

Template for DISCO action plans

Subsectors 'Traders & Processors' and 'Manufacturers & Brands'

Instructions

To gather more quantitative insights in what individual signatories are contributing to the DISCO goals in the upcoming years and how the partnership is progressing jointly, the Steering Committee agreed that all signatories will develop and publish individual action plans. These action plans show how they are contributing to the DISCO goals in the upcoming 3 years (until end 2026), and:

- are based on the commitments from the [DISCO declaration](#);
- have a strong link with the indicators from the ISCO Reporting Framework;
- explain how the principles on procurement practices as laid down in the DISCO procurement practices position paper, are being implemented by DISCO signatories.

You are asked to fill below template and submit it by **30 June 2024 the latest** to the DISCO Secretariat: Mark de Waard, dewaard@idhtrade.org and Lisa Graepel, graepel@idhtrade.org.

After submission and review by the DISCO Secretariat, all DISCO action plans will be published on the DISCO website. The DISCO Secretariat will analyse and summarise the action plans. The outcomes of this analysis will be shared and discussed during the annual General Assembly at the end of 2024.

For more guidance on defining the actions around the three impact themes, it is recommended to consult the DISCO Roadmaps on [living income](#), [deforestation and forest degradation](#), and [child labour](#). For more information on the quantitative targets, the definitions and usage of the indicators, please consult the [ISCO Reporting Framework](#).

All action plans will cover the period 2024-2026. The quantitative targets track progress cumulatively until the end of 2026, including what's already been achieved. Progressive targets with intermediate milestones could also be included. It is also requested to give a brief qualitative description. Where needed, references to a more comprehensive description of the strategy could be included.

General information

Mars, Roel Govers, Roel.Govers@effem.com

Plans on DISCO ambitions to enable living incomes

Living income gap measurement

Describe in max. 200 words what your organizations' plans are to measure income gaps throughout your supply chain, and describe the methodology, including which living income benchmark will be used for measurement of the income gaps¹.

We review household income data collected through external evaluations and the outcomes of programs that contribute to increasing income.

As part of the Livelihoods Ecosystem Accelerator Program – a collaboration between Fairtrade, Mars and Ecookim launched in 2022 – Fairtrade contracted an independent expert organization to conduct a baseline evaluation for a representative sample (95% confidence level, 5% margin of error) of cocoa farming families participating in the program. The income of each household was compared to a living income benchmark calculated based on household size, using a per person per day living income benchmark published by Fairtrade International in June 2022. LEAP will continue to carry out periodic measurement of household incomes for participating farmers.

Between 2016 and 2021, we worked with third-party implementers and an academic partner to carry out a study (SCEVAL) to evaluate the incomes of a sample of farmers in our supply chains in Cote d'Ivoire, Ghana, Ecuador and Indonesia. An end-line survey was performed in 2021.

We use living income benchmarks recommended by the Living Income Community of Practice (LICOP) of which we are a member. In 2023-24, Mars contributed financial resources to an industry coalition towards the calculation of a living income benchmark for Nigeria.

Both the SCEVAL and LEAP data have been provided to IDH, along with a coalition of stakeholders, to support their efforts in compiling an inventory of living income parameters. This aims to enhance our understanding of the existing data and expertise within the sector.

Substantiate this by setting a quantitative target on the following indicator: *Total # and % of farming households in supply chain for which a living income gap is measured:*

By the end of 2024	N/A	N/A
By the end of 2025	N/A	N/A
By the end of 2026	N/A	N/A

¹ Recommended methodology: [LICOP's Guidance Manual on Calculating and Visualizing the income gap to a Living Income Benchmark](#)

Living income strategy implementation

Describe in max. 300 words what your organizations' plans are:

At Mars we use a multifaceted, holistic approach in our efforts to help close living income gaps for cocoa farmers, as part of our Cocoa for Generations strategy, an initiative backed by a billion-dollar investment over 10-years (2018-2028).

Through our **Women for Change** partnership with CARE, we have invested over \$12 million since 2016 to support the economic empowerment of women within their households and communities. Building on CARE's Village Savings & Loan Association (VSLA) model, W4C helps to empower women to access resources and overcome barriers collectively. Implemented in Côte d'Ivoire and Ghana, W4C goes beyond traditional savings and loans and focuses on Financial Inclusion, Entrepreneurship, Gender Equity, and Healthy Families. By providing financial skills and tools, fostering entrepreneurship, and promoting gender equality, W4C enhances economic resilience and livelihoods in cocoa-farming households. 90,000 W4C VSLA members to date have been reached who collectively have mobilized over \$11M in savings and credit to invest back into in their businesses and family needs.

