Forum Nachhaltiger Kakao
German Initiative on Sustainable Cocoa

MONITORING
REPORT
2024

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FOREWORD

The publication of the annual Monitoring Report marks an important milestone in our shared commitment to a sustainable cocoa sector. As a multi-stakeholder initiative, we recognize that transparency, accountability, and learning from evidence are key to achieving lasting impact. The report not only documents progress but also provides direction for our collective efforts in a rapidly changing global environment.

This year's report focuses on two key thematic areas – living income and fighting child labour – both interconnected topics are central to achieving a sustainable cocoa supply chain. Despite the volatile market situation, we have seen encouraging progress in measuring living income gaps and in the number of actors adopting living income strategies. Yet, the discussions around this year's results made it equally clear that more clarity is needed on what constitutes a 'living income strategy' for the different members. Further practical guidance is needed on this as well as on feasible, harmonized approaches for measuring income gaps and improving data sharing across the supply chain.

On child labour, we note continued expansion of Child Labor Monitoring and Remediation Systems (CLMRS) and similar initiatives — a positive step toward more comprehensive coverage. However, the received data also show that it remains difficult to assess the impact of these measures, due to data-quality issues. We need to intensify efforts to collect high-quality, reliable data to better understand effectiveness, identify what works, and scale successful interventions. In other words, the focus must now shift toward both wider implementation and deeper evidence of what drives meaningful change.

A new element in this year's monitoring relates to forced labour. It is encouraging that many companies have already reported on this issue, but the results also reveal clear gaps. As European and international due diligence requirements – such as Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD) – come into force, companies are called upon to deepen their engagement and strengthen their human rights due diligence across supply chains.

Finally, it is heartening to see how the recommendations from the draft monitoring report have already informed the strategic development of our initiative this year during this years' strategy meeting. The establishment of the new Task Force on Monitoring, replacing the former Working Group on Monitoring, has brought renewed energy and structure to our collective monitoring work. This demonstrates how our initiative continues to evolve – building stronger links between evidence, strategy, and action.

My sincere thanks go to all members, partners, and stakeholders who have contributed data, insights, and reflections to this report and particularly to the members of the Task Force (Ann-Kathrin Binot (BMZ/GiZ); Lydia Frech (Ritter); Siegfried Moeyersoons (Barry Callebaut); Jakob Weitkämper (Aldi North); Virginie Mfegue (Solidaridad); Megan Pasey (ICI)). Your engagement enables us to learn, adapt, and continue advancing toward a sustainable cocoa sector.

Aldo Cristiano
Chairman of the Board, GISCO

EXECUTIVE SUMMARY

Monitoring Report 2024: Spotlight on Living Income, Child and Forced Labour
The German Initiative on Sustainable Cocoa (GISCO) is working towards a sustainable cocoa sector reflected in its **12 goals** and flanked by a comprehensive **definition of sustainable cocoa**. To measure the progress towards achieving these goals, a set of indicators linked to the specific objectives have been developed and are monitored annually.

Participation and transparency
This year, several updates were made to the monitoring system to enhance data quality and reduce the reporting burden for members. The project and supply chain questionnaires were merged, and new topics – including forced labour, women's empowerment, and pesticide policy – were introduced. For the first time, standard-setting organisations also reported on premiums and child labour. Despite a smaller number of members being required to report, overall data availability improved. The process of continuously refining the monitoring system will continue, with key areas for further improvement already identified.

Implementation of LI strategies grows but cocoa-producing households remain far from the LI benchmark
The monitoring data suggests that a majority of cocoa farming households across all origins for which we have received data remain below the living income benchmark – ca. 89%. It is important to take into consideration, however, that there are variations between different countries. This indicates persistent challenges in closing the living income gap.

At the same time, the number of households benefitting from LI strategies increased substantially. Across members' direct supply chains, the weighted average share of households covered by a LI strategy rose from 8% in 2023 to 35% in 2024. Implementation levels vary widely: some members cover most of their supply chains, while others have yet to begin.

Moving forward, GISCO members need to scale up the implementation of living income (LI) strategies across their entire supply chains, bridging the gap between frontrunners and those whose implementation efforts have not yet begun or are still in early stages. To ensure consistent and effective application, the current definition of LI strategies requires further guidance, operationalisation, and clarification, as well as greater alignment on data collection along the supply chain to increase transparency and robustness of the data.

Child labour and forced labour: broader coverage but persistent gaps
Monitoring data show progress in tackling child labour, with coverage of Child Labour Monitoring and Remediation Systems (CLMRS) and similar systems increasing by 43% between 2022 and 2024, and the number of children covered growing by 118% to around 1.3 million. Yet, average coverage within direct supply chains has stagnated at around 46%. While more children were identified in child labour, the share relative to those covered decreased slightly, suggesting underreporting. Support to children identified in child labour has expanded, but reliable data on the impact of CLMRS or similar systems children remains scarce.

For the first time, GISCO members also reported on forced labour. About half of industry and retail members indicated they have taken measures to prevent and address risks, covering over 125,000 households through risk assessments and nearly 290,000 households through awareness raising. Reporting on effectiveness of these measures is still limited and therefore cannot yet be assessed.

Moving forward, GISCO members should prioritise scaling up coverage of CLMRS or similar systems to reach all households in direct and indirect supply chains, while improving the quality, transparency and comparability of data on child and forced labour.

ZUSAMMENFASSUNG

Monitoring-Bericht 2024: Fokus auf Existenzsichernde Einkommen, Kinder- und Zwangsarbeit Das Forum Nachhaltiger Kakao setzt sich für einen nachhaltigen Kakaosektor ein. **Seine 12 Ziele**, flankiert von einer **umfassenden Definition von nachhaltigem Kakao**, unterstreichen das Engagement des Forums, die zentralen Herausforderungen im Kakaosektor anzugehen. Um den Fortschritt bei der Erreichung dieser Ziele zu messen, wurden Indikatoren zu den spezifischen Zielen entwickelt, die durch ein jährliches Monitoring geprüft werden.

TEILNAHME UND TRANSPARENZ

Im Jahr 2024 wurde das Monitoringsystem weiterentwickelt, um die Datenqualität zu erhöhen und die Berichtspflichten für Mitglieder zu verringern. Die Projekt- und Lieferkettenfragebögen wurden zusammengeführt, und neue Themen – darunter Zwangsarbeit, Stärkung von Frauen und Pestizidpolitik – wurden aufgenommen. Erstmals berichteten auch Standardsetzungsorganisationen über Prämien und Kinderarbeit. Obwohl in diesem Jahr weniger Mitglieder zur Berichterstattung verpflichtet waren, verbesserte sich die Verfügbarkeit von Daten insgesamt. Der Prozess der kontinuierlichen Weiterentwicklung des Monitoringsystems wird fortgeführt; zentrale Verbesserungsbereiche wurden bereits identifiziert.

Umsetzung von Strategien zum Existezsichernden Einkommen nimmt zu – Kakaobauernhaushalte bleiben jedoch deutlich unter dem Einkommens-Benchmark

Die Monitoringdaten deuten darauf hin, dass die Mehrheit der Kakaobauernhaushalte in den Herkunftsländern, für die Daten vorliegen, weiterhin unter dem Benchmark für ein existenzsicherndes Einkommen liegt – etwa 89 %. Es ist jedoch wichtig zu berücksichtigen, dass es Unterschiede zwischen den unterschiedlichen Ländern gibt. Dies weist auf anhaltende Herausforderungen bei der Schließung der Einkommenslücke hin.

Gleichzeitig ist die Zahl der Haushalte, die von Strategien zum existenzsichernden Einkommen profitieren, deutlich gestiegen. Innerhalb der direkten Lieferketten der Mitglieder erhöhte sich der gewogene Durchschnittsanteil der Haushalte, die von einer LI-Strategie abgedeckt sind, von 8 % im Jahr 2023 auf 35 % im Jahr 2024. Der Umsetzungs

stand variiert stark: Während einige Mitglieder große Teile ihrer Lieferketten abdecken, stehen andere noch am Anfang.

Für die Zukunft gilt es, dass die GISCO-Mitglieder die Umsetzung von Strategien zum existenzsichernden Einkommen entlang ihrer gesamten Lieferketten ausweiten und die Kluft zwischen Vorreitern und jenen schließen, deren Umsetzung bislang nicht begonnen hat oder sich noch in einer frühen Phase befindet.

Um eine konsistente und wirksame Anwendung sicherzustellen, bedarf die bestehende Definition von LI-Strategien einer weiteren Präzisierung, Operationalisierung und Konkretisierung sowie einer stärkeren Harmonisierung der Datenerhebung entlang der Lieferkette, um Transparenz und Belastbarkeit der Daten zu erhöhen.

## Kinderarbeit und Zwangsarbeit: Größere Abdeckung, aber weiterhin bestehende Lücken

Die Monitoringdaten zeigen Fortschritte bei der Bekämpfung von Kinderarbeit. Die Abdeckung durch Kinderarbeits-Monitoring- und Abhilfesysteme (CLMRS) und ähnliche Systeme stieg zwischen 2022 und 2024 um 43%, während die Zahl der erfassten Kinder um 118% auf rund 1,3 Millionen zunahm. Dennoch stagniert die durchschnittliche Abdeckung innerhalb der direkten Lieferketten bei etwa 46%. Zwar wurden mehr Kinder identifiziert, die Kinderarbeit leisten, der Anteil im Verhältnis zur Gesamtzahl der erfassten Kinder sank jedoch leicht – ein Hinweis auf mögliche Untererfassung. Die Unterstützung für identifizierte Kinder hat sich ausgeweitet, jedoch liegen bislang nur begrenzt verlässliche Daten zur Wirksamkeit von CLMRS oder ähnlichen Systemen vor.

Erstmals berichteten GISCO-Mitglieder auch zu Zwangsarbeit. Rund die Hälfte der Industrie- und Handelsmitglieder gab an, Maßnahmen zur Prävention und Risikominderung ergriffen zu haben, die über Risikoanalysen mehr als 125.000 Haushalte und durch Sensibilisierungsmaßnahmen fast 290.000 Haushalte abdecken. Eine systematische Berichterstattung zur Wirksamkeit dieser Maßnahmen ist derzeit jedoch noch begrenzt, sodass eine Bewertung bislang nicht möglich ist.

Für die Zukunft sollten die GISCO-Mitglieder die Ausweitung der CLMRS- oder vergleichbarer Systeme priorisieren, um alle Haushalte in direkten und indirekten Lieferketten zu erreichen. Gleichzeitig gilt es, die Qualität, Transparenz und Vergleichbarkeit der Daten zu Kinder- und Zwangsarbeit weiter zu verbessern.

I.
INTRODUCTION
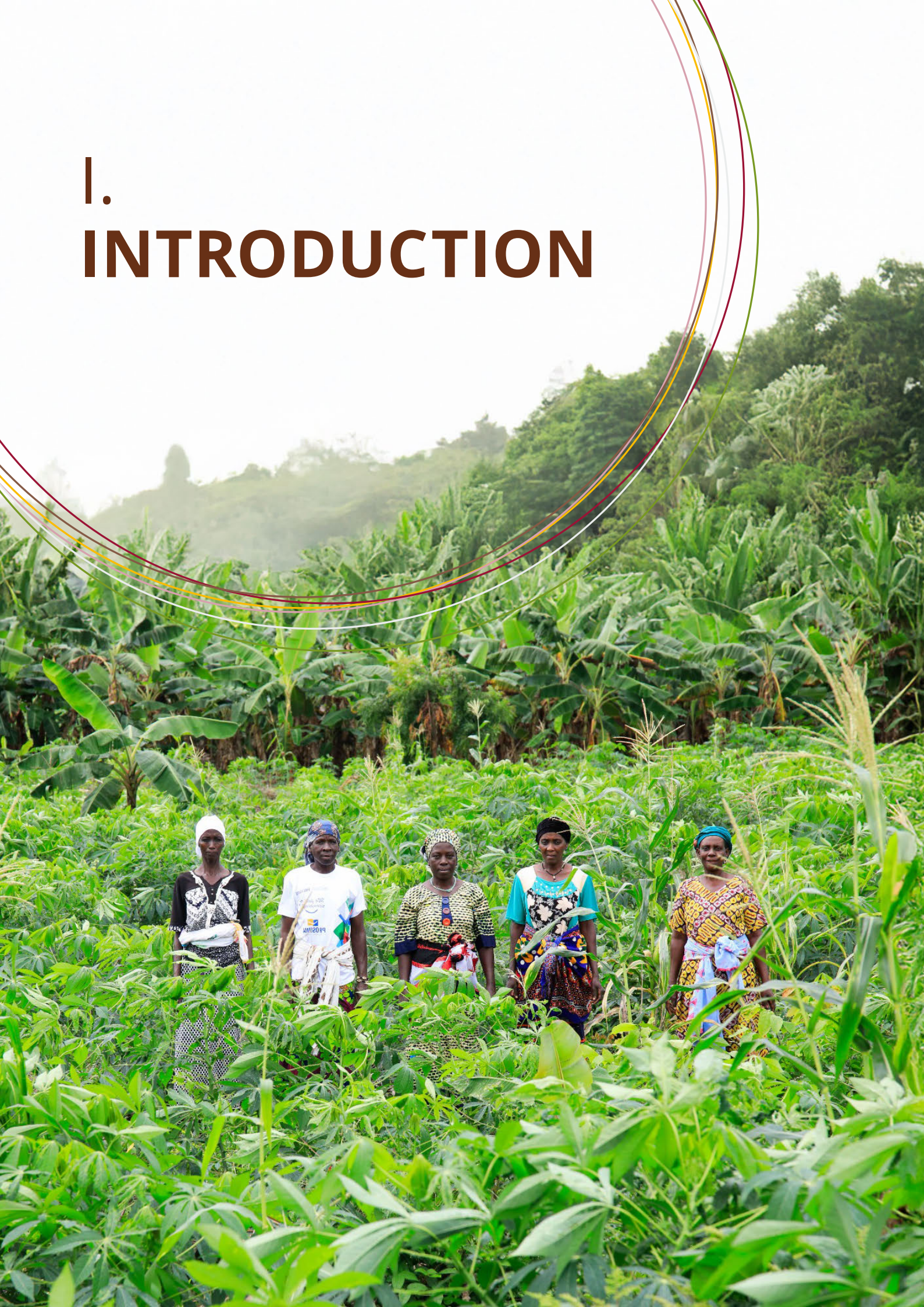
I.I BACKGROUND AND PURPOSE OF THE REPORT

The German Initiative on Sustainable Cocoa (GISCO) is a joint initiative of the Federal Government (represented by the German Ministry for Economic Cooperation and Development [BMZ] and the German Ministry of Food and Agriculture and Regional Identity [BMLEH]), the German confectionery industry, the German retail grocery trade, and civil society – including standard-setting organisations. Together, the multi-stakeholder initiative aims to improve the livelihoods of cocoa farmers and their families, conserve and protect natural resources and biodiversity in cocoa-producing countries, as well as increase the cultivation and commercialisation of sustainably produced cocoa.

