ADDRESSING CHILD LABOR IN THE COCOA SUPPLY CHAIN THROUGH COCOA LIFE'S COMMUNITY-BASED APPROACH







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INTRODUCTION

PURPOSE OF THIS DOCUMENT

This document provides an overview of the approach Mondelēz International follows through the Cocoa Life program to help address the risk of child labor in the global cocoa supply chain.

FRAMING WITHIN MONDELĒZ International and cocoa life's strategy

At Mondelēz International, we are committed to making our snacks the right way, protecting the planet and respecting human rights of people, in line with the framework of the UN Guiding Principles on Business and Human Rights (UNGPs). We undertake practical, proactive, ongoing human rights due diligence to identify, mitigate and reduce the likelihood of potential and actual human rights impacts within our own operations, and work with our business partners through our supply chain to achieve the same.

In the cocoa supply chain, we address challenges and human rights risks, including child labor, through Cocoa Life, our \$400 million program, which aims to empower more than 200,000 cocoa farmers and more than 1 million people in cocoa farming communities in Côte d'Ivoire, Ghana, Indonesia, Brazil, the Dominican Republic and India. With Cocoa Life, we have a vision to make cocoa right. That's why our mission is to lead the transformation of the cocoa sector. We do this by implementing our holistic program in partnership with others, sharing what we've learned on the journey, and by advocating for policy change. We are championing a movement for lasting change, rooted in deep understanding, sector-wide collaboration and partnership.

Respecting human rights is central to our mission, along with the other principles that guide all our actions:

- 01 Increase transparency by connecting consumers to cocoa growers
- 02 Promote "self-sustainability" by building capacity in origin
- 03 Respect human rights, with a focus on child rights and women's empowerment
- 04 Pursue partnerships and policy dialogue for greater impact

By 2025, we are committed to sourcing all the cocoa for our chocolate from Cocoa Life. This means that we will know where the cocoa is grown, that it doesn't come from protected forests and that appropriate due diligence is in place to address child labor risk.

WHAT IS CHILD LABOR?

Children's work can be seen as a broad spectrum of activities and conditions. Children helping their parents with light work and chores which are neither harmful, nor interfere with their enjoyment of other rights, such as their schooling, falls on one end of the spectrum.

At the other end of the spectrum, the 'worst forms of child labor', as articulated by ILO Convention No.182, include child slavery, trafficking, sexual exploitation, engagement in armed conflict or the production or trafficking of drugs. In fact, the worst forms of child labor include any work which is illicit and is harmful to a child's health, safety and morals.

Most of the children who work on cocoa farms do so within their family structure. However, this does not mean they are not exposed to hazards, and, beyond these situations, illegal and exploitative practices do also exist. In some limited cases children who migrate from other parts of the country or the West African region may also be at risk of exploitation on cocoa farms.



THE RISK OF CHILD LABOR IS A Systemic issue in the west African cocoa supply chain

Children and their families in cocoa growing areas of Côte d'Ivoire and Ghana face the realities of poverty and slow rural development, which include: lack of education infrastructure, food insecurity, lack of access to potable water, and poor health services. The regular practice of children working on family-owned cocoa farms is often a natural way of life for parents, who having worked on their own families' farms when growing up, don't realize that child labor puts their children's development at risk. Many farmers can't afford to hire external help on the farm, so they often rely on their children for help, especially during the harvest season. Child labor is both a symptom and a self-perpetuating cause of poverty. Parents may put their children to work, instead of or after school, to reduce labor costs on the family farm. But this can, in turn, deprive their children of the chance to develop and advance themselves, and so entrenches the family's impoverishment for subsequent generations.

CHILD LABOR IS BOTH A SYMPTOM AND A SELF-PERPETUATING CAUSE OF POVERTY

HOLISTIC APPROACH TO ADDRESS ROOT CAUSES AND PREVENTION

Recognizing that the risk of child labor is a symptom of underlying systemic issues which affect the cocoa supply chain but reach far beyond it (including the relative poverty of farmers, lack of infrastructure, and poor access to schools and healthcare), our Cocoa Life program's holistic approach seeks to address these systemic root causes. We do this through a wide range of complementary interventions that aim to make cocoa farming a sustainable business, to empower farming communities, and to conserve and restore land and forests.



When a new community joins the Cocoa Life program, our local NGO partners conduct a needs assessment, involving the local community. The assessment covers human rights, including issues such as child labor and forced labor. Based on this assessment and with support from our NGO partners, community members develop a Community Action Plan.

