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Chocolat Stella Bernrain

**Human Rights and
Environmental Due
Diligence Report**

2023



CHOCOLAT STELLA BERNRAIN

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and Environmental
Due Diligence Report

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Dear Reader,

At Chocolat Stella Bernrain, we believe that sustainability is not just a responsibility, but a key part of who we are. For over 90 years, we have built our reputation as a Swiss chocolate maker by producing high-quality products, always with a focus on respect for people, the environment, and fair business practices. Today, this commitment is stronger than ever as we continue to integrate sustainability across every aspect of our operations.

This Human Rights Due Diligence report marks an important milestone for us. It reflects our dedication to protecting human rights throughout our supply chain, from the farmers who cultivate our raw materials to the teams working in our factories. We know that transparency is essential to achieving this goal, which is why we are proud to publish our first report, outlining the steps we have taken to assess, mitigate, and address human rights risks.



Monica Müller
CEO Chocolat Bernrain AG

We source a significant portion of our cocoa and other raw materials from Fairtrade and organic certified suppliers, and we continue to deepen our partnerships with cooperatives and organizations that share our values. At the same time, we are mindful of the complexities that come with producing in a globalized world. This report allows us to take stock of our progress while committing to continuous improvement.

Looking ahead, we will keep striving to meet the highest ethical standards, while fostering long-term partnerships that benefit all stakeholders—from the farmers and workers in our supply chains to our customers who trust our products. We invite you to explore this report and join us on this journey towards a more just, sustainable future.



Alessandra Alberti
CEO Chocolat Stella SA

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1. How we do business and policy statement

At Chocolat Stella Bernrain, sustainability is embedded in our core values and business model. Our commitment to human rights is reflected in our policy framework, which prioritizes ethical sourcing, respect for workers, and long-term partnerships. We align our operations with international standards to ensure the protection of human rights across our supply chains.

At Chocolat Stella Bernrain AG, sustainability and ethical sourcing is not just a recent initiative—it has been a core element of our identity for decades. As a pioneer in organic and Fairtrade chocolate, we have long recognized the importance of integrating social, environmental, and economic sustainability into every aspect of our business. From our production sites in Switzerland to our global supply chains, we have consistently worked to minimize our environmental footprint while upholding the highest social standards.

In recent years, we have further evolved our sustainability strategy to meet the growing demands of our stakeholders and to align with emerging global standards. This strategic focus is crucial not only for our continued success but also for reinforcing our role as a leader in sustainable business practices.

The publication of our first [Sustainability Report](#)¹ last year marked a significant milestone in our journey, providing transparency and insight into our initiatives aimed at enhancing social and ecological sustainability. We are actively engaged in processes that improve conditions not only at our own production sites but also throughout our supply chain.

Chocolat Stella Bernrain welcomes the recent legal developments regarding human rights and responsible business practices, both in Switzerland and across Europe. These regulations are essential steps toward elevating social standards industry-wide. We are fully committed to ensuring that transparency is maintained across all our processes, particularly in identifying and addressing potential human rights and environmental risks along our value chains.

Sustainability is deeply rooted in our corporate philosophy and permeates every level of our operations. Supported by our passionate employees and the unwavering commitment of our management, we are dedicated to shaping a sustainable future for the food industry. By fostering a responsible business environment, we aim to contribute positively to society and ensure that our practices reflect our long-standing values of fairness, quality, and sustainability.

1.1 Policy statement on human rights

Chocolat Stella Bernrain AG is fully committed to upholding human rights throughout our entire value chain. Our business practices are aligned with international standards such as the [UN Guiding Principles on Business and Human Rights \(UNGPR\)](#)², the [OECD Guidelines for Multinational Enterprises](#)³, and the [ILO conventions](#)⁴.

In response to recent legal developments, including Switzerland's [National Action Plan \(NAP\) Business and Human Rights](#)⁵ and the [VSoTr](#)⁶ which came into effect on January 1, 2023, we have reinforced our commitment to transparency and accountability in reporting our human rights practices. These regulations, alongside the [European directives](#)⁷, require companies like ours to assess, prevent, and mitigate human rights risks across all aspects of our business, from sourcing raw materials to final product distribution.

Our Code of Conduct sets clear expectations which our suppliers and ourselves in the areas of social responsibility, environmental stewardship, and ethical

¹www.swisschocolate.ch/en/engagement/sustainability

²UNGPR:<https://www.business-humanrights.org/en/big-issues/governing-business-human-rights/un-guiding-principles/>

³ mneguidelines.oecd.org/mneguidelines/

⁴ www.ilo.org/resource/ilo-conventions

⁵www.napbhr.admin.ch/napbhr/en/home/nap/nationaler_aktionsplan1.html

⁶ VSoTr: 221.443 (admin.ch)

⁷www.reuters.com/world/europe/eu-parliament-approves-new-business-supply-chain-audit-law-2024-04-24/ | EU CSDDD

business practices. All parties involved in our value chain must respect the fundamental rights of their workers, adhere to the prohibition of forced and child labor, ensure fair wages and working conditions, and promote gender equality. Additionally, suppliers must maintain safe and healthy working environments, support workers' rights to freedom of assembly, and establish effective grievance mechanisms.

On the environmental front, the code of conduct sets the expectation for continuous improvement of environmental performance, reducing greenhouse gas emission and the promotion of biodiversity and climate resilience. Ethically, all the actors in our value chain are required to operate with integrity, avoiding corruption, bribery, and any practices that could lead to conflicts of interest.

Chocolat Stella Bernrain AG is dedicated to maintaining the highest standards of human rights across our supply chain. We view this not only as a legal obligation but as a fundamental aspect of our corporate responsibility. Through our ongoing efforts, including collaborations with various certification bodies like Fairtrade Max Havelaar, we ensure that our products contribute to a more equitable and sustainable future for all.

1.2 Our approach to Human Rights and Environmental Due Diligence Reporting

To support companies in conducting comprehensive risk analyses, the Swiss chocolate industry association 'Chocosuisse' has developed a set of standardized guidelines for Human Rights and Environmental Due Diligence (HREDD). These guidelines, designed specifically for the chocolate industry, provide a solid foundation for assessing human rights and environmental risks. The development of these standards involved collaboration with individual companies, including Chocolat Stella Bernrain AG, and external sustainability consultants such as Focusright⁸ which are experts in business and human rights.

The focus of this industry-wide initiative is on the specific activities within the chocolate sector that have the most significant impacts on human rights and the environment. To effectively identify and prioritize risks along our supply chain, a standardized value chain framework has been established (figure 1). This framework allows us to systematically assess

the potential risks associated with our operations and those of our suppliers. Our HREDD process follows the steps outlined in figure 2. These steps are described hereafter.

Policy Statement

At Chocolat Stella Bernrain AG, our due diligence process begins with a policy statement where we demonstrate how we implement HREDD in our business practices.

Risk and Impact Assessment

The second step of our HREDD consists of a risk and impact assessment. We concentrate on the primary raw materials essential to our products, including cocoa, cocoa butter, hazelnuts, and vanilla. Additionally, we focus on the stages of the value chain that present the highest risks for human rights violations.

Our collaboration with Focusright has been instrumental in pinpointing the most critical steps within our supply chain. It is well-known that the highest risks for human rights violations often occur in the agricultural sectors of low-income economies, particularly in Africa, Latin America the middle east, where many of our raw materials are sourced, such as cocoa and hazelnuts. This risk and impact analysis focuses on specific country-raw material combinations.

To ensure the accuracy and relevance of our assessments, we utilize a variety of independent sources, including the [Fair Trade Risk Map](#)⁹ and [UNICEF's Child Labour Index](#)¹⁰. These resources help us to better understand the specific risks associated with different regions and materials, allowing us to prioritize our efforts accordingly.

Termination, Prevention & Mitigation of Negative Effects

Building on the findings from our risk and impact assessment, this section of the report outlines the strategies we employ to mitigate the identified risks. We detail the measures we take to address country-specific and raw material-specific risks, providing insights into our supply chains and how we work to eliminate or reduce potential human rights violations.

Integration into Our Business Approaches

We ensure that Human Rights and Environmental Due Diligence (HREDD) is integrated into our daily

⁸ www.focusright.ch/

⁹ riskmap.fairtrade.net/countries

¹⁰ data.unicef.org/topic/child-protection/child-labour/

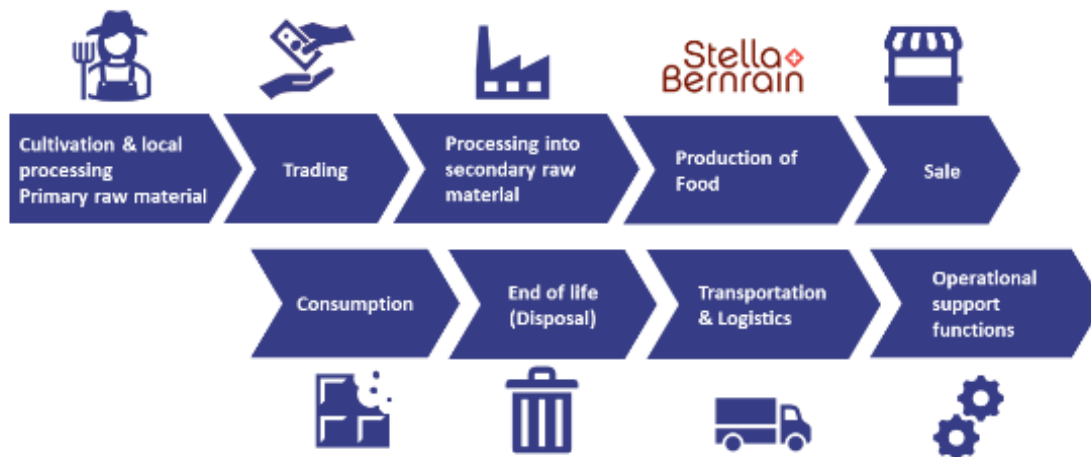


Figure 1 Value chain of the Swiss Chocolate industry (by Chocosuisse)

decision-making processes. This section demonstrates how HREDD principles are woven into the fabric of our business operations, influencing daily activities and decisions.

