Bitter Harvest: Child Labour in the Cocoa Supply Chain

June 2010

By Lotte Griek, Sustainability Analyst, Jennifer Penikett, Sustainability Analyst, and Esther Hougee, Research Manager

June 12 marked World Day Against Child Labour. This day presents a time for investors to take stock of the state of child and forced labour globally as well as their exposure to this issue. Although 90 per cent of the International Labour Organization’s (ILO) 182 member states have ratified its convention on the Worst Forms of Child Labour (No. 182), introduced 10 years ago, child labour still exists, particularly in the agricultural sector.

The cocoa industry has major exposure to labour rights issues. In early 2001 media reports began to surface linking the industry to abusive labour practices including forced and child labour. Numerous NGOs have criticised major industry players for their alleged complicity in these abuses. While the complexity of the cocoa supply chain is such that major players are not directly linked to abuses at the farm level, it is safe to assume that most companies operating in the cocoa industry are linked to some extent. Meanwhile, consumer demand for sustainably and equitably produced cocoa is steadily increasing.

In response to public pressure, most chocolate companies have developed or strengthened their supply chain policies and management systems, and have joined initiatives that aim to address social issues, such as poverty and underdevelopment, which contribute to the perpetuation of child and forced labour in the cocoa supply chain.

However, in the view of many stakeholders, the industry is not making sufficient progress. Following the 17th World Cocoa Foundation Partnership Meeting, held in May 2010 in the Netherlands, Norges Bank Investment Management and APG Asset Management, two of the largest pension fund managers in the world, issued a joint statement calling on the chocolate industry to take greater initiative and set concrete targets to eliminate child labour in their supply chains.

This Sustainalytics brief outlines key impacts and risks associated with the cocoa supply chain, as well as the steps needed to shift it toward greater fairness and sustainability. The brief identifies areas of best practice for cocoa industry companies and argues that it is in the interest of these companies and their investors to implement best practices and support programs that contribute to this shift.

Did you know...

- Consumers spend more than USD 7 billion a year on chocolate.\(^1\)
- Global consumption of chocolate is dominated by Europe (49 per cent) and North America (22 per cent) with an average consumption of 3.2 kilograms per person in 2006.\(^2\)
- Cocoa sold under the Fairtrade label captures only 0.1 per cent of the cocoa market share.\(^3\)
- Demand for Fairtrade cocoa in the U.K. increased by 15 per cent in 2009.\(^4\)
Background

Cocoa Supply Chain

By the time cocoa products hit store shelves they have moved through a long and complex supply chain comprised of collectors, traders, exporters, processors and manufacturers (see Figure 1). The cocoa bean is typically grown on small family farms that use labour-intensive practices. The International Cocoa Organization (ICCO) estimates that approximately 90 per cent of the world’s cocoa is produced by 3 million such smallholders. Worldwide cocoa production employs approximately 14 million individuals, with Western Africa alone employing 10.5 million. Four West African countries - Côte d’Ivoire, Ghana, Nigeria and Cameroon - dominate the global supply, producing approximately 70 per cent of the world’s cocoa beans. Côte d’Ivoire and Ghana are the two largest global producers, accounting for 56 per cent of all traded cocoa.

The Tropical Commodity Coalition reports that 3.7 million tonnes of cocoa beans were produced globally in 2007/08, and it has been estimated that, to meet growing demand, annual production will need to increase by 20 per cent to 4.4 million tonnes by 2012. While a large number of companies are involved in the supply chain, seven large-cap players, all tracked in Sustainalytics’ Global Platform, are highlighted in Figure 1: Archer Daniels Midlands (NYSE:ADM), Cadbury Plc (LSE:CBRY), The Hershey Company (NYSE:HSY), Kraft Foods Inc. (NYSE:KFT), Lindt & Sprüngli (SWX:LISN), Nestlé SA (SWX:NESN, VIRTX: NESN) and Olam International (SGX: O32).

