

Reshaping the Future of Cocoa

Cocoa for Generations
2020 Report

MARS WRIGLEY



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Protect children

>> FIND OUT MORE ABOUT OUR FOCUS ON PROTECTING CHILDREN ON [PAGE 9](#).



Preserve forests

>> FIND OUT MORE ABOUT OUR FOCUS ON PRESERVING FORESTS ON [PAGE 10](#).



Improve farmer income

>> FIND OUT MORE ABOUT OUR FOCUS ON IMPROVING FARMER INCOME ON [PAGE 11](#).

ABOUT THIS REPORT

This is our second Cocoa for Generations report. It provides detailed information and measures of our 2019 progress and highlights key 2020 achievements to date. In addition, it communicates the investments made and actions taken by Mars Wrigley to help combat the effects of the global COVID-19 pandemic on cocoa farming communities since March 2020.

Throughout this report, we reference our cocoa supply chain and various metrics to help communicate our performance and actions. With respect to this information, please note that:

(i) numbers are cumulative unless stated otherwise; (ii) countries of origin and supplier volumes fluctuate regularly, so year-on-year comparisons are not always possible; (iii) the information may be based on market data, reports from suppliers (including reports on activities funded by Mars and implemented by suppliers or other third parties), and/or agreements with suppliers; and (iv) Mars sources cocoa via the mass balance approach, where all the cocoa we source under this approach corresponds with the cocoa produced by farmers in our Responsible Cocoa program and by 2025 we aim for cocoa from farmers in these programs to be traceable from the farmer to the first point of purchase.

Introduction

Cocoa is close to our hearts – it is at the core of the chocolate brands our consumers love, and key to the lives and livelihoods of the farmers and communities we work with, care about, and depend on.

At Mars Wrigley, we are committed to creating a more modern, inclusive and sustainable cocoa supply chain for the next generations. This starts with our extensive work on plant science, working and sharing with farmers the latest farming techniques, and helping to empower women and cocoa farming communities, while working to protect children and forests.

We are delighted to share our progress in this year's report. We are scaling up our programs to reach even more cocoa farmers and cocoa-farming communities, creating a strong

foundation for impact as we confront complex challenges that can put the livelihoods of many cocoa farmers and the health of our planet at risk.

For Mars Wrigley, confronting these challenges means continuing our journey to work toward and scale up the following:

- **Protecting children, preserving forests and improving farmer income;**
- **Cracking the code on modern sustainable cocoa farming and innovating with smallholder farmers to help improve the health and productivity of their farms; and**
- **Leading the way by challenging ourselves, our partners and peers to evolve by adopting new approaches that deliver greater impact where it matters most – in cocoa-farming communities.**

We have been buying cocoa and making chocolate for more than 100 years. We have a responsibility to help create a sustainable and inclusive cocoa supply chain, which is why we are tackling these challenges head on through our Cocoa for Generations strategy.

Launched in 2018 and built on past learnings, Cocoa for Generations is backed by a **US\$1 billion** investment over 10 years (2018-2028).

MARS WRIGLEY AND COCOA – A NEW APPROACH FOR A BETTER TOMORROW

We believe The World We Want Tomorrow Starts With How We Do Business Today. We are guided by our Five Principles – Quality, Responsibility, Mutuality, Efficiency and Freedom – and by our Purpose: Better Moments Make the World Smile.

Cocoa for Generations builds on Mars' Sustainable in a Generation plan launched in 2017. In line with these goals, we're determined that across our value chain human rights are respected, the environment is protected, and everyone has the opportunity to thrive.

Achieving our ambitions is essential to the long-term sustainability of cocoa – an integral ingredient in many of our products – and to delivering better moments for consumers around the world who enjoy our chocolate brands.



[» LEARN MORE ABOUT SUSTAINABLE IN A GENERATION HERE](#)



Our highlights

\$5m

donation in a collaboration with CARE to support farming communities, including cocoa, impacted by COVID-19



153,411

farms have had their boundaries mapped



51%

of the total volumes of cocoa we sourced from at-risk areas in Côte d'Ivoire and Ghana came from farmer groups that have a CLMRS in place¹

12,134

CARE VSLA members, who collectively saved US\$1.7 million



UCDAVIS

Together, Mars and UC DAVIS recently opened a hub for Innovative cocoa plant science aimed at further advancing their decades of research into breeding healthier, more resilient, and higher-yielding cocoa trees

2.4m

cocoa seedlings distributed to farmers in 2019 through more than 350 cocoa nurseries and 1,520 demonstration plots and distribution networks²



189,594

farmers in our Responsible Cocoa program in 2019²



¹ Child Labor Monitoring and Remediation System (CLMRS)

² These data points are for 2019 only

Support during COVID-19

SUPPORTING FARMERS AND THEIR COMMUNITIES

Throughout most of 2020, the world has been confronting COVID-19, which has hit cocoa farming communities particularly hard. Many farmers already living on low incomes now have the added complexity of the virus to deal with. At the same time, serious health and safety risks and measures, such as social distancing, have limited the training and other support services that the farming communities would have otherwise received.