Monitoring and Communication

Transparency is key to our approach. In this section, we outline how we monitor human rights risks over time within our supply chain and how we communicate these risks and our mitigation efforts to stakeholders.

Grievance Mechanism & Remedy

Finally, we describe our approach to handling grievances and providing remedies. This includes the mechanisms we have in place for affected parties to raise concerns and how we address and resolve issues within our supply chain

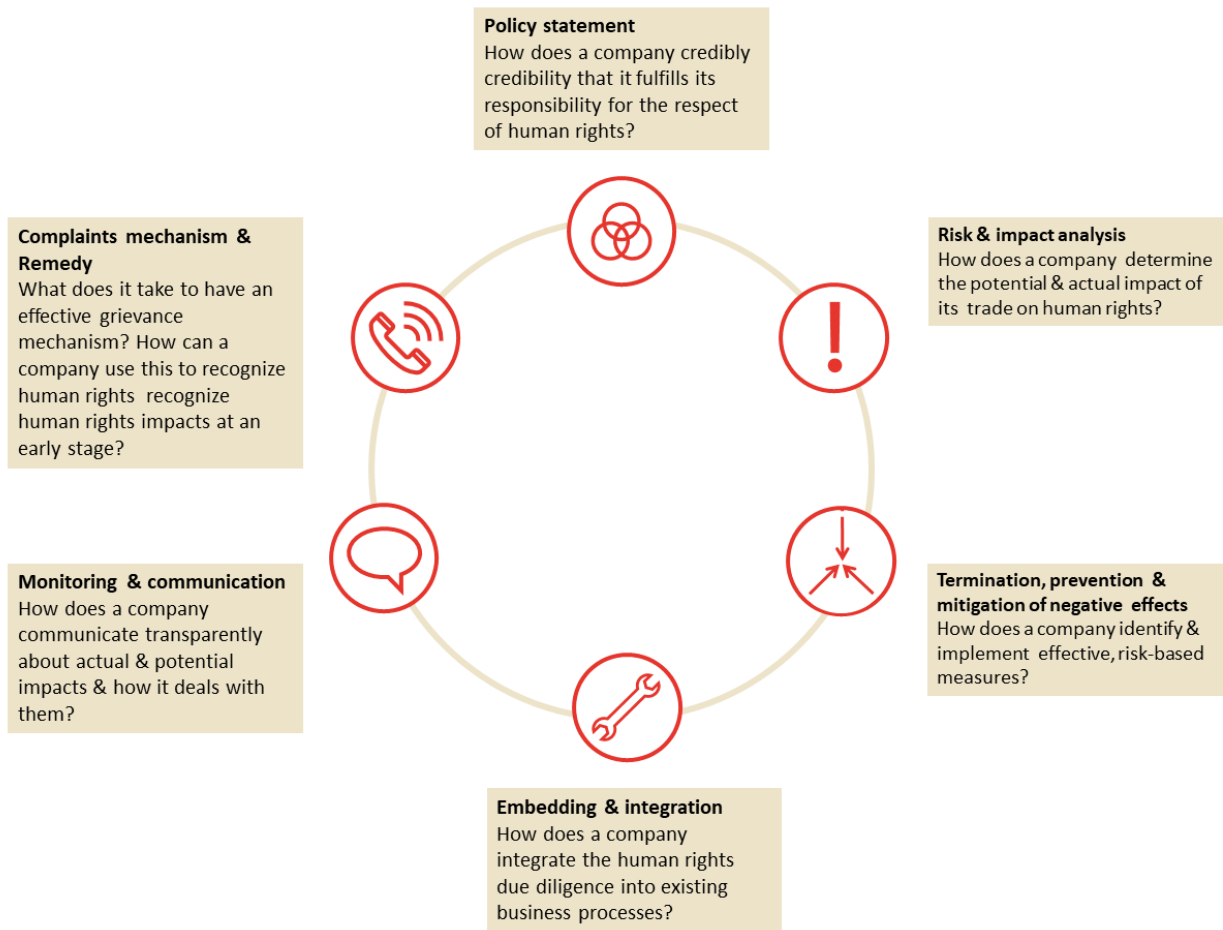


Figure 2 Procedure for preparing the human rights due diligence (based on focusright.ch)

2. Risk and Impact Assessment

Assessing human rights risks is fundamental to our approach. We conduct thorough evaluations of potential impacts in our supply chains, focusing on key issues such as fair wages, child labor, and working conditions. By understanding these risks, we are better equipped to take action and drive positive change.

At Chocolat Stella Bernrain AG, we source a wide range of raw materials globally, including key ingredients like cocoa, cocoa butter, vanilla, and hazelnuts. These materials form the basis of our high-quality products, and their procurement involves complex supply chains that span multiple countries and regions. Given the breadth and diversity of these supply chains, we recognize that our business relationships can sometimes pose significant challenges, particularly when sourcing from low-income countries. While these relationships create opportunities to improve living conditions and provide stable incomes for many, they also bring risks related to social and environmental issues.

One of the critical concerns within our supply chain is the potential for social injustices, especially in the cultivation, harvesting, and processing of raw materials such as cocoa and hazelnuts in certain countries. These activities can be associated with challenging working conditions and the risk of exploitative practices, including child labor. As a company committed to sustainability, it is imperative that we ensure social, ecological, and economic sustainability throughout our supply chains, regardless of the origin of the materials.

2.1 Key Human Rights Issues Assessed

To comprehensively address these concerns, we conducted a risk analysis focusing on ten salient human rights issues:

- Working Conditions / Working Hours
- Discrimination and Harassment
- Living Wages / Income
- Health and Safety at the Workplace
- Children's Rights / Child Labor
- Corruption & Bribery with Human Rights Impacts
- Land Rights & Rights of Local Communities (including Indigenous Peoples)
- Modern Slavery and Forced Labor

- Environmental Issues with Human Rights Impacts
- Freedom of Association and Collective Bargaining

The risk assessment of the salient human rights issues was based on severity and likelihood to identify the most important risks concerning human rights violations:

Severity: This includes the scale, scope, and irremediability of potential impacts.

Likelihood: The probability of these risks occurring, considering the nature of the business activities, the operating environment, the presence of vulnerable groups, the type of business relationships involved, and existing controls.

For this risk analysis different sources such as the Fair Trade Risk map, the Cocoa Barometer or UNICEF child labor statistics were consulted – to mention just a few.

2.2 Value Chain Analysis

We analyzed these risks across the entire value chain, covering stages from cultivation and local processing of primary raw materials to trading, secondary processing, food production, sales, consumption, end-of-life, transport and logistics, and operational support functions (figure 3).