Its 12 goals (first agreed in 2019 and further adapted in the subsequent years) [1], flanked by a **comprehensive definition of sustainable cocoa**, reflect the Initiative's commitment to addressing the critical challenges in the cocoa sector. A monitoring system is crucial for tracking progress toward these 12 sustainability goals, allowing members to demonstrate their contributions and identify areas needing improvement. The monitoring report hence offers a snapshot of the current level of achievement based on the data collected for the reporting year 2024. It strives to provide insights into members' overall progress toward a sustainable cocoa sector and drive future actions.

The following chapters of this report – 'Methodology' and 'Data Overview' – examine participation in the monitoring, outline the methodology, and assess the quality of the data collected. Section II 'Focus Topics' delves into the two thematic priorities of this year's report: **Living Income** and **Child Labour / Forced Labour**. These topics were selected because they reflect pressing challenges in sustainable cocoa supply chains and represent areas where coordinated action by GISCO members is both timely and necessary.

Living Income has been GISCO's priority topic for 2024 and 2025. Among others, members have communicated their **individual roadmaps** outlining how they contribute to achieving GISCO's Living Income Goal. **Child Labour** remains a critical area of focus, especially in light of GISCO's goal that by *the end of 2025, 100% of households in the supply chains of GISCO members will be covered by a strategy or system for the prevention, control, monitoring, and remediation of all forms of prohibited child labour.*

Other GISCO monitoring indicators are compiled in Section III, along with a short summary of the data.

1 In the General Assembly 2025 the decision was taken to reduce the 12 Goals to 10. These will be the reference point for the monitoring from next year onwards.

I.2 METHODOLOGY

For the reporting year 2024, several changes were introduced to the GISCO monitoring system. The adjustments aimed to improve data quality, reduce the reporting burden by taking out selected monitoring questions, and update the questionnaire to better align with the evolving GISCO goals. The feedback on these changes was overall positive and the quality of submitted data improved. However, due to these adjustments, comparing this year's data with the data from the previous years is not always possible.

Reporting requirements for members were also revised. As in previous years, only industry members who trade or process more than 100 tonnes of cocoa annually were required to report. However, members without relevant projects or a cocoa supply chain, are from this year onwards, no longer obligated to submit data. This led to a reduction in the number of participating members; nonetheless, full participation was achieved among those required to report. For the first time, standard-setting organisations were asked to provide not only information on their cocoa-related projects, but also data on premium payments and child labour.

The table below provides an overview of the key changes to the monitoring methodology and their impact.

TABLE 1: CHANGES TO THE 2025 GISCO MONITORING SYSTEM

CHANGES TO THE MONITORING SYSTEM	FEEDBACK FROM MEMBERS
Merger of the project and supply chain questionnaires. Each member received a single questionnaire, except for standard-setting organisations which submitted both a project questionnaire and a limited number of questions from the supply chain questionnaire. As a general rule, the financing member reports.	Positive feedback from most members with some exceptions, in particular from supply chain members who did not fill out project questionnaires in previous years. Increase of responses on data-points already collected in the project questionnaire (yield, household income, agroforestry) *(see Figure 2)*.
Standard setters reported on premiums and child labour in addition to project reporting. Extended scope of reporting for standard setters	Limited data on child labour but standard setters outlined their strategy on child labour. The availability of data is expected to further improve in the coming years.
Expanded data collection to cover new topics, including forced labour, women's empowerment, and pesticide policy.	Satisfactory response rates. The availability of data is expected to further improve in the coming years.
Different form of structuring questionnaire / repeat groups (e.g., Premiums, Yield, Living Income, Agroforestry).	More country specific data reported by members. *(See Figure 2: Reporting on selected sustainability topics)*

Data was submitted via the **online monitoring tool** during March 2025, covering the reporting period from 1 January to 31 December 2024. This year, GISCO continued offering members the option of a voluntary data transfer from the International Cocoa Initiative (ICI) to the Initiatives on Sustainable Cocoa in Europe (ISCOs) for data related to child labour.

Once submitted, the data was reviewed for completeness and plausibility. This included year-on-year comparisons of individual member data, identification and verification of outliers, and cross-checking with external sources. Draft results and key findings on the focus topics were then presented to the newly formed Monitoring Task Force, which replaced the sub-working group Monitoring for the first time this year. The Task Force also developed recommendations on Living Income and Child Labour / Forced Labour. Incorporating feedback from the Task Force, a full draft monitoring report was prepared and again circulated with the Task Force for further review, before finalizing the report after approval by the GISCO Board.

I.3 DATA OVERVIEW

All required members participated in this year's reporting. Members reporting on the supply chain are required to submit a single questionnaire covering the entire supply chain, whereas members without supply chains but with project activities must submit one questionnaire per project. For example, BMZ (Government) reported on 19 different projects. The overall breadth of reporting improved, reflected in the increased number of responses *(see Figure 2)*. As expected, due to the merger of the project and supply chain questionnaires *(see Figure 1)*, the number of project questionnaires submitted decreased by 33% compared to the previous year (from 69 to 46).

FIGURE 1: PARTICIPATION IN THE 2025 GISCO MONITORING ROUND

EXPLANATION OF KEY TERMS

Indicator
A predefined metric within the GISCO monitoring framework used to track progress toward specific goals.

Data Point
A single reported value linked to a specific indicator. Each data point corresponds to one record, which may originate from an individual project, country-level reporting by a member, or a combination of both. Where applicable, footnotes clarify the source of data points for each indicator.

Number of Members Reporting
The number of GISCO members that submitted data for a given indicator. This is always shown in brackets (e.g., [9]) and helps show how widely the indicator was reported on.

To limit the reporting burden for GISCO members that are a member of several ISCOs and in the absence of data enhanced traceability that allows to trace sustainability charecteristics from the farm to the volume of cocoa proccesed or sold in Germany, the presented data in the report relates to the global supply chains of GISCO members. It is not specifically linked to the volume of cocoa sold or processed in Germany.

The number of members reporting on selected sustainability topics increased overall. For premiums, however, the total number of reporting members remained the same as the composition of reporting members changed due to updated reporting requirements[2]. In addition, members provided a greater number of country-specific data points for each topic.

FIGURE 2: REPORTING ON SELECTED SUSTAINABILITY TOPICS IN THE REPORTING YEAR 2023 AND 2024
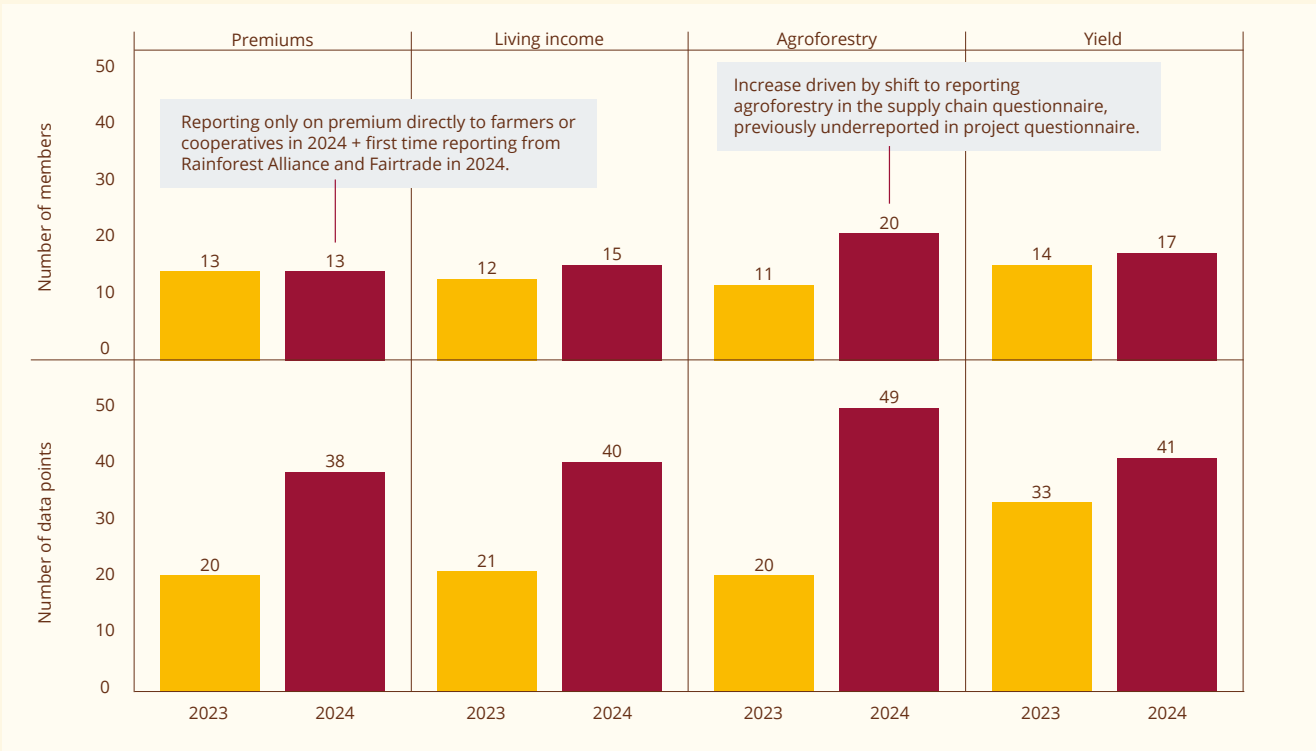
The overall positive developments in this year's reporting can be attributed to several factors:
· the integration of the project and supply chain questionnaires,
· a different way of collecting country-level data in the monitoring tool,
· and the improved availability of relevant information within the reporting organisations.

Despite these positive developments, there are some areas for improvement, which should be addressed in the next monitoring rounds.

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2 From this reporting year onward, members are only expected to report premiums they pay directly. Standard setters have also reported premium data for the first time.

TABLE 2: AREAS FOR IMPROVEMENT IN MONITORING

REPORTING FOR A BROADER SECTION OF THE SUPPLY CHAIN	Currently, members mostly report on sustainability characteristics of their direct supply chains, with no or only limited data available for indirect supply chains. This also equires improved data transfer of data related to sustainability challenges (premium payment, Child labour indicators, deforestation-free cocoa) along the supply chain. Retailer reporting on sustainability for all private-label products needs to further improve. Reporting should cover all private labels sold and manufactured, not only specific selected products.
COUNTRY-SPECIFIC DATA	Evaluate the balance between including country-specific data and reducing the reporting burden – particularly given that GISCO's goals are not country-specific. Ecuador, currently the third-largest sourcing country for Germany, should be included in country differentiation analyses albeit alongside Ghana and Côte d'Ivoire, rather than maintaining the current focus on these two countries.
FORCED LABOUR & DATA SHARING	Continue collaboration with ICI on Forced Labour and expand data sharing to this topic.
REPORTING BY STANDARD SETTERS	Ensure the ongoing inclusion of reporting by standard-setting organisations and improvements in the area of child labour and premiums.
DATA QUALITY	Improve the quality of volume related data, including clear distinctions between, processed, manufactured and sold.
DATA ANALYSIS	Presenting anonymised disaggregated data (alongside aggregated data) could enable more nuanced analysis and reveal insights that aggregate metrics alone may obscure.

WE ARE JOINTLY COMMITTED TO ...

GOALS

03 ... supporting governments and other stakeholders in the development of holistic regional agricultural programmes in order to create alternatives to cocoa cultivation and thus counteract overproduction.

04 ... promoting the development and use of sustainable and diversified production systems, in particular agroforestry systems, which conserve natural resources as well as ending the application of hazardous and/or unauthorized pesticides.

02 ... improving the productivity of cocoa cultivation and the quality of cocoa.

05 ... ending deforestation and contributing to conservation of forests and biodiversity, and to reforestation.

01 ... constantly improving the income situation of cocoa farming households in the producing countries, so that all households can earn a living income. We are jointly committed to enable at least 90% of households, whose main occupation is cocoa cultivation and who supply members of German Initiative on Sustainable Cocoa with cocoa that is sold or processed in Germany, to earn a living income by 2030. Together we develop strategies to achieve this goal.

06 ... abolishing prohibited child labour, forced labour, slavery and human trafficking in cocoa production.

12 ... promoting multi-stakeholder partnerships and collaboration for more sustainability, networking, sharing information and experience, learning from each other and reporting on progress in achieving objectives and applying best practices.

