



General statement on Arla Foods' and Cocio's position on cocoa

Arla Foods and Cocio act responsibly and we strive to make our products in the most sustainable way possible. Our ambition is to actively encourage our suppliers and sub-suppliers to ensure that they meet Arla Foods' code of conduct for suppliers. The code governs ethical, social and environmental responsibilities.

Nearly 70 per cent of all cocoa is cultivated in West Africa, on more than 1.5 million small, family-based cocoa farms. The high number of farmers, combined with a very complex supply chain, poor infrastructure and high illiteracy rates, makes it difficult to trace the cocoa back to the farm.

Child labour is rarely suspected in connection with cocoa cultivation, but it is common practise in the West African countries for children to help their families on the farm. Several research studies reveal that many children perform hazardous work such as spraying crop and using machetes. Other independent studies also highlight that child trafficking exists within cocoa cultivation.

Cocoa is an important ingredient in several of Arla's products. We are therefore concerned about the working conditions associated with cocoa farming and cocoa production. We do not tolerate child labour or any other abuse of human rights.

Arla Foods and Cocio are committed to working with our suppliers to ensure our business practices contribute positively to cocoa farmers and their communities.

As part of this work, we also listen closely to recommendations from NGO's and their knowledge about local conditions in the areas from which we source our cocoa.

Arla Foods and Cocio rely on third party independent verifiers to inspect the cocoa supply chains.

There is a solution to ensure that cocoa production is sustainable, and we want to play a part in promoting the sourcing of responsibly produced cocoa. The progress we make in using only certified cocoa is dependent upon the availability of certified products.

Since 2009, we have been sourcing cocoa from suppliers that strive to buy from producers' cooperatives. Our ambition was to develop our support and commitment for the cocoa farmers by using only certified cocoa in all our branded products by no later than the end of 2012. By June 2010, all the cocoa bought for Cocio was certified. From the beginning of 2012 all the cocoa used in Arla branded products is certified. The outcome of our ambition to only use certified cocoa is made public in our annual Responsibility Report.

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Arla Foods
Corporate Responsibility