Despite these difficulties, the extraordinary resilience of cocoa farming communities has endured. Guided by our Five Principles, we have acted quickly to help communities maintain their health and well-being, which is so critical to that resilience. The many ways we've come together with origin country governments to support farming communities in the face of COVID-19 signals the tremendous potential of public-private collaborations to face down the social, economic, and environmental challenges impacting cocoa farmers.

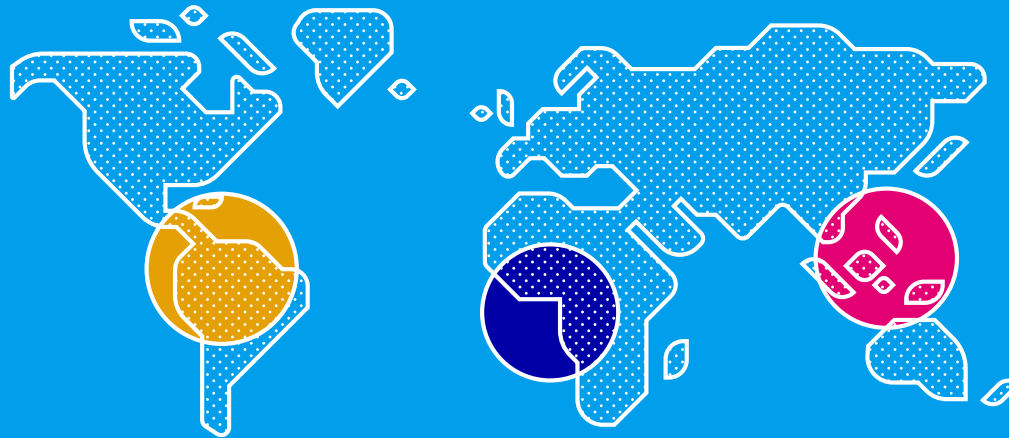
KEY ACTIONS

- We donated US\$5 million to CARE, of which US\$2.6 million went to provide critical supplies and expertise to women, children, and refugee populations in Côte d'Ivoire and Ghana.
- To date, we have supported more than 36,000 people in cocoa-farming communities with hygiene kits.
- Through our Responsible Cocoa program premiums, we've supported 664 communities and 77 farmer groups with personal protective equipment and handwashing stations.

We remained committed to sourcing cocoa through our Responsible Cocoa program, helping 189,000 farmers continue to provide for their families when it mattered most.

"In Ghana and Côte d'Ivoire, the COVID-19 pandemic increased transportation costs and, with it, increased the pressure on families already working hard to meet their household needs. Now, more than ever, we must stand ready to support cocoa farmers as they continue to face the challenges brought on by the pandemic."

ALEX ASSANVO,
CORPORATE AFFAIRS DIRECTOR, COCOA



● CÔTE D'IVOIRE AND GHANA

Through our US\$2.6 million donation, and in alignment with the national action plans of Côte d'Ivoire and Ghana, our long-time expert partner CARE acted quickly to bring much needed aid to cocoa-farming communities in the two countries in the form of hygiene information and protection kits, public handwashing and hygiene stations, and birth kits.

● ECUADOR

Our La Chola sourcing and research farm near Guayaquil provided support to workers, families, and neighboring rural communities that were significantly impacted by COVID-19. With a holistic approach to wellbeing, we secured massive testing for our Associates, disinfected streets, and provided sanitation equipment, following the health and security protocols of the authorities. We also role modeled with recovery and return to work policies which we exchange with local producers.

● INDONESIA

In Sulawesi, Indonesia, we provided personal protection equipment (PPE) to cocoa farmers and distributed educational materials on COVID-19 prevention. In addition, we donated approximately US\$33,000 of PPE to medical personnel and frontline health workers at Hasanuddin University (Unhas) Hospital.

● BRAZIL

Our Mars Center for Cocoa Science (MCCS) located in Barro Preto, south of Bahia, organized the donation of food parcels to the worst hit families in the rural community. Between May and September 2020, the MCCS delivered 670 food parcels to 140 families along with one ton of nutritional food for dogs and cats.