Based on this plan, we then work with communities to equip them with the skills they need to advocate for their own development, safeguard their livelihoods and prevent issues like child labor in the long-term. Interventions that contribute to preventing child labor include:

- Improving income from cocoa farming and other sources: good agricultural practices trainings to increase productivity on existing land, alternative income generating activities.
- Build communities' capacity to advocate for their own development: development of a Community Action Plan led by the community itself, set up and training of community structures, linkages with relevant district authorities, co-financing of community-led projects through Cocoa Life's opportunity fund.
- Empowering women: gender sensitization training for women and men, improve women's access to farming, community and financial trainings, promote access to income generating activities and Village Savings and Loans (VSLAs).
- Improve access to quality education: access to birth certificates necessary to enroll and pass exams, early parenting training, construction of pre-school structures for early development, set up of school canteens, teacher training, set up of school libraries, and set up of Reading Clubs for children to have a space to discuss issues they are facing and learn about their rights.

Prosperous cocoa farms mean farmers are less likely to rely on their children to support in their work. Empowered women and communities, who understand their development needs, will push for their children to remain in school. And children, who have access to quality education, will have a chance at the bright future they deserve.

STRENGTHENING CHILD PROTECTION SYSTEMS WITH MEASURES ADAPTED IN EACH ORIGIN TO RISK LEVEL AND LOCAL CONTEXT

We engage in human rights due diligence designed to address possible risks. In 2015, we commissioned human rights experts at Embode to assess the child labor situation in our three key origins – Côte d'Ivoire, Ghana and Indonesia. In line with extensive <u>third-party research</u>, in the cocoa sectors of <u>Côte d'Ivoire</u> and <u>Ghana</u>, Embode's analysis confirmed a high risk of child labor, while the assessment conducted in <u>Indonesia</u> indicated a much lower risk. This difference is linked to Indonesia's significant strides in addressing structural poverty and improving the socioeconomic condition of rural populations, including cocoa farmers. Of particular importance is that children in Indonesian cocoa farming communities have access to quality education, and families have made their children's education a top priority.

In addition to the preventative interventions we implement in all origins through Cocoa Life's holistic approach, we are rolling out targeted interventions to build and strengthen child protection systems, in partnership with local authorities. Based on Embode's findings and recommendations, we have adapted our response to the level of risk and to the local child protection systems in place in each country. In West Africa, to respond to the relatively high level of risk, we are rolling out Child Labor Monitoring and Remediation Systems (CLMRS) and are committed to having all Cocoa Life communities covered by 2025. In Indonesia, where the level of risk is relatively low, we are focusing on ensuring children who do work in cocoa outside of school hours do not engage in any tasks deemed hazardous. While the interventions may differ across origins, our approach in strengthening child protection systems are aligned with Cocoa Life's mission to lead the transformation of the cocoa sector and the below principles:

Community-based: we believe that thriving cocoa growing communities – where communities are empowered to be accountable for the well-being of their children – are the foundation of a sustainable cocoa supply chain.

System-strengthening and sustainable: where the communities and families have access to basic services and infrastructure, and children have access to quality education, community authorities and government institutions are more capable in fulfilling their duty to protect children's rights and keeping children safe from harm.

Rights-based and child-centric: to ensure the best interests of the child are considered, as enshrined under the UN Child Rights Convention, which involves approaching child protection in its broader sense, beyond the narrow issue of child labor in cocoa, to include all child rights issues within the community.



ROLLING OUT CHILD LABOR MONITORING AND REMEDIATION SYSTEMS (CLMRS) IN WEST AFRICA

In Côte d'Ivoire and Ghana, where child labor risk in the cocoa sector is high, we are working with local authorities and partners to roll out community-based Child Labor Monitoring and Remediation Systems (CLMRS). CLMRS, which were first rolled out in cocoa-growing areas by the International Labor Organization, have demonstrated their positive impact on children's level of protection and are reaching significant scale, under the leadership of the <u>International Cocoa</u> <u>Initiative</u> – a multi-stakeholder platform dedicated to ending child labor in the West African cocoa sector.

As the implementation of CLMRS progresses throughout the cocoa sector, a diversity of models is emerging. As part of Cocoa Life, our CLMRS is aligned with our supply chain and covers farming families, who grow the cocoa that our suppliers purchase. And in line with the program's holistic approach, it is centered on communities and their empowerment. To ensure the CLMRS are sustainable and able to run independently of Cocoa Life in the long-term, we focus on building the capacity of the communities themselves, as well as that of public authorities to support them and fulfil their duty to protect human rights.