07 ... the enhancement of gender equality and improvement of opportunities for women and young people in the cocoa sector.

11 ... ensuring that, by 2025, at least 95% of cocoa in the cocoa-containing end products sold by our producing members in Germany is certified in line with sustainability standards or comes from sustainability programmes that are independently verified.

08 ... ensuring that corporate members of the German Initiative on Sustainable Cocoa implement human rights and environmental due diligence in their cocoa supply chains by the end of 2025.

10 ... the entire cocoa in cocoa-containing end products sold in Germany to come from sustainable cultivation in the long term.

09 ... the strengthening of governments, farmer organisations and civil society in the cocoa value chain in the producing countries.

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1 Including for export

2 Hazardous pesticides include as minimum requirement all substances which (1) are listed as "persistent organic pollutants (POPs)" in the Stockholm Convention within the Annex III of the Rotterdam Convention and/or the Montreal Protocol, (2) are classified by WHO as A1 or 1B, (3) are listed in the "Dirty Dozen" of PAN, or (4) are identified by UN-GHS as substances with "chronic toxicity". In addition, specifically for cocoa cultivation, they include pesticides that are not permitted for use in export goods to EU countries. (Further definition as for agroforestry systems will be included within the KPIs.)

3 According to FAO, deforestation is the conversion of forest to another land use or the long-term reduction of tree canopy cover below the 10% threshold.

4 Prohibited child labour is child labour as defined in ILO Conventions 138 and 182. According to the ILO, child labour includes formal or informal work undertaken by people under the age of 18 in the private or public sector with or without pay. If this violates statutory standards (e.g. age restrictions or maximum working hours), it counts as child labour.

5 Members who trade or process > 100 t of cocoa per year.

6 Human rights due diligence in accordance with the UN Guiding Principles on Business and Human Rights

7 Environmental due diligence in accordance with the OECD/FAO Guidance for Responsible Agricultural Supply Chains.

8 Fairtrade, Rainforest Alliance, Bio, e.g. Naturland Fair

9 The term 'independently verified' will be defined and substantiated with criteria. The Executive Board will decide to define and verify corporate programmes. Any changes to the targets in individual goal 11 as a result of this will be agreed at the General Meeting in 2024.

II.
FOCUS TOPICS

2.1 LIVING INCOME FOR COCOA FARMING HOUSEHOLDS

The lack of a Living Income (LI) among cocoa farming households is a fundamental challenge in the cocoa sector as it is tied to broader sustainability issues including child labour and environmental degradation. For GISCO, Living Income is a central priority, grounded in Goals 1 and 2, aiming to enable a Living Income for at least 90% of cocoa supplying households by 2030. The importance of this objective is underscored by the fact that Living Income has been GISCO's focus topic for both 2024 as well as 2025. In addition, the submission of **Living Income 'Roadmaps'** by GISCO members at the end of 2024 illustrates how many members actively engage with the topic and take concrete steps toward this shared goal.

Living Income (LI) remained a prominent topic also in the wider cocoa sector. The proposed EU Corporate Sustainability Due Diligence Directive (CSDDD), for instance, sets out expectations for companies to contribute to an adequate standard of living in their value chains, including a living income for smallholders. Meanwhile, recent increases in cocoa prices have sparked debates about whether these prices alone enable farmers to earn a living income. Moreover, the situation varies significantly depending on the country of origin, with different pricing and marketing systems as well as support structures shaping the impact on farmers. Although higher prices offer benefits for farmers – particularly in unregulated markets – they come with considerable volatility risks, underlining the urgent needs of smart-mix LI strategies that include interventions in various areas.

This section presents GISCO monitoring data related to Goals 1 and 2. The report first covers the results of measuring the LI gap, followed by a closer look at selected strategies to close that gap.

Measuring the LI Gap
An important step towards implementing a LI strategy is measuring the LI gap. Understanding the income levels of cocoa households within the supply chain is crucial for developing LI interventions and measuring their effectiveness.

FIGURE 3: NUMBER OF HOUSEHOLDS FOR WHICH THE LI GAP IS MEASURED (CUMULATIVE)

Cumulative numbers may include duplicates and do not represent individual households.

Total 857.308
- 219.036
- 634.199
- 4.073
Côte d'Ivoire

Total 258.919
- 30.434
- 252.939
- 2.548
Ghana
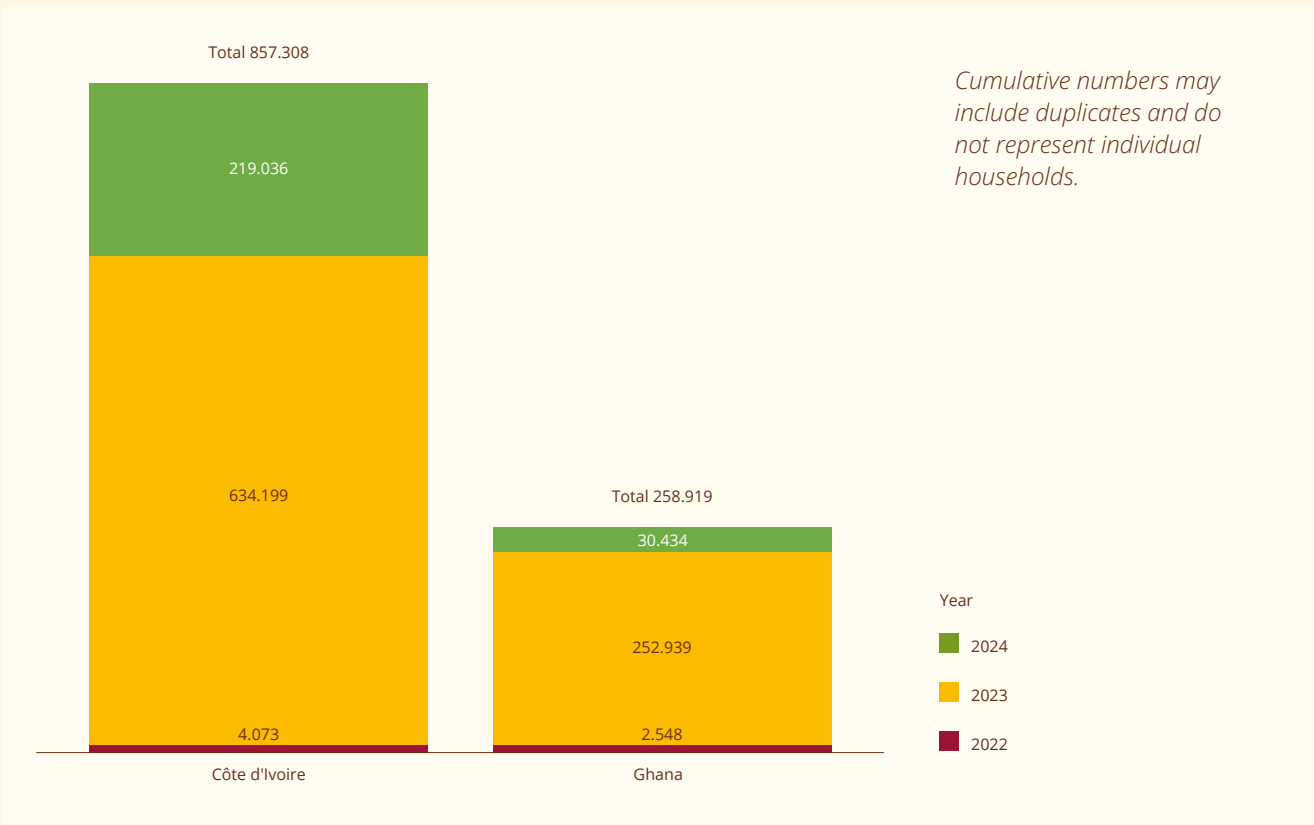
Year
- 2024
- 2023
- 2022

This year, more members reported on the measurement of the LI gap (plus 3 members), and data is now available for a larger number of origins. However, since conducting and processing these measurements takes time, we expect that in the next monitoring cycle, even more members will report on LI gap measurements carried out in 2024.

For Côte d'Ivoire and Ghana, cumulative LI gap measurements since 2022 correspond to 857,308 households in Côte d'Ivoire and 285,919 households in Ghana. In addition, the LI gap has also been measured for a total of 183,797 cocoa farming households in other origins, such as Cameroon, Ecuador, Indonesia, or Nigeria.

Individual members apply varied approaches to calculate income and measure the LI gap. This variety of methods, including analysis of farmer field book data, the systematic collection of farmer attributes, representative sampling, or impact studies with control groups, poses a challenge to building a consistent, sector-wide understanding of income gaps.

Where members used representative samples, the figures reflect the estimated population; however, not all members used representative sampling methods to measure the LI gap. Consequently, these cumulative numbers presented here do not represent actual individual households for which the LI gap has been measured, and there is a risk of duplication across datasets.

To date, nineteen members have not reported any measurement activity. This includes members that do not source cocoa directly or that are dependent on their suppliers to receive information on measurement of the living income gap for the cocoa they have sourced. Other members – often those working with smaller groups of cocoa farming households in their direct supply chains – have conducted measurements that are representative of all households in their direct supply chain. However, these efforts typically do not extend to those households they source from indirectly, which often make up the majority of their supply base. In contrast, members working with larger numbers of farmers tend to measure the gap across broader segments of their supply chains, reflecting a growing commitment to understanding farmer household income.

Across all origins, 89% of cocoa farming households do not reach the corresponding LI benchmark [3]. For many of the poorest households, the gap remains especially wide *(see Figure 4)*. A considerable share (26%) earns less than 40% of the Living Income. In addition, a substantial proportion of households have incomes that fall short of the benchmark, though the exact extent of the gap cannot be determined due to a lack of detailed income data. These cases are reflected in Figure 4 as 'below Living Income, undefined percentage'.

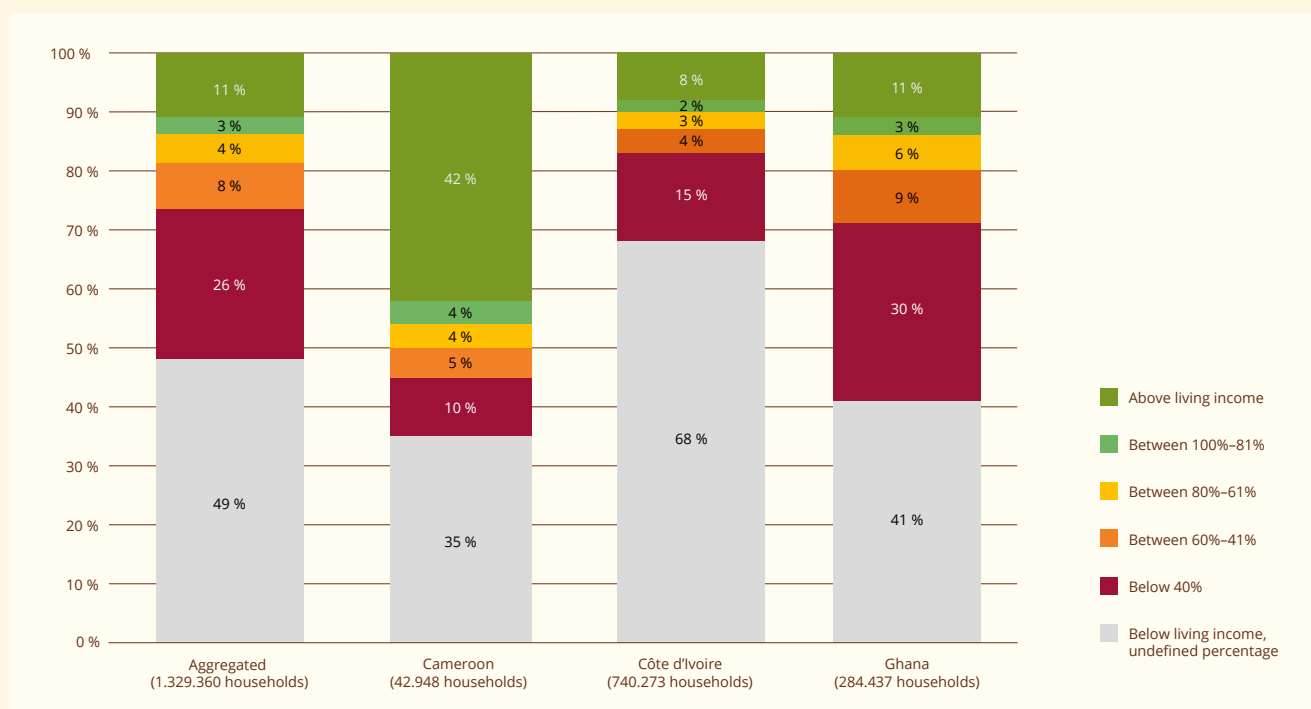*Most cocoa farming households are not earning a Living Income.*

In Côte d'Ivoire and Ghana, the share of households below the corresponding LI benchmarks are 92% and 89%, respectively. The average income gap to the LI benchmarks[4] remains substantive with 41% in Côte d'Ivoire and 28% in Ghana (average annual household income is USD 3,545 in Côte d'Ivoire and USD 2,167 in Ghana). The findings for Ghana are similar to income data **recently published by COCOBOD and SWISSCO**, strengthening confidence in the overall picture.

Cameroon shows a more encouraging picture, with 42% of households exceeding the corresponding LI benchmark. The results seem consistent with growing evidence that liberalised markets such as Cameroon may have a positive effect on household income when cocoa prices are high. However, the smaller sample size limits the weight of these figures on the aggregate results.