Three of the **Lighthouse Programs** Mars is supporting under the Farmer Income Lab are the Livelihoods Ecosystem Advancement Programme (LEAP), the Advancing Cocoa Agroforestry Towards Income, Value and Environmental Sustainability (ACTIVE) Project and the Cocoa Yiedie program. These 3 programs – designed in consultation with cocoa farmers and a network of leading organizations, including Fairtrade, ECOOKIM, USAID, I4DI, L3F, Solidaridad and Touton, aim to support nearly 15,400 smallholder farmers in Côte d'Ivoire, Indonesia and Ghana on a path to a living income by 2030.

LEAP's approach is focused on systems change, orientated around three pillars – cooperative strengthening, income diversification and access to finance.

ACTIVE aims to promote an inclusive, scalable and sustainable agroforestry model, supports financial inclusion, and helps to enable access to digital financing and crop insurance solutions, helping to foster a thriving, diversified cocoa-farming ecosystem.

Our **Cocoa Yiedie** program in Ghana is a “test & learn” pilot aimed at testing and evaluating several innovative bundles of interventions, including micro-incentives, conditional cash transfers, short- and long-term concessional financing, replanting packages for a group of 1000 cocoa farming households. We expect this initiative will generate an evidence base to support future Living Income programming for Ghana in the future.

Substantiate this by setting a quantitative target on the following indicator: *Total # and % of farming households in supply chain for which a living income strategy is implemented:*

LEAP Implementation began in April 2023, with interventions being designed to help bring at least 30% of participating farmers closer to a living income by 2027 and 70% by 2030.

ACTIVE aims to increase the income of 9,000 farmers in Indonesia by up to 15% over four years and reduce by 20% the number of participating farmers living below the living income benchmark.

Procurement practices

Describe in max. 200 words what your organizations' plans are to change procurement practices, based on the three agreed principles in the DISCO Procurement Practices Position Paper² (please comment on each principle):

- *Farmers are adequately remunerated so that sustainable cocoa farming can be profitable and enable them to earn a living income.*
- *Farmers and farmer groups are reliably and promptly paid for the cocoa beans supplied.*
- *Farmers and farmer groups have assurances from their off-takers in the form of longer term agreements for the supply of sustainable cocoa in the years to come.*

Mars will explore innovative procurement practices, sharing the belief that these are a crucial component of the comprehensive interventions required for smallholders to achieve a living income.

Substantiate this by setting a quantitative target on the following indicator: *Total # and % of farming households in supply chain for which the procurement practices are adapted in line with the principles from the DISCO Procurement Practices Position Paper:*

By the end of 2024	N/A	N/A
By the end of 2025	N/A	N/A
By the end of 2026	N/A	N/A

Plans on DISCO ambitions to end deforestation and forest degradation

Traceability

Describe in max. 200 words what your organizations' plans are to source traceable up to the farm level.

In each of the past five years, Mars has achieved annual increases in the volume of cocoa sourced through its Responsibly Sourced Cocoa Program which is traceable from farms to their first point of purchase by:

- Adopting traceability as part of its Responsibly Sourced Cocoa Specifications.
- Collaborating with farmers, farming organizations and suppliers.
- Expanding polygon mapping of the perimeters of participating farms.
- Increasing on-site inspections.
- Working with West African governments and other cocoa industry stakeholders to develop national traceability systems.

This considers Mars Wrigley's cocoa volumes whilst volumes for new acquisitions are being integrated into the program.

² <ADD LINK TO POSITION PAPER>

Substantiate this by setting a quantitative target on the following indicators:

Volume in MT-BE and % sourced per traceability level by the end of 2024.

Origin known	349k MT-BE	94%
Country known	349k MT-BE	94%
Cooperative known	349k MT-BE	94%
Farm known and having at least one coordination per farm (farm mapping) / Farm known, having point coordinates and /or polygons for plots less than 4ha and polygon boundaries of the plots bigger than 4ha.	349k MT-BE	94%

Volume in MT-BE and % sourced per traceability level by the end of 2025.

Origin known	379k MT-BE	100%
Country known	379k MT-BE	100%
Cooperative known	379 MT-BE	100%
Farm known and having at least one coordination per farm (farm mapping) / Farm known, having point coordinates and /or polygons for plots less than 4ha and polygon boundaries of the plots bigger than 4ha.	379k MT-BE	100%

Volume in MT-BE and % sourced per traceability level by the end of 2026.

Origin known	379k MT-BE	100%
Country known	379k MT-BE	100%
Cooperative known	379k MT-BE	100%
Farm known and having at least one coordination per farm (farm mapping) / Farm known, having point coordinates and /or polygons for plots less than 4ha and polygon boundaries of the plots bigger than 4ha.	379k MT-BE	100%

Signing national initiatives aiming to end cocoa related deforestation in sourcing countries

Describe in max. 300 words what your organizations' plans are to sign and adhere to the national initiatives aiming to end cocoa related deforestation (e.g. Cocoa & Forests Initiative) in the countries you source from by indicating:

- Which national initiatives your organization already signed and are planning to sign
- Beyond deforestation free initiatives, what is your organization doing to contribute to protecting forests and restoring natural forests degraded by cocoa production s, especially around:
 - (HCV/HCS) mapping;
 - Monitoring forest remnants;
 - Establishment of cocoa agroforestry systems;
 - Restoration of natural forests that have been degraded by cocoa.

