

**RESOLVED:** Shareholders urge the board of directors to commission a third-party assessment that produces recommendations for achieving a living income for cocoa farmers in Hershey’s West African supply chain, beyond legal and regulatory matters. Input from stakeholders, including civil society organizations, cocoa farmers, and suppliers, should be considered in the assessment. A report on the audit, prepared at reasonable cost and omitting confidential/proprietary information, should be published on the company’s website within a reasonable time.

**SUPPORTING STATEMENT:** The assessment may include:

- An assessment of the gap between current income and living income for cocoa farmers in Hershey’s supply chain;
- The effectiveness of current company strategies to reduce this gap;
- Recommendations for achieving living income goals, that include a gender equity approach.

**WHEREAS:** Systemic poverty in Ghana and Côte d’Ivoire, where 60% of cocoa is produced, is a driving force of child labor, deforestation, and other human rights abuses in the cocoa sector.<sup>1</sup> Approximately 1.56 million children engage in hazardous work on cocoa farms in Ghana and Côte d’Ivoire.<sup>2</sup> Low farmer income has also been linked to increased deforestation,<sup>3</sup> with Ghana and Côte d’Ivoire losing 65% and 90% respectively of forest cover over the past thirty years.<sup>4</sup>

Exploitative purchasing practices by Hershey and its peers keep local communities in poverty and are criticized as rooted in racial injustice.<sup>5</sup> Cocoa farmers are often paid far below the World Bank’s poverty threshold of \$2.15 per day.<sup>6</sup> In response to low income, cocoa farmers have increasingly replaced cocoa with rubber trees or have sold their cocoa farms to gold mining operations.<sup>7</sup> Without effectively addressing living income, the continued existence of the West African cocoa sector is at stake.

---

<sup>1</sup> <https://www.dol.gov/agencies/ilab/our-work/child-forced-labor-trafficking/child-labor-cocoa>;  
<https://cocoabarometer.org/wp-content/uploads/2022/12/Cocoa-Barometer-2022.pdf>

<sup>2</sup> <https://www.dol.gov/agencies/ilab/our-work/child-forced-labor-trafficking/child-labor-cocoa>

<sup>3</sup> <https://www.nature.com/articles/s43016-023-00751-8>;

<https://www.theguardian.com/environment/2023/may/22/cocoa-planting-is-destroying-protected-forests-in-west-africa-study-finds>

<sup>4</sup> <https://www.mightyearth.org/2023/01/13/sweet-nothings-deforestation-remains-high-across-ghana-cote-divoire/>

<sup>5</sup> <https://cocoabarometer.org/wp-content/uploads/2022/12/Cocoa-Barometer-2022.pdf>;

<https://www.mightyearth.org/2021/06/21/open-letter-on-racial-injustice-in-the-cocoa-sector/>

<sup>6</sup>

<https://static1.squarespace.com/static/5810dda3e3df28ce37b58357/t/6515a2e3206855235dcb3c5a/1695916782152/There+Will+Be+No+More+Cocoa+Here+-+Final+Engligh.pdf>

<sup>7</sup>

<https://static1.squarespace.com/static/5810dda3e3df28ce37b58357/t/6515a2e3206855235dcb3c5a/1695916782152/There+Will+Be+No+More+Cocoa+Here+-+Final+Engligh.pdf>

Living income<sup>8</sup> is a human right that combats inequality and poverty.<sup>9</sup> Raising the farmgate price, through premiums, for example, can significantly help cocoa farmers reach a living income.<sup>10</sup> Additionally, coupling higher farmgate prices with long-term purchasing contracts can provide greater security and resiliency to cocoa farmers.<sup>11</sup>

Although Hershey has a Living Wage & Income Position Statement, it makes no commitment to ensuring cocoa farmers earn a living income. The position statement has been criticized for lacking a “concrete, timebound commitment and accompanying action plan...”<sup>12</sup> Hershey’s vague commitment to promote a living income for cocoa farmers has resulted in a set of initiatives, such as the Income Accelerator, that are largely ineffective at ensuring cocoa farmers receive a living income, and in some cases, are undermining it. For example, Hershey was accused of undermining Ghana and Côte d’Ivoire’s recently implemented Living Income Differentials through purchasing practices aimed at circumventing it.<sup>13</sup>

Notably absent from Hershey’s strategy is increasing farmgate prices; price interventions play a “key role in shifting value to farmers and enabling higher incomes.”<sup>14</sup> Additionally, Hershey’s strategy fails to apply a gender equity approach to address particular challenges women cocoa farmers face in cocoa-income-generating activities.<sup>15</sup>

---

<sup>8</sup> <https://www.living-income.com/>

<sup>9</sup> [https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?\\_gl=1\\*1ei0guo\\*\\_ga\\*MTI5NTI4MjAzNi4xNjM4Mzg5OTk3\\*\\_ga\\_R58YETD6XK\\*MTYzODM4OTk5Ny4xLjEuMTYzODM5MDAwNC41Mw](https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?_gl=1*1ei0guo*_ga*MTI5NTI4MjAzNi4xNjM4Mzg5OTk3*_ga_R58YETD6XK*MTYzODM4OTk5Ny4xLjEuMTYzODM5MDAwNC41Mw)

<sup>10</sup> <https://cocoabarometer.org/wp-content/uploads/2022/12/Cocoa-Barometer-2022.pdf>

<sup>11</sup> [https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?\\_gl=1\\*1ei0guo\\*\\_ga\\*MTI5NTI4MjAzNi4xNjM4Mzg5OTk3\\*\\_ga\\_R58YETD6XK\\*MTYzODM4OTk5Ny4xLjEuMTYzODM5MDAwNC41Mw](https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?_gl=1*1ei0guo*_ga*MTI5NTI4MjAzNi4xNjM4Mzg5OTk3*_ga_R58YETD6XK*MTYzODM4OTk5Ny4xLjEuMTYzODM5MDAwNC41Mw)

<sup>12</sup> [https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?\\_gl=1\\*1ei0guo\\*\\_ga\\*MTI5NTI4MjAzNi4xNjM4Mzg5OTk3\\*\\_ga\\_R58YETD6XK\\*MTYzODM4OTk5Ny4xLjEuMTYzODM5MDAwNC41Mw](https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?_gl=1*1ei0guo*_ga*MTI5NTI4MjAzNi4xNjM4Mzg5OTk3*_ga_R58YETD6XK*MTYzODM4OTk5Ny4xLjEuMTYzODM5MDAwNC41Mw)

<sup>13</sup> <https://www.latimes.com/business/story/2020-12-01/chocolate-war-cocoa-growers-hershey-mars-ghana-ivory-coast>; <https://voicenetwork.cc/wp-content/uploads/2022/09/220920-Cocoa-Barometer-Living-Income-Compendium.pdf>

<sup>14</sup> [https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?\\_gl=1\\*1ei0guo\\*\\_ga\\*MTI5NTI4MjAzNi4xNjM4Mzg5OTk3\\*\\_ga\\_R58YETD6XK\\*MTYzODM4OTk5Ny4xLjEuMTYzODM5MDAwNC41Mw](https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?_gl=1*1ei0guo*_ga*MTI5NTI4MjAzNi4xNjM4Mzg5OTk3*_ga_R58YETD6XK*MTYzODM4OTk5Ny4xLjEuMTYzODM5MDAwNC41Mw)

<sup>15</sup> <https://oxfamilibrary.openrepository.com/bitstream/handle/10546/621485/rr-ghana-cocoa-farmers-living-income-140223-en.pdf?sequence=1>