That means, as part of our CLMRS, we:

- System-strengthening: Set up and train Community Child Protection Committees (CCPCs) to become the focal point within the community and primary liaison to school and district authorities
- Identification: Identify vulnerable children, particularly those who are out of school, who are either at risk or in a situation of child labor, through household and children interviews
- Remediation: Engage vulnerable children's parents and support children through collective and/or individual remediation.
 - i. Collective remediation benefits all children in the community and is often one and the same with preventive interventions to increase household's income, empower women, and improve access to quality education.
 - ii. Additional, individual remedial support focuses on children of cocoa farmers in our supply chain, and may include school materials and scholarships for secondary education or vocational training

- Monitoring and referral: Share all data and learning with the authorities to inform policy, particularly related to constraints on access to education, and refer identified cases including child protection issues other than child labor
- Supporting government frameworks: Use governmentdeveloped tools to support national policies and avoid the development of parallel systems
- Community-based and child protection-focused: Take a broad lens to consider child rights beyond child labor, and cover all children in the community, whether their parents grow cocoa or not
- Advocacy: Based on learning from CLMRS and wider Cocoa Life program, advocate with government for measures to obtain universal access to quality education for children in cocoa growing communities and beyond

We are working with local authorities and partners towards having a CLMRS in place in all Cocoa Life communities in Ghana and Côte d'Ivoire by 2025.

STRENGTHENING COMMUNITY CHILD PROTECTION STRUCTURES IN INDONESIA

In Indonesia, where the risk of child labor is lower thanks to robust government systems and infrastructure, we support the Ministry of Child Protection and Women Empowerment's efforts to integrate child protection structures at community level with the set-up of Village Child Protection Committees. The committees are made up of volunteers, who want to promote children's rights and protection within their communities.

In partnership with village leaders and local authorities, the Child Protection Committees raise awareness and mobilize their community around child protection. They establish a system to monitor issues of child protection, including child labor. Through this system the committees conduct visits to families and farms, provide first assistance to vulnerable children, refer cases to child protection authorities and link families to relevant governmental social protection schemes related to education, healthcare or social welfare.

MEASURING PROGRESS

Through our interventions to strengthen child protection systems, our partners (NGOs and child protection authorities) as well as Community Child Protection Committees collect data to identify vulnerable children, particularly those out of school, and to ensure they receive the necessary support. Over time, this data gives us an indication of children's well-being in Cocoa Life communities and informs the program's approach and interventions.

In addition, Ipsos measures the impact of Cocoa Life's interventions, including on hazardous child labor prevalence and school enrollment. This independent evaluation takes place on an regular basis in a representative sample of Cocoa Life communities. It allows us to continually assess the program's impact, identify learnings and course-correct where needed.

Our efforts to measure and account for impact are concentrating on two main aspects: first, to ensure that information gathered by all partners is aligned, reliable, and allows action-oriented decision making. Second, that we understand what drives changes in data collected from different household members such as parents and children. This comprehensive view allows us to take into account the complex underlying factors of child labor at household and community level, and draw learnings to continuously strengthen Cocoa Life's response and the roles our implementing partners need to play to optimize prevention, monitoring and remediation.



COLLABORATION WITH INDUSTRY AND GOVERNMENTS AND SECTOR LEADERSHIP TOWARDS PUBLIC-PRIVATE COLLABORATION

In order to drive long-lasting positive change for children in cocoa-growing regions, all actors along the chocolate supply chain need to play their part and join forces in addressing the systemic issues underlying child labor. This is why, as founding members, we support the work of the World Cocoa Foundation (WCF) and the International Cocoa Initiative (ICI) to address the root causes of child labor and drive efforts to strengthen public-private partnership with governments, development partners and civil society organizations.

And because it takes action from all actors along the supply chain to address systemic environmental and human rights issues, we support due diligence legislation, which requires all companies to identify and address risks in their value chain. In the European Union, the world's largest consuming market for West African cocoa, we have joined forces with peer and supplier companies as well as NGOs to amplify our voice.

Together, we are calling on the EU to strengthen human rights and environmental due diligence requirements of companies in global cocoa supply chains, and implement a smart policy mix to support the necessary environments in producing countries for the respect of human rights, including those of children. <u>(Read our joint position here.)</u>