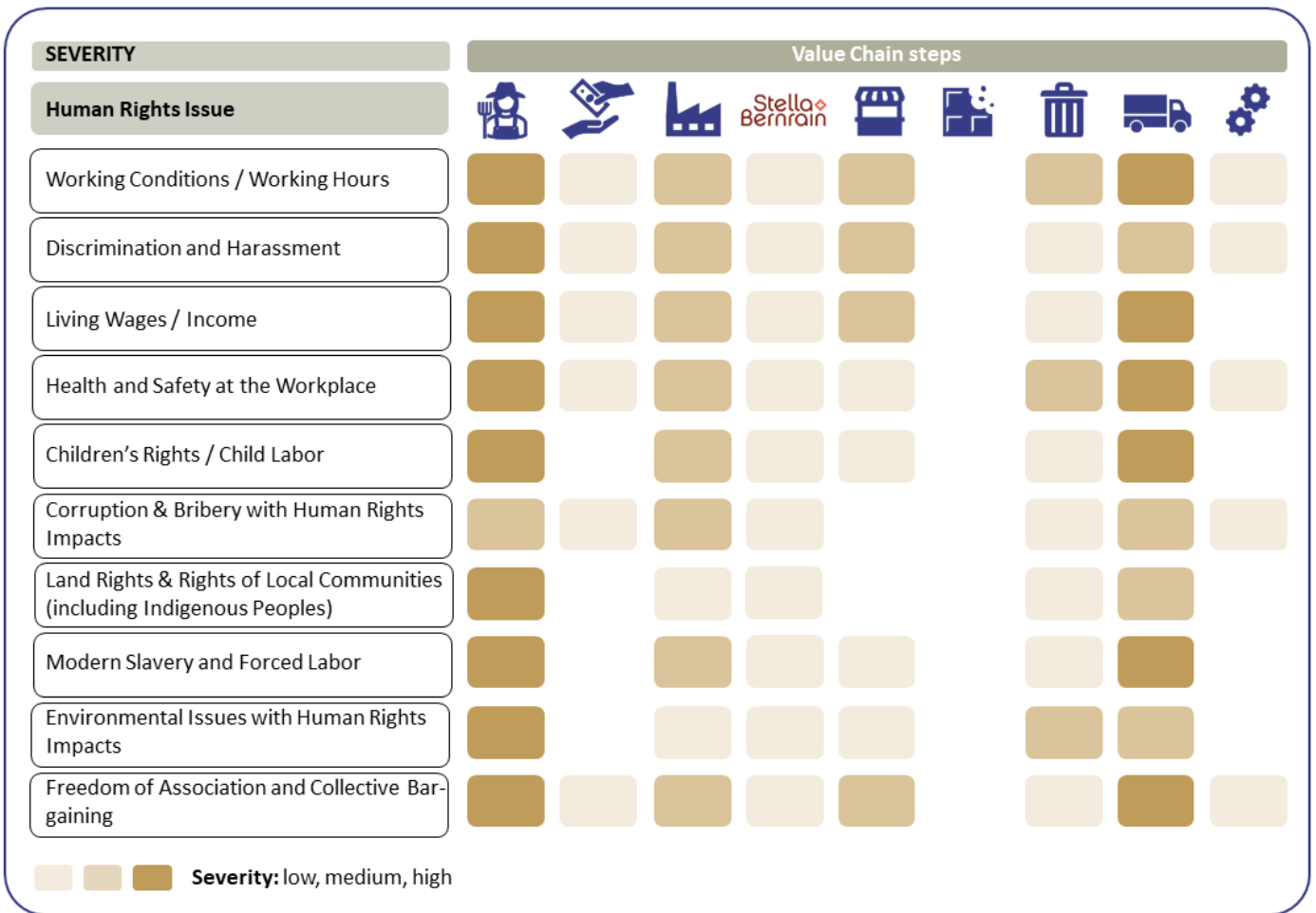


Figure 3 Heatmap showing the severity of potential human rights violations in the different value chain steps. For the explanation of the symbols refer to figure 1

Our analysis identified that the highest risks are concentrated in the initial stages of the value chain, particularly in the cultivation and local processing of primary raw materials. Secondary risks were noted in transportation, logistics, and the processing of these raw materials into secondary products.

Given this high-level analysis, our further risk assessments focus primarily on the cultivation and local processing of key raw materials. This stage represents the most significant potential for human rights violations and requires our closest attention.

2.3 Focus on high-risk materials

For Chocolat Stella Bernrain AG, the most critical raw materials in terms of human rights risks are cocoa (used for cocoa mass and butter), vanilla, and hazelnuts.

Cocoa: Approximately 80% of our cocoa and butter is sourced directly from farmer cooperatives that are Fair Trade and Organic certified. These cooperatives are primarily located in Ecuador, Peru, the Dominican Republic, and Bolivia, meaning most of our cocoa

comes from Latin America. For the remaining 20% of conventional cocoa, we work with traders importing from West Africa, specifically Ivory Coast and Ghana.

Hazelnuts: Turkey is our principal sourcing country for hazelnuts, where we focus on ensuring fair labor practices and preventing exploitation.

Vanilla: Sourced mainly from Madagascar, vanilla procurement involves close monitoring to address risks associated with labor conditions and environmental impacts.

For each country and raw material combination, we have developed detailed heatmaps to visualize the specific risks related to the ten salient human rights issues. These heatmaps are included in the report to provide transparency and guide our ongoing efforts to mitigate these risks.

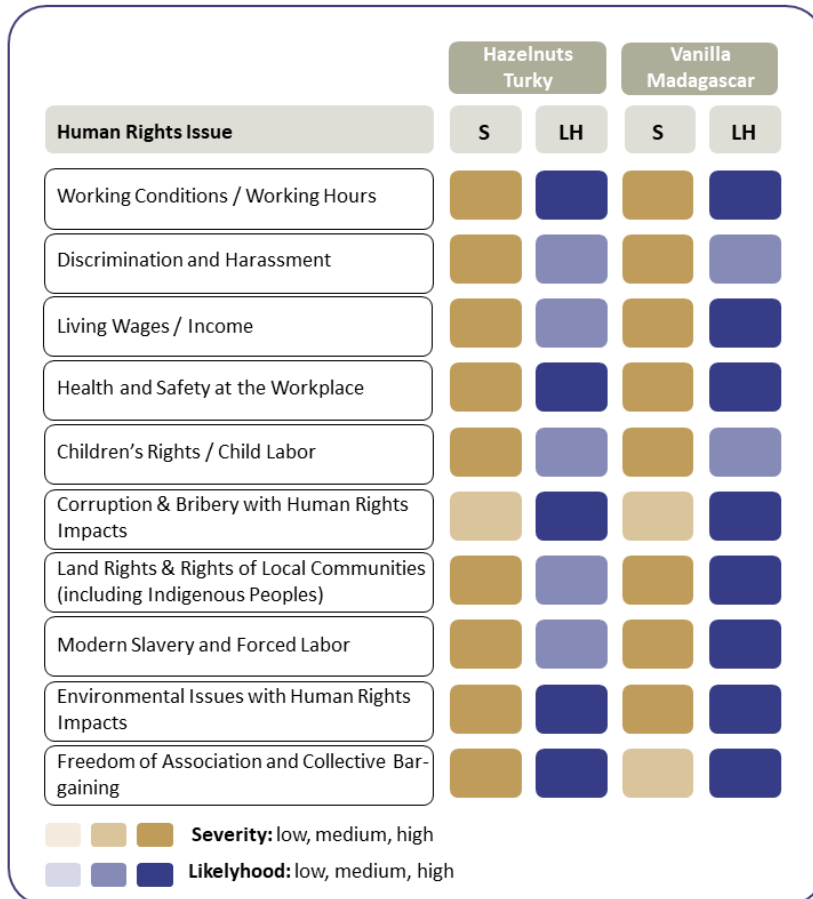


Figure 4 Heatmap for severity and likelihood of human rights violation in the value chain step one (Cultivation and local processing of raw material) for Hazelnuts from Turkey and Vanilla from Madagascar

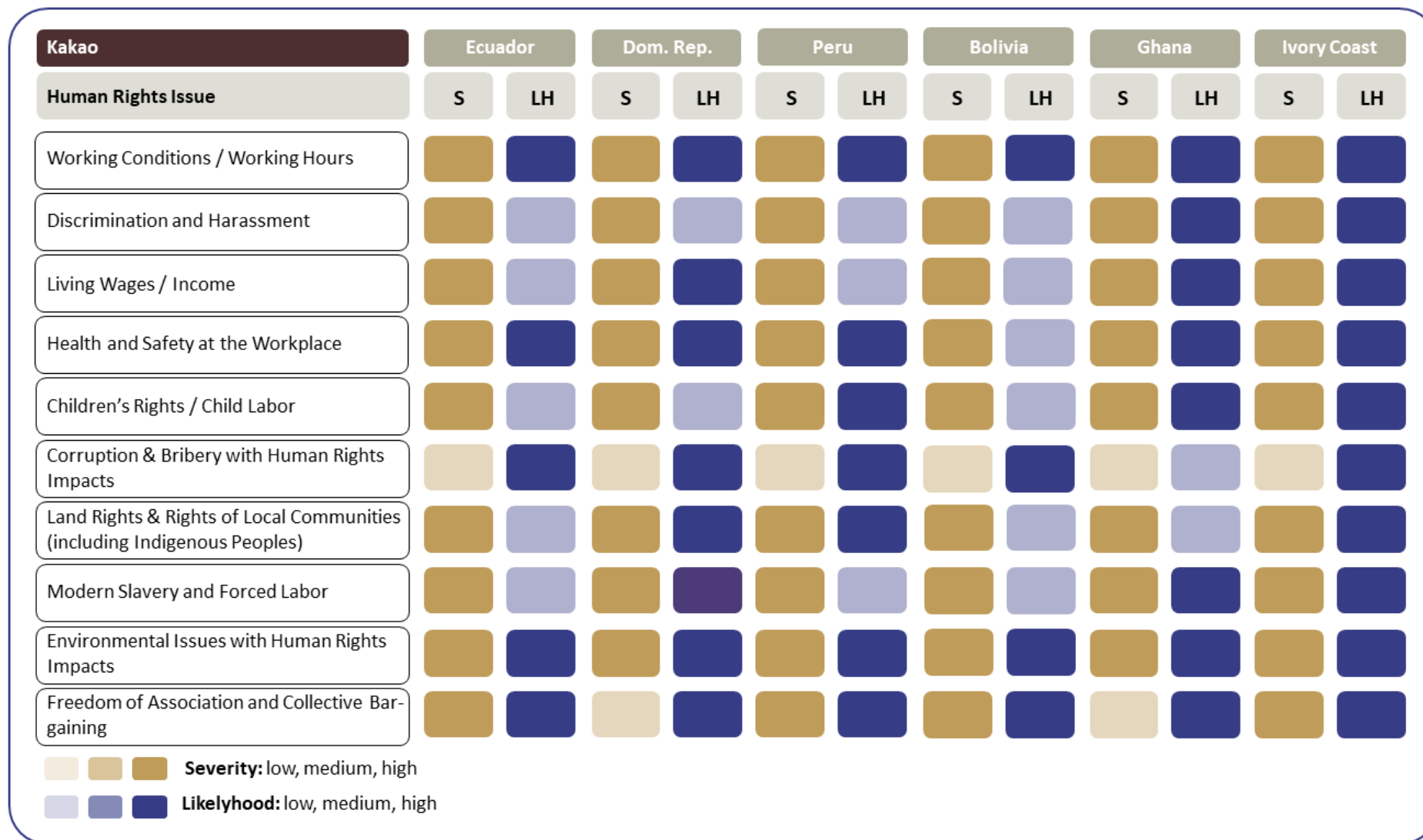


Figure 5 Heatmap for severity and likelihood of human rights violation in the value chain step one (Cultivation and local processing of raw material) for cocoa in different countries