Forging a new path for cocoa

THE MULTIFACETED SUPPLY CHAIN CHALLENGE

Cocoa is not only a key ingredient for us, but also essential to the livelihoods of some six million cocoa farmers worldwide. But this critical crop is also a fragile one that must be carefully safeguarded.

Cocoa trees flourish in tropical regions just north and south of the Equator. They are mainly grown by smallholder farmers with plots of four hectares or less and using traditional and inefficient agricultural practices. Far too many cocoa farmers in Côte d'Ivoire and Ghana, where more than 60% of the world's cocoa is grown, live below the World Bank extreme poverty line, earning less than US\$2,500 annually per household and do not have basic infrastructure such as roads, access to water in their homes, mobile connectivity or banking. These challenging socio-economic conditions can limit opportunities for cocoa farming families to earn a sufficient income.

In addition, the cocoa crop is fragile because it is vulnerable to pests and diseases. This vulnerability, combined with poor agricultural practices, can reduce farmers' yields and

increase pressure on farmers to find ways to supplement their income. Further, limited access to basic infrastructure in remote areas where cocoa is grown, and inadequate access to quality education, can increase the risk of children working in harmful conditions rather than having the opportunity to learn and develop in school.

OUR INTEGRATED RESPONSE

Today's supply chain is not in line with our ambition that everyone — especially cocoa farmers — should have the opportunity to thrive. That's why we're determined to progress the transformation of the cocoa supply chain. In collaboration with our suppliers, we aim to achieve a deforestation-free cocoa supply chain, advance respect for human rights, and ensure farmers are fairly rewarded for the cocoa they grow.

Achieving this transformation will require comprehensive long-term solutions and close collaboration among a range of stakeholders including farmers and suppliers, local and global governments, the private sector, non-governmental organizations (NGOs), and multilateral institutions.

We know how important the role of government is in all this and we support appropriate legislation as a catalyst for positive change, both through strong enforcement of existing laws in cocoa growing countries and, where appropriate, the pursuit of mandates, such as human rights due diligence requirements in the European Union and in other cocoa consuming countries and regions.

Together with others, we continue to work hard to reshape the cocoa supply chain – engaging hands-on, learning out loud and creating new approaches that can help to raise industry standards. It's our way of creating the world we want tomorrow, starting with how we do business today.

“Cocoa farmers are critical for the world's chocolate supply and for Mars' business. So it's vital that we work to address the issues that matter most to them, like increasing their income, protecting children, supporting women's social and economic empowerment, and tackling deforestation. Over many years we've put significant investment into helping cocoa communities. But there's more to do, and we're committed to creating a sustainable and inclusive cocoa supply chain where everyone can thrive for generations to come.”

ANDREW CLARKE
GLOBAL PRESIDENT, MARS WRIGLEY



Our commitment

RESHAPING THE COCOA SUPPLY CHAIN

We are determined to help reshape the cocoa supply chain so that human rights are respected, the environment is protected, and everyone has the opportunity to thrive. We are bringing this commitment to life through our Cocoa for Generations strategy.

It's how we'll work toward a step-change for the better — helping to build resilient rural communities, protect children, preserve forests, increase farmer incomes, and crack the code on a model of sustainable cocoa farming for tomorrow.

EMPOWERING COCOA FARMERS TO THRIVE

Our Cocoa for Generations strategy places the interests of the smallholder farmer at its center and invites everyone involved to partner with us. Our ambition is to deliver meaningful change for a better today and create a sustainable cocoa supply chain for tomorrow.

WORKING TOGETHER TO HELP PROTECT CHILDREN AND EMPOWER WOMEN

We continue laying the foundation for continued progress. In 2018, as the result of feedback and lessons learned, we committed to work toward 100% child labor monitoring and remediation systems in at-risk areas we source from, and earlier this year we outlined our strategic approach in our Protect Children Action Plan to help protect children in cocoa farming communities.

We know there's more to do, and we are committed to promoting change at scale. Joining together with others who share and support our vision and challenging ourselves and others to look for new models and opportunities — we will lead the way in working toward a better cocoa supply chain.

“We’ve been at the forefront of efforts to transform the cocoa supply chain and were the first major manufacturer to support the Living Income Differential to boost the price farmers receive for their crop in Côte d’Ivoire and Ghana. While some in the industry are accelerating progress toward a modern, sustainable industry, others are not doing enough and must go further and faster. In addition, because voluntary measures may not always be sufficient to advance progress, Mars Wrigley welcomes government engagement and constructive legislation that can be a catalyst for change.”