Impacts and Risks

Cocoa, an important global commodity, is critical to the livelihoods of millions of rural farmers worldwide. The cocoa supply chain, however, is fraught with social challenges and risks.10

Child Labour and the Perpetuation of Poverty

Thousands of children in Western Africa are trafficked and forced to work on cocoa plantations. The International Labor Rights Forum states that low commodity prices send farmers in search of cheap labour and, as a result, they use child labourers. While there are indications that the number of children employed in cocoa farming is decreasing, the Payson Center for International Development and Technology Transfer at Tulane University calculated that, during a 12-month period in 2007 and 2008, 819,921 children were working on cocoa-related activities in Côte d’Ivoire and 997,357 were

![Figure 1. The cocoa supply chain.](image-url)
doing so in Ghana.11 Furthermore, the U.S. Congressional Research Service estimated that upwards of 284,000 children in Côte d’Ivoire, Cameroon, Ghana and Nigeria were working under hazardous conditions, the vast majority of them (200,000) employed in Côte d’Ivoire.12 It is reported that more than 60 per cent of children working on cocoa farms are younger than 14 years of age, some no older than five.13 Child labourers are often forced to work for long hours using dangerous equipment, exposed to pesticides and subjected to physical abuse.14

In response to the growing concerns surrounding child labour in the cocoa supply chain, the U.S. House of Representatives initiated a legislative process that resulted in the Harkin-Engel Protocol, a voluntary initiative commonly known as the Cocoa Protocol. A central objective of the Protocol was to develop voluntary, industry-wide standards of certification by 2005. A number of major cocoa companies, including Hershey, Mars, Nestlé and Archer Daniels Midland, signed the protocol. In doing so they committed to eliminate the worst forms of child labour on cocoa farms by 2005 and to certify that the cocoa that they purchased was free of child labour.15 Initially hailed as a serious initiative to address child labour issues, the Protocol was soon criticised for not functioning as a certification scheme, for failing to include binding commitments or strategies for remediation,16 and for thereby failing to ensure that chocolate producers took adequate steps to eliminate child labour in their supply chains. The 2005 target was not achieved and a subsequent target called for half of all cocoa farms to be certified as free from child labour by July 2008. This target was not achieved either.17

The issue of child labour and cocoa production continues to receive media and public policy attention. In September 2009, the U.S. Department of Labor released a document entitled List of Goods Produced by Child Labor or Forced Labor, which included a list of countries that produce cocoa using child labour (Cameroon, Côte d’Ivoire, Ghana, Guinea and Nigeria) and forced labour (Côte d’Ivoire and Nigeria). The goal of releasing the list was to increase public awareness of the incidence of child labour and how it is linked to many common consumer goods, as well as to promote initiatives to eliminate child and forced labour.18

Cocoa production is also implicated in the perpetuation of poverty. The Tropical Commodity Coalition estimates that a typical cocoa farming family of six or seven earns between USD 2,000 and USD 3,000 annually, equalling only USD 300 to USD 500 per capita. Such low incomes make producers and their labourers highly vulnerable to price fluctuations in the international market.19 During periods when cocoa prices are low, the income of many producers, especially those with smaller acreages and lower yields, often falls below poverty thresholds. Similarly, cocoa farmers are vulnerable to weather events that disrupt production, as illustrated by a serious drought that hit Côte d’Ivoire and Ghana in 2007. In 2009, the price of cocoa beans increased significantly when weather conditions caused poor harvests in Côte d’Ivoire. The shortage of cocoa beans subsequently led to an increase in the price of chocolate products.20 Most small scale farmers do not have access to monetary reserves or credit, making it difficult for them to withstand economic and environmental risks.21 Such economic conditions not only perpetuate poverty in general, but also create the incentive to employ cheap child labour.

Cocoa Supply Chain Risks

The issues and impacts described above generate significant risks for the manufacturers of chocolate products, as well as for investors in those companies.

Reputational Risks

International media and civil society campaigns are increasingly identifying companies that are linked,
whether directly or through financing or supplier relationships, to issues such as human trafficking, and forced and child labour. As international concern over these issues grow, so too do the reputational risks faced by companies linked to such practices.