2.4 Direct impact on human rights

Our risk assessment has highlighted several critical human rights issues in the cultivation and processing of cocoa, hazelnuts, and vanilla—our primary raw materials. These risks are particularly pronounced in the countries from which we source these materials, especially in Latin America, Turkey, and Madagascar. Hereafter we discuss the human rights issues for our main sourcing regions in Latin America (Cocoa), Turkey (Hazelnuts) and Madagascar (Vanilla). Risk Assessment for Cocoa from West Africa is provided by our supplier of conventional cocoa ECOM.

2.4.1 Cocoa (Latin America)

The following human rights issues are discussed as they have a pronounced relevance for the small holder structures of the cocoa sourcing regions we source from.

Working Conditions and Health & Safety: In Latin America, especially in Ecuador, Peru, Bolivia and the Dominican Republic, cocoa farming is marked by challenging working conditions and significant health and safety risks. Workers, many of whom are self-employed farmers, often face long hours without formal employment contracts. The lack of formal employment exacerbates the risks, as these workers, including vulnerable groups such as migrant laborers and poor farmers do not have access to the protections typically afforded by formal employment, leading to systemic issues with poor working conditions. The work itself is physically demanding and often involves the use of hazardous chemicals and tools without adequate safety measures, leading to severe health risks. The agricultural sector in these regions, including cocoa farming, is recognized as one of the most dangerous, with high rates of accidents and exposure to harmful substances. In the Dominican Republic, where a significant portion of the labor force is informal and includes many migrant workers, these issues are even more pronounced, contributing to a high likelihood of work-related injuries and illnesses. The severity of these risks is compounded by the lack of safety regulations and oversight, making health damages potentially irreversible.

Living Wages/ Income: In Latin America, the risk of cocoa farmers and workers earning less than a living wage is particularly high. In Ecuador and Peru, while these countries have some of the highest minimum wages in the region, a significant portion of agricultural workers still earn below the living income. This has broad implications for other human rights, as insufficient income impacts access to essential needs like education and healthcare. In the Dominican

Republic, the situation is even more severe, with lower wage levels in agriculture presenting significant challenges to securing a living wage, which in turn exacerbates other human rights issues. Despite the relatively higher minimum wages in Ecuador and Peru, systemic wage issues persist, with nearly half of the producers in Ecuador and many in Peru still not reaching a living income.

Children's Rights and Modern Slavery: The cocoa sector in Latin America faces significant risks related to both child labor and modern slavery. In Peru, Bolivia and Ecuador, children are often involved in the labor-intensive processes of cocoa farming, which deprives them of their right to education and exposes them to hazardous working conditions. Additionally, the agricultural sector in these countries is recognized as high-risk for modern slavery due to the demanding nature of the work and challenging living conditions. Although the likelihood of modern slavery in Peru, Bolivia and Ecuador is moderate, as reflected in the Global Slavery Index, the impacts are severe, with health damages that can be significant. In the Dominican Republic, the risks are further exacerbated by a large informal labor sector, the prevalence of migrant workers, leading to a higher likelihood of both child labor and modern slavery, including documented cases of human trafficking.

Land Rights present significant challenges in the cocoa sector across Latin America. In the Dominican Republic, a substantial number of smallholder farmers lack formal land ownership, making them vulnerable to displacement and loss of livelihood. The likelihood of such violations is high, with documented cases of land rights restrictions. In Ecuador, and Bolivia the risk is similarly severe, particularly for indigenous communities and small farmers, where large-scale agricultural expansion can lead to land seizures and restricted access to resources. Although the probability of such violations is moderate, their impact is considerable, affecting the quality of life. In Peru the Legal Security of Indigenous Lands Index shows a low risk. Nevertheless, there are many documented cases of land grabbing leading to high likelihood of land rights violation in Peru.

2.4.2 Hazelnuts (Turkey):

The production of hazelnuts in Turkey presents several high-risk areas for human rights violations, particularly concerning working conditions, health and safety, living wages, children's rights, modern slavery, land rights, and freedom of association.

Working Conditions and Health & Safety: In Turkey, the working conditions in the hazelnut sector are

notably severe, with high workloads, long hours, and inadequate infrastructure, especially for the large population of Syrian refugees who work alongside their families in these farms. The physical demands and extended hours, often involving seven-day workweeks, significantly impact the workers' health. The likelihood of health and safety incidents is also high, with many workers facing hazardous conditions, including accidents related to the use of tools and exposure to pesticides. The consequences of these risks can range from mild to severe health issues, some of which may not be fully recoverable.

Living Wages/ Income: Many workers in the Turkish hazelnut industry, particularly vulnerable groups such as refugees, women, and children, receive wages far below the living wage. This economic shortfall has broader implications for their ability to access basic needs and services, impacting their overall quality of life. The documented cases of inadequate wages underscore the systemic nature of this issue, particularly among the refugee workforces.

Children's Rights and Modern Slavery: The use of child labor in the hazelnut sector is a significant concern, with children from refugee families often working in hazardous conditions that impede their education and development. These children, alongside other vulnerable groups, are at a high risk of exploitation, which extends to modern slavery, where difficult living conditions and lack of protection contribute to the exploitation of migrant workers. The occurrence of modern slavery, particularly among refugees, is well-documented, reflecting the sector's systemic issues.

Land Rights: In Turkey, land rights issues in the hazelnut sector mainly affect local communities and migrant workers, who face significant barriers to accessing essential infrastructure and services. The widespread impact on various ethnic groups and migrant workers makes this a critical area of concern. Although some of these issues may be legally addressed, the restrictions on access to land and resources continue to pose a substantial risk.

Freedom of Association: The right to freedom of association is severely compromised in Turkey's hazelnut sector, particularly for migrant workers. The high proportion of informal labor arrangements, coupled with restrictive legal frameworks, makes it difficult for workers to organize and advocate for their rights.

Overall, the Turkish hazelnut industry is fraught with human rights risks, especially for vulnerable populations like refugees and migrant workers. These risks underscore the need for significant improvements in

labor conditions, legal protections, and access to resources for those working in this sector.

2.4.3 Vanilla (Madagascar)

Working Conditions and Health & Safety: In Madagascar's vanilla sector, the working conditions are notably harsh, with 95% of workers operating within the informal sector. The labor is physically demanding, involving long hours and minimal regulatory oversight. This situation is exacerbated by the lack of formal employment contracts, which leaves workers vulnerable to exploitation and without adequate labor protections. Health and safety risks are high due to the intensive and hazardous nature of the work, including the use of dangerous tools and exposure to unsafe working environments. Reports indicate a high frequency of workplace accidents, with around 20,000 incidents annually. The lack of enforced safety measures in this largely informal sector means that injuries can have severe, often irreversible, consequences.

Discrimination and Harassment: Discrimination, particularly based on gender and ethnicity, is a significant issue in Madagascar's vanilla industry. Women and indigenous communities face substantial barriers in accessing land, financing, and equal pay. These inequalities are deeply entrenched, contributing to a high risk of discrimination and harassment in the sector.

Living Wages/Income: A significant portion of Madagascar's population, including 80% who are small-scale farmers, lives below the poverty line. This widespread poverty results in inadequate living standards and limited access to essential services. The high prevalence of vanilla theft exacerbates the economic vulnerability of these farmers and workers, making the issue of living wages a critical concern in the vanilla industry.

Children's Rights and Modern Slavery: The use of child labor and instances of modern slavery are pervasive in Madagascar's vanilla industry. Many children are involved in the physically demanding work of vanilla farming, particularly in unregulated family-run operations. This not only deprives them of education but also subjects them to hazardous conditions. The issue of modern slavery is further compounded by challenging living conditions and the prevalence of debt bondage, especially within the informal labor sector. These risks are well-documented, with the Global Slavery Index highlighting the severe impact on vulnerable groups in Madagascar.