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3 For this indicator, members are asked to use the LI benchmarks published on the LICOP website, to report on the households across different income levels relative to the benchmark.
  If none is available for a region or country, members are asked to consult the LICOP FAQ on LI benchmarks for guidance on alternative approaches.
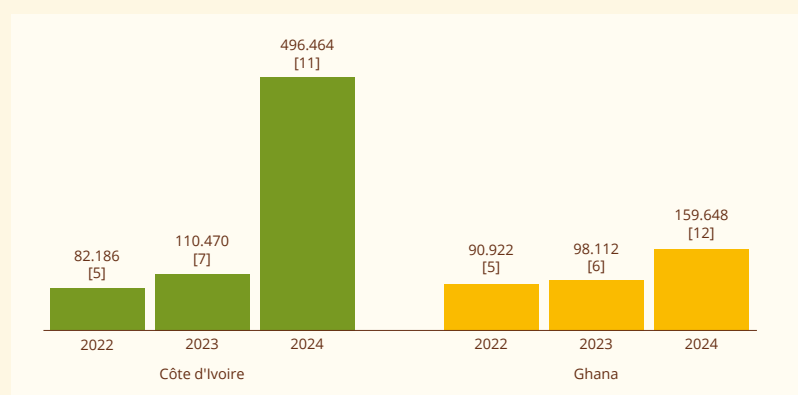4 Côte d'Ivoire For 2023 Living Income Update-Rural Côte d'Ivoire: Cocoa Growing Areas (2022). For 2024, Living Income Update Report, Rural Cocoa Growing Areas, Côte D'Ivoire (2024).
   Ghana: For 2023, Living Income Update-Lower Volta Region Ghana (2023). For 2024, Living Income Update Report, Rural Cocoa Growing Areas, Ghana, 2024

FIGURE 4: INCOME OF COCOA FARMING HOUSEHOLDS IN RELATION TO LI BENCHMARK

Legend:
- Above living income
- Between 100%–81%
- Between 80%–61%
- Between 60%–41%
- Below 40%
- Below living income, undefined percentage

Aggregated (1.329.360 households)
- 11 %
- 3 %
- 4 %
- 8 %
- 26 %
- 49 %

Cameroon (42.948 households)
- 42 %
- 4 %
- 4 %
- 5 %
- 10 %
- 35 %

Côte d'Ivoire (740.273 households)
- 8 %
- 2 %
- 3 %
- 4 %
- 15 %
- 68 %

Ghana (284.437 households)
- 11 %
- 3 %
- 6 %
- 9 %
- 30 %
- 41 %

Implementation of a LI strategy [5]

In Côte d'Ivoire, the number of households benefiting from a LI strategy has more than tripled to 496,464 households *(see Figure 5)*. In Ghana, LI strategies were implemented for 159,648 households (63% increase compared to 2023). Beyond Ghana and Côte d'Ivoire, approximately 170,000 households in origins such as Brazil, the Dominican Republic, Indonesia, Nicaragua, Nigeria, and Cameroon benefit from such strategies.

This increase is also apparent when looking at the share of households in the direct supply chain [6] for which a LI strategy has been implemented. Across members' direct supply chains, the weighted average share of households covered by LI strategies rose sharply from 8% last year to 35% this year [7]. This marks a significant step forward in expanding these interventions, although more progress is necessary in the coming years.

FIGURE 5: NUMBER OF FARMING HOUSEHOLDS IN GHANA AND CÔTE D'IVOIRE FOR WHICH A LI STRATEGY HAS BEEN IMPLEMENTED

Côte d'Ivoire
- 2022: 82.186 [5]
- 2023: 110.470 [7]
- 2024: 496.464 [11]

Ghana
- 2022: 90.922 [5]
- 2023: 98.112 [6]
- 2024: 159.648 [12]

....

5 A Living Income strategy is a strategy with the explicit goal to enable cocoa farming households to earn a Living Income. A LI strategy includes a monitoring and learning component.
A LI strategy uses a combination, or 'smart-mix' of strategies that target multiple income drivers. Multiple income drivers* are being assessed strategically for the purpose of closing the LI gap**. The interventions for each driver depend on the current situation of those drivers and to what extent addressing these drivers can help close the LI gap among different segments and profiles of farmers. Strategies that can improve income drivers go beyond addressing changes in the farm system and household behaviour. These strategies include improved procurement practices. They range from service delivery for improved production and processing, to brand and consumer engagement, and to improving the enabling environment. A LI strategy goes beyond income generating activities (IGAs) that do not have the explicit aim of closing LI gaps.
* land size, yield, price, cost of production, diversified incomes, ** the difference between the actual household income and the existing LI benchmarkWhile GISCO clearly defines what counts as a LI strategy, members may interpret and apply the definition differently.
6 Although Goal 1 covers all cocoa farming households, this report focuses on the direct supply chain because members lack sufficient data on the indirect supply chain, and estimates for households in the indirect supply chain remain unreliable. Moreover, members primarily direct their LI strategy efforts toward farming households within their direct supply chains. On average, members source 77% of their cocoa directly.
7 This is a supply chain indicator reported by industry and retail. 9 members reported in 2023, 14 members reported in 2024.

Looking at individual performance, GISCO members enact LI strategies for an unweighted average of 28% of the cocoa farming households in their direct supply chains. Implementation rates vary considerably among members: around one-third have reached implementation rates ranging from 50% to 100%, while the remaining two-thirds are still at earlier stages of operation. 17 members have not reported households for which they implement a LI strategy. Some of these members, however, implement income measures like premium payments, which can contribute to improved household income, even though they may not amount to a full LI strategy.

Living Income strategy implementation grows, yet members move at different speeds.

Looking at the broader application of income measures by GISCO supply chain members *(Figure 7)*, 24 members (77%) reported that they do carry out one or more of such measures, while 7 members stated that they do not perform any income measures at all.

Overall there is a divide between frontrunners and those still developing or initiating their LI approaches which is a pattern that also emerges from the members' **LI roadmaps**.

GISCO members implement diverse income strategies, focused mainly on productivity.

The data and feedback from members suggests that there is a challenge with operationalising LI Strategies for all members and member types. Further guidance and clarity should be developed.

About half of GISCO supply chain members actively implement a mix of income strategies to close the LI gap, prioritising approaches that improve productivity *(see Figure 7)*. Around half of the members report using price-related strategies (red), while a larger share implement strategies related to farming practices (green). Given that most GISCO supply chain members purchase certified cocoa and therefore pay premiums. It is not clear why price related strategies are underreported.

FIGURE 6: WEIGHTED AVERAGE SHARE OF HOUSEHOLDS IN DIRECT SUPPLY CHAIN FOR WHICH MEMBERS ARE IMPLEMENTING A LI STRATEGY (2023 AND 2024) AND COUNTRIES IN WHICH LI STRATEGIES WERE IMPLEMENTED (2024)
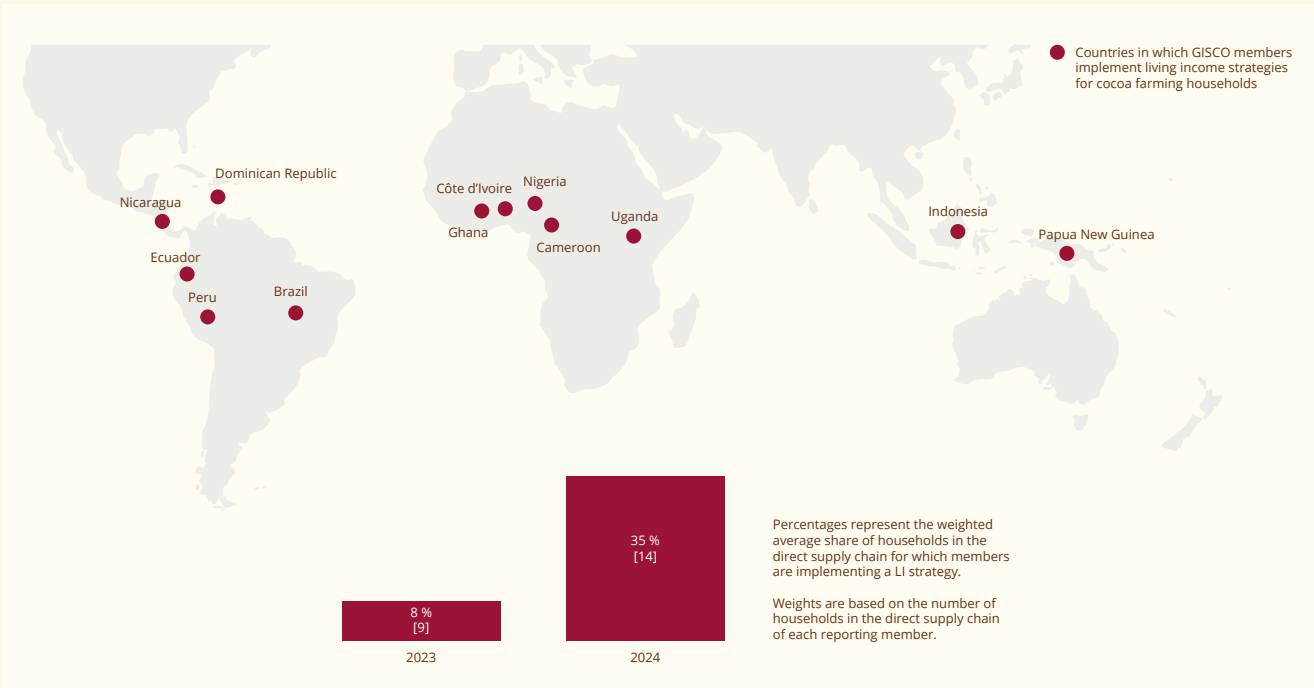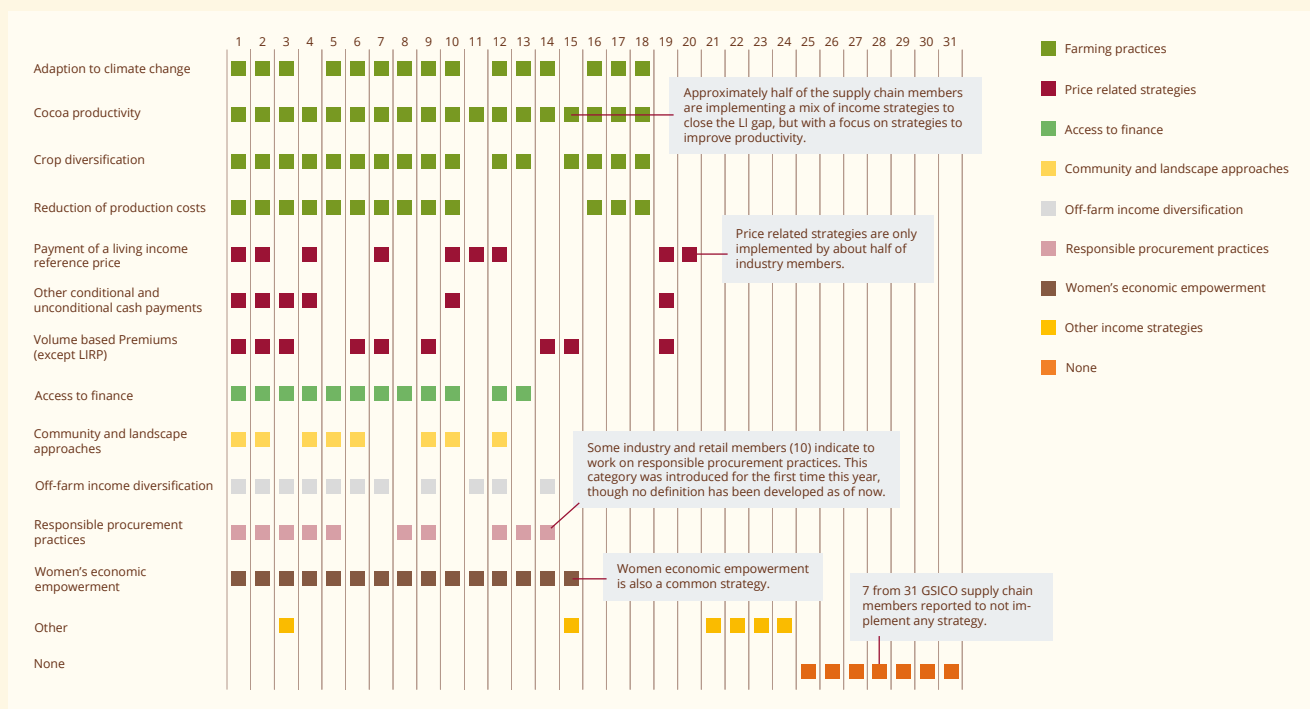

Countries in which GISCO members implement living income strategies for cocoa farming households

Dominican Republic
Nicaragua
Ecuador
Peru
Brazil
Côte d'Ivoire
Ghana
Nigeria
Cameroon
Uganda
Indonesia
Papua New Guinea

35 %
[14]

8 %
[9]

2023

2024

Percentages represent the weighted average share of households in the direct supply chain for which members are implementing a LI strategy.

Weights are based on the number of households in the direct supply chain of each reporting member.

FIGURE 7: IMPLEMENTATION OF INCOME STRATEGIES BY GISCO SUPPLY CHAIN MEMBERS

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

Adaption to climate change
Cocoa productivity
Crop diversification
Reduction of production costs
Payment of a living income reference price
Other conditional and unconditional cash payments
Volume based Premiums (except LIRP)
Access to finance
Community and landscape approaches
Off-farm income diversification
Responsible procurement practices
Women's economic empowerment
Other
None

Approximately half of the supply chain members are implementing a mix of income strategies to close the LI gap, but with a focus on strategies to improve productivity.

Price related strategies are only implemented by about half of industry members.

Some industry and retail members (10) indicate to work on responsible procurement practices. This category was introduced for the first time this year, though no definition has been developed as of now.

Women economic empowerment is also a common strategy.

