



**THE IMPACT OF CERTIFICATION SYSTEMS**  
ON ELIMINATING HUMAN TRAFFICKING IN THE HARVESTING OF COCOA FOR CHOCOLATE

This report is produced through the work of STOP THE TRAFFIK, Baptist World Aid Australia and World Vision Australia. Each of these organisations has been campaigning to end human trafficking and labour abuse – particularly worst forms of child labour – in the production of cocoa for nearly a decade.

We are grateful for the input and support of the certifiers (Fairtrade, Rainforest Alliance and UTZ) in preparing some materials and offering comment but in the end the report is ours and not theirs.

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Photos: Fuzz Kitto, STOP THE TRAFFIK.



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## INTRODUCTION

Since 2000 the world has been aware of the scandal of children and young people being trafficked to harvest and produce cocoa in West Africa. Industry has broken promises to end worst forms of child labour and human trafficking over and over again in these decades.

In 2001 the global chocolate industry publically acknowledged the use of forced, child and trafficked labour in their operations and signed a collective agreement – the Harkin-Engel Protocol

– to eliminate it from their supply chains. Campaigning organisations started to see changes in line with this commitment when they began engaging the issue in earnest from 2007. The ask of the campaigners was for the industry to implement third party, independent auditing of farms and cooperatives at one end of the supply chain and on-product labelling for the consumer to know steps were being taken for their favourite chocolates to be “traffik-free”.

Fairtrade, Rainforest Alliance and UTZ have such certification systems. Their standards are set independently and their auditing processes are undertaken independently by third-parties. They then offer on-product labelling for communicating with consumers at point of sale.

Over the years many people have asked how good this system is, what it actually achieves and how the three certifications differ. As a sector, we have had different opinions on credible

standards and our collective response has been we don't really know; that each of the certifications has strengths and weaknesses but they all address issues of child labour, worst forms of child labour and human trafficking. Each has its own particular emphasis. Fairtrade emphasises a fair price and empowerment for farmers; Rainforest Alliance emphasises environmental factors; UTZ emphasises a market oriented approach with farmers managing their farms profitably.

Most of the big chocolate producers have promised 100% of their chocolate products will be sustainably sourced by 2020. At the beginning of 2016 we are half a decade away from that deadline. It is time to ask what is being done. This is the purpose of this report.

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# 1

## WHAT DO WE MEAN BY HUMAN TRAFFICKING<sup>a</sup>

### 1.1

#### Child Work

Age appropriate work that is positive for a child's socialisation, skills and experience, that doesn't adversely affect their health or personal development or interfere with their schooling.

### 1.2

#### Child Labour

Child labour is work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical and mental development; and their chance of going to school.

### 1.3

#### The Worst Forms of Child Labour

The worst forms of child labour occur in hazardous conditions and jeopardises the physical, mental or moral well-being of a child.

Both Cote d'Ivoire and Ghana have ratified ILO Convention No 182 which seeks to eliminate worst forms of child labour.



### 1.4

#### Human Trafficking

Human trafficking is putting or keeping someone in an exploitative situation for profit through **threat, force, fraud or coercion**. They are not free to leave. Children trafficked into the cocoa industry are often forced to work long days in dangerous conditions for little or no pay.

##### Key facts

- Australians consume between AUD\$1.3-\$3 billion worth (or 72,000 tonnes) of chocolate a year.<sup>1</sup>
- Around 70% of the world's cocoa comes from West Africa.<sup>2</sup>
- It is estimated that 2.26 million children and young people (under 18 years of age) work as labourers in the cocoa harvesting in West Africa. Some of these are trafficked children or child labourers. The cocoa they produce ends up in the chocolate we eat.<sup>3</sup>