BARRY PARKIN, CHIEF SUSTAINABILITY OFFICER, MARS, INCORPORATED

Our journey so far

We've been making chocolate for over 100 years and cocoa is key to our business.

1982

Opened Mars Center for Cocoa Science in Brazil

2010

- Launched Vision4Change program in Côte d'Ivoire to provide training and inputs
- Shared efforts to sequence cocoa genome to help breed stronger varieties
- Signed Memorandum of Understanding with Minister of Agriculture of Côte d'Ivoire

2012-17

- Began training Cocoa Doctors in Indonesia to advise and coach fellow farmers
- Tarengge cocoa research station opened in Sulawesi
- Pangkep cocoa research station opened in Sulawesi

2018

- Launched Cocoa for Generations strategy
- Committed to the Cocoa and Forests Initiative (CFI)
- Launched Farmer Income Lab

2019

- Began leadership/advocacy for the Côte d'Ivoire and Ghana Living Income Differential
- Signed a European Union Due Diligence Call to Action position paper



A bolder move

DRIVING TOWARD REAL CHANGE FOR THE BETTER

We are taking a strategic best practice approach to drive toward the creation of a more modern, inclusive, and sustainable cocoa supply chain that is mutual for everyone involved. Our approach places the interests of the farmer

at its center and prioritizes protecting children, preserving forests, and improving farmer incomes with targeted interventions. We have set bold 2025 and longer-term goals to spur us on as we continue our journey.

Our Cocoa for Generations strategy

\$1 billion

Since 2018 we have been committed to investing US\$1 billion over ten years to help transform the cocoa supply chain for the better.



GOALS AND INTERVENTIONS



Ensure 100% of our cocoa is responsibly sourced and traceable by 2025

Deploy initiatives to accelerate the modernization of the cocoa sector



Leading through our Responsible Cocoa program

Through our Responsible Cocoa program, we aim to deliver real, lasting positive change across our cocoa supply chain. To this end, we focus on three core areas that put cocoa farmers, cocoa communities, and the environment at the center of our attention and we are acting to help protect children, preserve forests, and improve farmer income.



Protect children

GOALS

Through our suppliers, implement robust Child Labor Monitoring and Remediation Systems (CLMRS) for all households at risk of child labor.

Expand CARE's Village Savings and Loans Association (VSLA) to help economically and socially empower women through financial literacy, household savings and loans, and women's income generating activities.

2019 PERFORMANCE

34,000

An estimated 34,000 households monitored

2025 target:

180,000 households monitored

12,134

CARE VSLA members, across 470 groups

2025 target:

62,000 members in CARE VSLAs

» FIND OUT MORE ABOUT OUR FOCUS ON PROTECTING CHILDREN ON [PAGE 9](#).



Preserve forests

GOAL

Ensure all the cocoa we source will be traceable and deforestation-free.

2019 PERFORMANCE

33%

of cocoa we source was traceable to a farm boundary³

2025 target: 100% cocoa traceability to farm boundary³

KEY ACHIEVEMENT

Building on our commitment to cocoa supply chain transparency with tier 1 (direct suppliers) disclosure last year, and tier 2 (farmer groups) disclosure this year.

» FIND OUT MORE ABOUT OUR FOCUS ON PRESERVING FORESTS ON [PAGE 10](#).



Improve farmer income

GOAL

Increase income for cocoa-farming families.

2019 PERFORMANCE

~10%

of farmers in our Responsible Cocoa program able to receive payments digitally⁴

2025 target: improved financial transparency across cocoa supply chain

KEY ACHIEVEMENT

Mars was the first major manufacturer to publicly support the Living Income Differential to boost price farmers receive for their crop in Côte d'Ivoire and Ghana, and in doing so bring our direct suppliers with us.

» FIND OUT MORE ABOUT OUR FOCUS ON IMPROVING FARMER INCOME ON [PAGE 11](#).

³Data calculated on crop year for West Africa / calendar year for South-East Asia and Latin America

⁴This data point is for 2019 only



Protect children

OUR POSITION

We condemn the use of child and forced labor and are committed to working to stop it in the cocoa supply chain. Through our suppliers, child labor monitoring and remediation systems are being set up, and we are taking action to help address the root causes in order to achieve real sustainable improvements. In this work, we aim to put cocoa farmers and communities at the center of our efforts.

