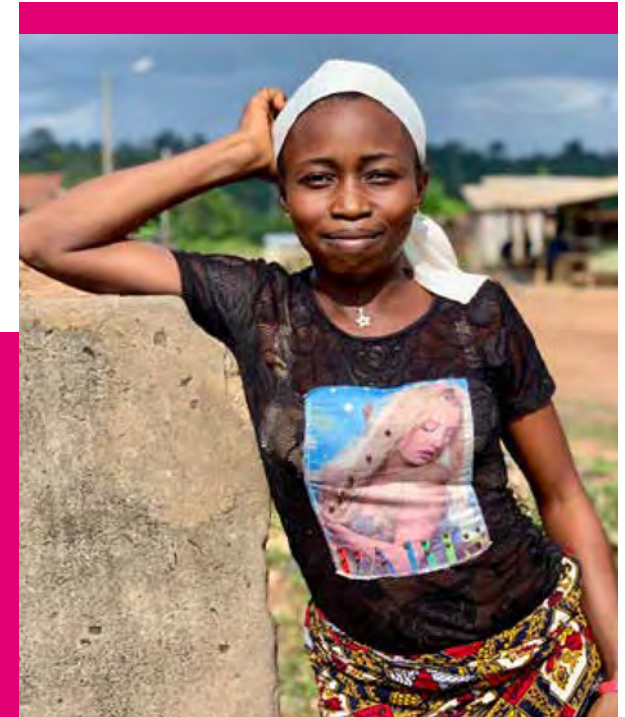
The Resilience Journey

The insights from the Empathy Generation phase serve as a starting point to develop a strategy that shifts from focusing only on empowering girls and women, towards broadening the focus to improving gender equality in households, communities and the local cocoa supply chain.

The outcome of this “Resilience Journey” will inform further actions and collaboration with our suppliers and expert implementation partners as part of our Cocoa for Generations strategy.

Working together with CARE, KIT and others in cocoa communities is a key part of our efforts to support women across our value chain.

When women can reach their full potential, supply chains are more resilient. Learn more about Full Potential →, the Mars platform for action on gender equity in our workplaces, sourcing communities, and the marketplace.



“

Unequal gender norms are firmly embedded in daily lives and institutions, which limit girls’ and young women’s options and decision-making while placing their male peers at an advantage. This realization led us to recognize that it is not about only empowering women, but this has to go hand-in-hand with the explicit pursuit of gender equality by and for both women and men.¹³

“Gender equality is the concept that both men and women are free to develop their abilities and make choices without the limitations set by stereotypes, rigid gender roles, or prejudices. Gender equality means that the different behaviors, aspirations and needs of women and men are considered, valued and favored equally. It does not mean that women and men have to become the same, but that their rights, responsibilities and opportunities will not depend on whether they are born male or female.”

SOURCE: KIT EMPATHY REPORT





Increase access to quality education and development opportunities for children

Access to safe, quality education is a critical component of protecting children in cocoa-growing communities and helping to drive better long-term futures for them. The short and long-term benefits of childhood development programs, primary education and youth training, such as life skills and vocational training are well known.

Children and adolescents are less likely to be engaged in child labor when they spend more time in school: ICI [research](#)→ has shown that child labor becomes less prevalent as educational quality improves.

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Quality education is increasingly seen as one of the most effective tools for combating child labor, owing to its positive effects on well-being, the dependency ratio, and other variables affecting household decisions on children’s work or schooling. When delivered well, education also promotes employment, earnings, and health. ‘It drives long-term economic growth, reduces poverty, spurs innovation, strengthens institutions, and fosters social cohesion’ (World Bank, 2018).”

WORLD BANK, 2018⁴⁴

According to the **NORC Report**→:

“

School attendance among children in agricultural households increased from 58 to 80 percent in Côte d’Ivoire and from 89 to 96 percent in Ghana” between 2008/09 and 2018/19, and the “school attendance data suggests that reforms in both countries and a greater push for education have led to significant gains in levels of school attendance among children in agricultural households in the cocoa growing areas of the two countries.”



Access to school in some cocoa communities is theoretically free but in practice school related costs (e.g., books, uniforms, school supplies) can be prohibitive. Although school attendance has increased significantly in Côte d’Ivoire and Ghana, many of the children who manage to attend school struggle to reach minimum expected levels in reading and math due to low quality education and suboptimal development in their early years⁵. Also, being in school does not necessarily preclude child labor. The [NORC data](#)→ shows that around 85% of children at risk of child labor do attend school. This data suggests that children may help out on the cocoa farm during weekends or school vacations.