The challenges the cocoa industry faces are complex and must be tackled collectively. We will continue to work with government, industry and civil society stakeholders on collaborative efforts to preserve forests and natural ecosystems. Together with our partners, we aim to:

- Support governments to implement and enforce forest protection policies, as our own ambitions rely on these being put into effect
- Work within credible, landscape-level frameworks where these exist and take additional steps to support enhanced agroforestry, reforestation or forest restoration and community engagement

An illustration of Mars' collaborative efforts is our membership in the World Cocoa Foundation's Cocoa & Forests Initiative (CFI) and being a **signatory to the CFI commitments to halt deforestation and restore forest in the global cocoa supply chain**, with an initial focus on Côte d'Ivoire and Ghana, where more than 65% of cocoa is grown and which are major origins for cocoa sourced by Mars. Working alongside our suppliers and technical expert organizations, we have made substantial [progress](#) towards achieving our objectives.

Yet, to truly achieve our climate ambitions and to support building resilience for the next generation of cocoa farming communities, we will need to leverage [transformative science](#) and the implementation of agricultural practices beyond those required to stop deforestation. Our global climate-smart agriculture roadmap encompasses strategies to increase farm productivity while minimizing environmental impacts. This work is leveraging our Science & Technology team as well as our collaboration with the [Unreasonable Group](#) and other partners. Soil health for carbon storage optimization, low carbon fertilizers, climate-smart good agricultural practices and agroforestry systems are in the heart of the work ahead.

In addition, because voluntary measures may not always be sufficient to advance progress, Mars welcomes government engagement and constructive legislation that can be a catalyst for change.

Substantiate this by setting a quantitative target on the following indicator: *National initiatives aiming to end cocoa related deforestation signed.*

By the end of	Sourcing from Ghana and signed CFI Côte d'Ivoire	Sourcing from Ghana and signed CFI Ghana	Sourcing from Cameroon and signed RDFC Cameroon	Sourcing from Colombia and signed CB&P Colombia
2024	Signed	Signed	Not signed	Not signed
2025	Signed	Signed	Not signed	Not signed
2026	NA CFI runs until end 2025	NA CFI runs until end 2025	Not signed	Not signed

Deforestation-free sourcing

Describe in max. 200 words what your organizations' plans are to source deforestation-free³.

We are working toward a deforestation and conversion-free supply chain (as defined by the Accountability Framework Initiative (AFi)). We will continue to work with our suppliers, governments and other stakeholders so that all cocoa we source through our Responsibly Sourced Cocoa Program is produced on land that has not been subject to deforestation or conversion of natural ecosystems after 31 December 2013 or the date specified in a credible landscape-level framework such as the Cocoa & Forests Initiative (CFI). Natural ecosystems include, but are not limited to, primary, secondary and regenerating forests; savannah; and peatland of any depth. Where validated, methodologies such as the [High Conservation Value-High Carbon Stock Approach](#) may be used to apply AFI's definitions. For more information, please see our Cocoa and Forest Action Plan [here](#).

Substantiate this by setting a quantitative target on the following indicator: *Volumes in MT-BE and % sourced that can be claimed as deforestation-free differentiated per cut-off date (please indicate the latest date)*.

By the end of 2024	349	94% sourced claimed deforestation and conversion-free as per Dec 31 st , 2017 in West Africa, and as per Dec 31 st 2013 in other origins.
By the end of 2025	349	100% sourced claimed deforestation and conversion-free as per Dec 31 st , 2017 in West Africa, and as per Dec 31 st 2013 in other origins.
By the end of 2026	349	100% sourced claimed deforestation and conversion-free as per Dec 31 st , 2017 in West Africa, and as per Dec 31 st 2013 in other origins.

³ See [ISCO Reporting Framework](#), p. 37

Plans on DISCO ambitions to end child labour

Child labour Monitoring and Remediation System (CLMRS) or equivalent system roll out

Describe in max. 200 words what your organizations' plans are to roll out Child Labour Monitoring and Remediation System (CLMRS) or equivalent system throughout your supply chain.

We require all suppliers who source cocoa in West African communities with at-risk families to agree to adopt and maintain Child Labor Monitoring and Remediation Systems (CLMRS), in compliance with the industry leading International Cocoa Initiative (ICI) standard by 2025.

Substantiate this by setting a quantitative target on the following indicator: *Total # and % of farming households in supply chain that are covered by a Child Labour Monitoring and Remediation System (CLMRS) or equivalent system:*

By the end of 2024	# <...> of farming households	<...> % of farming households
By the end of 2025	# <...> of farming households	100 % of at risk farming households
By the end of 2026	# <...> of farming households	100 % of at risk farming households