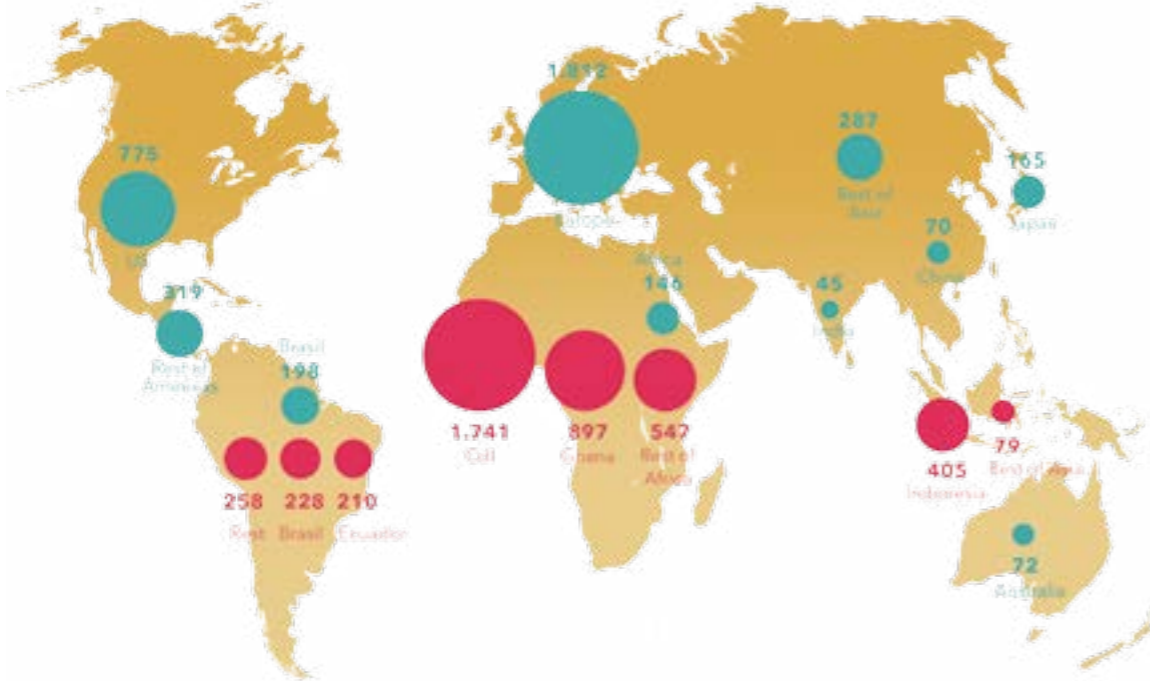


<sup>a</sup> For full definitions see Appendix A

# 2

## AN AFRICAN PRODUCT FOR THE DEVELOPED WORLD

Over 40% of the cocoa that makes the world's chocolate comes from the Ivory Coast, West Africa. 70% comes from West African region. It is grown only in developing economies but consumed almost exclusively in the developed world.



Source: <http://cocoabarometer.org> Used with permission

The cocoa supply chain can differ from company to company. In some cases companies have oversight over the whole process. Other companies outsource these different stages to external partners.

### 2.1

#### How is chocolate made?

Chocolate comes from large pods that grow on the cacao tree.

Cocoa harvesting is backbreaking and hazardous work. The harvesters go into the farms to access the cocoa trees that grow the precious cocoa pods.

Using machetes and hook knives on poles, they cut down the ripe pods, crack them open with sticks or machetes and remove the wet beans from the shell and pith. This step is largely done by hand. It is in this harvesting stage that the risks of child labour (including trafficked child labour) is most significant. Children are used, in part, because they are light in weight (so able to climb trees) and dextrous in cracking the pods.

The beans are then fermented, sun dried and oven roasted. The bean shell



#### COCOA FARMS:

Cocoa farmers grow cocoa. Forced, child and trafficked labour is commonly reported to be used at this stage of the process.

#### COCOA BUYERS:

Dealers or "middlemen" buy cocoa from farmers for a low price and sell to processors and exporters.

#### EXPORTERS:

Buy cocoa beans from a network of local buyers and sell to processors.



#### RETAILERS:

Sell cocoa products to the public.



#### MANUFACTURERS:

Manufacture and package cocoa products and send finished product to distributors.

#### PROCESSORS:

Turn the raw product into different cocoa products – such as cocoa butter, cocoa powder and refined chocolate – which is then sold on to different companies.

is removed and this is when it starts to smell like the cocoa we know and the chocolate taste is developed.

The beans are transported to different countries where the raw product is processed in factories to make products like cocoa butter, cocoa powder and refined chocolate. Some is also processed in West Africa. Many processors turn

the beans in cocoa liquor. These cocoa products may then be mixed with nuts, fruits, flavours and other products. It is combined with dairy products and sugar to make chocolate bars.

From the factories, the chocolate is either transported directly to the retailers or to wholesalers, before ending up on our store's shelves – for us to purchase.

## 2.2

### What is the link between chocolate & human trafficking?

The majority of cocoa is produced on small farms not on large-scale plantations. These farmers struggle to make enough to make ends meet let alone to employ adult labour at minimum wages. It is estimated that a cocoa farmer in Cote d'Ivoire earns just USD\$0.50 per day and in Ghana USD\$0.84 per day<sup>4</sup>. Both are well below the USD\$2 per family member per day required for them to be lifted out of extreme poverty. This is why children and young people are recruited to assist with the harvest; some of these children work under conditions that are categorised as the worst forms of child labour, while others are trafficked.

