

Boston College

Member Information

<u>Name</u>	<u>Year</u>	<u>Major</u>
Audrey Setiadarma	2018	Economics & Computer Science
Claudia Wong	2018	Economics
Vincent Rubertone	2018	History & Philosophy

Advisor(s): Professor Michael Smith

Topic: Unwrapping the Bittersweet Truth Behind Chocolate

Audience: Hershey's Board of Directors

Executive Summary

Presentation Outline:

- I. Overview of labor in the cocoa industry
- II. Hershey's role in solving the issue of child labor
- III. Short-run solution: Honest package labeling for Hershey's
- IV. Long-run solution: Industry-wide support for fair farm labor
- V. Analysis of impact on Hershey's and the cocoa industry

Summary:

When people eat chocolate, "They are eating my flesh," said a former worker on a West African cocoa farm. He was a child-slave, a harsh reality that 2.1 million West African children in the cocoa industry suffer through today. Chocolate companies have known since at least 2001 that their supply chain uses some of the worst forms of child-labor. To mitigate this issue, Hershey's - the largest chocolate company in the United States - has set a 2020 deadline to source only cocoa certified as fairly produced.

We argue that in the short run, until Hershey's meets its goal of 100 percent certified cocoa, it has an ethical responsibility to warn consumers that some of its chocolate comes from unfair, even horrendous, working conditions. Even though this information exists within the public domain, consumers have no incentive to search for an issue of which they're unaware - in other words, consumers don't know what they don't know. We believe labor conditions carry enough significance, similar to "traces" of allergens or known health risks, that consumers should be warned at the time of purchase via product labeling. In the long run, this action will benefit Hershey's brand by allowing them to take the lead in setting ethical industry standards.