Land Rights: Land rights are a significant concern in the vanilla industry in Madagascar. The production of vanilla often requires large tracts of land, leading to the risk of land dispossession and the infringement of the rights of local and indigenous communities as well as small-scale farmers. Many farmers lack formal land titles, making them particularly vulnerable to land grabs and restrictions that can severely limit their livelihoods. Although financial restitution for such losses is theoretically possible, the impact on quality of life and community stability can be profound. The high likelihood of these issues is underscored by the LandMark Index, which highlights the precarious nature of land tenure in the region.

2.4.4 Impacts on Human Rights via Environmental Pollution

A secure, clean, healthy, and sustainable environment is a fundamental human right that can be significantly threatened by the environmental impacts of business activities. Environmental degradation—including deforestation, biodiversity loss, and pollution of natural resources—has far-reaching consequences on human rights.

In our supply chains, the most prominent environmental risks occur during the cultivation of raw materials, production of packaging materials, and logistics. The production of cocoa, for instance, is associated with significant CO₂ emissions and deforestation, particularly in West Africa and Latin America. In Ecuador, widespread land degradation due to deforestation and the intensive use of pesticides severely impacts smallholder farmers, reducing productivity and income. Similarly, in Peru, the cocoa industry's high deforestation rates further exacerbate climate change impacts, leading to decreased productivity and greater economic insecurity for farmers. In the Dominican Republic, the combination of geographic vulnerabilities, climate change, and intensive farming practices threatens crop yields and livelihoods, with significant risks to the environmental health of affected communities.

In Turkey's hazelnut production, monoculture farming and pesticide use pose substantial risks to biodiversity. The environmental impact of these practices is significant, affecting local communities and those reliant on hazelnut farming. In Madagascar, the expansion of vanilla cultivation has led to illegal deforestation and biodiversity loss, threatening the livelihoods of local and indigenous populations. The irreversible nature of these environmental damages underscores the critical need for sustainable practices.

Climate change also indirectly threatens human rights by altering the conditions under which these crops are grown, potentially leading to food insecurity, loss of livelihoods, and forced migration. As temperatures rise, the regions suitable for growing these crops may shift, reducing the income and food security of those who rely on agriculture. The high likelihood and severe impact of environmental degradation across these regions highlight the urgent need to address these issues in our supply chains.

2.4.5 Conclusion

This risk assessment has provided a high-level analysis based on the country and commodity combinations relevant to our supply chain. It is important to note that this analysis does not delve into the specifics of our individual supply chains due to constraints in data availability and resources. However, the identified risks highlight areas where we must focus our efforts to prevent and mitigate human rights violations.

In the next chapter, we will discuss the steps we take to address these risks, including our work with certification organizations, multi-stakeholder platforms, and targeted projects. These initiatives aim to not only reduce the risk of human rights violations but also to proactively prevent negative impacts, ensuring that our supply chains contribute to the well-being of all stakeholders involved.

3. Termination, prevention & mitigation of negative effects

We work actively to mitigate human rights risks through direct sourcing, close relationships with suppliers, and engagement in local projects. Our efforts are focused on preventing violations and improving working conditions across our supply chains. Initiatives like the Happy Hazelnut Project and agroforestry projects exemplify our commitment to sustainability and human rights.

At Chocolat Stella Bernrain, we believe that responsible sourcing is not just about minimizing risk but actively creating positive change in the communities from which we source. Our direct relationships with cooperatives, involvement in sustainability projects, and collaborations with certification bodies allow us to address and mitigate human rights risks effectively. By integrating prevention strategies and partnering with organizations that prioritize ethical practices, we ensure our supply chain is both transparent and socially responsible.

3.1 Direct sourcing and close relationships with cooperatives

A key component of our strategy to mitigate human rights risks in our supply chain is our direct sourcing model and the strong, long-term relationships we maintain with our suppliers, particularly smallholder cooperatives in Latin America. For about 75% of our cocoa that is both Fairtrade and organic certified, we primarily source directly from these cooperatives or through medium-sized traders who specialize in Fairtrade and organic raw materials. These traders also maintain direct relationships with smallholder cooperatives.

Our longstanding partnerships with these cooperatives are built on mutual trust and transparency. Regular visits to the cooperatives and open exchanges with their members allow us to understand the challenges they face and the successes they achieve. This direct communication not only strengthens our relationships but also provides us with valuable insights into the working conditions, health and safety measures, and broader social issues within the communities where our cocoa is grown.

These cooperatives are democratically organized, with their boards of directors elected by the farmers who own the organization. This governance structure empowers the farmers to influence the

development of their cocoa business, decide on the kind of support they need, and determine how the premiums and financial profits of their organization are invested. Investments often go towards improving infrastructure, such as building schools, enhancing post-harvest processing facilities, or upgrading roads. This autonomy in decision-making helps to address local needs directly and effectively, contributing to the sustainability of the communities.

By working closely with these cooperatives, we mitigate several of the human rights risks identified in our previous assessment. The democratic structure and fairtrade certification of these cooperatives help to ensure that workers are paid fair wages, which directly addresses the issue of living wages. The cooperatives' control over their financial investments also supports improvements in working conditions and health and safety standards, reducing the risks associated with hazardous labor.

This direct sourcing model not only enhances transparency but also allows us to maintain a deep understanding of the human rights risks within our supply chains. This understanding is crucial for developing targeted interventions and ensuring that our sourcing practices contribute positively to the communities involved.

3.2 Projects in Our Supply Chain and Sourcing Areas

Our close collaboration with suppliers is key to our ability to engage in impactful projects that strengthen sustainability and human rights within our supply chains. By building strong, long-term partnerships, we can work directly with suppliers to implement initiatives that address critical issues such as working conditions, environmental protection, and the prevention of human rights violations.

3.2.1 Happy Hazelnut Project



Through our partnership with Yourharvest, Chocolat Stella Bernrain is actively involved in the Happy Hazelnut Project in Turkey, a significant initiative aimed at improving the human rights conditions in the hazelnut supply chain. This project, implemented by Yourharvest in collaboration with Işık Tarım, focuses on enhancing the working and living conditions of migrant workers who play a crucial role during the hazelnut harvest.

The Happy Hazelnut Project addresses several key human rights risks identified in our earlier assessments:

1. Transparent Sourcing: The project ensures that all hazelnuts can be traced back to the individual farmers who grew them. This transparency is crucial for maintaining accountability and ensuring that the hazelnuts are produced under fair and ethical conditions.

2. Child Labor Prevention: A core component of the project is the provision of childcare and summer schooling at the "Happy House" for the children of migrant workers. This initiative directly combats the risk of child labor by ensuring that children are engaged in safe and educational activities while their parents work.

3. Improved Working Conditions: The project guarantees decent accommodations for migrant workers, which include adequate sanitary facilities and cooking areas. By providing proper housing and ensuring compliance with the Happy Hazelnut Standard, the project significantly improves the living and working conditions of these vulnerable workers.

4. Environmental Sustainability: The project promotes organic farming practices and good agricultural standards to protect the environment. This not only supports the health and safety of workers but also ensures the long-term sustainability of hazelnut farming in the region.

5. Community Engagement and Empowerment: The project includes regular training sessions for hazelnut farmers, helping them adopt better farming practices and comply with social and environmental standards. This training is supported by pre-financing options, which help farmers cover their production costs, thereby reducing economic pressure and the risk of exploitation.

By focusing on these areas, the Happy Hazelnut Project effectively reduces and prevents human rights

violations within the hazelnut supply chain. Through close collaboration with our suppliers and the communities involved, we are able to foster a more ethical and sustainable supply chain that aligns with our commitment to human rights and environmental stewardship.

3.2.2 Cocoa, Trees, and Climate Action Project

The "Cocoa, Trees, and Climate Action" project, in collaboration with the Norandino cooperative in Peru, is a key initiative aimed at enhancing the sustainability and resilience of cocoa farming through agroforestry. This project focuses on three main objectives: diversifying cocoa production systems, increasing climate resilience, and supporting farmers in boosting their income.

The introduction of agroforestry techniques not only contributes to biodiversity and carbon sequestration but also strengthens the resilience of cocoa farms to climate change, ensuring long-term viability. This is crucial for securing the livelihoods of farmers and protecting their right to an adequate standard of living. Key Project Aspect are:

1. Climate Resilience and Adaptation: Through education, cocoa seedlings, and financial incentives, the project supports farmers in adopting climate-smart cultivation methods. This reduces the risks associated with environmental degradation, which can lead to loss of livelihoods, thereby securing farmers' rights to a stable income and food security.

2. Economic Empowerment: By improving cocoa quality and implementing post-harvest processing techniques, farmers can achieve better market prices, directly contributing to their financial stability. This is particularly important for ensuring a living income. In addition, centralized post-harvest processes reduces the workload of farmers.

3. Gender Equity: The project also emphasizes gender equality by conducting workshops and leadership training for women and youth. This focus on empowering women helps reduce societal gaps and promotes equitable opportunities, contributing to the broader human right to non-discrimination.