7 from 31 GSICO supply chain members reported to not implement any strategy.

Legend:
- Farming practices
- Price related strategies
- Access to finance
- Community and landscape approaches
- Off-farm income diversification
- Responsible procurement practices
- Women's economic empowerment
- Other income strategies
- None

It is important to note that the data does not capture the scale of these strategies, such as monetary investment or the number of households reached, nor does it provide insight into how members combine strategies for maximum impact.

The next sections take a closer look at some selected strategies, including improving productivity, premium payments, payment of the Living Income Reference Price (LIRP) and women's empowerment.

BOX 1: LORE LINDU LANDSCAPE INITIATIVE

"Living Income" has from the outset been incorporated into the project design of a landscape initiative in the buffer zones of the UNESCO-designated Lore Lindu Biosphere Reserve in Central Sulawesi (Indonesia). The project, funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) in partnership with the companies MARS Inc., JBCocoa and Olam Food Ingredients (OFI), aims to foster resilient communities and landscapes by promoting climate-smart agricultural and agroforestry practices, and supporting the production of high-quality, traceable cocoa. A critical first step has been the implementation of a **LI benchmark study** together with **household income assessments and a gap analysis**.

These provide the foundation for developing an **Action Plan to help close the Living Income gap** among farmers. The study revealed that around one-quarter of farmers in the intervention group do not currently earn a Living Income. It also highlighted wide disparities in income levels and underscored the vulnerability of farmers to price fluctuations. The Action Plan will align the agendas of the different stakeholders' and partners, among others local farmer organizations, district and provincial governments as well as the project partners. The joint Action Plan and shared project objectives hold the potential to address land-use issues at a larger scale, going beyond individual company supply chains to balance the economic, ecological and social objectives of all stakeholders and to achieve an integrated management of a sustainable landscape.

Cocoa productivity

The reported yields (kg/ha) for cocoa farming households in Côte d'Ivoire and Ghana in 2024 show a relatively high variability. The majority of cocoa yields in these two countries fall short of the 800kg/ha in Côte d'Ivoire and the 600kg/ha in Ghana target yield used by Fairtrade to calculate the LIRP, which the FT-LIRP methodology assumes is reachable within 2 years, for farmers investing in their farms and implementing the recommended practices. Only one data point meets this level, while the majority of yields cluster between 500 and 650 kg/ha, closer to the presumed national average of about 500kg/ha (in Côte d'Ivoire) [8]. For other origins (such as Brazil, Cameroon, Ecuador and Indonesia) yields range from 200kg/ha to 1370kg/ha, highlighting substantial differences in farm-level productivity across origins.

Differences in data collection methods, reference period, and sample sizes contribute to the variability in the results. In some cases, yield variations are based on baseline comparisons rather than year-on-year tracking, making it difficult to compare results across members and reporting periods.

FIGURE 8: EVOLUTION AVERAGE YIELD (KG/HA) GHANA AND CÔTE D'IVOIRE
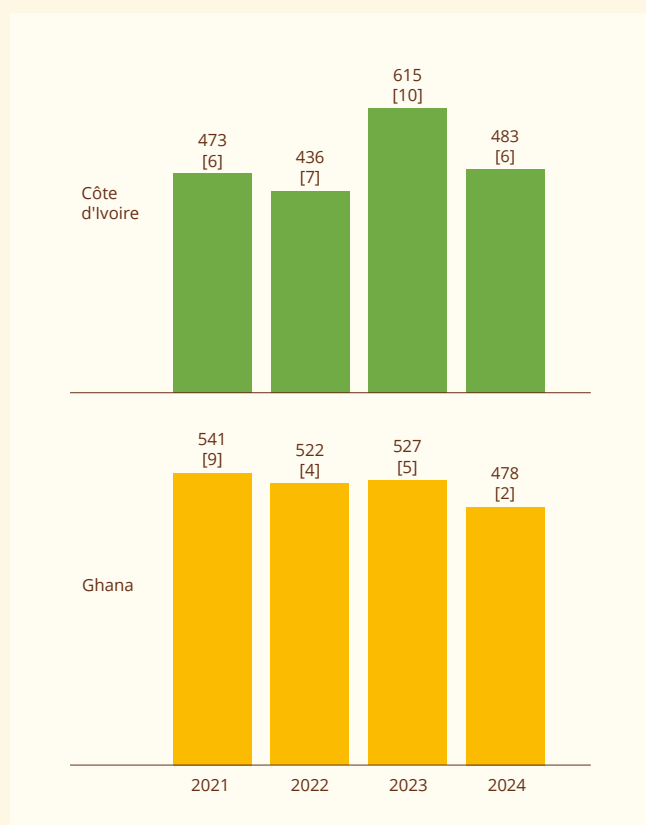
An analysis of average yields over the past four years *(see Figure 8)*, shows an overall decline for Ghana, while for Côte d'Ivoire figures fluctuate more noticeably. There is no immediate explanation for this difference. Members shared yield data based on project-level or supply chain-specific reporting, which is not necessarily representative of national averages or the broader farming population in either country.

Because collecting and processing yield data is often time-intensive, some 2024 data may not become available until the 2026 reporting cycle, which means that current results may be updated in future reporting rounds.

Premium payments

From this reporting year onwards, members are only expected to report premiums they pay directly to a farmer and/or cooperative. Standard setters have also reported premium data for the first time this year. Because of these changes, this year's data cannot be compared to those from previous years. Premiums are defined as an amount of money paid to the producers or producer organisations in addition to the regular market price. They are understood only as market or volume-related payments and do not include payments like 'payments for environmental services', conditional or unconditional cash payments etc. LIRP payments are separate and are covered in the next section.

14 GISCO members reported paying cocoa premiums directly to a farmer and/or cooperative *(see Figure 9)*. By far, most of these premiums were paid in Côte d'Ivoire, the world's largest producer of cocoa. Fairtrade reports the highest average premium payments across origins (240 USD/MT in Ghana and 221 EUR/MT in Côte d'Ivoire), but this premium is paid for the lowest volume for which premiums are paid. The Rainforest Alliance (RA) is currently in the process of refining its premium approach to enhance data accuracy and significance. As part of version 1.4 of its Sustainable Agriculture Standard, beginning in October 2025 RA will consolidate previous cash and in-kind investments into a single, simplified volume-based premium. This adaptation aims to align premium payments across sectors, ultimately directing more funds to farmers.

9 industry members also reported volumes of cocoa sourced without premium payments. This made it possible to calculate the share of reported volumes sourced with premiums for these members. On average, these members sourced 86% of their cocoa with premiums in Côte d'Ivoire and 76% in Ghana. 10 industry members shared data on how much of the premium was paid directly to farmers

8 Petti, M., Huzen, M., de Groot Ruiz, A., Rusman, A., & James, L. (2025). Cocoa household income study 2025: Tracking changes in farmer incomes and progress toward a living income under updated market conditions (Report commissioned by Fairtrade International). Impact Institute. **https://www.fairtrade.net/content/dam/fairtrade/fairtrade-international/library/2025/cocoa-household-income/ Cocoa%20household%20income%20study%202025.pdf**; IDH, VOICE Network, & Wageningen University & Research. (2025). Cocoa Income Inventory – Release February 2025. **https://incometoolkit. idhtrade.org/cocoa-income-inventory/dashboard**

rather than cooperatives. In Ghana, members reported paying 84% of the premiums to farmers on average. In Côte d'Ivoire, the reported average share was significantly lower, at 58%.

Overall, there is a possibility of double counting, particularly among industry members (Member group B), who may have reported certification premiums paid, instead of premiums they pay directly – especially when combined with company programme premiums. Therefore, industry data, and standard-setting organisations cannot be aggregated.

FIGURE 9: TOTAL VOLUME (TONS) FOR WHICH PREMIUMS HAVE BEEN PAID AND TOTAL AMOUNT OF PREMIUMS PAID (USD) [9]

	Total volume (tons) for which premiums have been paid	Total amount of premium paid (USD)
Aggregated (for countries other than Cameroon, Côte d'Ivoire, Ghana and Nigeria)	Fairtrade: 51.069; Rainforest Alliance: 168.679; Industry: 234.527	Fairtrade: 12.222.259; Rainforest Alliance: 20.321.696; Industry: 17.703.164
Cameroon	Rainforest Alliance: 114.730; Industry: 50.398	Rainforest Alliance: 15.000.867; Industry: 1.259.853
Côte d'Ivoire	Fairtrade: 164.858; Rainforest Alliance: 828.542; Industry: 1.133.750	Fairtrade: 41.163.356; Rainforest Alliance: 103.036.089; Industry: 69.804.551
Ghana	Fairtrade: 39.456; Rainforest Alliance: 129.988; Industry: 216.089	Fairtrade: 9.018.207; Rainforest Alliance: 17.942.964; Industry: 10.613.988
Nigeria	Rainforest Alliance: 76.362; Industry: 31.943	Rainforest Alliance: 10.440.984; Industry: 2.317.786

Legend: ■ Fairtrade ■ Rainforest Alliance ■ Industry

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9 Fairtrade data for Cameroon is included under aggregated due to confidentiality requirements.

Payment of the Living Income Reference Price (LIRP) [10]
In 2024, the farm-gate price during the main cocoa season in both Ghana and Côte d'Ivoire exceeded the Fairtrade LIRP [11]. As a result, reporting on this indicator became more complex reflecting differing interpretations of the monitoring question. While the majority of members reported volumes of cocoa linked to an explicit LIRP payment strategy, others included all cocoa volumes purchased above the benchmark price, regardless of strategy.

The volume of cocoa for which a LIRP has been paid increased only slightly.

To ensure consistency, this year's cleaned dataset includes only volumes backed by a strategy to pay the LIRP, as this approach allows for more meaningful tracking of member efforts. The data also includes volumes from origins other than Ghana and Côte d'Ivoire, in which cases the LIRP was calculated by the reporting member.

The volume of cocoa for which a LIRP has been paid increased only slightly – from 9,047 MT-BE in 2022 to 12,770 MT-BE in 2024 – while the number of reporting members decreased during the same period. This suggests that although members are currently paying market prices above the LIRP; both the uptake of LIRP payments backed by a LIRP strategy and the volume for which a LIRP has been paid remain low.

Women's empowerment strategies
In 2024, GISCO members reached 273,885 individuals through women's empowerment activities. The majority of these participants, about 95%, were based in Côte d'Ivoire and Ghana. Implementation of Women's empowerment strategies in projects and the supply chain is largely similar, focussing on GAP training, income diversification, and access to finance. Leadership initiatives are relatively more common in projects. Few members addressed more systemic barriers such as improving access to land and land rights. Only a limited number of initiatives concentrated on other strategies such as reducing time poverty [12], supporting sexual and reproductive health and rights (SRHR), or offering basic literacy and numeracy training.

Women's empowerment activities reach over 270,000 participants. Of which a majority (95%) are based in Côte d'Ivoire and Ghana.

FIGURE 10: VOLUME (MT-BE) FOR WHICH A LIRP HAS BEEN PAID

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10 A LIRP indicates the price required for an average farming household with a viable farm size and an adequate productivity level to earn a Living Income from crop sales. It can be calculated using the following formula: LIRP = (Cost of decent living + Cost of sustainable production)/Viable land area × Sustainable yields.
11 Farmers in Côte d'Ivoire received CFA 1,800 per kg (approx. USD 3.09), while Ghanaian farmers were paid GHS 48.00 per kg (approx. USD 3.08). These figures surpassed the Fairtrade LIRP (2022) of CFA 1,602 (USD 2.39) for Côte d'Ivoire and GHS 16.50 (USD 2.12) for Ghana. Fairtrade adjusted the LIRP in October 2024.
12 'Time poverty' refers to a situation where cocoa farmers, especially women, have little or no discretionary time due to the combined demands of labour-intensive cocoa farming, other income work, and unpaid household or care responsibilities.

BOX 2: NESTLÉ INCOME ACCELERATOR PROGRAM

The **Nestlé Income Accelerator Program** supports cocoa farmers and their families in closing the living income gap. This includes direct income premiums, which are paid out via mobile payment for the implementation of various measures, as well as participation in training on good agricultural practices and diversified farming.

The inclusion of women is central to the program. Measures include, among others, the equal distribution of premiums to men and women, the organization of women into Village Savings and Loan Associations (VSLAs), and the implementation of Gender Action Learning Systems (GALS). GALS are participatory and visual workshops that help women develop strong visions for change and concrete strategies to improve their lives. Through personal experiences, they also raise awareness among family members, colleagues, and communities. In VSLAs, women save money for business opportunities, such as processing food for the community or buying and selling fabrics in the village.

The Income Accelerator Program thus strengthens both the financial situation of families and women's empowerment and participation.

The current program evaluation shows progress: the Women's Empowerment Index increased by 18%

compared to 2024, women saved money, used loans, and developed new sources of income such as horticulture and beekeeping. This contributed to an increase in household income by around 15% compared to the previous year. However, despite this increase, the gap to a living income has not narrowed compared to the beginning of the program, as in many cases household size has grown and living costs have risen. One of the most important insights from the program is that it makes a significant difference who within a household receives cash transfers. While transfers to men are linked to higher agricultural investments, greater resilience, and improved food security, transfers to women are associated with a higher stock of productive assets, more savings, greater dietary diversity, and stronger empowerment.