A holistic approach is needed incorporating early childhood development and access to quality education, along with sensitization and a focus on behavior change.



Increase access to quality education and development opportunities for children

Since 2010 we have been investing to advance access to safe, quality education. We launched the Vision for Change (V4C) program in collaboration with ICRAF in the south western area of Côte d'Ivoire who worked together with the Conseil Café Cacao (CCC) and other Ivorian Government partners with the aim of increasing farmer incomes and assisting communities to improve their living standards and help address the issue of child labor.

As part of the community development interventions we have created enabling school environments through infrastructure building, co-funded by the CCC.



Since 2013:
63 classrooms were built and equipped in 18 communities
35 school canteens (and in some cases + latrines) built in 35 communities
16 blocks of school latrines built in 16 communities
3 teachers compounds built in 3 communities

In 2019 and 2020, through the V4C program, together with our partners we improved education facilities in 20 new communities by constructing another 9 school canteens and 11 boreholes, contributing to a better learning environment for children in cocoa growing communities.



Since 2017, we have funded a number of pilots in connection with the Transforming Education in Cocoa Communities (TRECC) program, led by the Jacobs Foundation.

Skillful Parenting → was one of these pilots. The pilot aimed to promote positive parenting practices and family relationships with the goal of protecting children and promoting their positive development.

The pilot showed that community-based groups such as VSLAs offer a good platform to create awareness, promote community engagement on sensitive topics and encourage basic service utilization. Mars has since incorporated key learnings and principles from this pilot into our current programs.

The VSLA program with CARE for example, includes a Healthy Families component focusing on child rights and protection, nutrition, hygiene, early childhood development, and successful parenting.

The learnings and tools developed during the TRECC pilot have been integrated into the Healthy Families curriculum.





Partnering for Increased Impact in Côte d'Ivoire

In 2020, in collaboration with a number of key industry players and stakeholders from the cocoa industry, we committed \$3.3M to support the Jacobs Foundation's creation of two new funding facilities→ aimed at promoting quality education and early childhood development and nutrition, in line with the Côte d'Ivoire's government strategic objectives in the fight against child labor:

- The **Child Learning and Education Facility**→ (CLEF) aims to reach 5 million children and 10 million parents in cocoa growing areas and beyond, with a focus on access to quality primary education.
- The **Early Learning and Nutrition Facility**→ (ELAN) is designed to reach 1.3 million children below the age of five and their caregivers, providing quality services and training in early childhood development and nutrition.

The creation of these new facilities will bring together a strong multi-stakeholder collaboration between Mars and other companies in the cocoa and chocolate industry, philanthropic partners and the government of Côte d'Ivoire.

Together we seek sustainable solutions that could serve as models for effective public private partnerships to help achieve the **UN Sustainable Development Goals**→ and help tackle the root causes of child labor. In the face of the challenges associated with COVID-19, public private partnerships become more important than ever. To protect their population from the threat of COVID-19, many governments in the world have closed schools, which has significantly impacted learning and development opportunities of children around the world.

We will continue to learn from our work with Jacobs Foundation and other expert education organizations to develop additional programs and interventions where relevant, particularly in other countries.

We also plan to continue the dialogue with government and other expert child protection stakeholders about the appropriate role we can play in the communities we source from to help protect children and develop additional programs and interventions.



We are delighted that Mars has committed to a \$3.3M five-year investment alongside the Jacobs Foundation in two ground-breaking public-private funding facilities – the Child Learning and Education Facility (CLEF) and the Early Learning and Nutrition Facility (ELAN). This is a unique opportunity to come together and strive to address the root causes of child labor and promote quality education in a systemic manner. We strongly believe that only joint forces will ultimately bring sustainable change.”

FABIO SEGURA, CO-CEO, JACOBS FOUNDATION





Education initiatives focusing on early childhood development

As part of the Jacobs Foundation-led TRECC initiative in Côte d'Ivoire, Mars and cocoa supplier Touton are collaborating with the [International Rescue Committee \(IRC\)](#) → to implement the “Families Make the Difference” (FMD) program. Following a first pilot targeting three communities in the South-Western region of Côte d'Ivoire, the program that reaches 12 communities today is being scaled to 30 additional communities (totaling 42) and is targeting to reach over a thousand parents and their young children.