The Cocoa Barometer authors, Antonie Fountain and Friedel Hütz-Adams state,

*"Most cocoa farmers live in destitute poverty. There are various reasons for this; low and fluctuating cocoa prices, lack of farmer organisation and market power, the small size of farms, uncertainty of land tenure, sharecropping, low productivity, lack of infrastructure and access to market and market information. This poverty is a driving cause for many related problems, including poor working conditions, (worst forms of) child labour and trafficking, illiteracy and malnutrition."<sup>5</sup>*



## 2.3

### Children Working in the Cocoa Sector in West Africa

Tulane University has been working with the International Labour Organisation (ILO) to assess the prevalence of and measure changes in, the estimated number of child workers (children in child labour and children in hazardous work) in the West African cocoa sector since 2007. Their latest report examines the changes between the 2008-09 and the 2013-2014 harvest seasons.<sup>6</sup>

Starting on a positive note, the Tulane Report indicates that more children in Ghana and Cote d'Ivoire are now attending school. This is positive as every child attending school regularly is a child that is not being subjected to working in the worst forms of child labour.

In 2013-14,

- **2.26 million** children were working in cocoa production in both Ghana and Cote d'Ivoire, a **24% increase** from 2008-09;<sup>7</sup>
  - **Côte d'Ivoire:** The percentage of children working in cocoa production **increased from 23.1% to 34.9%** from 2008-2009;<sup>8</sup>
  - **Ghana:** The percentage of children working in cocoa production **decreased from 46.2% to 42.8%** from 2008-2009.<sup>9</sup>

Child labour and human trafficking are not the same thing. We do not have the equivalent statistic related to human trafficking. This is due to the illegal nature of the crime which means traffickers do not fill out census forms or pay tax. However, we do know that a percentage of the child labourers are trafficked children. Estimates range from 10% and upwards.<sup>10</sup>

# 3

## LANDMARKS IN ELIMINATING HUMAN TRAFFICKING SINCE 2000 THE HARKIN-ENGEL PROTOCOL

<p><b>PRE2000</b> The Fairtrade label was launched, with the first cocoa product (Green &amp; Black's) bearing its Mark sold in 1994.</p>	<p>with the ILO Convention 182 on Worst Forms of Child Labour.</p>	<p>first cocoa certification in Cote d'Ivoire.</p>	<p><b>2010 THIRD DEADLINE of the Harkin-Engel Protocol is not met</b> and a Declaration of Joint Action and the Framework of Action to support the implementation of the Harkin-Engel Protocol is released.</p> <p>The Netherlands agrees to 100% sustainable cocoa by 2025 for all chocolate products. This agreement is supported by government, buyers, producers and retailers.</p>	<p><b>2013</b> Hershey's makes a commitment to source 100% third-party certified cocoa for all of its chocolate products worldwide by 2020.</p> <p>Nestle announces that 100% of Australian bars will be independently certified by UTZ to ensure the cocoa is sourced and produced sustainably on farms with safe working conditions.</p>	<p>During this time Ghana and Cote d'Ivoire have taken the following steps:</p> <p><b>Ghana</b> Ratifies ILO Convention 182 on Worst Forms of Child Labour (2000); Establishes National Programme for the Elimination of the Worst Forms of Child Labour (2006); Signs a National Action Plan for the Elimination of Worst Forms of Child Labour by 2015 (2010).</p> <p><b>Cote d'Ivoire</b> Signs African Charter on the Rights and Welfare of the Child (2003); Ratifies ILO Convention 182 on Worst forms of Child Labour and ILO Convention 138 on Minimum Age of Workers (2004); Signs Multilateral Child Trafficking Accord (2005); Establishes Child Labour Monitoring system reporting to the President (2007). Cote d'Ivoire was engaged in civil war between 2002 and 2004.</p>
<p><b>2000</b> Media starts to spotlight child labour and human trafficking in the harvesting and production of cocoa in West Africa.</p>	<p><b>2002</b> The International Cocoa Initiative (ICI) is established to implement the Harkin-Engel Protocol as collaboration between industry, civil society, government and unions.</p> <p>UTZ opens its office certifying cocoa, coffee and tea.</p>	<p><b>2008 SECOND DEADLINE of the Harkin-Engel Protocol is not met.</b> Harkin-Engel industry bodies make a new commitment to have the certification system for 100% of the cocoa producing areas of West Africa.</p>	<p><b>2012</b> Ferrero Rocher confirms it will supply 100% sustainably produced, certified cocoa by 2020 but will not label its products as certified.</p> <p>Mondelez (Cadbury, Toblerone, Milka) announces a US\$400 million investment in sustainable cocoa.</p> <p>The European Parliament votes in favour of a legislation against the use of child labour in the cocoa fields.</p>	<p><b>2014</b> Haigh's Chocolate announces its plan to be 100% certified with UTZ and releases the first 100% 'traffik-free' certified Easter chocolate range with UTZ.</p> <p>The Fairtrade Cocoa Program is launched to increase opportunities for cocoa farmers to sell more of their product on Fairtrade terms.</p>	
<p><b>2001</b> Senator Harkin and Congressman Engel propose legislation in the USA, commanding a "slave free" labelling system for chocolate and the House of Representatives passes an amendment to make labelling a requirement. A compromise is reached with the chocolate and confectionary industry and a voluntary protocol, without legal implications, is agreed to. It is known as the Harkin-Engel Protocol.</p> <p>The promise of the Harkin-Engel Protocol is to eliminate Worst Forms of Child Labour in Cote d'Ivoire and Ghana by 2005 in line</p>	<p><b>2005 FIRST DEADLINE of the Harkin-Engel Protocol is not met.</b> Harkin-Engel industry bodies release a joint statement assuring their commitment to achieve a certification system in 50% of cocoa producing areas of Cote d'Ivoire and Ghana by 2008.</p>	<p><b>2009</b> Cadbury announces its plan to certify Cadbury Dairy Milk (Australia's number one selling chocolate bar) with the Fairtrade logo in Australia.</p> <p>Mars announces it will supply 100% sustainably produced, certified cocoa by 2020.</p> <p>Kraft commits to using Rainforest Alliance certification for their entire Cote d'Or and Marabou lines by end of 2012.</p> <p>First cocoa producers certified with UTZ.</p>		<p><b>2015</b> Milo is certified with UTZ in Australia and New Zealand.</p>	
	<p><b>2007</b> STOP THE TRAFFIK launches in Australia as a coalition between World Vision Australia and The Salvation Army and begins campaigning for certification on chocolate products in Australia.</p> <p>Rainforest Alliance introduces its</p>				