Further information on the Income Accelerator Program can be found here:

Nestle Income Accelerator Program Progress Report 2025

Summary of the Income Accelerator Program Process Report 2025

FIGURE 11: WOMEN EMPOWERMENT STRATEGIES

	Income diversification	Training on GAP	Access to finance	Leadership opportunities	Organising women / collective bargaining	Financial support	Access to market	Land rights	Other strategies
Supply chain	31	29	26	24	22	17	9	3	2
Project	9	8	8	11	8	1	6	2	1
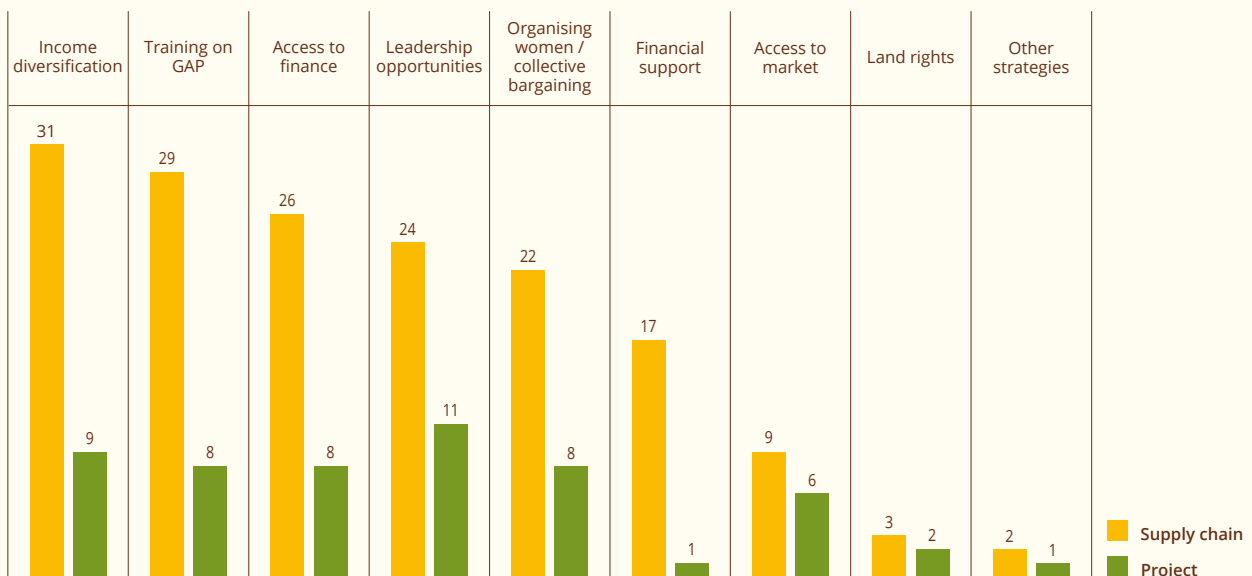
While many women empowerment strategies focus on income diversification and GAP training, more action is needed to tackle the systemic barriers to gender equality, not only in Ghana and Côte d'Ivoire, but in all countries where members are implementing LI strategies with the cocoa farming households they work with.

Conclusions and Recommendations
While meaningful progress has been achieved and members are actively engaging in measuring Living Income and developing related strategies, significant efforts are still required to achieve GISCO Goal 1 and Goal 2.

TABLE 3: SUMMARY LIVING INCOME INDICATORS

GOAL	INDICATOR	SUMMARY	STATUS
1	GISCO members regularly analyze the income of cocoa-producing households and communicate their findings.	More households are included in LI gap measurements.	Strong momentum
1	Increase number/share of households implementing a LI strategy.	Increase in the number of households for which a LI strategy[13] has been adopted.	Needs attention
1	Increase average premiums paid per ton of cocoa.	Question revised/baseline	
1	Increase cocoa processed or used with a LIRP.	Volume for which a LIRP has been paid has increased (embedded in LIRP strategy).	Needs attention
2	Increase average yield of cocoa per hectare through improved practices.	Members are implementing a mix of strategies to close the LI gap, but with a focus on strategies to improve productivity. No clear evolution in average productivity levels reported by members.	Needs attention

The following recommendations are aimed at supporting the achievement of GISCO Goal 1 and 2, based on the insights and data presented in this report.

1. Accelerate the rollout of Living Income strategies
Prioritise the expansion of LI strategies to reach a greater number of cocoa farming households. This includes setting clear targets for scale-up, while ensuring that strategies remain adaptable to different national and regional contexts. To achieve meaningful impact across the GISCO membership, efforts should also target closing the gap between frontrunners and those whose implementation of LI strategies have not yet started or are still in the early stages. LI strategies should include a smart mix of interventions to be effective (see also the definition of Living Income Strategies), though the definition of LI strategies requires further guidance, operationalisation and clarity to make it

applicable for all members and member types *(see recommendation 3).*

2. Address structural barriers to gender equality
Move beyond short-term interventions by tackling the systemic and structural barriers that hinder gender equality. While income diversification and GAP training are valuable, broader efforts are needed to challenge discriminatory norms, improve women's access to resources, and promote inclusive decision-making within cocoa communities.

3. Strengthen practical guidance and alignment on data collection methods, transparency and traceability of Living Income data
There is a need for practical guidance and greater alignment in how LI data is collected, shared, and transferred along the supply chain, considering local contexts and

....

13 A Living Income strategy is a strategy with the explicit goal to enable cocoa farming households to earn a living income. A LI strategy includes a monitoring and learning component. A LI strategy uses a combination or 'smart-mix' of strategies that target multiple income drivers. Multiple income drivers* are being assessed strategically for the purpose of closing the LI gap**. The interventions for each driver depend on the current situation of those drivers and to what extent addressing these drivers can help close the LI gap among different segments and profiles of farmers. Strategies that can improve income drivers go beyond addressing changes in the farm system and household behaviour. These strategies include improved procurement practices. They range from service delivery for improved production and processing, to brand and consumer engagement, and to improving the enabling environment. A LI strategy goes beyond income generating activities (IGAs) that do not have the explicit aim of closing LI gaps.
*land size, yield, price, cost of production, diversified incomes
**the difference between the actual household income and the existing LI benchmark. While GISCO clearly defines what counts as a LI strategy, members may interpret and apply the definition differently.

building on experiences from the Living Income Community of Practice (LICOP) and the Cocoa household income study approach (CHIS) [14] as developed within the framework of the Alliance on Living Income in Cocoa (ALICO).
This includes:

- enhancing guidance on data collection, including clarifying key definitions, such as establishing a common understanding of procurement practices and clearly operationalising what constitutes a LI strategy as well as aiming for a balanced approach between reporting responsibilities and implementation of LI activities. This will help to make data collection more practical and operational for members but should also ensure greater transparency.

- improved traceability both upstream and downstream. Greater alignment along the supply chains will enhance accountability, support better coordination among stakeholders, and enable more effective, evidence-based decision-making across the cocoa sector.

4. Enhance reporting on household income categories
Encourage members to report LI data per LI categories, rather than only distinguishing between households above or below the LI benchmark. This will deepen understanding of the diverse income situations faced by cocoa farming households in key countries for the German cocoa sector like Côte d'Ivoire, Ghana, and Cameroon. Improved insights will support members to implement more targeted LI strategies tailored to specific contexts.

14 van der Haar, S., Janssen, V.C.J., Diallo, O., Boza, F.B., Diarra, I., Ingram, V., Kouadio, K.A.S., Laven, A., N'dri, A.N., N'guessan, A., Waarts, Y., 2024. Cocoa household income study approach; A sector-wide approach to assessing the living income status of households in the cocoa sector. Wageningen, Wageningen Economic Research, Report 2024-038. 60 pp.; 1 fig.; 4 tab.; 22 ref.

2.2 CHILD LABOUR AND FORCED LABOUR

Introduction

Child labour continues to be a critical sustainability challenge in the cocoa sector. It is rooted in a range of complex and interrelated factors, including limited access to education, healthcare, social protection, gender inequality, inadequate infrastructure, rural labour shortages and household income [15]. Closely related, though less common, forced labour also remains a risk in the cocoa sector. It can affect both children and adults and often has more severe consequences for those impacted.

Understanding and addressing both child and forced labour in the cocoa sector and the link with living income remains essential – not least in view of evolving legal frameworks and growing corporate due diligence obligations. This also requires looking at the specific labour and ownership arrangements in cocoa production. In West Africa, sharecroppers, for instance, play an important role but are often left out of monitoring and programme activities addressing child- and forced labour.

Across the wider sector, industry (represented by the World Cocoa Foundation) and the governments of Ghana and Côte d'Ivoire have, for instance, recently adopted a 2024–2029 **framework of action** which foresees the development of an overall action plan to address child labour. Within GISCO, child and forced labour are covered under Goal 6 and the corresponding indicators (Child Labour and Forced Labour). One of the indicators, sets the target that, by 2025, 100% of households in the supply chain of GISCO members are covered by a strategy or system for the prevention, control, monitoring and remediation of every form of prohibited child labour.

In the **GISCO Roadmaps on child labour**, member organisations expressed their unanimous commitment to eliminating child labour from their supply chains. Many members cited certification schemes and Child Labour Monitoring and Remediation Systems (CLMRS) as key tools in tackling the issue, although some pointed to ongoing challenges in obtaining reliable child labour data from their suppliers.

The monitoring data presented below outlines GISCO's progress toward its child labour goal. However, despite progress over the past years, GISCO remains far away from achieving its objective. Closing the remaining gaps will require decisive and collective action and targeted, sustained improvements in transparency, supplier engagement, and the implementation of robust monitoring and remediation systems.

The collected child and forced labour data only refer to Cameroon, Côte d'Ivoire, Ghana and Nigeria.

CLMRS Coverage

The monitoring data reflects a positive development in GISCO members' efforts to address child labour risks in their supply chains. The number of members reporting on Child Labour Monitoring and Remediation systems (CLMRS) has increased slightly, with two additional members submitting data compared to the previous reporting period. More importantly, members have expanded the number of households covered by these systems.

FIGURE 12: NUMBER OF HOUSEHOLDS COVERED BY CLMRS
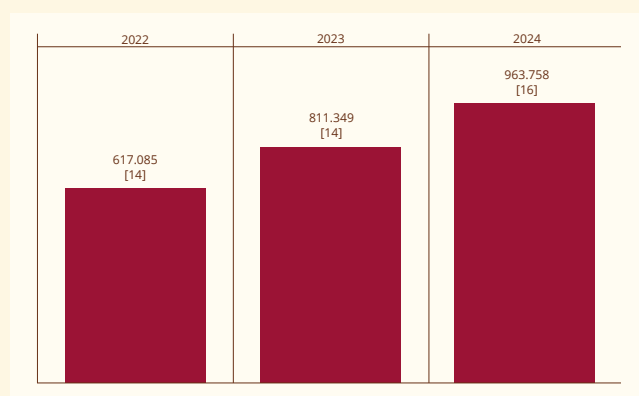
Between 2022 and 2024, members increased the coverage of households with CLMRS [16] by around 43%, and the number of children covered with CLMRS has grown substantially by almost 118% from around 620,000 children in 2022 to 1,3 million children in this period *(see Figure 12 and Figure 13).*

15 Research from cocoa-growing communities in Côte d'Ivoire shows that while higher incomes can help reduce reliance on child labour, because these farmers are able to hire workers, income-generating strategies – such as increased productivity or crop diversification – may, in the short term, lead to increased workloads and a temporary rise in child labour if appropriate safeguards are not in place. The research did not examine the working conditions of sharecroppers or the trade-offs associated with using hired labour for improving Good Agricultural Practices (GAP). Habraken, R., Diallo, O., de Graaf, L., & Kuijpers, R. (2023). Living income and child labour in the cocoa sector of Côte d'Ivoire (KIT Working Paper). KIT Royal Tropical Institute **https://www.kit.nl/publication/living-income-and-child-labour-in-the-cocoa-sector-of-cote-divoire/Ibid.**

16 A household can be considered 'covered', if an assessment of child labour risk has been conducted at household level, either through an in-person monitoring visit, including child interview, or through assessment using a household-level risk model.

Despite these encouraging advances, the data also reveal that important gaps remain. On average, only about 1.4 children per household (between the age of 5-17) are currently covered by these systems, which is well below the average number of children per household in Ghana and Côte d'Ivoire, where families typically have around four children (under the age of 18. This indicates that, while progress is clear, substantial parts of the child population in cocoa producing households still fall out-side the reach of CLMRS and comparable systems.

Viewed in relation to the number of households in the direct supply chain, the average share of households covered by a CLMRS or similar system has stagnated at around 46% in 2023 and 2024.

There is a significant increase in the coverage with CLMRS, though the average share of households in the direct supply chain covered stays unchanged.

Children Identified as in Child Labour
The total number of children identified as being in child labour [17] has increased, a development that can partly be attributed to a slight rise in the number of reporting members (2). At the same time, the share of children identified as in child labour relative to the total number of children covered by CLMRS, slightly decreased by around 2%.

The share of children identified as in child labour remains low indicating an overall low identifi-cation rate of child labour cases.

This underscores that, despite the increase in absolute numbers, the identification rate remains low at 14 %. While CLMRS identification rates are not directly compa-rable to child labour prevalence surveys, comparisons with external studies such as the **NORC report**, suggests that child labour cases may be underreported [18]. Challenges in accurately identifying child labour often stem from in-sufficient training, inadequate interview techniques, and the use of punitive rather than supportive approaches. Additionally, the gender and educational background of the interviewer have been shown to influence the likeli-hood of disclosure and, ultimately, the reliability of the data collected.