In addition to providing family-empowering training and coaching, IRC sets up Community Action Centers for Children (CACE) for children aged 2 to 5 in communities where early learning facilities are unavailable. CACEs are learning spaces for young children that may be used daily while their parents are working. Access to CACEs helps to equip disadvantaged young children with the skills needed to perform well once in primary school. The CACEs are facilitated by public pre-school trainee educators trained by the National Institute for Social Work.



Naomie lives in one of the communities that took part in the FMD pilot. She has been working as a volunteer in the CACE center since 2018, supporting the trainee educator.

“I dropped out of school because my parents did not have enough money to support me and started working as a housemaid in Abidjan so I could save money and keep studying. I always wanted to be a teacher as I like being surrounded by children. When the FMD project started in my village I saw an opportunity to learn so I applied to be a volunteer.”

Naomie received trainings from the IRC team on childhood care concepts. She is very passionate about her job and has built a personal relationship with all the children. Naomie also advocates in her village to raise awareness about the importance of early childhood learning. Thanks to a monetary contribution of the community parents, she is saving money to obtain her teaching degree and help more children gain access to quality education.



Mamadou is the school director in a beneficiary community of Mars' and Touton's efforts under the Mars Responsible Cocoa program. Mamadou arrived in the village in 2014 as an intern and was appointed school director three years later. Since then he has put in place a strategy to build new classrooms, although it was not easy to convince parents.

Mamadou has been identified by the IRC project team as a community focal point. As such, he received trainings and helps facilitate sensitization and awareness-raising sessions that have led to more and more parent buy-in.

“The children aged between 3 to 5 who attended the CACE have excellent results, they have good retention ability and perform really well in first grade. This year we have 59 children enrolled in first grade of primary school, it's our highest school enrollment rate ever. Parents are really engaged, and I think it's due to the creation of the CACE and the impact of the FMD project on community members.”



Education initiatives focusing on youth

Youth from cocoa-producing communities affiliated with Cargill partner cooperatives are surveyed as part of the CLMRS program. In the remediation phase of this program, youth beyond school-going age were selected to participate in the Cocoa Promise Project.

These soon-to-be adults were placed in apprenticeships in order to acquire skills that would enable them to access decent work in the future, reducing the risk that they would fall into the worst forms of child labor on cocoa plantations.

The employability and entrepreneurship component of this project started in January 2020. The main long-term goal of this project is to strengthen and develop technical and entrepreneurial skills among youth, so they can access decent work in the future as well as a commensurate level of income.

As part of its implementation, Cargill and Mars partner Save the Children interviewed some of the participants in November 2020 to find out what they thought about the project and understand what they hoped to achieve from it.



Mohamed lives with his parents in a village in the San-Pedro region of Côte d'Ivoire. Unlike many of his peers he did not have the opportunity to attend school. Since enrolling in Cargill's CLMRS program in 2016, Mohamed's ambition has been to learn the motorcycle mechanic trade.

"Before the project, I wasn't doing anything. Today, thanks to this project, I will be able to learn a trade that I like. The project places us in apprenticeships with a master artisan for six months and before that, we are trained for four months in the 'Youth in Action' program, which helps us develop skills and knowledge related to creating and managing a business. I'm very happy to be participating in this program, it will enable me to realize my dream."

Mohamed is already thinking about the future. He has high hopes for the project. After his training, he is planning to open his own motorcycle repair garage.

"Motorcycles are still the main form of transport in my village. However, there are not enough garages offering quality repair services for motorcycles in the area. The ones that are here sometimes do not offer services related to motorcycle repair – which means that motorcycle owners must often go all the way to Gabiagui to get good repair services.

Opening my own garage will enable me to provide quality services to motorcycle users in my village. In time, using the savings I will have accumulated, I am also planning to open a store selling replacement parts and motorcycle accessories, within my garage."



Adja is a single mother in her twenties who lives with her parents in a village in the San-Pedro region of Côte d'Ivoire. Since leaving primary school, she has been taking care of household tasks within her family and helping her parents. Since enrolling in Cargill's Cocoa Promise program in 2016, Adja has been striving to start a business selling clothes in order to meet her own and her household's needs.