# 4

## STOP THE TRAFFIK'S CHOCOLATE BOX

STOP THE TRAFFIK has identified six steps covering a range of factors that chocolate companies should take to bring about the end of trafficking in the cocoa industry.

### CERTIFICATION

- (a) **Public deadline for certification**  
A public deadline to certify their entire range of cocoa;
- (b) **Product certified**  
At least one product or a range certified; and
- (c) **100% certified**  
100% of their chocolate range certified.



### PROGRAMS

- (d) **Report on money spent**  
Annual reporting on money spent to redress human trafficking including clear communication on non-economic impacts;
- (e) **Ensure a living income**  
Clear action taken to ensure that farmers and dependents receive a sufficient and fair income for cocoa; and
- (f) **Impact assessment**  
Public assessment of program impacts by independent third parties.



# 5

## CERTIFICATION, WHAT DOES IT DO?

Trusted independent organisations and companies certifying that a product is fairly traded and is made under good working conditions with fair wages, is currently the most credible assurance against the use of forced, child and trafficked labour for consumers making purchasing decisions at the point of sale. With that said, no matter how strict the requirements and control mechanisms of a certification, it is impossible for any viable system to provide a 100% guarantee that no child is working at any certified farm at any time throughout the year. It is however possible to put in place processes for building communities resilient to human trafficking and to ensure that when it is found appropriate actions are taken and appropriate remediation attended to with urgency. Full eradication of child labour

depends on all relevant stakeholders, including local communities and governments, non-government organisations, suppliers and grinders and chocolate producers to take an active role in staking their share of the responsibility.

The three<sup>c</sup> primary certification bodies available in Australia are: Fairtrade, Rainforest Alliance and UTZ<sup>d</sup>.

### Fairtrade

Fairtrade is a global, multi-stakeholder organisation working through trade to improve the lives of smallholder farmers and workers in developing countries. Representing 1.65 million farmers and workers across 74 countries,



their work centres on a belief that fairer trading conditions, including respect for human rights, support of better organisation for farmers and workers, and access to mainstream markets, can empower producers, workers and the next generation, to take more control of their lives.

Fairtrade producer and processing organisations, by voluntarily agreeing to be certified against Fairtrade Standards, must comply with requirements involving the prohibition and elimination of all forms of child and forced labour (including human trafficking) in accordance with principles including the ILO conventions, UN Convention on the Rights of the Child (UNCRC) and relevant national law.

