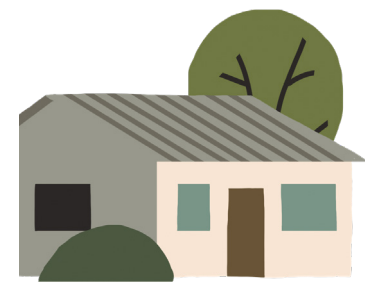


HOW WE ADDRESS CHILD LABOR IN OUR COCOA SUPPLY CHAIN

We take the issue of child labor very seriously. That is why, as part of our **Cocoa Compass sustainability ambition**, ofi has set goals to:

- eliminate child labor from our cocoa supply chain by 2030 and;
- make sure all children of cocoa farmers in our supply chain have access to education by 2030

PROGRESS TRACKER 2020/21



31,291
CHILDREN RECEIVED
EDUCATION SUPPORT -
73% INCREASE SINCE 2018.



8,199
CHILDREN IN THE PROCESS OF
BENEFITING FROM REMEDIATION -
150% INCREASE SINCE 2018.



3,984
CHILD LABOR CASES
REMIEDIATED AND RESOLVED -
716% INCREASE SINCE 2018.



20,436
SCHOOL KITS DISTRIBUTED -
128% INCREASE SINCE 2018.



WHAT CAUSES CHILD LABOR?

Child labor in cocoa, as in many other industries, has no one cause. There are often complex and deep-rooted cultural, social, and economic challenges at play. Farmers cannot always afford to pay for farm labor, so their children help on the farm at weekends or after school.

Some parents have no school nearby to send their children to or they cannot provide the documents needed to enroll them, such as birth certificates. Sometimes labor laws are misunderstood or cannot be effectively enforced. The complexity of the problem means one intervention will never be enough - it requires a range of long-term actions at the individual, community, and national levels.

HOW WE ARE ACTING TO ADDRESS CHILD LABOR

100% direct traceability and child labor monitoring

In 2020, we achieved 100% traceability of our direct, global supply chain, which is cocoa procured directly from farmers, or from a farm, farmer group, or cooperative. This is a vital step forward on the road to eliminating child labor completely and putting children first in cocoa. And we rolled out child labor monitoring in collaboration with the Fair Labor Association (FLA) across all our managed sustainability programs, covering 218,437 cocoa households in nine countries. The data is helping us to identify children at risk and take effective action to remediate cases of child labor. This includes extending

the monitoring to countries like Papua New Guinea, after our monitoring flagged the country as an emerging hotspot for cocoa-related child labor in 2020.

Action to tackle the root causes of child labor

We have been working for two decades with customers, partners, governments, farmer groups, and communities to deliver tailored programs that put children first and tackle the root causes of child labor. This includes improving access to educational support by 73% since 2018 by building and equipping classrooms, establishing birth certificates for children so they can be admitted to school, setting up Village Savings and Loans Associations to help reduce poverty in cocoa communities, establishing child protection committees, and creating educational funds.

Increasing impact via multi-stakeholder partnerships

Tackling child labor effectively calls for concerted effort across different stakeholder groups. When we know where best to focus resources and share the data we collect with customers, partners, governments and



farming cooperatives, then we can co-create solutions that will deliver impact on the ground, together.

A spotlight on Côte d'Ivoire

One example is the Child Learning and Education Facility (CLEF). We have embarked on a five-year partnership with the Ivorian government, key chocolate manufacturers, cocoa processors, and the Jacobs Foundation

"WE REALLY WELCOME OFI'S READINESS TO ALLOW AN INDEPENDENT THIRD PARTY TO REVIEW THEIR EXISTING CHILD LABOR PREVENTION AND REMEDIATION PROGRAM IN ORDER TO DEFINE THEIR STRATEGY GOING FORWARD. THE TRANSPARENCY DEMONSTRATED BY OFI IN THIS PROCESS IS REMARKABLE AND PROVES TO WHAT LEVEL OFI IS COMMITTED TO FINDING THE BEST POSSIBLE STRATEGIES TO PROTECT CHILDREN IN THEIR SUPPLY CHAINS. WE ARE LOOKING FORWARD TO CONTINUOUSLY SUPPORTING OFI IN THIS ENDEAVOR".

INES KAEMPFER
CEO OF THE CENTRE FOR
CHILD RIGHTS AND BUSINESS,
SAVE THE CHILDREN

to promote effective learning at scale for five million children in Côte d'Ivoire by 2030 - improving the quality of education available to children in our supply chain and beyond.



A spotlight on Ghana

We invited Save The Children and its Centre for Child Rights and Business to assess how effectively we combat child labor across four of our key cocoa-growing countries, including Ghana, and to identify areas where we could focus our efforts. Save The Children found our programs have real reach and impact. Such as in Ghana, where we have set up protection committees covering 210 communities. It found that our strengths lie in our holistic approach, which considers a range of root causes, the link we have made between traceability and child labor monitoring, and the roll-out of our digital Child Labor Monitoring and Remediation System app. As a result of the study, we intend to build on child labor training programs and measure their impact through before and after assessments. We plan to more strongly link community protection programs with our supply chain operations and create more robust outcome indicators to ensure we are making a real difference.