"This project is an opportunity for me to take charge of my life. I'm very happy to be participating in this program. It will enable me to realize my dream of starting a business selling clothes, so I can take care of myself and my family. I can't wait to open my clothing store!"

After starting her business, she wants to expand it using savings she will have accumulated over the following months.

"I live in a tiny town that is changing fast. We just got connected to the national electric grid. Many businesses are developing here. I noticed that most women go all the way to Gabagui to buy their clothes. Using the money, I put aside, I am planning to open a bigger clothing store in my village. I will go get stock in Abidjan [the economic capital of Côte d'Ivoire] where it's less expensive with far more selection, in order to resell it where I live. I will be one of the big businesswomen of my town."

The Cocoa Promise program is not only giving Adja and Mohamed hope, but also the ability to build a better future for themselves and their families.



Education initiatives focusing on youth

In July 2017, along with Swisscontact, we launched the NextGen Project to strengthen engagement of youth and contribute to professionalization of cocoa farming in South Sulawesi.

A primary achievement of the pilot was the development and implementation of a STEM-Agriculture curriculum (Science, Technology, Engineering, Mathematics) in two pilot vocational schools in Sulawesi.

The curriculum was made with participatory input from students, teachers, school administrators and the local community. Additionally, the pilot has succeeded in carrying out ongoing teacher training in STEM-Agriculture and best practice teaching methodologies, as well as school administrative capacity building. The implementation of the pilot program benefited from the support and involvement of the provincial and regional governments.

Nextgen pilot achievement highlights 2017 – 2019

- 13 STEM-Agriculture curriculum units developed with international and Indonesian experts and local teachers
- 882 students involved in STEM-Agriculture curriculum
- 195 community youth and vocational school alumni involved in NextGen
- 200 vocational school teachers involved in training and development
- 724 vocational school students and alumni participated in baseline study
- The most committed of the vocational school teachers involved gave over 150 volunteer hours each towards NextGen curriculum development and teacher training
- Joint development of a nursery and cacao farm with pilot schools
- Pilot activities involved a wide range of students, teachers, administrators, parents, local industry and local government stakeholders.



Umbar is an agriculture student at a vocational school in Indonesia.

Two years ago, along with six friends, he started running cocoa and fruit nurseries. Having learned about the importance of compost, Umbar decided to try using the cow dung littering his village and river. But there was so much of it that he began to sell it to local farmers – and his idea soon turned into a new organic compost business opportunity.

The branded compost is gaining interest every day and more and more farmers are buying it. Today, Umbar and his friends are in the process of registering their products with the local government and learning about the procedures to certify the fruit seeds they produce. Umbar's wish is to build a 50-ton capacity compost factory and own a truck to manage the transport.

Umbar is delighted that his cocoa and fruit nurseries are thriving and happy about his additional source of income – not to mention that there is less pollution in his village and river. "I'm so grateful for what I've learned and feel responsible to share my knowledge in my community, especially with the women farmers – I even give them free compost!"



Evy has set up a cocoa nursery business, sells cookies and has her own diversified farm, in addition to caring for her father and two siblings. To manage all of her work, she gets up at 4 a.m. every day and goes to bed around 11 p.m. She dreams of getting married, producing even more cookies and turning her farm into a tourist destination.

"I studied agronomy at the Mars Academy and wanted to encourage my parents to move back to our village and so I joined the business incubator program. I've been supported by mentors who have helped me to devise and implement my business plan.

I aim to promote vegetable growing in my village to help make people more self-sufficient. My family has one hectare of land where I've planted cocoa and other crops including dragon fruit, corn and vegetables. The farm is next to a river and in the future,

I'd like to encourage people to come here and enjoy a picnic at the beautiful river – and eat some of my strawberries!"



Working to improve income

Covid-19 has exacerbated income insecurity already faced by many cocoa farmers. Cocoa farmers in Côte d'Ivoire and Ghana produce over 60% of the world's cocoa, yet too many live below the World Bank's extreme poverty line on less than \$2,500 per year.

And now there are signs that Covid-19 may set resilience back by decades, trapping too many farmers in a poverty cycle, with limited access to basic infrastructure and quality education. And potentially increasing the risk of children working in harmful conditions rather than having the opportunity to learn in school.



“

Though every issue requires specific approaches, at the root of all these human rights issues is the structural poverty of rural communities. As a living income is a human right, any human rights approach to the challenges in the cocoa sector should include strategies to address poverty and to close the living income gap.”