Civil society organizations are striving to bring these issues before the public eye. ADM and Nestlé are both currently involved in a pending lawsuit concerning child trafficking and forced labour launched in 2005 by two human rights organizations, Global Exchange and the International Labor Rights Fund. The suit, filed on behalf of four Malian citizens, accuses the companies of benefiting from child slave labour at cocoa bean plantations in Cote d’Ivoire. Building on this campaign, Global Exchange filed a shareholder resolution with Hershey in 2006 requesting that it disclose whether it has purchased cocoa from ADM or Nestlé.

**Operational Risks**

Large players in the cocoa industry face operational risks related to both the social and environmental issues surrounding cocoa production. Some of the key cocoa-producing countries have been plagued by social and political instability that has at times jeopardized cocoa production. The instability has included ethnic violence and civil war, as was the case in Côte D’Ivoire in 2000, as well as the displacement of people due to conflict in neighbouring countries. In addition, poor working conditions and low wages in the cocoa industry have caused a significant migration of young people out of the countryside. This “brain drain” among cocoa producers has resulted in the loss of traditional farming techniques as older generations pass away. Further operational risks result from challenges in dealing with social issues such as epidemics (such as in Côte d’Ivoire in 1995, 2001 and 2002), which can also affect production.22

Steps Towards a Sustainable and Equitable Cocoa Supply Chain

In recent years there has been growing momentum towards developing a more sustainable and equitable cocoa supply chain. Some players, large and small, are recognizing the need for an integrated, multi-stakeholder approach that addresses both social and environmental issues. Ideally, a sustainable cocoa supply chain would involve the use of environmentally-friendly practices and provide those involved in the cultivation, harvesting and processing of cocoa a liveable income and safe working conditions.

**Certification Schemes**

Widespread implementation of certification schemes that verify that cocoa is produced in accordance with certain social and environmental standards is critical to the creation of a sustainable cocoa supply chain. Currently there are four main certification schemes that are important for the cocoa sector: Fairtrade, Certified Organic, Rainforest Alliance, and UTZ Certified.23

According to the Tropical Commodity Coalition, there is growing demand for products certified under all four schemes.27 However, current levels of certified cocoa production, expected to reach over 100,000 tonnes in 2010, represent only 3 per cent of global production.28 Massive growth in certified production will be required to meet demand. The International Labor Rights Forum has put out a call to all companies in the cocoa supply chain to commit to purchasing a minimum of 5 per cent of total cocoa purchases under Fairtrade certification.29

Traceability is a critical requirement for any certification scheme, and necessary for achieving a sustainable cocoa supply chain. An effective traceability program must provide farmers and their families with financial stability, be supported by governments of cocoa-producing nations, and be commercially viable.30 Additionally, in order for a traceability program to be successful it must have buy-in from, and be supported financially by, all parties along the supply chain.

Where there is risk there is usually also opportunity. As the next sections outline, leading companies have an opportunity not only to help create a supply chain that is sustainable – both socially and environmentally – but also to meet the growing consumer demand for chocolate products that are certified as fair-trade and/or organic.
Certification Schemes

**Fairtrade** certification for small-scale producers requires adherence to a set of environmental standards as well as robust social standards. It provides organized producers with a Fairtrade premium, in addition to monies earned from the product, which is to be used for investment in socially, economically and environmentally sustainable development.24

**Certified Organic** is based on four principles – health, ecology, fairness and care – that work to sustain the health of people, soils and ecosystems and to reduce poverty. Certification requires that cocoa be grown without the use of synthetic nutrients and that plant protection methods and soil conservation practices be employed.