Figure 13: Number of cases of child labour identified among number of children covered by CLMRS

	2022	2023	2024
Number of children covered	619.481 [10]	967.952 [12]	1.352.900 [13]
Identification rate	17% [8]	16% [11]	14% [12]
Number of cases of child labour identified	82.937 [11]	150.334 [11]	189.067 [13]
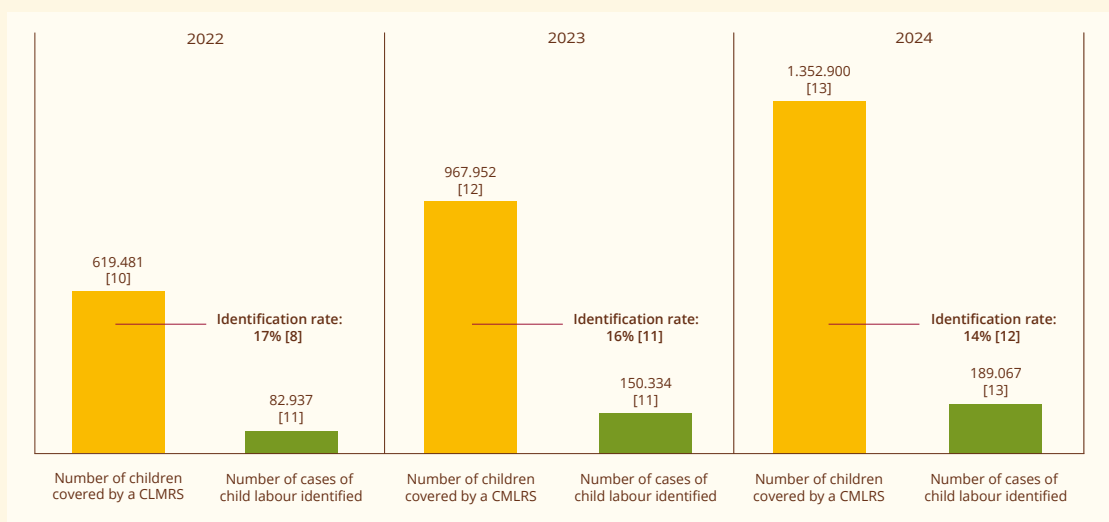
17 This means a child has been identified in a situation of child labour, in accordance with ILO conventions and national legislation (e.g. hazardous activity frameworks). The respective indicator counts the number of children currently covered ever identified in child labour. Even if the child has since stopped working, they should be counted here.
18 According to NORC's findings from 2018/19, about 45 % of children living in agricultural households in cocoa growing areas were engaged in child labor across Côte d'Ivoire and Ghana.

Box 3: EDEKA's Cocoa for Future initiative

As part of the **Cocoa For Future** initiative, EDEKA is committed to protecting the rights, safety, and education of children in cocoa-growing regions.

In the West African project areas, the *Child Labour Monitoring and Remediation System (CLMRS)* is used to identify cases of child labour and to develop prevention and support measures together with the affected households.

A major focus of the cocoa initiative is addressing the root causes of child labour. To improve farmers' financial situation, for example, they receive support and training to stabilize and increase yields through agroforestry systems and improved farm management. At the same time, workers are trained and financed to ease the financial burden on farmers and counteract the widespread labour shortage. Another key component in addressing the socio-economic drivers of child labour is the **VSLA-CHILD*** concept by Beyond Beans. This model expands community-based savings groups (Village Savings and Loan Associations) with measures that strengthen women and protect children. Within these groups, parents gain access to microcredits and training that help them improve their families' livelihoods – without relying on their children's labour. In addition, the initiative strengthens women's role in household decision-making and raises awareness of the dangers of child labour and the importance of education. Despite intensive efforts and a wide range of approaches to combat child labour in cocoa farming, structural challenges remain, including corruption, smuggling, rural exodus, and the migration of workers to more lucrative sectors. These challenges must be addressed collectively.

* Child-Household Intervention for Learning & Development

Alongside the increased coverage of CLMRS, the number of children receiving support has also grown noticeably, reflecting encouraging efforts by GISCO members to strengthen their response to cases of child labour [19]. While one additional member reported data this year – contributing to the overall increase in reported cases – this alone does not fully explain the rise, suggesting a broader improvement in support activities across the membership.

Figure 14: **Number and share of children supported among those identified in child labour**

19 The "jump" in the data from 65% to 90% (2022/23) is at least in part due to clarifications in the definitions, allowing awareness raising to be classified as "support".

This is also reflected in a modest increase in the share of identified children who received some form of support. However, it is important to note that the range of support activities is broad, spanning from complex, multi-pronged interventions, to measures such as the distribution of school kits or awareness raising. While all of these efforts can be meaningful steps, the challenge remains to ensure that the support provided is not only widespread but also sufficiently robust and tailored to the needs of the children affected.

Children Stopped Working

Indeed, assessing the actual impact of CLMRS and other systems – meaning the extent to which they successfully reduce child labour – remains difficult.

This challenge becomes clear when looking at the indicator tracking the number of children who stopped working after two follow-up visits. Compared to the 16 members reporting on CLMRS coverage, only six members provided data for this indicator, indicating a significant drop in reporting on impact. Moreover, the quality of the data submitted by these six members needs to be considered as overall low. The withdrawal rates they reported –

that is the proportion of children identified as in child labour who are subsequently reported as havin stopped working – are often very high, ranging between 80% and 100%.

Low data quality regarding impact figures for children no longer engaged in child labour prevents reliable reporting.

This is far above what sector studies suggest is realistic: for example, the ICI Annual Report 2024 indicates that a solid withdrawal rate is around 40%. Such discrepancies raise concerns about the accuracy and consistency of the reporting.

Box 4: Standers-setting organisations work on improving the quality of child labour data and related interventions

Fairtrade certified cooperatives in Côte d'Ivoire and Ghana are gradually rolling out Child Labour Remediation and Monitoring Systems (CLRMS), with full implementation in line with the requirement for a CLMRS as part of the revised Fairtrade Cocoa standard expected by January 2026.

By then, almost 390.000 households will be covered through CLMRS to regularly check for and respond to cases of child and forced labour. Under this system co-operatives document, store and assess number of cases identified and responded to. Nevertheless, this data is not public yet, as Fairtrade is currently reviewing its policies on data collection and publication.

Furthermore, the Fairtrade standard requires certified traders to support farmer organisations in the prevention of child labour, like in the form of funding, training, facilitation of partnerships, advocacy with government, or other ways. Through the contribution to the Child Labour and Forced Labour Prevention and Remediation Programme, launched in 2023, as of today 9 projects have been funded with EUR 149,170.

The Rainforest Alliance (RA) applies an 'assess-and-address' approach to child labour and other human rights risks, focussing on risk identification, prevention, and continuous improvement through capacity building of certification holders and local committees. This model differs from the CLMRS, which places more emphasis on systematic case identification, structured remediation and community involvement.

Since the introduction of the RA 2020 Certification Programme, RA has collected child labour data. However, RA recognises the need to improve data accuracy to ensure the reliability of the information shared along value chains.

To address this, a new version of the Sustainable Agriculture Standard (version 1.4), launching in October 2025, will streamline farm-level data collection and focus on fewer but more targeted data points – such as reported, confirmed, and remediated cases. In addition, validation processes will be strengthened, and training for those responsible for data gathering and oversight will be expanded.

Several factors are likely to contribute to these data challenges. Verifying whether a child has genuinely stopped working is difficult, often due to weak or inconsistent follow-up procedures. In some cases, supply chain actors may hesitate to report continued child labour due to concerns about harming business relationships. Additionally, limited transparency – such as withholding negative findings – further undermines the reliability of the available data.

Because of these significant data quality concerns, GISCO has decided not to publish the impact-related figures at this stage (number of children, among those identified in child labour that stopped working).

Improving the availability of reliable data on impact will be essential to ensure that the positive developments in CLMRS coverage and child support are matched by real and lasting improvements in children's lives.

Forced Labour

For the first time this year, GISCO also collected data on forced labour. Around half of the surveyed industry and retail members report they have taken steps to prevent and address forced labour within their operations or supply chains. However, the response rate to more detailed follow-up questions on forced labour indicators remains low, suggesting either gaps and challenges in data collection or a lack of transparency.

Anecdotal feedback from members indicates that many organisations are still in the initial phases of forced labour data gathering but are actively moving forward in this area. This momentum appears to be partly driven by evolving regulatory frameworks, including the German Supply Chain Due Diligence Act (LkSG), CSDDD or the

FIGURE 15: DO YOU CURRENTLY IMPLEMENT ANY MEASURES TO PREVENT AND ADDRESS FORCED LABOUR RISKS?
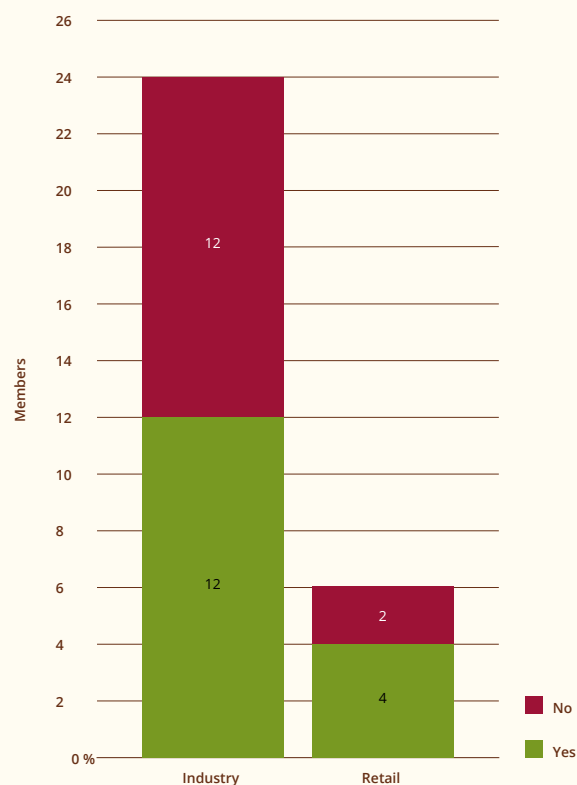
forthcoming EU Forced Labour Regulation. Against this backdrop, more robust and comprehensive reporting is anticipated in the coming years.

TABLE 4: FORCED LABOUR INDICATORS

FORCED LABOUR INDICATOR	2024	
	TOTAL	NUMBER OF MEMBERS REPORTING
Number of households covered by an assessment of forced labour risks in the past 12 months	125,474	4
Number of households reached by awareness raising on forced labour in the past 12 months	288,258	9
Number of households that have access to a grievance mechanism to report forced labour risks and cases	168,367	5
Number of grievances reported in the past 12 months	4,053	6
Number of cooperatives that have a forced labour policy in place	256	5

Box 5: International Justice Mission's work related to Child labour

International Justice Mission (IJM) supports government authorities in West Africa to address child exploitation and forced labour cases. Among other activities under its multi-dimensional program model, IJM provides training and technical assistance on case identification, trauma-informed care, multidisciplinary coordination, and other case management practices that advance survivor well-being and protection. Since beginning collaborative work with government agencies in 2015, over 1,200 officers and individuals have participated in training events, and Ghanaian authorities have removed over 400 children from dangerous and exploitative situations in cases supported by IJM. Through its day-to-day partnership with government agencies on the ground, IJM has seen marked improvement by key actors in their response to child exploitation cases, such as proactive case identification and coordination between the Department of Social Welfare and law enforcement agencies. IJM's most recent large-scale data collection in the fishing sector indicates significant progress in prevalence reduction and provides evidence that similar impact is possible in areas where IJM has expanded its work in recent years – areas where agriculture and mining are the primary economic drivers.

In addition to the work with governmental authorities, IJM also carries out advocacy activities, local community engagement, and survivor leadership activities that are vital for building awareness and the collective will to prioritize child protection. IJM's development of the Ghana Survivor Network has been an important avenue for individuals with lived experience to influence government, civil society, and local community leaders, bringing survivors' essential input into endeavors to address child exploitation.

These efforts, in collaboration with public and private sector stakeholders, contribute to a long-term vision: strengthening the public justice system and fostering a sustainable agricultural sector where children are protected from the most severe forms of exploitation.

Conclusions and Recommendations

Progress has been made in reporting on child labour indicators, expanding CLMRS coverage, and supporting children identified in child labour. Nonetheless, further progress is needed across all areas and by all members. Improving data quality and transparency remains a critical priority – not only for industry and retail members, but also for standard-setting organisations. In particular, robust data is needed to assess the effectiveness of existing child labour remediation strategies. Rapidly scaling up CLMRS and similar systems is essential, as GISCO members remain far from achieving the goal of 100% CLMRS coverage. The same applies to forced labour where only about half of GISCO members currently report implementing measures to prevent and address it.

Table 5: Summary — Child Labour and Forced Labour indicators

GOAL	INDICATOR	SUMMARY	STATUS
6	By the end of 2025, 100% of households in the supply chain of GISCO members are covered by a strategy or system for the prevention, control, monitoring and remediation of every form of prohibited child labour.	Coverage of households and children through CLMRS is increasing in absolute terms. However, coverage within the direct supply chain remains below the necessary levels, having stagnated at under 50%. Impact data is of low quality and needs to be improved.	Needs attention
6	All households (in the supply chains linked to the producing countries Cameroon, CdI, Ghana, and Nigeria) are covered by a system of forced labour risk management and remediation	About half of industry and retail members indicate to already implement measures to prevent and address forced labour. However, data on the performance and effectiveness of these measures is still missing.	Needs attention

The following recommendations can be drawn from the results:

1. Identify and address barriers to broader implementation of CLMRS or similar systems to address child labour and forced labour
GISCO should seek to better understand the specific barriers that hinder wider coverage of CLMRS or similar systems and their effectiveness. Barriers to implementation might include financial, logistical, institutional, or operational hindrances, such as CLMRs typically not encompassing sharecroppers. This analysis will be essential towards identifying actionable measures and partnerships needed to accelerate and expand implementation.

2. Expand coverage while strengthening quality
Continue to scale up the coverage of Child Labour Monitoring and Remediation Systems (CLMRS) and similar initiatives at household and community level. At the same time, place greater emphasis on improving the quality and consistency of measures implemented, ensuring they are effective and appropriately tailored to local contexts.