Fairtrade provides an assurance that if they find breaches to these requirements, they protect impacted person(s), in line with their policies, and work with the organisation to ensure corrective action and measures are developed and implemented. Fairtrade works with producer organisations to strengthen their capacity, programs and systems to safely detect, remediate and prevent child and/or forced labour on a continuous basis. They provide a structured and targeted programme of training on child labour and forced labour, including requiring that the organisation seek advice, input and training from rights based agencies or relevant national ministries.



<sup>c</sup> Fairtrade USA is a separate certifying body to Fairtrade. They did not respond to our attempts to include them in this study.

<sup>d</sup> The certification bodies have provided these descriptions

## Rainforest Alliance<sup>11</sup>

The Rainforest Alliance is an international organisation that works to conserve biodiversity and improve the livelihoods of farmers, farmworkers and those in the forestry and tourism sectors. They use a variety of types of interventions, from direct technical assistance and training to capacity building to certification.



While programs do not focus exclusively on human trafficking or child labour, their approach includes training and curriculum that incorporate these issues and high quality, independent audits by accredited auditors trained in these issues. Their overall approach is to tackle sustainable land use and

livelihoods in a holistic way across a myriad of issues. They focus on helping farmers to become more professional and profitable, while conserving their land for the future as one of the best ways to add to their wellbeing in the long run, reducing poverty and improving many aspects of their personal and community lives, including the prevention of trafficking.

The organisation is also currently improving their certification standards to take more of a risk-based approach to auditing. The standards are being strengthened in labour rights, child labor, gender empowerment and efficient organisation of smallholder farmers into groups and cooperatives through innovative Information Management Systems (IMS) platforms.

Through these new and innovative approaches, they seek to be better equipped to tackle a number of issues, including trafficking and forced labour.

## UTZ<sup>12</sup>

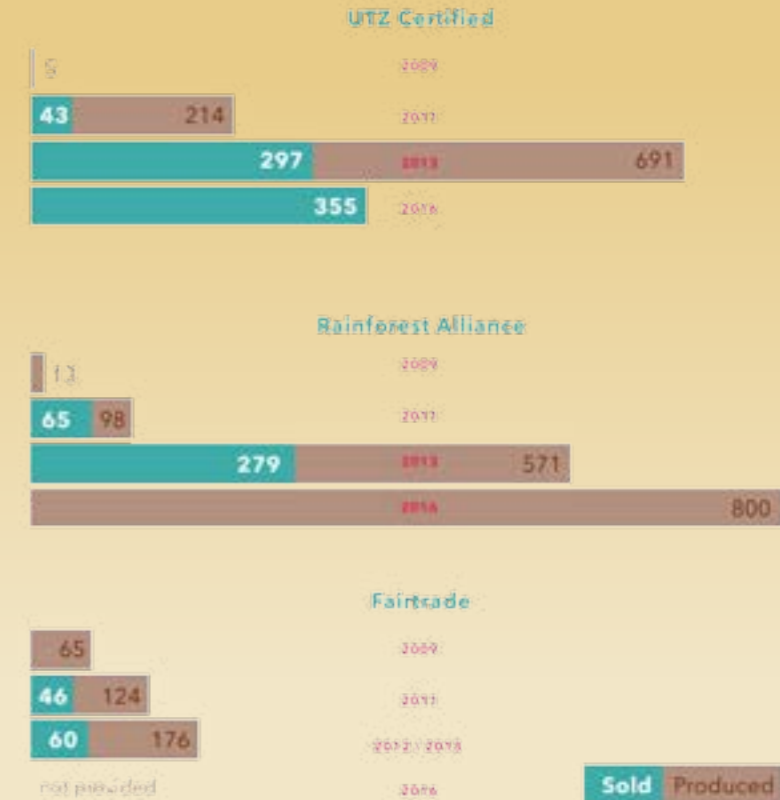
UTZ is a program and label for sustainable farming of coffee, cocoa, tea and hazelnuts. It also works closely together with other sustainability programs for the rice and palm oil sector. UTZ's mission is to create a world where sustainable farming is the norm; where farmers implement good agricultural practices and manage their farms profitably with respect for people and planet and where industry invests in and rewards sustainable production, and where consumers



can enjoy and trust the products they buy. The compliance with UTZ's strict requirements by farms and businesses is closely monitored by independent and accredited third party certification bodies.

UTZ takes action to prevent child labour by investing in the measures to prevent, detect, remediate and ultimately eradicate child labour on all UTZ certified farms. UTZ constantly assesses and is continuing to develop relevant fine-tuning of its own policies and working methods. The UTZ standards fully comply with the ILO standards concerning child labour and social issues.