4. Sustainability and Scalability: The innovative use of advanced monitoring techniques and the focus on scalable, sustainable innovations within the cocoa value chain further enhance the project's impact. By ensuring that these practices can be expanded and replicated. Through these efforts, the "Cocoa, Trees, and Climate Action" project not only supports

environmental sustainability but also addresses critical human rights issues, ensuring that the benefits of sustainable cocoa farming are shared equitably among all stakeholders.

Found out more about the project [on our website](#)¹¹.

3.2.3 Sustainable Cocoa Sourcing Landscapes 2.0 in San Martín, Peru

The "[Sustainable Cocoa Sourcing Landscapes 2.0](#)"¹² project in the San Martín region of Peru aims to create deforestation-free, sustainably managed landscapes while improving the livelihoods of local cocoa farmers. This initiative is a collaboration between various stakeholders, including cocoa exporters, manufacturers, cooperatives, and specialized organizations, all working together to address deforestation, chemical contamination, and climate resilience in cocoa production.

Key Objectives:

1. Deforestation-Free Landscapes: The project seeks to prevent deforestation by promoting sustainable and climate-resilient cocoa production systems. This includes the adoption of agroforestry practices that enhance biodiversity, improve productivity, and mitigate environmental impacts.

2. Multi-Stakeholder Collaboration: The project establishes and revitalizes multi-stakeholder roundtables in three provinces to coordinate efforts at the landscape level. These roundtables bring together local, regional, national, and international actors to align on goals and actions.

3. Enhanced Traceability and Compliance: The project will develop digital tools to improve traceability and compliance with EU directives, such as the Regulation on Deforestation-free Products (EUDR). This includes piloting digital solutions like traceability systems and mobile money to support sustainable practices among smallholder farmers.

4. Sustainable Livelihoods: By promoting good agricultural practices and providing support for transitioning to deforestation-free production, the project aims to increase the income and climate resilience of farmers. This is crucial for ensuring a living income and long-term sustainability.

Expected Outcomes:

- A collaboratively managed cocoa sourcing landscape focused on green growth and zero emissions.
- Enhanced productivity and sales for farmers through sustainable and deforestation-free practices.
- Recognition and support for landscape management models at regional and national levels, ensuring lasting impact beyond the project's duration.

Through these efforts, the project aims to create a sustainable cocoa sourcing area in San Martín, setting a model for other regions and commodities.

3.3 Labels and cooperation with organizations

Fairtrade and organic certification are deeply embedded in our company's DNA, reflecting our pioneering role in the development of Fairtrade and organic chocolate production in Europe. Our commitment to these standards began in the early 1990s, starting with a collaboration with OS3, now known as Claro Fairtrade AG, to develop one of the first Fairtrade chocolates using cocoa from the smallholder cooperative El Ceibo in Bolivia and sugar from the Alter Trade cooperative in the Philippines.

Today, approximately 75% of the cocoa mass and butter processed in our facilities are Fairtrade and organic certified, showcasing our commitment to high ethical standards and sustainable practices. All conventional cocoa products (ca. 25%) are Rainforest Alliance certified, and we also offer a range of Demeter (biodynamic) certified cocoa products.

Our collaboration with Fair Trade Max Havelaar Switzerland ensures that all actors in our value chain actively work to mitigate and prevent human rights risks. Together with Fairtrade and FLOCERT, we participate in innovative projects like pilot studies aimed at improving supply chain dialogues on Human Rights Due Diligence (HREDD) to achieve tangible improvements in human rights across our supply chain.

¹¹www.swisschocolate.ch/en/engagement/sustainability

¹²www.kakaoplattform.ch/what-we-do/projects/detail/sustainable-cocoa-sourcing-landscape-20

In 2010 together with all the other Chocosuisse members we signed the Industry code of conduct for sustainable cocoa sourcing¹³

As a member of the Swiss Platform for Sustainable Cocoa (SWISSCO), we engage with industry partners, the public sector, NGOs, and research institutions to enhance the living conditions of cocoa farmers, conserve natural resources, and promote biodiversity in cocoa-producing regions. Our involvement in SWISSCO exemplifies our dedication to participatory, partnership-driven, and transparent practices that contribute to a sustainable cocoa value chain.

This strategic approach not only strengthens our position as a leader in ethical chocolate production but also ensures that our practices align with global sustainability and human rights standards, fostering improvements that benefit current and future generations.

3.3.1 Fair Trade



Fairtrade plays a significant role in mitigating human rights violations in global supply chains by focusing on a rights-based approach and building the capacity of farmers, workers, and organizations to address the root causes of issues such as poor wages, child labor, and unsafe working conditions. Below are the keyways Fairtrade reduces human rights risks:

1. Empowerment of Farmers and Workers: Fairtrade strengthens smallholder farmers' cooperatives by improving organizational capacity, promoting democracy, and increasing farmers' representation in decision-making processes. Training on human rights, including the right to a safe work environment, fair wages, and collective bargaining, equips workers with the knowledge to protect and assert their rights. This empowerment helps workers gain a stronger voice in supply chains, improving their ability to negotiate better working conditions and address grievances, thereby reducing the risk of exploitation.

2. Economic Benefits: Fairtrade certification ensures that farmers receive a Fairtrade Minimum Price and a Fairtrade Premium, which contributes to better livelihoods and improved working conditions. By fostering long-term relationships and providing financial stability, Fairtrade helps reduce risks associated with poverty, which is often a root cause of child labor and forced labor. This financial support is crucial in high-

risk sectors like cocoa, where low incomes often lead to human rights abuses.

3. Living Income and Living Wages: Fairtrade's commitment to living wages and incomes is critical in addressing human rights violations such as child labor and forced labor, which are often tied to poverty. Fairtrade collaborates with governments and companies to implement Living Income Reference Prices, which set benchmarks for fair earnings. This system helps ensure that farmers and workers earn a dignified living, covering essentials such as food, housing, education, and healthcare.

4. Child Labor and Forced Labor Monitoring: Fairtrade has developed innovative systems like the Youth Inclusive Community-Based Monitoring and Remediation (YICBMR) system, which enables local communities to monitor, identify, and address child labor and forced labor. This bottom-up approach involves young people in data collection and helps ensure that risks are detected early and dealt with effectively.

5. Capacity Building for Best Agricultural Practices and Environmental Compliance: Fairtrade provides extensive training on sustainable and climate-smart agricultural practices, ensuring farmers are equipped to enhance productivity while complying with environmental regulations. By promoting techniques such as organic farming, agroforestry, and the reduction of pesticide use, Fairtrade fosters environmentally friendly production methods. This approach not only contributes to sustainability but also strengthens the resilience of farmers' livelihoods against climate change and environmental degradation, indirectly safeguarding human rights by ensuring sustainable incomes.

6. Grievance Mechanisms: Fairtrade mandates the establishment of grievance mechanisms within certified organizations, allowing workers to raise concerns without fear of retaliation. This is crucial in promoting accountability and ensuring that human rights violations are reported and addressed. Additionally, the FLOCERT auditing system ensures ongoing compliance with Fairtrade standards, providing an external mechanism for monitoring and improving human rights conditions.

7. Collaboration for Broader Impact: Fairtrade advocates for stronger human rights and environmental due diligence (HREDD) regulations, working alongside governments, businesses, and civil society to

¹³ www.chocosuisse.ch/themen/nachhaltigkeit

promote fair trade practices and legal compliance. Fairtrade also supports multi-stakeholder initiatives, creating partnerships that extend beyond certification to drive systemic changes in industries prone to human rights abuses.

More information about Fair Trade and Human Rights you find [here](#)¹⁴

3.4 Organic agricultural

A significant portion of our raw materials—around 75%—are sourced from organically certified producers. Organic farming plays a critical role in reducing human rights risks throughout our supply chain by promoting health, sustainability, fairness, and community participation. Below are the keyways in which organic certification contributes to mitigating human rights violations:

1. Health and Safety: Organic farming strictly prohibits the use of synthetic pesticides and fertilizers, which are commonly associated with health hazards for farm workers and surrounding communities. By eliminating exposure to these harmful chemicals, organic certification significantly reduces health risks, contributing to safer working environments. This protection is particularly important in regions where regulatory oversight of chemical use is limited, ensuring that workers and communities are not subjected to dangerous conditions.



Figure 6 Our certifications for organic production

2. Environmental Sustainability: Organic farming methods prioritize biodiversity, soil health, and the reduction of pollution, contributing to a healthier environment, a basis for many human rights. The renunciation of synthetic fertilizers in organic farming not only protects soil and water resources but also plays a critical role in climate mitigation. The production of synthetic nitrogen fertilizers is associated

with high greenhouse gas emissions, and their exclusion helps reduce the carbon footprint of agricultural systems. By promoting practices such as crop rotation and natural soil enrichment, organic farming actively supports efforts to combat climate change while safeguarding the right to a clean and sustainable environment.

3. Fairness and Equity: One of the core principles of organic agriculture is fairness, which includes equitable relationships between farmers, workers, and consumers. Organic certification often ensures fair wages, ethical working conditions, and more inclusive labor practices, thereby addressing human rights risks related to labor exploitation, underpayment, and poor working conditions. This alignment with human rights principles helps safeguard workers' rights and supports fair trade relationships within the supply chain.