**Rainforest Alliance** certified farms must meet the Sustainable Agriculture Network’s criteria, which include environmental, social, labour and agronomic management. It aims to ensure that all farms benefit from the UN’s Universal Declaration of Human Rights and Children’s Rights Conventions, and that they adhere to ILO conventions and recommendations.15

**UTZ Certified** aims to encourage socially and environmentally responsible cocoa production that is beneficial to both producers and the market. It requires producers to adhere to certain agricultural practices as well as social and environmental criteria.26

Programs to Build Local Capacity

It is imperative that farmers, non-governmental organisations, governments, traders, trade unions, processors and manufacturers come together to develop multi-stakeholder initiatives to address the environmental and social issues that are widespread in the cocoa supply chain. In order to safeguard stable cocoa production, farmers need to change their way of farming, as this directly influences their income. The financial burden of increasing sustainable cocoa supplies cannot simply fall to the farmers. Instead, companies need to provide long-term financial support to producers in order to help facilitate this change.

Multi-stakeholder initiatives often provide programs for capacity building at the farm and community level, as it has been shown that training cocoa farmers is an important tool in alleviating the cycle of poverty that shackles cocoa cultivators.31 Capacity building initiatives can vary from program to program, but they share a core aim to secure a liveable income for cocoa farmers and their families, and to reduce the incentive for farmers to engage in child and forced labour. Skills development programs are centred on teaching new farming techniques that can increase productivity and reduce the use of chemical additives. Appropriate training can increase a farmer’s productivity by 25 per cent.32 Capacity building may also include sensitising farmers to abusive labour practices and highlighting the problems associated with forced or trafficked child labour.

Three of the most important multi-stakeholder initiatives in the cocoa supply chain are the World Cocoa Foundation (WCF), the International Cocoa Initiative (ICI) and the Roundtable for a Sustainable Cocoa Economy (RSCE).

Identifying Best Practices

In response to growing international concerns and demands from stakeholders, most major players in the industry have taken steps to improve their performance and address their exposure to child and forced labour. However, as described below, there is a broad range among these companies with respect to implementing best practices.

Supply Chain Policies and Management Systems

*Companies must develop policies that prohibit suppliers from using child or forced labour, and aim to ensure that farm workers are covered by...*
Capacity Building Initiatives

The International Cocoa Initiative is an independent non-profit organisation established in 2002 with the goal of eliminating the exploitation of children in the cocoa supply chain. The ICI works with the governments of cocoa-producing nations to create sustainable cocoa supply chains through capacity building programs for farmers and communities. ICI focuses its efforts at the community level to build awareness of abusive labour within the cocoa sector, to develop strategies to end such practices, and to share best practices to promote broad-scale engagement. The initiative is supported by individual chocolate and cocoa companies including Archer Daniels Midland, Cadbury, Hershey, Kraft and Nestlé.  

The World Cocoa Foundation is a non-profit organisation established in 2000 to promote social and economic development and environmental stewardship in cocoa cultivation. The WCF serves as a facilitator, financial contributor, technical advisor or manager in programs to train cocoa farmers to develop skills to operate productive farms and make sound business decisions. The WCF states that it remains neutral on sustainability standards or product certification schemes. The foundation is supported by 70 member companies, including Archer Daniels Midland, Hershey, Kraft, Lindt & Sprüngli, Nestlé and Olam.

The Roundtable for a Sustainable Cocoa Economy is a multi-stakeholder initiative that focuses on dialogue between all cocoa stakeholders, including farmers, traders, processors, government and non-governmental agencies, and financial institutions. The RSCE website functions as an information clearinghouse for members to post information on best management practices, and has a discussion platform for crop management, supply chain management and certification schemes.

Other noteworthy initiatives include The Bill & Melinda Gates Foundation Cocoa Livelihoods Program, which is designed to help cocoa farmers around the world improve productivity through access to better planting materials, farming technology, environmental-management tools and market information while working with cocoa-farming communities to confront issues ranging from poverty and disease to concerns about child labour. Additionally, the Sustainable Tree Crops Program (STCP), implemented by the International Institute of Tropical Agriculture, is an initiative which has reached 76,000 farmers to date, helping them switch to more sustainable methods of agriculture.

International labour conventions. Systems must be implemented to monitor compliance with these policies.

