



February 14, 2013

Hi David,

Thanks for reaching out. We're troubled by ILRF's report and welcome the chance to share our perspective. In addition to the information below, we have just shared a detailed report in response to the ILRF on our website <https://www.theochocolate.com/ilrf-response> here.

ILRF claims Theo violated labor standards during a Teamsters union organizing campaign in 2010. The accusations contained in this report are false, the tone is gratuitous and sensational, and the report methodology is flawed. Prior to finalizing the report, ILRF did not visit our facilities despite having been invited to do so on multiple occasions. Additionally, ILRF failed to interview a representative sample of our workforce and blatantly ignored information disclosed by Theo leadership. Had ILRF followed through with these basic actions, our steadfast commitment to Fair Trade principles would have been clearly apparent.

From day one, Theo has been at the leading edge of efforts to conduct business in a socially and environmentally responsible manner. We've also been a dedicated advocate of integrity in Fair Trade certifications. We've set out to create a company where our suppliers and employees feel valued and respected – this extends from the communities where our cocoa is sourced to the factory where our chocolate products are manufactured. Because we control every step in the manufacturing process, we hold ourselves accountable for delivering on this promise. While some Fair Trade certified brands only certify farmers in their supply chain, we've taken the extra step to have our own facilities and our entire supply chain certified by a third party.

We understand ILRF's mandate is for Theo to adopt the recommendations it has laid out in its report. In fact, we can confirm ILRF's first three recommendations are and have always been in place at Theo. We respect all local and national laws and regulations concerning the treatment of our employees, as well as the core ILO conventions and the intent of the specific conventions to which ILRF is referring. Our handbook, which fully details our policies, is provided for all employees and is available [online](#) for anyone to review.

Regarding the fourth recommendation in ILRF's report, we can't agree to initiate communications that imply our support for or against union organizing. Our role is not to engage the Teamsters, but to support and protect our employees' rights, which we wholeheartedly do. At no time has Theo fired or discriminated against employees based on their activities or preferences around unions. Discrimination against employees is illegal, and it's important to note that, while ILRF's claims date back to 2010, no complaint has ever been filed against Theo with the National Labor Relations Board (NLRB).



In October 2010, during the Teamsters organizing campaign, our employees initiated, drafted, and distributed a petition indicating they did not want to unionize. The petition clearly states, “Accusations made about Theo’s reaction to the proposed introduction of a union are untrue. In reality, a meeting was called and administered by employees and it was made clear that the majority of us were not interested in a Teamsters union. This is the reason Theo currently does not have Union representation; most of us didn’t want one.” The petition continues, “We are distressed and demoralized that a few people are undermining the hard work we put into Theo every day. We feel very strongly this is an excellent place of employment and we don’t want to let a few people speak on our behalf.”

We shared this petition with the ILRF, but they elected to ignore it. This is disturbing to us. Because our employees clearly stated their wishes in 2010 when these accusations first arose, we believe actions on our part to engage with the union would be perceived by our employees as disruptive and disrespectful. If at any time our employees wish to engage in a union organizing campaign, they are free to do so.

Furthermore, it appears the ILRF released this report in order to use Theo as a pawn to further their own interest in the fair trade movement. In a letter to Theo CEO, Joe Whinney, ILRF Executive Director, Judy Gearhart clearly states, “In reality, our issue isn't with Theo ...”

I hope this information is helpful to you.
Please don’t hesitate to reach out to me if you have any further questions, and thank you for taking the time to share our perspective.

Best,

Debra Music
Vice President Sales and Marketing