4. Food Security: By promoting agricultural systems that are more resilient to climate change and other environmental stresses, organic farming contributes to long-term food security. This resilience ensures a more stable food supply and income for farmers, protecting their right to adequate food. Organic farming practices, which emphasize soil fertility and water management, are essential in regions vulnerable to environmental degradation and climate variability.

5. Empowerment and Participation: Organic farming frequently involves local communities in decision-making processes, empowering them to take control of their food systems and livelihoods. By giving smallholder farmers a say in how their land is managed and how production systems are developed, organic certification fosters greater participation and self-determination, reducing the risks of marginalization and exploitation. This empowerment aligns with human rights goals of participation and agency for workers and farmers in the agricultural sector.

In sum, organic certification not only promotes environmental stewardship but also contributes to broader human rights objectives such as the right to health, fair labor practices, and food security. For more information refer to the [organic principles](#)¹⁵ explained by IFOAM – Organics International.

¹⁴ <https://www.fairtrade.net/library/how-does-fairtrade-mitigate-violations-in-global-supply-chains>

¹⁵ www.ifoam.bio/why-organic/shaping-agriculture/four-principles-organic

3.4.1 Rainforest Alliance



ra.org

Even though organic and Fairtrade procurement make up the majority of our raw materials, no more than 25% of our cocoa mass and butter needs are sourced as conventional cocoa. Importantly, all of our conventional cocoa is Rainforest Alliance certified.

This certification ensures that sustainable agricultural practices are applied, focusing on boosting farmers' productivity and tackling critical issues such as child labor, poverty, and deforestation.

The Rainforest Alliance certification is crucial in addressing the socio-economic challenges faced by cocoa farmers, particularly in West Africa, where about 70% of the world's cocoa is grown. Many farmers live in extreme poverty, earning less than \$2.15 per day. This poverty often forces families to involve children in farm work or encroach on protected forest areas to find fertile land. Rainforest Alliance works with almost one million farmers, helping them improve their livelihoods and climate resilience through sustainable practices and robust interventions.

1. Assess-and-Address Approach: The Rainforest Alliance's strategy empowers farmers and cooperatives to monitor, assess, and remediate risks related to human rights, including child labor, forced labor, and discrimination. This proactive approach ensures ongoing prevention and immediate responses to human rights violations.

2. Poverty Alleviation: Certification contributes to poverty reduction by helping farmers improve yields and income. The Africa Cocoa Fund, providing US \$5 million in support, helps farmers in West and Central Africa meet certification standards, addressing poverty and improving economic stability.

3. Training and Remediation: Farmers receive comprehensive training, not only on agricultural practices but also on human rights issues. This enhances their ability to address problems like child labor and unsafe working conditions on their farms.

4. Environmental Sustainability and Climate Resilience: Promoting sustainable agricultural¹⁶ practices, the certification supports environmental protection, biodiversity, and reduced deforestation, contributing

¹⁶www.rainforest-alliance.org/insights/what-is-sustainable-agriculture/

to the right to a healthy environment and long-term community stability.

5. Holistic Support and Technology-Driven Interventions: The Rainforest Alliance integrates technology and data to strengthen auditing processes and provide long-term support to farmers, ensuring they comply with sustainability and human rights standards.

Find more information on Rainforests Assess-and-address-approach [here](#)¹⁷.

3.4.2 Swiss Platform for sustainable cocoa



Chocolat Stella Bernrain is an active member of SWISSCO¹⁸, the Swiss Platform for Sustainable Cocoa, a multi-stakeholder initiative that fosters collaboration across the cocoa value chain to advance social, environmental, and economic sustainability. Founded in 2018, SWISSCO brings together diverse stakeholders, including companies, cooperatives, non-governmental organizations, and government representatives. By working in partnership, members aim to tackle challenges in cocoa production, such as deforestation, child labor, low farmer income, and climate change, aligning their efforts with the UN Sustainable Development Goals (SDGs).

SWISSCO's commitment to sustainability is embodied in its Roadmap 2030, a strategic plan designed to address the critical issues within the cocoa value chain. The Roadmap focuses on four target areas:

1. Living Income for Cocoa Farmers: SWISSCO members are committed to ensuring that cocoa farmers can earn a living income. This goal is supported through premium payments, productivity improvements, income diversification, and efforts to reduce production costs. Chocolat Stella Bernrain contributes to these efforts by supporting cooperative structures and paying above-market prices for raw materials, particularly from Fairtrade and organic-certified sources.

2. Deforestation-Free and Climate-Friendly Supply Chains: In alignment with global efforts to halt deforestation, SWISSCO works to ensure that cocoa production does not result in environmental

¹⁷www.rainforest-alliance.org/resource-item/whats-in-our-2020-certification-program-assess-and-address/

¹⁸ www.kakaoplattform.ch/

degradation. Chocolat Stella Bernrain, through its commitment to organic certification, actively supports these goals by promoting agroforestry and sustainable land management practices that enhance biodiversity and sequester carbon, thus contributing to a deforestation-free cocoa supply chain.

3. Eliminating Child Labor and Improving Youth Prospects: SWISSCO members, including Chocolat Stella Bernrain, are dedicated to eradicating child labor in cocoa production. By adhering to strict certification requirements, such as those outlined by Fairtrade and the Rainforest Alliance, the company ensures that its supply chains are free from child labor, while also supporting projects that improve educational opportunities for children in cocoa-producing regions.

4. Transparency and Traceability: SWISSCO strives to enhance transparency in cocoa supply chains, with the goal of making 100% of Swiss cocoa imports

traceable by 2030. Chocolat Stella Bernrain contributes to this goal through its certification systems and close relationships with suppliers, ensuring full traceability of its raw materials, whether organic, Fairtrade, or Rainforest Alliance-certified.

These initiatives are supported by two key cross-cutting themes: Gender and Innovation. SWISSCO promotes gender equality in cocoa-producing communities by supporting women's access to land, education, and financial services. Additionally, the platform encourages innovation to improve value creation in producer countries, ensuring sustainable development for future generations.

As part of this collaborative platform, Chocolat Stella Bernrain is contributing to meaningful change within the global cocoa sector.

4. Integration, Monitoring and Communication

Sustainability and human rights are integrated into all levels of our business. Through clear roles, responsibilities, and cross-functional collaboration, we ensure the ongoing monitoring and implementation of our human rights due diligence. Regular reporting and open communication with stakeholders are vital to maintaining transparency and progress.

At Chocolat Stella Bernrain, sustainability is embedded in every aspect of our business, reflecting our commitment to ecological, social, and economic responsibility. Since 2022, we have employed a dedicated Sustainability Manager who reports directly to the CEO, ensuring that human rights and sustainability concerns are systematically integrated across all departments. The Sustainability Manager advises the various departments, helping them align their operations with our overall sustainability strategy. In 2023, we published our first Sustainability Report, and in 2024, we will release our Human Rights and Environmental Due Diligence (HREDD) report.

This chapter outlines how we ensure that respect for human rights is embedded in key areas of our business, including sales, procurement, and production.

4.1 Sales: transparency and pioneering

As a leading private-label chocolate producer, many of our customers are pioneers of Fairtrade and organic chocolate production in Europe. We are committed to providing high transparency to our customers, allowing them to know exactly which cocoa cooperatives contribute to their products (in the case of Fairtrade certification). We encourage customer visits to these cooperatives and offer them the opportunity to invest in sustainability projects or start their own initiatives in cocoa-producing regions.

Our long-term relationships with customers foster sustainable cooperation, ensuring that human rights concerns are addressed collaboratively. Many of our customers have strong sustainability goals, and our open dialogue enables us to support them in meeting these objectives. By offering transparency and facilitating customer engagement with supply chain actors, we help reduce human rights risks through

direct interaction with the farmers and cooperatives we work with.

4.2 Procurement: Building Long-Term Relationships for Sustainable Sourcing

We are committed to sourcing only the highest-quality raw materials, and our procurement process is driven by both quality and sustainability criteria. Around 75% of our cocoa and other raw materials are sourced with organic or Fairtrade certification, while the remaining 25% is Rainforest Alliance certified. This ensures that even our conventional sourcing complies with strict social and environmental standards.

We prioritize working with suppliers who not only meet certification standards but also have sustainability strategies that go beyond these requirements. Our focus on long-term relationships with suppliers allows us to maintain a deep understanding of their challenges, including those related to human rights. Because our product quality demands are high, we do not shift suppliers based solely on short-term price fluctuations. This stability helps ensure that our supply chain partners can focus on continuous improvement in sustainability, including the protection of human rights.