## CERTIFIED COCOA PRODUCTION



Source: <http://cocoabarometer.org> Used with permission

## Chocolate company commitment to ethical sourcing and certification

Company	Commitment to 100% ethically sourced cocoa	Current percentage of ethically sourced cocoa
Cadbury (Mondelez)	No	Undisclosed. <i>Purchases at least equal to cocoa in Cadbury Dairy Milk</i>
Ferrero	Yes by 2020	40% (2014)
Haigh's	Yes, by 2018	80% certified by UTZ
Lindt	Yes by 2020	Undisclosed
Mars	Yes by 2020	Undisclosed. <i>Purchases at least equal to cocoa in Mars Bars, Dove, Magnum</i>
Nestle	Yes – achieved	100% of Australian produced chocolate bar and the beverage Milo are certified with UTZ

## Mix of ingredients

Certification tends to only apply to single commodities in a product. In this case we are talking about cocoa and cocoa derived ingredients (like cocoa butter). But in the average chocolate bar there will be other ingredients like sugar, milk and nuts.

Companies may work with certification schemes on multiple ingredients, but largely product certification is only in relation to one primary ingredient.

Fairtrade has an exception to this rule in order to achieve the full Fairtrade certification, every ingredient in the product that is sourced from a developing country must be Fairtrade certified. However, they also have a single commodity sourcing program. This means the company can use this

logo accompanied by the name of the ingredient certified (i.e. cocoa; cotton; coffee) and state that particular part of the product is certified only.

## The exceptions

Some companies – smaller traders as a rule – conduct their business by the principles of the World Fair Trade Organisation (WFTO). Unlike the other certifications mentioned in this report the WFTO status applies to a company's whole model, not specific goods they produce. It is a different way of doing business that helps small and disadvantaged producers benefit from the trade of their products, and ensures their livelihoods are more sustainable. Some chocolate companies seek to operate within these principles.



# 6 SAME, SAME WITH A LITTLE DIFFERENCE

We asked Fairtrade, Rainforest Alliance and UTZ to complete a self-assessment in relation to how their standards (set by independent third parties) and certification processes operate in four areas.

## 6.1 Policies and Codes of Conduct

- In this section we look at the strength of the policies and codes set by the certification systems. The policies and code of conduct is the clearest indicator of the expectations that these bodies have for the farmers, cooperatives and companies they provide certification for.

<b>Fairtrade</b>	
Policies	A+
<b>Rainforest Alliance</b>	
Policies	A+
<b>UTZ Certified</b>	
Policies	A+

- When it comes to written codes all three uphold the ILO Fundamental Principles and Rights at Work and include these in the codes and contracts required of suppliers. These rights are: Freedom of association and the effective recognition of the right to collective bargaining;
- Elimination of all forms of forced or compulsory labour;
- Effective abolition of child labour;
- Elimination of discrimination in respect of employment and occupation

The one policy weakness across the certifiers is in ensuring companies pay sufficient prices to facilitate improved working and living conditions. This is not to say they don't offer processes which support improved wages. They each offer training and technical support that aims to help farmers have better yields and higher quality products as a path to increasing their income.

**However, with farmers receiving so little for their crops, the steps being taken are not sufficient. An average farmer in Cote d'Ivoire earns on average just USD\$0.50 per day and in Ghana USD\$0.84 per day<sup>13</sup>. This is an area for urgent and important development.**

- Fairtrade sets a Minimum Price for each of its commodities while farmers and their communities also benefit from the Fairtrade Premium.<sup>e</sup> The minimum price seeks to ensure more stability for farmers in times of volatile commodity prices.
- Rainforest Alliance has no set prices and does not 'interfere' in trading relationships (whilst still requiring at least a minimum wage for workers) and the training mentioned above.
- UTZ is a market-oriented model. Price levels are set according to the qualities and quantities available in the market. Producers benefit from a premium which is an additional cash amount paid above the market price of that commodity.

Premiums for certified cocoa are an important farmer incentive. However, a farmer may not be able to sell their whole crop as certified and therefore not receive the additional revenue they expect for their investment in certification.

## 6.2 Knowing Suppliers

We asked the degree to which each of Fairtrade, Rainforest Alliance and UTZ has relationships down to the farm and worker level of the supply chain they are certifying. Most cocoa is supplied from cooperatives or groupings of farmers. Certification is often applied at farmer cooperative or group level. Most farmers join together in cooperatives or groups for their certification and crop

selling. These may have thousands of member farms. It is important to go deeper into the supply chain, to the farms where human trafficking occurs.