3. Enhance traceability and transparency
Strengthen the traceability and transparency of child and forced labour-related data across both direct and indirect supply chains. Traceability of cocoa sourced is a prerequisite for putting in place effective measures to address human rights abuses in supply chains. Equally important is transparent reporting on efforts to tackle child labour and forced labour. This includes requiring suppliers and standard-setting organisations to share data more openly and consistently to support meaningful monitoring and accountability. In particular, improving the reliability of impact indicators is essential to ensure that positive developments in CLMRS or similar systems are matched by real and lasting improvements in children's lives.

III.
ANNEX

III. ANNEX

Other Monitoring Topics [20]

This section introduces monitoring data that falls outside the scope of the focus topics of this year's report.

The data is accompanied by brief description and is not subjected to further study.

3.1 Transparency and Traceability

Figure 16: Traceability levels of cocoa sold, manufactured or processed in Germany

Legend:
- 1. Origin unknown
- 2. Country known
- 3. Cooperative known
- 4a. Farm known and having at least one coordinate per farm
- 4b. Farm known and having point coordinates and/or polygons for plots than 4ha polygon boundaries of the plots bigger than 4ha

....
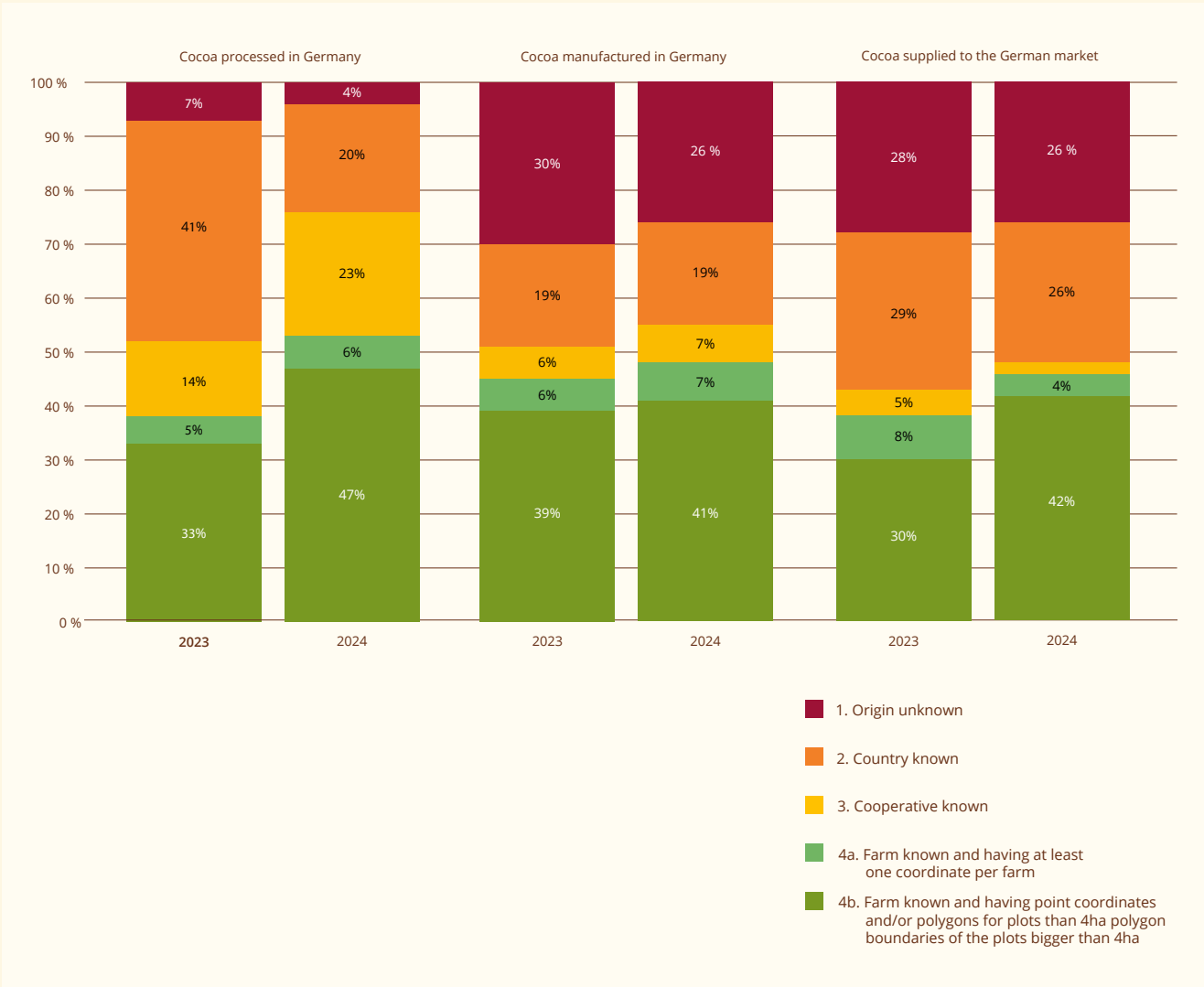
20 Due to reporting challenges, the aggregated volumes of cocoa sourced under the GISCO monitoring are not presented here. However, volume data have been used to calculate weighted averages for specific indicators, such as traceability and deforestation-free cocoa. In consultation with the relevant members, 2023 data was used as a weighting factor whenever the reported 2024 volume data could not be reported in an accurate manner.

III. ANNEX

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3.2 Environment

Deforestation-free cocoa[21]

The overall share of deforestation-free cocoa continues to grow. However, a gap remains between the share of deforestation-free cocoa sold on the German market and the share of said cocoa that is processed in Germany.

Figure 17: Share of deforestation-free cocoa sold, manufactured or processed in Germany
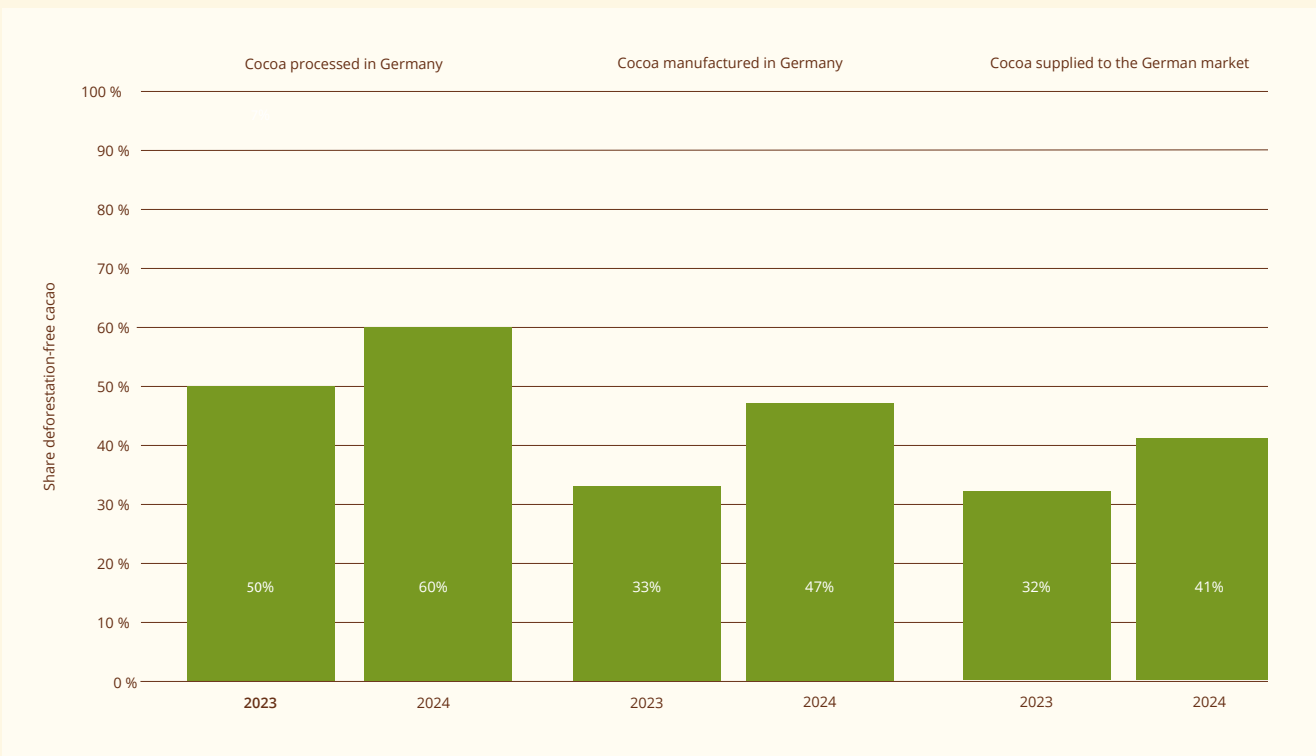
21 Having polygons of the farm (> 4 ha) and farm plots (< 4 ha) verified as not in a protected forest and as not comprising land that was deforested since 31.12.2018 for GISCO and 31.12.2020 for the other ISCOs. The presented data on deforestation-free cocoa does not distinguish between different cut-off dates.

Agroforestry

Due to changes in the monitoring methodology, there has been a significant increase in responses to agroforestry-related questions this year. In addition, a couple of additional questions were introduced to this year's monitoring. As a result, comparison with previous years is not possible.

Table 6: Agroforestry indicators

INDICATOR	2021 (# PROJECTS)	2022 (# PROJECTS)	2023 (# PROJECTS)	2024 (# DATA POINTS[22])
Number of farmers that applied agroforestry	268,277 farmers (15)	231,829 farmers (22)	247,660 farmers (23)	652,788 farmers (46)
Total number of hectares managed as an agroforestry system (new)				1,163,464 ha (46)
Average share of the supply chain sourced from agroforestry (new)				26% (26)
Number of hectares of newly established agroforestry systems	205,835 ha (11)	216,394 ha (13)	213,245 ha (19)	333,799 ha (57)
Entry level for agroforestry	177,363 ha (5)	182,100 ha (6)	168,084 ha (6)	78,287 ha (14)
Basic category for agroforestry	28,461 ha (4)	31,980 ha (5)	36,363 ha (6)	167,913 ha (15)
Advanced category for agroforestry	10 ha (1)	2,310 ha (4)	5,745 ha (4)	86,244 ha (3)
Dynamic agroforestry system	1 ha (1)	4 ha (1)	3,053 ha (4)	1355 ha (3)

Table 7: Distribution of on-farm trees in the context of agroforestry

INDICATOR	2021 (# PROJECTS)	2022 (# PROJECTS)	2023 (# PROJECTS)	2024 (# DATA POINTS)
Number of trees distributed	10.1 million (11)	9.1 million (12)	10.5 million (16)	14.3 million (41)
Number of different tree species distributed on average per farmer as an agroforestry system (new)	6 (10)	6 (11)	6 (15)	5 (28)
Survival rate after 2 years of the trees previously distributed	50% (5)	55% (5)	74% (8)	68% (22)

22 A data point represents a single reported value associated with a specific indicator. Each data point corresponds to one record, which in this context may refer to a project or a country-specific entry submitted by a supply chain member. Since the data is collected country-specific, a member can report multiple records.

Forest restoration

This year shows a reduction in the number of responses related to forest restoration. Although the methodology has changed, an increase in responses was expected, and the reason for the decline remains currently unclear. Further examination is needed.

Forest restoration

INDICATOR	2021 (# PROJECTS)	2022 (# PROJECTS)	2023 (# PROJECTS)	2024 (# DATA POINTS)
Number of hectares of off-farm forest restored	4,336 (4)	2,357 (8)	20,294 (11)	801 (9)
Number of off-farm trees planted	1.2 million (5)	1.4 million (7)	718,811 (10)	762,497 (9)
Number of trees planted that classify as native	50% (5)	55% (5)	74% (8)	68% (22)

Forest protection

This year shows a reduction in the number of responses related to forest protection. Although the methodology has changed, an increase in responses was expected.

Some projects reporting on forest protection have ended but more research is needed to clarify the reason for the decline.

Forest protection

INDICATOR	2021 (# PROJECTS)	2022 (# PROJECTS)	2023 (# PROJECTS)	2024 (# DATA POINTS)
Number of hectares benefitting from forest protection	962,308 (5)	3 million (9)	1,8 million (16)	82,998 (5)

Pesticide policy (new indicator)
The question on pesticide policy was newly introduced this year to the supply chain monitoring. In total 31 members reported, 25 industry members and 6 retailers.

Pesticide policy

INDICATOR	2024 #OF MEMBERS REPORTING (31)	
	YES	NO
Does the company / organisation have a sustainability policy that also includes pesticides for the cocoa that the company / organisation sources?	19	12
Does this policy include pesticide reduction targets and or the phasing out of HHPs?	15	4
Does your company / organisation use an existing list of active substances that are prohibited and/or restricted from your company's supply chain? - Fairtrade and Rainforest Alliance list (5) - Rainforest Alliance list (3) - Fairtrade list, Rainforest Alliance list and Organic list (2) - Organic and Rainforest Alliance list (1) - EU pesticide database / National lists of approved pesticides (1)	14	1
Does your company / organisation monitor the use of the listed active substances in its supply chain? - Using Fairtrade, Rainforest Alliance or Naturland fair certification scheme (5) - Having own company monitoring system (2) - Cooperation with NGO (1)	8	6

Table 11: Integrated pest management

INDICATOR	2021 (# PROJECTS)	2022 (# PROJECTS)	2023 (# PROJECTS)	2024 (# DATA POINTS)
Number of farming households that applied integrated pest management	449,103 (15)	339,861 (23)	425,064 (23)	213,745 (19)

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