

Your Valentine's Day Chocolate: The Sweet and the Bitter

February 8, 2007

Has the chocolate industry made any progress toward ending child labor in its cocoa supply? The problem of trafficked child labor in cocoa harvesting surfaced in 2001 and consumers have been demanding reform since that time.

The chocolate companies have all made lofty promises, but how many have delivered? ILRF has been pushing the chocolate companies since 2001; here is our update on who has delivered, and who hasn't.



The Bitter

Hershey's (which owns *Scharffen Berger* and *Dagoba Chocolate*)

Harrington Investments, on behalf of Global Exchange, filed a shareholder resolution against Hershey corporation in 2006, simply requesting that Hershey report to its shareholders about its sourcing relationship with cocoa importing corporations such as Archer Daniels Midland and Cargill, who are directly implicated in trafficked child labor issues in West Africa. The resolution asked the company to review and report to shareholders on all its sources of cocoa supply, including a breakdown percentage of total volume by supplying company or source. The Hershey corporation, whose shares are largely in the hands of the Hershey trustees and not private shareholders, soundly defeated this modest request for transparency.

M&M/Mars (which owns *Dove*)

M&M/Mars spokesperson Jeff Morgan has been the go-to-guy for the chocolate industry as a whole as their mouthpiece on the child labor/cocoa sourcing issue. Unfortunately Mars' leadership has not moved the industry very far toward ending the problem of child labor. M&M/Mars, along with most of the rest of the chocolate industry, signed a voluntary Protocol in 2001, which made the commitment to monitor and eliminate child labor in worldwide cocoa supply by July 2005. For a complete assessment of the Protocol and its failures, visit http://www.laborrights.org/projects/childlab/cocoa_childlabor_update_May05.pdf. The company has committed small amounts of

money to various NGO initiatives, including programs by the International Cocoa Initiative and Winrock International, but has failed to respond to numerous requests for a disclosure of the actual dollar amount committed to all of these projects.



Nestle (which owns *Haagen-Dazs*)

Even within the closed ranks of the chocolate industry behind the curtain of the Protocol, we've heard that Nestle is the lowest common denominator. Nestle has never responded with anything more than form letters to any requests for information by ILRF or any of our allies; in its form letters, Nestle simply points to its 'engagement' with the Protocol. As many of our supporters know, since 2005 we have particularly targeted Nestle for its failure to reform its cocoa supply chain, and the choice was not random. Unlike other chocolate manufacturers, Nestle directly sources cocoa from West Africa and has direct control over its supply chain and knowledge of the farms from which it sources. Nestle has greater power to act than perhaps any other player in this industry and is therefore our top choice target for action. Send Nestle a letter here: <http://www.unionvoice.org/campaign/Nestle07>.

The Semi-Sweet

Godiva

We know many will look to high-end chocolate retailer Godiva for their Valentine's Day gifts and we must confess that we have not in the past asked Godiva directly for clarification on this issue. Godiva is owned by Campbell's Soup Corporation and we are suggesting this Valentine's Day that Godiva fans write to Campbell's CEO Douglas Conant to request that Godiva stop sourcing cocoa that may be tainted with child labor. A sample letter is attached below for those who want to take action immediately!

Ghiradelli/Lindt

We have to give Ghiradelli, and its parent company Lindt & Sprüngli, credit where credit is due. They are one of the few companies that actually responded to requests for information by providing detailed information about where they source their cocoa. We hope this public identification of cocoa supply is a first step toward the company making a public commitment to fair prices for farmers, and guaranteeing basic rights for cocoa workers. Lindt told ILRF supporters that it sources its beans from Central and South America, and

from Ghana. While this basic information was helpful, we suggest that Ghiradelli and Lindt fans respond by asking the company to take the next step and identify the specific regions and farms from which they are sourcing cocoa. This sort of public transparency is essential to any real efforts to monitor labor rights conditions.

Starbucks

We realize that Starbucks hasn't built its reputation as a company on its chocolate sales, but we do want to give a little credit where credit is due. Although the company has not been in the spotlight for its cocoa sourcing practices, it did initiate a stakeholder dialogue in December 2005, and since that time has periodically reached out to ILRF and other concerned organizations to discuss what steps it might take to improve overall conditions in its cocoa supply chain. Last we heard, the company was still developing its internal guidelines for responsible cocoa sourcing. We look forward to hearing further on this and encourage Starbucks patrons to let the company know you are interested in what they are doing on this!

ED & F Man

Who? Ok so they don't manufacture or retail chocolate, but we did want to give a little bit of credit to this cocoa trading company for its creation of a new division, Corigins, which purveys organic and Fair Trade cocoa.