A key step in addressing cocoa supply chain issues is to develop policies requiring that suppliers not be engaged in human trafficking, child or forced labour, physical punishment or other basic labour rights violations; and that they adhere to and uphold internationally recognised norms such as the ILO convention 138 on the Minimum Age for Employment and the ILO Convention 182 on the Worst Forms of Child Labour. Companies should also implement monitoring systems to ensure compliance with these policies throughout the company’s entire sphere of influence.

As described below, all cocoa industry companies researched by Sustainalytics have developed supply chain policies that address child and forced labour, although the strength of these policies varies. The area of greater difference, however, lies in the quality of management systems designed to ensure compliance with these policies.

Cadbury, a leader in this area, has historically had the most developed policies and practices. In 1905 the company dispatched a member of the Anti-Slavery Society to investigate cocoa plantations and boycotted those companies proven to be involved in controversial labour practices. Subsequently, the company adopted policies addressing all basic labour rights, including forced and child labour. To support its policies Cadbury has implemented a human rights monitoring system that includes both self-assessment and external audits, and is applied to its key suppliers. These suppliers are required to acknowledge the company’s Human Rights and Ethical Trading Policy and to complete an online self-assessment which provides Cadbury with information on the suppliers’ human rights policies and practices.

The acquisition of Cadbury by Kraft Foods in January 2010 may place some of Cadbury’s practices in jeopardy. Although Kraft addresses child and forced labour in its supply chain policies, it does not address other key basic human rights. Kraft states its commitment to work proactively with suppliers to progressively eliminate child labour, though it has not set clear targets or deadlines to do so.
Nestlé states its commitment to endorse internationally recognised principles such as the UN Global Compact Principle 5 and relevant ILO conventions, and it has formulated specific policies addressing most basic labour rights, including child and forced labour. While the company has established supply chain standards, it has not implemented programs designed to increase compliance with such standards. Similarly, Lindt & Sprüngli endorses the ILO principles, has established policies on basic labour rights, and reports having some monitoring activities, although it has not disclosed the results of auditing activity.

Others in the industry, including Hershey’s, ADM and Olam, have stated their commitment to building economic, social and environmental sustainability for cocoa farming families, centred on responsible labour practices. However, these commitments are not stated in company policies, and instead are often expressed through participation in international initiatives to address cocoa supply issues.

**Procurement**

*Companies should set specific targets for increasing the percentage of certified cocoa procured and develop long-term commitments to increase certification.*

Cadbury continues as a front-runner in the cocoa industry, although only representing 7.3 per cent of the market share, it is already procuring Fairtrade cocoa and aiming to increase the amount of certified cocoa procured by 25 per cent in 2010. In 2009, Cadbury committed to sourcing Fairtrade cocoa beans for all of its Dairy Milk chocolate bars sold in the U.K., with plans to expand to Canada, Australia and New Zealand. The Cadbury Fairtrade deal tripled the amount of fairly-traded cocoa sold by Ghanaian farmers to 15,000 tonnes.

Kraft Foods has partnered with Rainforest Alliance to meet some of its cocoa needs and has committed to honouring Cadbury’s commitments to source Fairtrade certified cocoa beans for its Dairy Milk chocolate bars.

Although many companies procure some certified cocoa and intend to increase the rate at which they do so, most have no formal program with targets and deadlines stipulating progress. For example, ADM delivers organic cocoa and Fairtrade cocoa to the U.K. and runs a traceable cocoa cultivation program producing more than 20,000 tonnes for selected customers in the Côte d’Ivoire. However, it falls short in setting specific targets for increasing the percentage of certified cocoa procured and has not developed long term commitments to increase certification. Some companies, such as Nestlé and Lindt & Sprüngli are not yet procuring certified cocoa and have not yet set targets aiming to do so, reasoning that there is not enough availability to meet their demand. Nevertheless, best practice examples indicate that the market is progressing rapidly, and companies are increasingly expected to focus on setting quantitative goals for the increased procurement of certified cocoa.

