

HOW 'BETTER' CHOCOLATE

CAN MAKE THE WORLD A SWEETER PLACE





COCOA PRODUCTION IS DRIVING DEFORESTATION AROUND THE WORLD

Crunchy, creamy, nutty, nougat, salty, or stirred through coffee. No matter your preference, there is one thing we can all agree on - we love chocolate. The aroma alone can transport us back to moments of nostalgia, celebration, and joy, which makes it all the more bitter to discover chocolate's dark side.

The truth is that today's chocolate industry is entangled with practices that harm our planet, communities, and wildlife, as well as hide exploitation like forced labor, human trafficking, and child labor¹. What's promising though, is that gradually with new technology innovations, meaningful collaboration, government backing, and public pressure the tide is turning.

Where does chocolate come from?

Chocolate is made from cocoa beans, which come from the fruit of the cacao tree. These beans are then processed into cocoa, the key ingredient for chocolate. Cocoa is produced in tropical countries that get a lot of rainfall, often on small family farms. Over half of all the world's cocoa beans are produced in the west African nations of Ivory Coast and its neighbor, Ghana, followed by Ecuador in third place².



Cocoa farmers often sell their beans through cooperatives, and the cocoa moves through different processing stages before being transformed into the bars we purchase and enjoy. The beans are transported – often being ground, processed and turned into cocoa

 often being ground, processed and turned into cocoa butter, liquor or powder and then chocolate bars or confectionary in other countries. European countries are the largest manufacturers of chocolate³.



The United States is the world's largest importer of cocoa products, over \$6 Billion in 2022, with over 10% of the market share by value.

The US imports many finished cocoa and chocolate products from Europe, but their ultimate origins are largely Ivory Coast, Ghana and Ecuador⁴.

So, what is the problem?

Our insatiable love for chocolate has destructive consequences for nature and people in regions where cocoa is cultivated. To expand cocoa production, forests have been and continue to be destroyed, threatening biodiversity, releasing CO₂ into the atmosphere, and accelerating climate change⁵. Ivory Coast and Ghana have lost most of their native forest cover in the past sixty years⁶. New production can drive deforestation and forest degradation, and is contributing to Ghana and Ecuador having the highest increases in deforestation rates in 2022⁷.

In Ivory Coast and Ghana, most families who work on the cocoa crops earn less than \$1 a day⁸, with many women cacao farmers making as little as \$0.30 daily⁹, an income below extreme poverty. The low price of cocoa on the global market means that farmers earn so little



DEFORESTATION

Ivory Coast and Ghana have lost most of their native forest cover



CHILD LABOR

Low cocoa prices mean farmers take children out of school to help harvest more cheaply



EXTREME POVERTY

Most cocoa farmers earn less than \$1 a day



they are unable to earn a living wage for the cocoa they grow. In order to harvest the cocoa as cheaply as possible farmers often take their children out of school to help. The work is often hard and dangerous. In addition, there is clear evidence of some children being trafficked from neighboring countries, and the presence of adult forced and bonded labor is acknowledged. An estimated 1.56 million^{10,11} children are laboring in the cocoa industry.

In order to support better production conditions, it's important to be able to trace where cocoa comes from - but it's only currently possible to trace about 50% of the world's cocoa to the place where it was grown¹². When brands and manufacturers don't know where their cocoa comes from, they don't know what is happening there.

What is being done?

Ghana and Ivory Coast have both taken steps to develop their own national deforestation monitoring systems that can be used by the cocoa industry. These systems can help identify where deforestation is occurring and incentivize producers who do not clear forests to expand their cocoa. Recently, both countries have been developing national cocoa traceability systems, which aim, when fully automated and implemented, to enable companies to identify where their cocoa comes from, and verify it does not come from recently deforested land.

New monitoring and traceability systems will enable companies to identify where their cocoa comes from.

This effort has been spurred on by a new law that comes into effect in the European Union (EU) at the end of 2024, called the EU Deforestation Regulation (EUDR)¹³. Under this regulation, all chocolate products in the EU will require proof that they are deforestationand slavery-free¹⁴. Therefore, both producer countries and companies involved in cocoa processing and sales in Europe have been stepping up and increasing their efforts to support chocolate that is produced without harmful social or environmental impacts.



A Responsible Cocoa Commitment

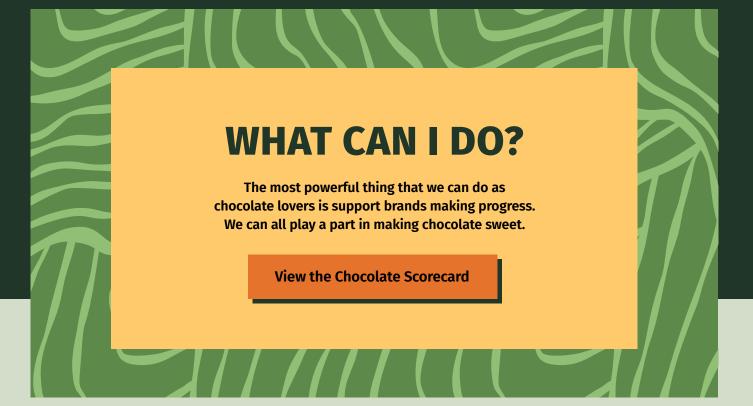
In 2020, GODIVA developed its Responsible Cocoa Commitment, which includes a 2025 target for 100% traceability to farm level. Since then, the premium chocolate brand has made strides towards this goal, largely through meaningful engagement with its suppliers.

Through a partnership approach, GODIVA has encouraged and partnered with a key supplier in establishing ongoing relationships with cocoa cooperatives in the Ivory Coast. They are implementing programs that are critical to safeguarding the cocoa-growing communities and the planet. These measures include child labor monitoring and remediation initiatives, as well as the co-creation of no-deforestation verification pilots that will strengthen overall traceability and transparency efforts. This work is being done in addition to a years-long partnership with the nonprofit Earthworm Foundation to support collective action strengthening farming communities in Ivory Coast's Soubre region.

Standing Together for People and Nature

The transformational and inspirational changes that producer nations and supporting companies are making mean that buyers in the US, and other consumer nations, have an opportunity to help deforestation- and slavery-free practices become the new business-as-usual in the cocoa industry. As consumers, we can make conscious purchasing choices that contribute to positive changes for nature and people across our borders. If we don't work collaboratively, the companies that still buy goods linked to child labor and deforestation may simply redirect their products away from the EU to unaware buyers in the US and elsewhere - further filling our stores with chocolate that goes against our values.





ENDNOTES

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