

Breaking the Chain: Tony's Chokolonely and the Future of Sustainable Cocoa Supply

Ingrid Molderez

KU Leuven, Belgium

Sabine Jentjens

ISC Paris, France

Hannelore Standaert and Pascale Maas

KU Leuven, Belgium

Abstract. The global cocoa industry continues to grapple with structural poverty, child labour, and environmental degradation. Despite decades of voluntary initiatives and certification schemes, progress toward sustainability has been limited. Founded in 2005, Tony's Chokolonely positioned itself as an *"impact company that makes chocolate"* with the mission to make all chocolate 100% slave-free. In 2022 they expanded their focus to commit a wider mission promise, namely *"Together we will end exploitation in cocoa"*. Its strategy centers on five sourcing principles: living income pricing, long-term relationships, farmer empowerment, productivity improvements, and traceability. These principles are operationalized through tools such as the Living Income Model, BeanTracker, and Child Labour Monitoring and Remediation System (CLMRS). In 2019, Tony's launched Tony's Open Chain, an open-source initiative inviting competitors and retailers to adopt its sourcing model. For Tony's Chokolonely this is not contradictory because they *"collaborate on cocoa but compete on chocolate"*. The case challenges students to analyze whether an alternative business model can realistically drive systemic change in a highly concentrated global value chain, and to evaluate the strategic trade-offs between growth, profitability, and mission integrity in international markets.

Keywords: sustainable supply chains, global value chains, child labour, ethical sourcing.

1. Introduction

The global chocolate industry remains plagued by systemic challenges, including human rights abuses, extreme poverty among farmers, and environmental degradation (Fountain & Huetz-Adams, 2022; 2025). Cocoa production is concentrated in West Africa, particularly Côte d'Ivoire and Ghana, where millions of smallholder farmers depend on cocoa as their primary source of

This shortened version of the article is for promotional purposes on publicly accessible databases.

Readers who wish to obtain the full text version of the article can order it via the url

<https://www.neilsonjournals.com/JIBE/abstractjibe20chocolonely.html>

Any enquiries, please contact the Publishing Editor, Peter Neilson pneilson@neilsonjournals.com

© NeilsonJournals Publishing 2025.

income. Yet despite rising global demand and prices, most farmers earn far below a living income. These outcomes are not accidental but are closely linked to how international cocoa trade has historically been structured through buyer concentration, commodity pricing mechanisms, short-term contracts, and efficiency-driven sourcing strategies that shift risk upstream to producers (Busquet et al., 2021; Gereffi, 2018; Thorlakson, 2018). Against this backdrop, Tony's Chocolonely¹ has emerged as a highly visible challenger to dominant industry practices, claiming that slavery and child labour in cocoa are not unavoidable, but the result of flawed business models.

2. Cocoa Industry Challenges

Cocoa, derived from the seeds of the cacao tree, is one of the world's most valuable agricultural commodities and a cornerstone of the global food industry. Global cocoa bean grindings, used by the International Cocoa Organization (ICCO) as a proxy for consumption, has grown steadily over the past decades, reaching approximately 4.6 million metric tonnes in 2025 (ICCO, 2025). Native to the tropical regions of Central and South America, cocoa cultivation has spread across the equatorial belt, with West Africa being the world's largest cocoa producer (Appendix 1). The industry as a whole is characterized by high concentration and market power. A handful of multinational corporations dominate trading, processing, and manufacturing. The three largest cocoa traders and processors are OFI, Barry Callebaut, and Cargill. In chocolate confectionery, major players include Mondelez, Nestlé, Mars, Hershey, Ferrero, and Lindt & Sprüngli (Fountain & Hütz-Adams, 2022).

Appendix 2 illustrates in a simplified way how a traditional chocolate supply chain is often composed. The cocoa supply chain is marked by a stark imbalance in the number of stakeholders at each stage. At the beginning of the chain, millions of smallholder farmers are involved, whereas the trading and manufacturing segments are highly concentrated among a few powerful firms (Thorlakson, 2018). This structural asymmetry already illustrates where power in the value chain is located.

Value distribution along the cocoa-chocolate chain is consequently highly unequal. Retailers and manufacturers capture the majority of value, while farmers typically receive around 6% of the final chocolate price (World Economic Forum, 2020) despite rising global cocoa prices (see Appendices 3 and 4). This imbalance is a defining feature of global value chain governance in cocoa, where lead firms exert significant power over pricing and standards while remaining geographically and institutionally distant from production conditions (Gereffi et al., 2005; Busquet et al., 2021).

1. <https://tonyschocolonely.com/>