OUR PROGRESS

Expansion of Child Labor Monitoring and Remediation Systems (CLMRS)

We continue to expand the implementation of CLMRS across the cocoa supply chain. In 2019, we increased households monitored under CLMRS by 79% year on year, reaching an estimated 34,000 households.

Working to address root causes

Community-based investments are needed to help tackle the root causes of child labor, such as investments in women's social and economic empowerment, increasing access to quality education, and increasing income.

Investing in children's futures

We continue to work with the [Jacobs Foundation](#) to understand and leverage the positive impacts and powerful links between robust monitoring systems, women's empowerment, and education interventions.

"We are delighted that Mars has committed to a US\$3 million five-year investment alongside the Jacobs Foundation in two ground-breaking public-private funding facilities to help transform education in cocoa growing regions in Côte d'Ivoire: the Child Learning and Education Facility (CLEF), focusing on access to quality primary education for five million children; and the Early Learning and Nutrition Facility (ELAN), designed to reach 1.3 million children below the age of five and their caregivers with childhood development interventions." Fabio Segura, Co-CEO, Jacobs Foundation

Village Savings and Loans Associations (VSLAs): women's social and economic empowerment

Together, [CARE](#) and Mars have developed an enhanced

VSLA model to help empower women and protect children, providing essential building blocks beyond just standard savings and loans.

NEXT STEPS

Looking ahead, we plan to share research by the KIT Royal Tropical Institute on the barriers to empowerment that women face in cocoa growing communities. The research aims to generate actionable insights for potential future intervention for more gender equality in the cocoa sector. We also plan to roll out the extension of our collaboration with CARE. Our US\$10 million investment will expand the VSLA program with a target of reaching an estimated additional 50,000 members in cocoa communities in Côte d'Ivoire and Ghana by 2025.

"Monitoring and identifying child labor is a difficult and intensive process, demanding the collaboration of many actors (farmers, communities, coops, suppliers, NGOs, and government). But it allows us to target assistance and remediation efforts to children most at-risk, it generates invaluable data which helps us all to learn and track progress, and it allows companies to conduct their due diligence transparently. All this benefits cocoa farmers, their communities, the producing countries, and the broader cocoa industry and consumers as we drive progress on this critical sustainability challenge."

NICK WEATHERILL, EXECUTIVE DIRECTOR,
INTERNATIONAL COCOA INITIATIVE

LAUNCHING OUR ACTION PLAN

In February 2020, we published our Protecting Children Action Plan (PCAP). It focuses on four main levers that are designed to be mutually reinforcing: putting in place robust child labor monitoring and remediation systems (CLMRS); supporting women's social and economic empowerment; increasing access to quality education and development opportunities for children; and increasing income.

BRIGITTE'S STORY

In Kossoyo village, Côte d'Ivoire, we have helped set up three Village Savings and Loans (VSLA) groups. Each directly supports cocoa farmers to prioritize and invest in their children's development, providing training on key issues like nutrition and successful parenting. "The trainings have improved communication between me and my children," says group member Brigitte. "I am trying to understand their needs and I pay more attention to them." Brigitte also advises her fellow community members on, for example, the importance of schooling.



OUR 2019 PERFORMANCE

CLMRS reach

34,000 estimated households reached in 2019

46%

of households have a farming family profile, which helps us understand potential at-risk families (our goal is 100%)

Farmers trained

134,003 farmers and 1,511 farmer organizations' staff received training on human rights, including responsible labor practices, local labor policies, and practices considered child labor

VSLAs

470 CARE VSLA groups formed through 2019 with 12,134 members (80% of which are women) and more than US\$1.7 million collectively saved by members

AAA Preserve forests

OUR POSITION

Forests provide critical habitat for plant and animal species, regulate local rainfall patterns and provide livelihoods for people around the world, including cocoa farmers, their families and communities. We are taking action to help preserve the world's forests, through monitoring preservation areas and working toward a deforestation-free cocoa supply chain. Together with governments and on-the-ground implementation partners, we can help farmers grow more cocoa on existing farmland, without encroaching on forests. Our aim is to achieve a 100% deforestation-free cocoa supply chain by 2025. This is in line with our Mars-wide ambition to hold flat our land use and reduce GHG emissions from our value chain by 27% by 2025, from 2015 levels.

OUR PROGRESS

Increased traceability

We continue to focus on our 2018 commitment of the cocoa we source being traceable from the farm to the first point of purchase by 2025, working through our suppliers. In addition to our disclosure of our tier 1 (direct supplier) cocoa suppliers in March of 2019, we now have disclosed our tier 2 (farmer group) suppliers. We require our suppliers to use polygon mapping to trace farm boundaries. This is more accurate than the traditional single global positioning system (GPS) location point and in turn helps protect forests and refine yield estimates.

