



## **Corruption and Labor Information & Policy**

Our mission at Organic Rainforest SAC is to produce the highest quality organic cacao possible while improving the lives of our staff, community, and supply chain partners. This policy in conjunction to our “[Ethical Code of Conduct & Human Rights Policy](#)” outlines our social vision and operational commitments with the intended goal of promoting and providing a positive influence for both internal and external entities in Peru.

### **Corruption**

Located in Peru, which according to [Transparency International](#) is ranked 105 out of 180 countries within their [Corruption Index](#), has a culture susceptible to possible corruption and bribery. Our policy is to **avoid any unethical business practices** including but not limited to partaking in any forms of these undertakings. We do not provide any monetary or indirect forms of compensation to any municipal, regional, or federal political party or other public officials. We also refuse any preferential treatment or offers that could possibly present a conflict of interest or business practice contrary to this policy. We are members of both ADEX and CCL.

### **Internal Employees**

All employees in every department within our company must adhere to our [Ethical Code of Conduct & Human Rights Policy](#). Furthermore, our staff is evaluated on an analytical and merit basis demonstrated by an indifference and without preference given to nationality, ethnicity, race, religion, or sexual orientation. We adhere to all employment laws and regulations and strive to provide an excellent work environment for all our staff. Every employee and member of Organic Rainforest SAC has a salary well above the minimum wage in Peru. We provide breakfast, filtered bottled water, comfortable uniforms, transportation (when necessary), we pay for and reserve the soccer field most Saturdays, and conduct other social events to promote unity and satisfaction within our work culture. A major objective of our company is to provide the resources available to all staff which will allow them to improve their standard of living. This has a direct correlation to the fiscal position and revenues of our company. As such, our staff is very dedicated and focused on our shared values, vision, and meeting our policy standards. Our commitment to this objective has been demonstrated through providing different financial and tangible benefits to employees including equity positions in the company, bonuses, low interest financing, materials, medical, education, and other undertakings well above any normal incentives given to employees in Peru.

## **External Employees and Suppliers**

We conduct both compliance and on-site audits of all suppliers to ensure compliance of our quality, organic, and social policy requirements. While the use of both forced and child labor in the cacao industry is a major issue in W. Africa due to the industry consisting of raw material production mainly through large scale plantations, this is not a known problem or issue in Peru. We do not work with any large scale agro-cooperatives or plantations that could implement forced or child labor without our knowledge.

Most of the farmers whom we work with have formed cooperatives and consist of family run farms that are small to medium sized producers. We have direct relationships with them. In conjunction with our direct relationships as well as conducting on site compliance audits, we are completely confident that all our suppliers abide by the employment laws of Peru, free of any unethical or illegal working conditions including forced or child labor. Furthermore, because these farmers are members of cooperatives an added safeguard to ensuring compliance of labor law for all entities, is the fact that if any individual farm were to conduct illegal activities or conduct operations which breach our compliance policies, would result in placing the entire cooperative at risk.

Furthermore, for most of the cooperatives whom we have worked with over the years, has resulted in us essentially becoming members of their community, and we provide a consistent demand schedule for raw cacao beans at prices, which, on a direct trade model eliminates the need for farmers having the unnecessary expense of paying annual subscription fees to international certification agencies. Some cooperatives we work with have no choice to pay these fees as they do not exclusively supply us, however, in order to provide other producers of their cacao beans with the ability to manufacture cacao for clients that require international certifications they have added an unnecessary compliance cost to abate a problem not prevalent in Peru. As such, the problems of W. African cacao production including inadequate prices for farmers, and forced /child labor, has resulted in negative economic impacts for the Peruvian cacao industry. Both the continued marketing initiatives and other European regulations of cacao continue to harm the Peruvian cacao industry.

If you are buying cacao or chocolate produced from our factory, you are supporting a direct trade economic model that results in direct and indirect benefits for cacao producing communities whom we work with.

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*Sam Zeifman*

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