COCOABAROMETER 2020

At Mars, we believe everyone working within our extended supply chains should earn sufficient income to maintain a decent standard of living.

Many smallholder farms are family businesses and, like Mars as a family-owned business, we want those farming businesses to be successful for generations to come.

Increasing their income is incredibly complex, and it is only one aspect of the multidimensional poverty small holder farmers are facing. No single player can solve poverty alone but as a company we can play a significant role, using an evidence-based and principles-led approach alongside other critical actors, including governments, suppliers, supply chain partners and the farmers themselves, in achieving this ambition.

Guided by our **Cocoa for Generations**→ strategy we are striving to boost cocoa farmer income while helping to ensure cocoa is grown sustainably. This is key to a thriving cocoa sector that benefits people and the planet.

To support systemic change at scale and help improve the income of farmers, all actors in our supply chains need to do their part, and digital and financial systems put in place so that money intended for the farmers actually reaches them.

Access to a bank account and farmers' use of the account or mobile money must be increased.

In 2017, 38% of the adult population (ages 15+) in Côte d'Ivoire had a registered mobile money account. Banks in Côte d'Ivoire are much less popular than mobile money, with only 7% of the population reporting owning a registered bank account.¹⁶

In 2015, 20% of the adult population (ages 15+) in Ghana had a registered mobile money account, and 34% of the population reported owning a registered bank account.¹⁷

Besides the work that we are already doing with our suppliers on good agricultural practices, we are contracting with suppliers to pay more money to farmers who are a part of our Responsible Cocoa program, increasing premium transparency, we are also defining and piloting additional models for increasing productivity and diversifying household income, through other cash crops and non-farm earnings amongst others through our CARE VSLA program. This work is taking place in collaboration with suppliers, expert implementation partners and the **Farmer Income Lab**→.



Working to improve income

Mars was the first major manufacturer to publicly support the **Living Income Differential** of \$400 per metric ton announced by the governments of Côte d'Ivoire and Ghana in July 2019 to help improve farmers' income, and in doing so bring our direct suppliers along with us. We continue to support the Living Income Differential and to push for financial transparency by all actors.

In addition to the amounts we pay for the Living Income Differential and the investments we make in programs designed to support better livelihoods of cocoa farmers as mentioned above, we also contract with suppliers to pay an additional \$50-120 **farmer cash premium** per metric ton of cocoa depending on the country, supplier and farmer group.

Given the challenge of being able to trace the money to the farmer in a largely cash-based environment, one of our focus areas is on **increasing premium transparency** as part of our Responsible Cocoa specification with suppliers, and we are encouraged by the new premium transparency elements of the 2020 Rainforest Agricultural Standard.

More cocoa sold on Fairtrade terms, together with supporting programmes that enhance infrastructure, advocacy and networking, have helped to improve farmers' economic situation. Building on 10 years of impact together, Fairtrade and Mars Wrigley collaborate to help farmers invest in their infrastructure, strengthen resilience and develop their communities.

To boost productivity, we are **conducting breakthrough research** in collaboration with the University of California Davis aimed at improving cocoa breeding, farming methods and protection against pests and disease, including unlocking the cocoa genome. We also are supporting farm rehabilitation activities at community and farmer household level.



Fatoumata is married to a cocoa farmer and with the help of her involvement with the VSLA program she has built a chicken farming business. Since she began, she has tripled the size of her farm and now has more than 2,500 chickens, producing 28 trays of eggs per day, which she sells along with chickens..

Fatoumata's business has helped her contribute to the household with extra income for food, clothing and schooling for her children. She operates her entire business from the **new covered market in Gueyo** →, which was built thanks to a collaboration between Mars' DOVE® Chocolate brand and CARE.

Opened in 2019, the market is an intersection of commerce and community, giving women access to much-needed infrastructure while helping to shape their abilities to build wealth and gain financial independence.



Lou Mireille is a single mother of five children. She is a meat merchant at the new Gueyo market and has been a trader for three years, starting in the old market, where conditions were difficult especially when it rained as it was then necessary to quickly store her meat away to prevent it from becoming soaked and unsellable.

She has benefited from the construction of the new Gueyo market, which has helped her to generate more customers and profits and to expand her business. In the past Lou Mireille sold less than a carton of meat a day and three boxes on market day. With the permanent market, she can easily sell three boxes per day and is planning to open a store where she can sell meat wholesale and per kilo and invest in equipment like a freezer, cold chamber or meat locker.