Country assessments

We carry out country-level assessments to inform action to help protect forests. In 2020, we completed assessments in three countries: Brazil, Cameroon, and Indonesia. More assessments, including Ecuador and Peru, will follow. We will use the results to develop country-specific action plans that describe how we plan to work with suppliers, implementation partners, and governments to source deforestation-free cocoa.

Cocoa & Forests Initiative (CFI)

We are a member of the World Cocoa Foundation's CFI. As a signatory to the CFI commitments to halt deforestation and forest degradation in the global cocoa supply chain, we continue to implement our [action plans](#) for Côte d'Ivoire and Ghana.

NEXT STEPS

We will work toward implementing our updated CFI action plans for Côte d'Ivoire and Ghana and undertaking deforestation risk assessments in five more countries as part of our goal to work with our suppliers to do this in all our direct sourcing areas. These assessments will help drive our actions going forward.

OUR 2019 PERFORMANCE

Farm boundary mapping and bean traceability⁵

95% of our cocoa traced to a country of origin via our direct suppliers

51% traced to a farmer group

33% traced to a farm boundary

153,411 farm boundaries mapped

Non-cocoa trees

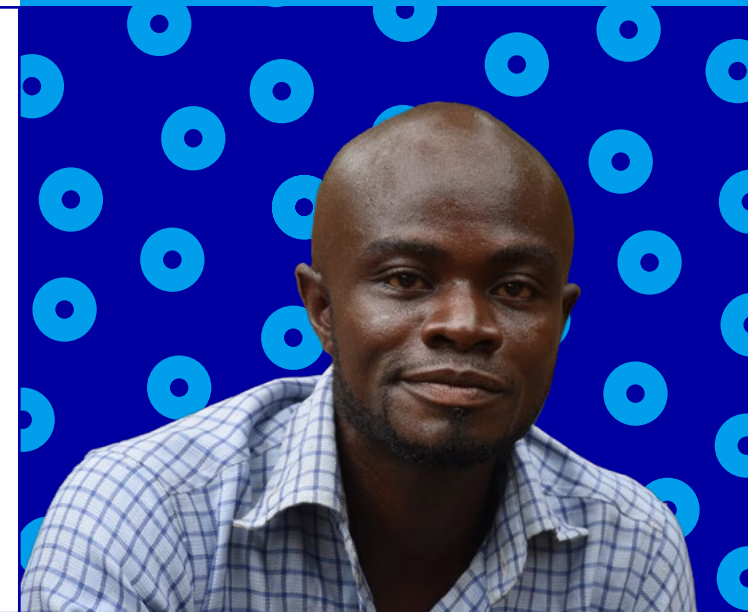
569,744 In 2019, 569,744 non-cocoa trees were distributed globally to 36,575 farmers⁶

PLANTING TREES

Together with agroforestry experts PUR Projet, Mars is implementing agroforestry programs in cocoa farming communities in Côte d'Ivoire. We are helping cocoa farmers plant trees, which can provide food such as fruit or oil, medicine, income from timber, and shade for cocoa plants. This not only can restore the quality and fertility of soil and in turn stabilize crop yield, it also can help to tackle climate change and enhance biodiversity. "I have planted 150 trees this year with PUR Projet," says cocoa farmer Zouzoua Kipré Dinard. "It is really helpful, because a lot of tree species have disappeared and our plantations began to die. Today we want our village to serve as an example, especially for young generations, and to encourage everyone to help restoring forests."

"I am really happy that this project came to my village. It is very important for us, and it will help our plantations to survive and be productive. Without trees and the shade they bring, plantations are not doing well, and that is why we need agroforestry."

KORE DANIEL,
COCOA FARMER



⁵ Data calculated on crop year for West Africa / calendar year for South-East Asia and Latin America

⁶ This data point is for 2019 only

Improve farmer income

OUR POSITION

Mars believes boosting the income of cocoa farmers while ensuring cocoa is grown responsibly is key to a thriving cocoa sector, and we will only achieve our aim of ensuring 100% of our cocoa is responsibly sourced and traceable by 2025 if the most vulnerable people in our supply chain are rewarded fairly. Too many cocoa farmers around the world earn too little from their farms. We want farmers to be able to improve their income sustainably so that they, their families, and communities can gain more from the vital crop they grow. Premiums are key, as is the need for a transparent system that ensures a higher amount of the money paid through premiums reaches farmers.