4.3 Production sites and local commitment

Our production facilities are deeply integrated into their local regions, reflecting our strong connection to the communities in which we operate. We maintain long-standing partnerships with local organizations, and active participation in community events. For example, Chocolat Stella has a long-standing partnership with Inclusionione Andicap Ticino, which supports individuals with disabilities, and Chocolat

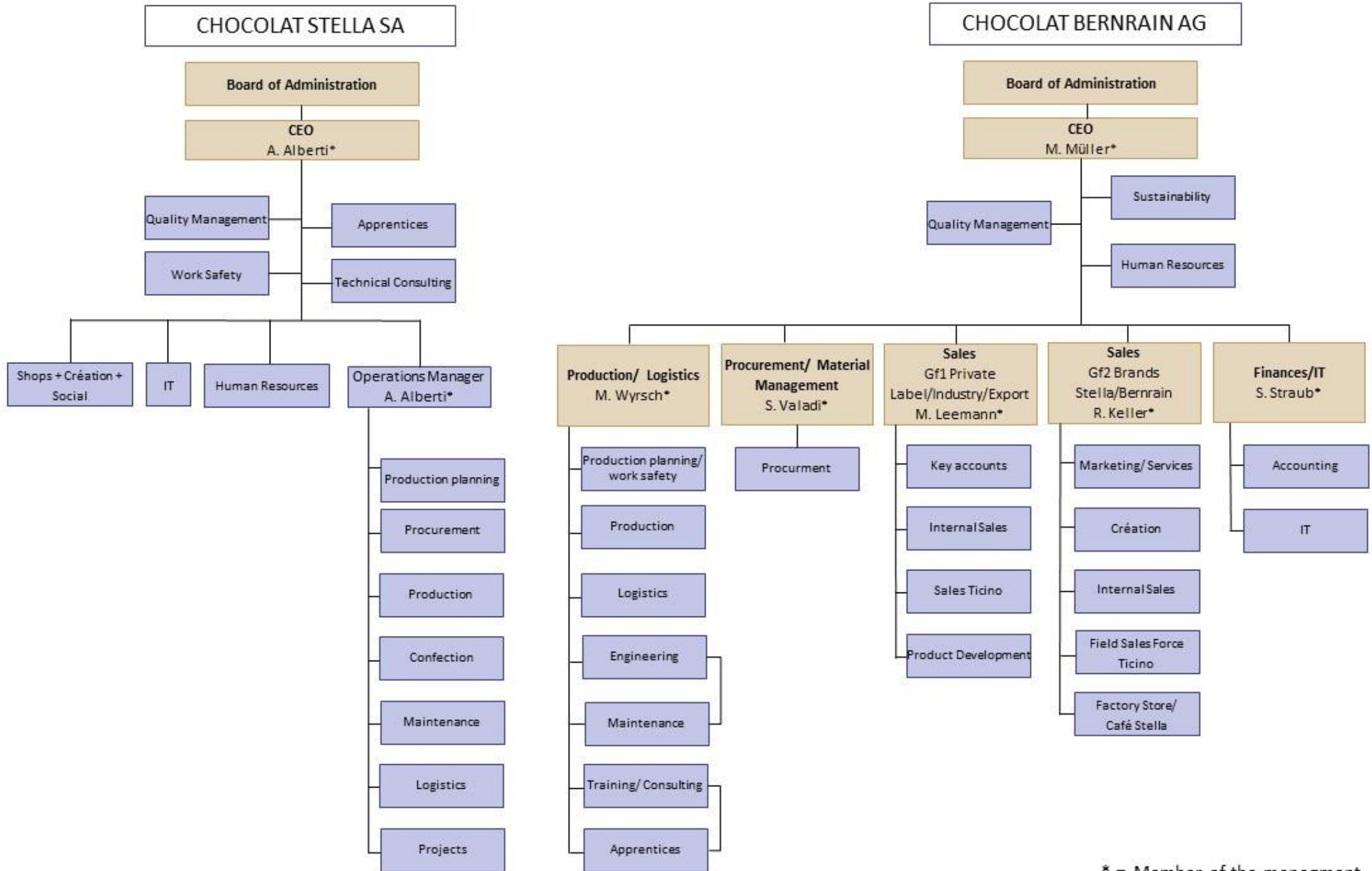
Bernrain supports local organizations like Agathu, which provides support to refugees in the region.

We also invest in the well-being of our employees. Chocolat Stella and Chocolat Bernrain are known for providing training and education opportunities for employees. In recognition of our efforts, Chocolat Stella has received several awards for its commitment to gender equality and providing opportunities for individuals with disabilities, while Chocolat Bernrain has been recognized for its innovative and sustainable business practices.

4.4 Outlook

In assessing the agricultural production of cocoa within our supply chain, we currently consider the risk of human rights violations to be low. However, we acknowledge that we have not yet conducted a thorough examination of the human rights risks in the transportation sector, where we estimate a medium level of risk based on publicly available information. We are aware that human rights challenges persist throughout our supply chain, particularly in ensuring living wages and access to healthcare for all workers. Moving forward, one of our key objectives is to gather more comprehensive data on human rights-related issues to enhance our mitigation efforts. By maintaining strong relationships with both suppliers and customers, and continuously refining our internal processes, we aim to contribute to a more sustainable and equitable supply chain.

ORGANIZATIONAL CHART



* = Member of the management

5. Grievance Mechanism

We provide multiple channels for grievances, ensuring that workers and suppliers can voice their concerns safely. From direct contact with cooperatives to formal certification systems, our grievance mechanisms are designed to identify and address human rights violations promptly, promoting accountability throughout our supply chains.

Chocolat Stella Bernrain ensures a robust system of grievance mechanisms across its supply chains to address potential human rights violations. This approach is supported by direct interactions with cooperatives, certification systems like Fairtrade and Rainforest Alliance, and external processes to ensure grievances are addressed.

Direct Contact with Farmers and Cooperatives

Our close relationship with cocoa cooperatives allows farmers and community members to raise concerns directly with us during our visits. These interactions provide valuable insights into potential human rights issues, as we assess conditions on the ground and have candid discussions with farmers. This hands-on approach fosters trust and transparency, encouraging an open dialogue about any grievances.

Fairtrade Grievance System

The Fairtrade system emphasizes empowering rights holders, including workers and farmers, by raising awareness of their rights. Fairtrade-certified cooperatives have access to formal grievance mechanisms, which can address complaints related to working conditions, wages, or labor practices. As a member of the Fairtrade system, Chocolat Stella Bernrain is informed about significant human rights violations and participates in collaborative efforts to address them, ensuring that farmers are not left to

handle the challenges alone. More about the Fair trade grievance approach can be found on their website¹⁹.

Rainforest Alliance Grievance Mechanism

For the conventional cocoa we source, all of which is Rainforest Alliance certified, a three-tiered grievance system is in place. This system allows individuals to submit grievances directly to the farm or supply chain actor, the certification body, or, if unresolved, to the Rainforest Alliance itself. The Rainforest Alliance grievance system emphasizes accessibility for vulnerable groups and aligns with international standards like the UN Guiding Principles on Business and Human Rights. More about the Rainforest Alliance grievance system can be found on their website²⁰.

Confidentiality and Continuous Improvement

Both Fairtrade and Rainforest Alliance uphold confidentiality for complainants and seek continuous improvement in their grievance systems. By participating in external benchmarking and research studies, the systems adapt to emerging challenges, ensuring effectiveness and trust among all stakeholders.

This multi-layered approach guarantees that potential violations in our supply chain are identified, addressed, and remediated in a fair and transparent manner.

¹⁹ www.fairtrade.net/issue/access-to-remedy

²⁰ www.rainforest-alliance.org/resource-item/grievance-systems/



About Chocolat Stella Bernrain

Chocolat Stella Bernrain is a Swiss premium chocolate manufacturer with over 90 years of experience. Headquartered in Kreuzlingen, the company specializes in private label chocolate production, catering to clients across more than 50 countries. Private label production constitutes around 85% of its total output, and the company is renowned for its ability to craft customized chocolate products tailored to the unique needs of its customers. Chocolat Stella Bernrain offers a diverse product range that includes organic and Fairtrade chocolates, sugar-free options, kosher and halal chocolates, as well as seasonal and promotional items.

With a strong commitment to sustainability, Chocolat Stella Bernrain sources 75% of its raw materials from certified organic and Fairtrade supply chains. This dedication to ethical sourcing is a continuation of the company's pioneering spirit, which led to the production of some of the first Fairtrade and organic chocolates in the early 1990s.

The company operates two production facilities—one in Kreuzlingen, employing 110 people, and another in Giubiasco, employing 59 people. Beyond private label production, Chocolat Stella Bernrain also has its own brands, including Stella, Bernrain, St. Gotthard and Mascao

Chocolat Stella Bernrain's long-standing partnerships with cooperatives in South America and Asia demonstrate its dedication to supporting sustainable cocoa farming practices. The company has played a vital role in helping farmers establish fermentation and drying facilities, develop tree nurseries, and improve agricultural practices. This direct engagement with its supply chain not only ensures high-quality ingredients but also contributes to the livelihoods of smallholder farmers.

Over the years, Chocolat Stella Bernrain has made significant strides in environmental sustainability. Its production facilities are equipped with advanced energy-saving technologies, including heat recovery systems, photovoltaic panels, and natural refrigerant

cooling systems, which have drastically reduced CO2 emissions and freshwater consumption.

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We are happy to receive your questions, suggestions, or comments regarding this Human Rights Due Diligence report.

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Publisher / Editorial:

Chocolat Stella Bernrain AG

Layout / Design:

Chocolat Stella Bernrain AG

Date of publication: September 2024



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