<b>Fairtrade</b>	
Knowing Suppliers	A+
<b>Rainforest Alliance</b>	
Knowing Suppliers	A+
<b>UTZ</b>	
Knowing Suppliers	A+

All three require that any grouping or cooperative keeps records of the farms in that cooperative or group so each can be identified. Fairtrade states that information regarding the regional location of farms is regarded as commercially confidential and therefore not made public.

<sup>e</sup> For a further explanation of the Fairtrade Premium see section 6.4.2 on Community Development Initiatives

### 6.3 Monitoring and relationships

When dealing with a high-risk area for human trafficking, regular auditing, combined with other mechanisms such as unannounced audits, and training are essential. So, we asked about the audit cycle and the monitoring system particularly in high-risk regions.

<b>Fairtrade</b>	
Monitoring and Relationships	C+
<b>Rainforest Alliance</b>	
Monitoring and Relationships	B-
<b>UTZ</b>	
Monitoring and Relationships	B-

Following initial certification with Fairtrade, there is a three-year certification cycle during which the Fairtrade certifier carries out at least two

surveillance audits. If an organisation is classified as 'high-risk' more surveillance audits may be needed. These audits may be unannounced and include assessments of child labour and ongoing remedial action where child labour has been previously identified.

Rainforest Alliance and UTZ both have an annual auditing cycle. They also have a formula for auditing the square-root of the total number of farms in the cooperative or group. Like Fairtrade, they have a policy of auditing high risk areas with unannounced audits on a regular basis.

All three certifications have unannounced audits in addition to the standard audit cycle. These are often used in areas deemed higher risk for human trafficking or if new and reliable information comes to light. All

certifiers also invest in training farmers and cooperatives in order to increase awareness of human trafficking, child labour, and forced labour risks.

### 6.4 Worker Empowerment

This is a broad area asking about how workers are empowered to use grievance procedures; what records are kept of union participation and collective bargaining agreements; whether a living wage is paid and how child labour and human trafficking is addressed.

<b>Fairtrade</b>	
Worker Empowerment	C+
<b>Rainforest Alliance</b>	
Worker Empowerment	D+
<b>UTZ</b>	
Worker Empowerment	C+

#### 6.4.1 Living Wage

All certifiers are engaged in a collaborative project to calculate and implement a Living Wage as part of the ISEAL Alliance<sup>14</sup>. They have an agreed definition of living wage:

*The remuneration received for a standard work-week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs including provision for unexpected events.*<sup>15</sup>

**It is crucial to achieve such a calculation for farm owners and farm workers in West Africa and to implement programs and practices that lead to people receiving a living wage.**

This will include farmers receiving an adequate price for their cocoa. Only then will the prevention of human trafficking and worst forms of child labour be achieved. Whilst a farmer does not achieve enough to support their family and can't afford to pay an adult wage, children will be used for labour and trafficking will continue. We weighted the questions of payment of a living wage very highly.

#### 6.4.2 Community Development Initiatives

Fairtrade adds a Premium of \$USD200 per metric tonne of cocoa (this is equivalent to an extra 10% Premium paid in addition to the Minimum Price) that is returned to the cooperative for reinvestment in their business or in community development initiatives. All Premium decisions are decided democratically by the members of

the cooperative. The funds may be used for business improvements, direct support to farmers or broader community benefit (such as healthcare and education).

Rainforest and UTZ also support local community development programs.

#### 6.4.3 Trade Union Participation and Collective Bargaining

Each of the certifications supports the participation of workers in trade unions or farmer associations and the right to collective bargaining, including time off work for participation. However, only Fairtrade keeps records of participation in such activities. Surveys of industries in countries which seem to be less vulnerable to human trafficking have high union activity. An example would be in the textile and clothing industry in Australia which has eradicated labour exploitation and abuses through strong

programs of worker empowerment and union organising.

#### 6.4.4 Empowerment of Cooperatives or Groups

The entire Fairtrade process is built on the idea of cooperatives run by democratically elected members who self-determine many of the activities of the group. Farmers also have a 50% ownership of and involvement in the governance of Fairtrade.

#### 6.4.5 Child Labour and Human Trafficking Action Plan

Each of the certifiers undertake their share of the responsibility for supporting communities in the prevention of child labour and trafficking. There are stringent rules around suspending or decertifying groups where this is discovered. Each certifier does this a little differently. For

example, UTZ, requires the appointment of a Child Labour Liaison person who undertakes training and is equipped to ensure correct processes for remediation are enacted if child labour or human trafficking is found.