Lindt & Sprüngli has set an objective to make sourcing more transparent and through cooperation with a local Ghanaian partner and the Ghana Cocoa Board (Cocobod), it aims to trace the origin of the cocoa beans back to the community in which they were harvested.

**Programs and Initiatives**

*Companies need to help build capacity at the producer level by establishing programs that train farmers on labour and human rights issues as well as sustainable farming practices. Such programs should be integrated into a company’s plan to increase its procurement of sustainable cocoa.*

Companies should consult and collaborate with local communities to develop long-term solutions and to stimulate training and capacity building at the farm level. Optimally, programs should be planned and executed as part of a company’s strategy to increase procurement of certified cocoa, taking into account the amount of cocoa that the company requires, and aiming to help build capacity so as to meet that demand. All cocoa companies covered by Sustainalytics have either established their own programs, through which they reach farmers directly, or are involved in capacity building through international initiatives, although the level of involvement varies.

Again Cadbury is a leader, having historically made strong, long-term commitments to regional capacity building. The company, through its Cadbury Cocoa Partnership, committed to invest EUR 34 million in the cocoa industry over a 10-year period in order to
reach 500,000 farmers in Ghana by 2018. Similarly, Nestlé launched its Cocoa Plan in October 2009, a 10-year, CHF 110 million program to improve the livelihoods of cocoa farmers and communities, by increasing yields, reducing disease and producing better quality cocoa beans. As part of the plan Nestlé has committed to training 30,000 farmers over the next 10 years and to provide 1 million higher-yield cocoa trees by 2012. ADM’s cocoa sustainability initiatives include its Social and Environmentally Responsible Agricultural Practices Program (SERAP) and its Cocoa Technical Training Program. Although not as robust in the setting of long-term commitments with quantifiable targets, these programs aim to help cocoa farmers improve crop productivity by offering increased access to farming technology and environmental management, while also working with communities to address issues including poverty, disease and child labour.

All major players in the cocoa industry participate in at least one of the multiple international initiatives. As partners of the Cocoa Livelihoods Program, both ADM and Kraft, along with other cocoa industry participants, are involved in a USD 40 million program that aims to improve the livelihoods of approximately 200,000 farming families in Western Africa. Hershey is also a member of the WCF and supports the Sustainable Tree Crops Program, along with Nestlé and Lindt & Sprüngli. In addition, Nestlé is a supporter of UTZ’s Good Inside Cocoa program, which is working to certify a code of conduct for cocoa production.

Key differences in cocoa companies’ programs and initiatives include the duration of commitments made, and the number of people reached by initiatives that they support. The most noteworthy distinction is between companies that develop their own programs, thereby committing to direct, long-term support to farmers, and those that simply support international initiatives through investments, which fail to set long-term, company-specific commitments. While the quality of these programs is difficult to assess at the outset, as time goes on and companies report on progress, it will become more apparent whether they are able to meet these commitments.

Supply Chain Disclosure

Companies should improve overall transparency by disclosing procurement commitments, monitoring and auditing activities, and performance outcomes.

Given the large number of small-scale farmers involved in the cocoa supply chain, it is often unclear if and how companies can properly monitor compliance with their policies and standards. Companies should improve their overall transparency, disclosing their commitments, monitoring and auditing programs, targets and performance outcomes. As well, they should disclose details regarding their involvement in local capacity-building programs, including how many farmers are reached, how much money is invested, the results of the initiatives and how those results were measured. Currently, disclosure by the industry is generally inadequate.

Cadbury’s reporting is relatively strong, providing significant detail regarding its supplier monitoring program. Lindt & Sprüngli notes in its reporting that it has a supplier monitoring program that includes visits to cocoa-supplying countries, but the company does not disclose the scope of the program or if supplier audits have been performed. It is the only company to disclose information about a private initiative to enhance the traceability of its supplies.

ADM, Hershey, Kraft, and Nestlé do not disclose information relating to their supply chain monitoring or auditing activities.