Dagoba

Dagoba used to be on our 'sweet' list but was, alas, acquired by Hershey's corporation last year. We are always saddened to see independent, mission-driven companies acquired by soulless multinational corporations but it seems to be the trend. In a letter to the public about its acquisition, Dagoba founder Frederick Schilling stated the company's continued commitment to socially and environmentally responsible practices, and its hope that Hershey corporation would continue to uphold those values. Alas the history of Hershey belies that hope. As detailed by Carol Off in her excellent book, *Bitter Chocolate*, Hershey corporation was directly culpable in the near ruin of cocoa farmers in Belize in the early 1980s, when the company promised high prices to cocoa farmers, pushed them into debt, then paid them only a third of the price that had been 'guaranteed.' Many farmers left their cocoa to rot in the fields, rather than sell to Hershey's at this unfair price. Can Dagoba really convince such a company to do the right thing by its fair trade and organic farmers?

Endangered Species Chocolate

Alas, also one of our favorites in the past, but last year Endangered Species decided to drop its Fair Trade certification. To its credit the company continues to publicly identify its cocoa suppliers, and states on its website that it continues to guarantee them a fair price. While we appreciate this effort we are concerned that in the absence of the independent, third-party verification provided by the Fair Trade certification system, we consumers will simply have to take the company's word for it, as farmers will have little recourse to communicate with consumers, and no leverage to bargain, if Endangered Species fails in its commitments.

The Sweetest

Sweet Earth Chocolates

Sweet Earth Chocolates is a small, boutique company that produces beautiful hand-crafted chocolates made of organic and Fair Trade certified cocoa. They are a truly mission-driven company and we give founder Tom Neuhaus extra credit for traveling to West Africa to personally investigate the situation for cocoa workers, for developing a relationship with the Fair Trade cooperative Kavokiva in Ivory Coast, and for establishing Project Hope and Fairness to go the extra mile to assist Kavokiva and other indigenous efforts to improve the lives of cocoa farmers and workers. For more information visit www.sweetearthchocolates.com or www.projecthopeandfairness.org.

Equal Exchange

We LOVE Equal Exchange! Words cannot express the ways in which this company has made a difference in the world. Equal Exchange is a Fair Trade, mission-driven company with a deep relationship and commitment to its cocoa supplying partner, the cooperative CONCADO in the Dominican Republic. Equal Exchange is as much an advocate as a business, promoting better conditions for farmers around the world through public education, sponsoring speaking tours, and encouraging individuals to take action to level the playing field for small farmers around the world. Their chocolate products are not only Fair Trade but organic as well, and Equal Exchange goes the extra mile to source fairly traded sugar and organic milk for its chocolates as well. Their new line of mini chocolates, unveiled last year in time for Halloween, are delicious and perfect for holidays. For complete product information visit www.equalexchange.com.



Divine Chocolate

We've saved the best for last- though actually it's a dead heat between Divine and Equal Exchange for the title of sweetest of the sweet. The folks at Divine Chocolate have a deep and fully equal partnership with Kuapa Kokoo in Ghana, the world's largest cocoa cooperative, to the extent that Kuapa Kokoo is part-owner in Divine Chocolate. This is a company with such a deep commitment to its mission and values that it has sought ways to completely equalize the relationship between retailer and farmer. And have we mentioned that the chocolate is absolutely delicious? Divine Chocolate is sponsoring a series of events in Washington, DC in honor of Valentine's Day- for more information about these events, supporters can visit <http://www.divinechocolateusa.com>.

Protest Letters

Nestle

CEO Brad Alford
Nestle USA
800 N. Brand Blvd.
Glendale, CA 91203

Dear Mr. Alford,

As a consumer, I am deeply troubled by Nestlé's disregard for the rights of the workers who produce its chocolate. I have just learned from the International Labor Rights Fund that child labor is used throughout Nestlé's cocoa supply chain, despite previous promises that the problem would be alleviated.

I respectfully request that Nestlé:

- Identify and take responsibility for every farm producing your cocoa worldwide.
- Make a substantial and sustained investment in Fair Trade Certified cocoa.
- Monitor all farms that produce your cocoa and make sure no child labor is used.
- Commit more funding for rehabilitation and education programs for cocoa children.

I hope that as one of the largest food companies in the world, Nestlé will become a leader in the fight for workers' rights and particularly the rights of children both in the United States and around the world.

Sincerely,

Godiva

CEO Douglas R. Conant
Campbell Soup Company
1 Campbell Place
Camden, NJ 08103-1701

Dear Mr. Conant,

As a consumer, I am deeply troubled by Godiva's disregard for the rights of the workers who produce its chocolate. I have just learned from the International Labor Rights Fund that child labor is used throughout Godiva's cocoa supply chain.

Since the Campbell Soup Company owns Godiva, I respectfully request that you:

- Identify and take responsibility for every farm producing your cocoa worldwide.

- Make a substantial and sustained investment in Fair Trade Certified cocoa.
- Monitor all farms that produce your cocoa and make sure no child labor is used.
- Commit more funding for rehabilitation and education programs for cocoa children.

I hope that as one of the major chocolate companies in the US, Godiva will become a leader in the fight for workers' rights and particularly the rights of children both in the United States and around the world.

Sincerely,