"I thank CARE and Mars for this new market. In addition to the fact that I am protected from the rain, my customers appreciate my new facility, they see it's more attractive and cleaner and since they appreciate it, they visit more often."



Public policy approach to human rights and cocoa

We believe one of the key ways to create a global cocoa supply chain where rights are respected and everyone has the opportunity to thrive is by striving for stronger regulation, where appropriate, in collaboration with others. National governments must enforce their own labor laws and strengthen them where needed, and companies have a responsibility to conduct due diligence in alignment with international standards to identify and address human rights risks.

Mars supports appropriate harmonized regulation of [human rights due diligence](#) → for companies in global supply chains, aligned with the [United Nations Guiding Principles on Business and Human Rights](#) → (UNGPs). We believe this can both benefit people working in global supply chains and set clear expectations for companies – raising the bar so that everyone is held to the same high standards.

In 2019, Mars Wrigley developed a position in support of mandatory human rights due diligence, and together with a group of like-minded NGOs, chocolate and cocoa companies [called on the European Union](#) → – the largest importer and consumer of cocoa in the world – to put in place human rights and environmental due diligence regulation for cocoa.



We also called for this to be in parallel with negotiation of bilateral agreements with cocoa origin governments so mutual benefits could be explored, for example by creating frameworks to provide financial and technical support to cocoa growing governments exporting to the EU.



To achieve meaningful impact that enables cocoa farmers to thrive, public-private partnerships coupled with appropriate due diligence legislation where needed will be essential. Together these enablers can help improve farmer income and advance respect for human rights in cocoa growing communities,”

ANDREW CLARKE, MARS WRIGLEY GLOBAL PRESIDENT

Multi-stakeholder collaboration is essential to scale and sustain impact

Beyond having appropriate due diligence systems in place, identifying and addressing the root causes of human rights violations in the cocoa sector require a holistic and impactful collaborative approach within an enabling environment.

Important elements to achieving success include ongoing engagement with suppliers, integration of human rights elements into sourcing strategies and supplier relationships, and alignment with existing relevant national action plans in the cocoa sourcing countries. Our actions to date include engaging with the governments and existing multi-stakeholder partnerships in Ghana, Côte d'Ivoire, and other countries.

For example, through our leadership roles on the Boards of Directors of the World Cocoa Foundation and the International Cocoa Initiative, we are helping to drive industry and multi-stakeholder action on child labor issues. We also collaborate on research in cocoa plant science, agronomic inputs such as fertilizer, plants and pesticides, and sharing our knowledge with farming communities.



The expert organizations we engage with to help make our actions more robust and impactful include:

CARE:

A leading humanitarian agency delivering emergency relief and long-term international development projects. CARE is a global confederation of 14 members working together to fight poverty in 95 countries. **Mars and CARE work together in rolling out the Village Savings and Loans model to support women's empowerment in our cocoa supply chain.**



Jacobs Foundation:

The Jacobs Foundation is active worldwide in promoting child and youth development. It was founded in Zurich by entrepreneur Klaus J. Jacobs in 1989. The Jacobs Foundation funds research projects, intervention programs and scientific institutions. It is committed to scientific excellence and evidence-based research. **The Foundation is a key partner in the education lever of our Protecting Children Action Plan in West Africa.**



Oxfam:

A rights-based global development organization with 70+ years' experience in more than 90 countries worldwide. Oxfam's mission is to end the injustice of poverty and inequality through systemic change and the advancement of political, economic and social rights. **Oxfam works with Mars on topics related to income through expert advice and involvement in the Farmer Income Lab→, as well as on topics related to gender.**



The International Cocoa Initiative (ICI):

ICI is a Swiss-based, non-profit foundation that works to ensure a better future for children in cocoa growing communities. It is a multi-stakeholder partnership advancing the elimination of child labor and forced labor, by uniting the forces of the cocoa and chocolate industry, civil society, farming communities, governments, international organizations and donors. **Mars has collaborated with ICI since its creation on initiatives and actions to address child labor in the cocoa supply chain. We continue to collaborate closely with ICI and benefit from its expertise and ability to share knowledge and best practice among its many members from industry, civil society, and multi-lateral organizations. As a member of the ICI board, forming the Strategy Development Subgroup, we actively participated in the development of the 2021 – 2026 ICI Strategy→.**