OUR PROGRESS

Premiums

Under our Responsible Cocoa specification, premium payments are to be separated from the overall price farmers are paid for their cocoa. By separating premiums from other payments and giving advanced communication of premium amounts, we expect that farmers will benefit from knowing when and how much premium will be paid to them and, in turn, help them improve farm and financial planning.

Transparency

We are focusing on greater transparency and on enabling farmers to get cash payments so they have the freedom to choose that as an option when they decide how they would like to be paid.

Verification

We are improving verification with certifiers, suppliers, farmer groups, and at farm level in Ghana, Côte d'Ivoire, and Indonesia through our supplier development teams. They facilitate close working relationships with supplier teams in countries where cocoa is sourced, to help develop capacity and capabilities to meet the requirements of our Responsible Cocoa program. They work to understand and verify how the premiums we pay through our Responsible Cocoa program are being shared with farmers and used for cocoa and non-cocoa tree distribution, cocoa seedling nurseries, farmer group training to improve business and financial skills, child labor monitoring and remediation, and polygon

farm mapping. At the farm level we assess how well the farmer is adopting good agricultural practices and whether yields are improving on farms. We work with suppliers to develop continuous improvement plans to deliver on our Responsible Cocoa goals by 2025. We are encouraged by [The Rainforest Alliance](#) efforts in its Rainforest Alliance 2020 Certification Program and their ongoing work to strengthen their standard, and assurance approach. We continue to support efforts by certifying bodies, including Fairtrade and national standard setting bodies, to require child and forced labor monitoring and remediation systems in at risk areas, farm boundary traceability, and premium transparency.

NEXT STEPS

We plan to continue our focus on improving farmer income in cocoa sourcing countries around the world. As part of our supplier development we will monitor the adoption of Good Agricultural Practices (GAPs) at the farm level. In Indonesia, we aim to work to incentivize suppliers and farmers based on levels of GAP adoption – encouraging and rewarding farmers for becoming more sustainable.

OUR 2019 PERFORMANCE⁷

Income transparency

~10%

of farmers in our Responsible Cocoa program are able to receive payments digitally

Good Agricultural Practices training

155,255

farmers received Good Agricultural Practices training in 2019

85,505

farmers received one-to-one coaching on Good Agricultural Practices in 2019

2,491,010

cocoa tree seedlings distributed in 2019

⁷ These data points are for 2019 only

INNOVATING FOR FARMERS

Together with technology provider Koltiva in Indonesia, we are providing cocoa farmers and collectors with access to an innovative digital solution to help increase transparency and efficiency and build trust. Instead of the manual system which has limits on data verification, handheld digital tools give real-time support to farmers, collectors, and field agents who support them. Farmer plans, progress, and cocoa prices can be shared, and next in the development pipeline is the ability to make digital payments directly to farmers.

“With this new system I can see my transaction price on my phone, and this makes my level of trust to collectors and Mars increase.”

COCOA FARMER



ENCOURAGING GOOD AGRICULTURAL PRACTICES

One key way farmers can improve their incomes long-term is through Good Agricultural Practices (GAPs). We provide training and individual coaching for cocoa farmers on GAPs, such as advising on how to rehabilitate cocoa trees to increase production. We also may provide cocoa seedlings for the farmers to plant.

The journey to Sustainable Cocoa

Our ambition is to fundamentally change the cocoa supply chain for the long term, and to deploy initiatives to accelerate the modernization of the cocoa sector. We plan to do this by innovating with farmer groups, farming families, and our implementation partners to scale what is working. We aim to build longer and more mutual relationships, test bundles of interventions in certain groups of farmers to identify what works well and how best to combine our efforts with others to maximize our positive impact so that a living income can be achieved.

We are building on the more than 350 cocoa nurseries, 1,520 demonstration plots, and distribution networks that delivered more than 2.4 million cocoa seedlings to farmers in 2019. We hope to demonstrate at scale that sustainable cocoa family farming is possible in multiple origins in our supply chain so that we can catalyze others to help us transform the sector.

Success in achieving our vision for a sustainable future for cocoa can be demonstrated by cocoa farming families that have the ability to earn a living income, women and children who are thriving, and farms that are productive, diversified, profitable, and not contributing to deforestation.