Conclusion and Implications for Investors

Major players in the cocoa industry have made progress in addressing their exposure to child and forced labour in their supply chains, although progress by the industry overall remains inadequate. Companies within the cocoa industry face growing reputational risks and risks to the supply of cocoa itself, as concern over labour rights abuses continue to rise, along with demand for sustainably and equitably produced cocoa products.

While the industry cannot and should not be expected to single-handedly eliminate child and forced labour, it can and should take greater steps to foster the development of a cocoa supply chain...
that is more sustainable and equitable. Investors in the cocoa industry can mitigate their own risks by encouraging such development. Specifically, they can engage with companies and push for best practices, including:

- Establishing and publicly disclosing quantitative targets and timelines for purchasing certified sustainable cocoa;
- Implementing traceability systems in order to enable full auditing of the cocoa supply chain;
- Implementing capacity building programs at the farm level to stimulate sustainable agriculture and provide long-term financial support to producers, and;
- Regularly publishing progress reports on established targets.

It is important to recognize that policies, targets, monitoring programs, sustainable procurement commitments and capacity building programs are inextricably linked, and each component must be part of a company’s overall strategy to address labour rights issues in the supply chain.

Stronger performers, and their investors, will be better positioned both to mitigate risk and to benefit from the growing demand for certified cocoa products. Although the problem of child and forced labour in the cocoa supply chain will not be eliminated in the very short term, it behoves investors to demand that companies make strides to contribute to real solutions.

9Figure 1 adapted from Oxfam International Research Report. (2008). Towards a Sustainable Cocoa Chain: Power and possibilities within the cocoa and chocolate sector. It should be noted that a number of retailers of cocoa products are also covered in Sustainalytics’ Global Platform. The scope of this brief, however, is limited to producers and grinders.
10It should be noted that there are a number of environmental issues and risks associated with cocoa production as well, many of which are addressed through existing certification schemes. While important, such environmental issues are beyond the scope of this brief.
15The Cocoa Protocol for the growing and processing of cocoa beans and their derivative products in a manner that complies with ILO convention 182 concerning the prohibition and immediate action for the elimination of the worst forms of child labor. (2001, September 19). The Harkin-Engel Protocol, which is commonly referred to as the Cocoa Protocol, was signed in September 2001 by major chocolate companies, including Hershey, Mars, Nestlé and Archer Daniels Midland. The aim of the protocol is to eliminate the worst forms of child labour in the cocoa supply chain. Additionally, through a multi-stakeholder approach, the protocol aimed to develop voluntary, industry-wide standards of certification by July 1, 2005.
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http://www.teacoffeecocoa.org/tcc/Publications/Our
www.rainforestalliance.org/agriculture.cfm?id=standards_farms
http://www.teacoffeecocoa.org/tcc/Publications/Our
http://www.teacoffeecocoa.org/tcc/Publications/Our

33 While Mars is considered by some to be the front-runner in the cocoa industry, the Sustainalytics platform does not profile this family-owned company. Mars' sustainable cocoa commitment includes an April 2009 pledge to certify its entire cocoa supply by 2020. The company aims to purchase 100 per cent of its cocoa from Rainforest Alliance certified producers by 2020. Mars is the first company in the industry that released a long-term commitment to purchase only certified cocoa.


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For information related to this article, please contact:

Lotte Griek, Sustainability Analyst
lotte.griek@sustainalytics.com

Esther Hougee, Research Manager
esther.hougee@sustainalytics.com

Jennifer Penikett, Sustainability Analyst
jpenikett@jantzisustainalytics.com

www.sustainalytics.com


15 Prices paid to farmers are determined largely by the international cocoa market. An exception is Ghana, were the Ghana Cocoa Board (Cocobod) sets the price paid to farmers and controls 70 per cent of the country’s cocoa trade. There too, however, prices are set largely within the constraints of the international market.


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For information related to this article, please contact:

Lotte Griek, Sustainability Analyst
lotte.griek@sustainalytics.com

Esther Hougee, Research Manager
esther.hougee@sustainalytics.com

Jennifer Penikett, Sustainability Analyst
jpenikett@jantzisustainalytics.com

www.sustainalytics.com