Preventing human trafficking is more than identifying child labour. It is also about building communities that are more resilient to human trafficking and know how to protect their children. **Certifiers could strengthen their requirements for specific actions such as ensuring children have a birth certificate or replacement papers and recording family members and the monitoring of their school attendance.**

#### Overall Scoring

To calculate a final score, we allocated a weighting for each section of questions.

Policies contributed 15% of the final score.

Whilst we recognise their importance, in essence they provide a framework for the implementation and action.

“Knowing Your Suppliers” and “Monitoring and Relationships” each contributed 25% of the final score.

Worker Empowerment contributed 35% of the final score. This is the key area where implementation has an impact and policies are enacted.

The following table sets out the threshold for each grade:

20%	F
25%	D-
30%	D
35%	D+
40%	C-
45%	C
50%	C+
55%	B-
60%	B
65%	B+
70%	A-
75%	A
80%	A+



# 7 CONCLUSION

As we suspected there is not much difference between the certifications when it comes to human trafficking prevention, identification and remediation. Each has excellent codes of practice and policy aligning with United Nations' Protocols and International Standards. Each has its own particular strengths and emphasis.

As with any survey of complex systems, more questions are raised in the process. In our next report we will also examine the programs of the chocolate companies in addressing human trafficking. We will explore more deeply how the programs of these companies and certifications lead to implementing practices which build communities that are resilient to human trafficking and protect children.

# 8 RECOMMENDATIONS

## To Fairtrade, Rainforest Alliance and UTZ

These recommendations are not intended to detract from the good work certifiers are already doing, rather they provide focus areas for further development. Nor are we suggesting the the solution is only in the hands of the certifiers. Communities, governments, international bodies, civil society groups and business all have roles to play.

8.1 That as a matter of urgency, certifiers further progress the calculation of a living wage for farm owners and workers in cocoa production in West Africa and implement programs and processes which move towards the payment of this living wage.

8.2 That systems and programs which build and develop resilient communities be further established and embedded into communities, particularly those in high-risk areas in order to prevent, disrupt and abolish human trafficking.

## To consumers

Sometimes it can feel like our best intentions to buy products free from forced, child and trafficked labour have little impact. But this is not true. The global chocolate industry is changing – and you can be assured that every time you vote with your dollar, you are making a stand for the kind of world you want to live in.

### 1. Buy Certified Chocolate

Ethical certification is still the most credible assurance against forced, child and trafficked labour in your products.

### 2. Ask chocolate companies to commit to 100% ethically sourced cocoa by 2020

Companies listen to you – their customers. Speak up as well as voting with your dollar. Join in campaigns.

### 3. Tell retailers to stock more certified products

Making it easier to purchase will encourage more people to buy more ethically, more often.

## APPENDIX A – DEFINITIONS

### A.1 Child Work

It is important to differentiate between the performance of work by children that does (and does not) affect a child's health and personal development or interfere with their schooling. Specifically, the participation of children or adolescents in work that does not adversely impact their health and personal development or interfere with their schooling is generally regarded as positive as it contributes to their development, the welfare of their families, provides them with skills and experience and also prepares them to be productive members of society during their adult life.

The United Nations clearly stipulates that children have rights, amongst other rights, to adequate food,<sup>17</sup> shelter,<sup>18</sup> clean water,<sup>19</sup> formal education,<sup>20</sup> primary health care,<sup>21</sup> leisure and recreation<sup>22</sup> and cultural activities.<sup>23</sup>

### A.2 Child Labour

The ILO characterises "child labour" as work that "deprives children of their childhood,

their potential and their dignity, and that is harmful to physical and mental development." ILO advances that child labour "is mentally, physically, socially or morally dangerous and harmful to children and interferes with their schooling" by:

- "depriving them of the opportunity to attend school";
- "obliging them to leave school prematurely"; or
- "requiring them to attempt to combine school attendance with excessively long and heavy work."<sup>24</sup>

### A.3 The Worst Forms of Child Labour

The worst forms of child labour have been defined by the ILO.<sup>25</sup> Broadly, these are defined as:

- (a) All forms of slavery or practices similar to slavery, such as the sale and trafficking of children;
- (b) The use, procuring or offering of a child for prostitution;

- (c) The use, procuring or offering of a child for illicit activities;
- (d) Work which, by its nature of the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.<sup>26</sup>

Both Cote d'Ivoire and Ghana have ratified ILO Convention No 182.

### A.4 Human Trafficking

The United Nations defines human trafficking as "the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs."<sup>27</sup>

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