The Royal Tropical Institute (KIT):

An independent center of expertise, education, intercultural cooperation and hospitality dedicated to sustainable development. **KIT, together with Pabla van Heck, independent consultant, is co-creating insight-driven recommendations→ to help us design interventions to improve gender equality in our cocoa supply chain.**



Verité:

A leading labor and human rights nonprofit organization with deep expertise in addressing the root causes of issues such as child and forced labor in global supply chains. **In 2017, Mars and Verité launched a long-term, global strategic relationship focused on action, insight and dialogue across Mars' operations and supply chains.**



Looking ahead



In this report, we have explained how we are making progress on addressing human rights issues as part of our long-term ambition of collaborating with others to create a more modern, inclusive, and sustainable cocoa supply chain, guided by our Protecting Children Action Plan.

We have significantly scaled up our programs and have already reached more than 58,000 farmer households in more than 100 farmer groups in West Africa with CLMRS. While we are not yet satisfied, we are proud of our progress today and are committed to continuing to drive for change for tomorrow by helping to empower women, expand access to quality education and improve farmer income.

We plan to continue to strengthen the work with our suppliers seeking to protect children in our supply chain by organizing expert-led trainings and expanding our CLMRS programs in West Africa beyond Côte d'Ivoire and Ghana, as well as set up a new child protection program in Indonesia. In other at-risk cocoa origin countries, we are supporting suppliers as they develop plans for addressing identified human rights risks.

While the current CLMRS approach is a recommended best practice, we will continue to work with ICI, Verité and other NGO partners on enhancing it to drive for efficiency, robustness and ever-greater impact. We will promote research to strengthen awareness raising and sensitization actions so that it can help drive the behaviour change we want to see and develop more efficient and impactful monitoring and remediation actions.

Alongside CLMRS, we will continue to work on addressing the root causes of human rights risks in cocoa origin countries and along the entire value chain by, for example, further expanding our VSLA work in Côte d'Ivoire and Ghana.

We look forward to following up on the recommendations from KIT on women's social and economic empowerment and helping to drive gender equality in the cocoa supply chain, while further exploring the key drivers to reduce child labor and forced labor risks in cocoa growing communities and finding ways to measure risk reduction. We are also exploring proven models that can contribute to improving access to quality education in our Ghana supply chain. We plan to share what we learn and work across the industry to help catalyze lasting change.

We are committed to reporting on our progress so others can learn from our experience. We know the road ahead will continue to be challenging, and multi-stakeholder collaboration will be essential to scale and sustain impact. Everyone must play their part, including smaller players and governments, while NGOs can also partner with the cocoa industry to seek evidence-based sustainable solutions.

Only by increasing the cohesion across business, government and civil society groups, will we be able to reach our common goal – ensuring human rights are respected in cocoa communities, children can grow, play and develop in a healthy and safe environment and cocoa families can thrive.

Footnotes

- 1 www.kit.nl →
- 2-3 www.farmerincomelab.com →
- 4 www.triplepundit.com →
- 5 NORC (2020) Assessing Progress in Reducing Child Labor in Cocoa Production in Cocoa Growing Areas of Côte d'Ivoire and Ghana →
- 6 Walk Free Foundation →
- 7 Verité (2019) Assessment of forced labor risk in the cocoa sector of Côte d'Ivoire →
- 8 www.ilo.org →
- 9 www.ilo.org →
- 10 www.rainforest.alliance.org →
- 11 These data points are for 2020 only
- 12 Oxfam's Conceptual Framework on Women's Economic Empowerment →
- 13 www.mars.com →
- 14 jacobsfoundation.org →
- 15 jacobsfoundation.org →
- 16 finclusion.org →
- 17 finclusion.org →





Thank you

We want to thank all our suppliers, experts, and implementation partners for working with us and making a critical difference through their technical expertise and on-the-ground support.

They are vital in helping us understand root causes and make positive changes based on the learnings. Without them we would not be able to carry out essential work to support farmers and their communities and help create the modern, sustainable world of cocoa we all want to see and enjoy.

A special thank you to Pabla van Heck, Fatou Ndiaye and our suppliers for providing us with the photos used throughout this report and to all the cocoa farmers and their families for graciously sharing their stories with us.

Please visit our website for more information.
www.mars.com

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