

# Chocolate Scorecard & Modern Slavery

## Tearfund NZ

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### About Tearfund

Tearfund New Zealand is a faith-based international development organisation that works to alleviate poverty among the world's most vulnerable communities. Tearfund works towards the eradication of Modern Slavery through advocacy and campaigning in New Zealand as well as on-the-ground programmes in Fiji, Solomon Islands, Thailand and Nepal. Our partner organisations in these countries know the devastating impact modern slavery has on individuals, families and communities.

### The Chocolate Scorecard

We hope you are already aware of the recently published Chocolate Scorecard that assessed the largest chocolate companies marketing in New Zealand across a range of human rights and sustainability issues.<sup>1</sup> Cocoa is in the top 25 most exploitative products Kiwis' import.<sup>2</sup> As a country we import an estimated NZ \$55 million worth of cocoa each year, and a whopping 28% is considered 'risky'.<sup>3</sup>

We know that child labour is taking place in cocoa supply chains, so it is encouraging that chocolate companies are identifying where this is happening. Whilst there's been significant improvements over the last few years; when it comes to looking out for children and adults caught in exploitative situations, there's room for improvement across the entire industry. Policies are a great first step for companies to begin addressing child labour in their supply chain, but a policy alone won't result in life improvement for a child who is being exploited. That's why Tearfund is advocating for effective modern slavery legislation – a law that would require all large chocolate companies (and others) in New Zealand to take appropriate action to protect people.

We want to see a world where everyone can work safely, is treated with dignity and is compensated fairly for their labour. We also want to see a world where no child is forced to work to make the chocolate we eat!

### What is Modern Slavery?

Modern slavery is a transnational issue, with an estimated 27.6 million people employed within forced labour practices, and it is embedded into New Zealand supply chains.<sup>4</sup> With 15.1 million, the Asia-Pacific region has the highest number of people in forced labour. This means that four out of every 1,000 people are victims of forced labour.<sup>5</sup> The lack of transparency within business' supply chains exposes consumers to the risk of unknowingly purchasing goods produced within such conditions, thus funding the continuation of modern slavery.

### Why do we need Modern Slavery legislation?

Many countries around the world have laws that require companies to report on the modern slavery risks in their supply chains. But New Zealand doesn't have anything like this, yet. With no requirements for companies to have transparent and traceable supply chains, it is extremely difficult for Kiwis to avoid buying risky goods. Businesses that make the effort to prevent slavery in their supply chains face stiff

<sup>1</sup> Home | Chocolate Scorecard

<sup>2</sup> <https://wvnzintegrationprod.blob.core.windows.net/pdf/WVNZ%20Risky%20Goods%202023%20Report-Final.pdf>

<sup>3</sup> Ibid.

<sup>4</sup> International Labour Organization, "Forced labour, modern slavery and human trafficking." Para.1

<sup>5</sup> World Vision, "Risky Goods." Para.3

competition from businesses that do not take these steps. With robust modern slavery legislation, people will have more assurance that the products they are purchasing are slavery-free.

A Modern Slavery Act will also mean companies are required to understand and address these risks and take actions to protect vulnerable people in their supply chains. A key requirement should also include public reporting on their progress.

## What's the hold up?

Despite the Government's public commitment to addressing this prevalent issue within New Zealand supply chains, we are still waiting for Modern Slavery legislation to be enacted.

In June 2021, Trade Aid and World Vision, supported by Tearfund presented a Modern Slavery Act Petition that collected over 37,000 signatures, as well as an open letter containing 85 company signatures. Both instruments called upon the government to implement legislation against Modern Slavery within New Zealand.<sup>6</sup> In September 2022, a consultation of the legislation was published with over 6,000 responses in favour of the introduction of legislation. The previous Government announced in July 2023 that a bill would be drafted - yet we are still waiting.

## Where to from here?

Tearfund recommends that the New Zealand Government takes action now and fulfils the promise made to introduce Modern Slavery legislation, making sure to take into consideration the feedback from the consultation when doing so.

The bar of business ethics is being raised, and we need to get on board before we're left behind. Tearfund have three recommendations regarding the essential elements of this legislation for it to meet its stated goals. We want to see legislation that;

1. Applies to international and domestic supply chains operating in Aotearoa New Zealand, to all entities of all sizes (small, medium and large businesses) and private and public sectors.
2. Provides for action, not just words. We support a due diligence law that requires entities to identify risks and cases of modern slavery and exploitation and take action to address what they find. From there, they should publicly report on those actions and the impacts they've had.
3. Includes penalties for non-compliance with the law. This will set the law up from the onset to create positive change and help create a level playing field for businesses.<sup>7</sup>

## Conclusion

It is evident from the Modern Slavery Act Petition, the open letter, and the feedback from the consultation, that the New Zealand public is supportive of the implementation of Modern Slavery Legislation within New Zealand. The government must uphold the commitments it has made to the New Zealand people in considering the introduction of Modern Slavery Legislation.<sup>8</sup> Tearfund urges that these commitments be met by formulating the feedback received from the consultation into the Modern Slavery Bill that should then be presented without delay to the New Zealand parliament.

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<sup>6</sup> Walk Free, "New Zealand businesses show leadership with support for a Modern Slavery Act." Para.1

<sup>7</sup> Why you should support a Modern Slavery Act in New Zealand - TFNZ - Tearfund NZ

<sup>8</sup> Ministry of Business, Innovation & Employment, Combatting Modern Forms of Slavery. P.14.