

Hotel Chocolat minus Fair Trade still equals ethical consumerism

Argues Lynn Cunningham at the Humanitarian Centre



What motivates a profit-driven business to strive towards an 'ethical' model? Who ultimately benefits the most – the business, the consumers or the producers? Can we really have a 'win-win' situation? Lynn Cunningham of Hotel Chocolat thinks so. Lynn has worked for Hotel Chocolat for eight years, starting as a product manager in the 'Chocolate Tasting Club,' and progressing to her current position of People and Ethics Director. She came to speak to the Humanitarian Centre on November 2nd, to discuss Hotel Chocolat's 'Engaged Ethics' policy and why Hotel Chocolat is not part of the Fair Trade movement.

The roots of the Engaged Ethics policy began when Fair Trade was starting to gain recognition – and members of the Chocolate Tasting Club were starting to ask about the origins of the cocoa used in the products. The company rejected the Fair Trade route because they felt that they would be relinquishing control over the quality of the product. Also, whilst they support and uphold the Fair Trade principles, Lynn cautioned against 'greenwash', citing Green and Black as a high-profile example of a company that prominently markets their Fair Trade product when in fact it makes up a small fraction of their range.

Instead of going the Fair Trade route towards ethical credentials, Hotel Chocolat decided to lend support to cocoa farmers in Ghana where the cocoa was sourced. This started with small projects such as giving uniforms to school children, progressing to more ambitious farming schemes such as seedling nurseries and land regeneration. In addition to improving their ethical credentials, Hotel Chocolat was able to gain a better understanding of cocoa farming conditions.

There were many frustrations along the way, and Lynn herself travelled to Ghana on many occasions to monitor the progress of the projects and negotiate terms with the growers. Schemes deemed successful continued to be supported. Whilst there were reports of a modest improvement in standard of living from the growers, the benefits to the company are clear.

Consumers are driving the move towards ethical sourcing of products, and in the case of Hotel Chocolat 25 percent of their Tasting Club members rate the ethical credentials as essential for membership. Added to that, the experiences in Ghana gave rise to a series of powerful images which have helped to increase brand marketability. Hotel Chocolat also pride themselves on having staff who are passionate about their ethical policies.

Building on the experiences with the Ghanaian growers, the owners of Hotel Chocolat decided to take things one step further – by purchasing a cocoa plantation in St Lucia. Here the company is in full control of the quality of processing, and are also able to pay a fixed purchase price above global averages and give the guarantee of payment within seven days. Furthermore, value is added in St Lucia itself; the cocoa conversion factory utilises local sugar, milk and labour to produce chocolate – not simply cocoa beans – from the island. As such, Hotel Chocolat is the UK's only origin chocolatiers.

Hotel Chocolat is a profit-driven business who is still expanding, and continues to resist engaging with the Fair Trade movement in order to preserve their quality control. Their St Lucian venture should be applauded, and can hopefully act as a model for other businesses, but in reality the majority of their cocoa is still sourced from Ghana and there are no plans to purchase any more estates.

Hotel Chocolat is committed to transparency, and Lynn gives regular talks to that end. Whilst their model may not be perfect, they are acting far beyond the remit of the vast majority of chocolate companies. Although advantageous to themselves, the work they do in Ghana and St Lucia is also contributing to better conditions for the growers – as Lynn says, this really is a win-win situation.

Produced for www.humanitariancentre.org
By Holly Edwards

For more information visit: www.hotelchocolat.co.uk