



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.