“In last year’s Cocoa for Generations report, we shared three focus areas and aspirational goals we felt were important to achieve sustainable cocoa tomorrow. Since then, we have worked to develop pilots through deeper engagement with farming families, implementation partners, our suppliers, and on-the-ground technical experts. We also reflected on research from the Farmer Income Lab, the KIT Royal Tropical Institute, and other expert advisors. We have gained vital insights that will help guide our journey to achieving sustainable cocoa and shed light on areas where we need to adapt our approach. As a result, we are reviewing our sustainable cocoa tomorrow goals and plan to share more information on our innovation pilots with impact-driven goals for each pilot.”

KIM FRANKOVICH,
VICE PRESIDENT, GLOBAL SUSTAINABILITY, COCOA



Science and innovation for the future of cocoa

CACAO PLANT SCIENCE

Plant science is essential to sustainable cocoa farming

It can help us make valuable lasting improvements, for example, by helping to increase crop yields and enable cocoa farmers to establish more resilient crops that can increase their overall income and be better for the environment. Plant science can play a big part in tackling disease and pest control and helping to build climate resilience. Key diseases and pests include black pod rot, witches' broom disease, frosty pod rot, swollen shoot disease, and cocoa pod borer.

Mars Wrigley is a key investor in plant science research, development, and innovation. We aim to help boost farmer productivity by encouraging greater funding of cacao research and publishing the findings of our own research. We have teamed up with the University of California Davis and the United States Department of Agricultural Research Service to develop a database of genetic information for the major fungal pathogens of cacao and together have created a repository providing public access to genome references, resequencing, and gene expression data.

NEXT STEPS

We continue to deploy initiatives to accelerate the modernization of the cocoa sector, including the development of cocoa farming pilots in different origins to test new best practices for creating sustainable cocoa farms. These aim to build on the implementation of our Responsible Cocoa program with all cocoa farmers in our supply chain by 2025.



PIONEERING MODERN COCOA FARMING

Located close to Guayaquil (Ecuador), La Chola is part of our network of cocoa research farms around the world and is one of the world's leading research farms for cocoa yields and farm management practices. It also serves as a commercial farm. Since 2019, La Chola has been driving the development of optimum cocoa crop management through experimental trials developed in collaboration with experts in agronomy, breeding, and pest management. These trials are then applied commercially at scale to help create sustainable solutions that can be shared with other cocoa farmers – maximizing the impact of better crop management resulting in better yields and profits for farmers and less environmental impact.

“At La Chola, we’re helping to transform cocoa agriculture improving yields and profits for farmers with a successful green field approach. Now we’re on the path of partnering with cocoa communities across the world to share what we’ve learned.”

ANTONIO ROCA,
GENERAL MANAGER, MARS LA CHOLA



We will continue to work together today to create a more modern, inclusive, and sustainable world of cocoa tomorrow

CREATING BETTER MOMENTS

We believe we have a great Purpose to live by every day: Better Moments Make the World Smile. That means acting swiftly and boldly when we see challenges that stand in the way of living this Purpose. It means seeking out solutions that work and scaling them up. We're looking to create those better moments throughout the world of cocoa – from the moment a family celebrates with one of our chocolate brands to the moment a farmer enjoys a boost to their income, from the moment a tropical tree is saved from being cut down to the moment a child attends their first day at school. It's by making these moments matter that we deliver on our Purpose and our Cocoa for Generations strategy.

MAKING LASTING CHANGES FOR THE BETTER

Looking ahead, 2020 may well be seen as a year of reinvention for everyone everywhere, a year of challenging ourselves to work more closely than ever before, so that transformations in the cocoa supply chain result in tangible improvements for cocoa farming families. That is our ongoing focus with Cocoa for Generations.

We look forward to continuing to forge ahead with the aim of putting farmers first and ensuring they can enjoy a decent standard of living, prioritizing women and protecting children, preserving forests, and working closely with governments and other collaborators on systemic improvements, including enhanced regulation of the cocoa supply chain where appropriate. We will continue to take the lead and invite everyone to join us to create a better, more sustainable world of cocoa for everyone.

**better
moments
make the world
smile**



THANK YOU

We want to thank all our suppliers, experts, and implementation partners for working with us and making a critical difference through their technical expertise and on-the-ground support. They are vital in helping us understand root causes and make positive changes based on the learnings. Without them we would not be able to carry out essential work to support farmers and their communities and help create the modern, sustainable world of cocoa we all want to see and enjoy.

We work closely with a range of experts and implementation partners to help drive change for the better across the cocoa supply chain.



Appendix

[Cocoa for Generations](#)

[Tier 2 Supplier Disclosure & Map](#)

[Sustainable in a Generation](#)

Please visit our [website](#) for more information.

MARS WRIGLEY

Cocoa for
Generations



Sustainable in a
Generation Plan
MARS