

BROCHURE

Business Handbook on Due Diligence in the Cocoa Sector:

ADDRESSING CHILD LABOUR AND FORCED LABOUR

This brochure introduces the *Business Handbook on Due Diligence in the Cocoa Sector – Addressing Child Labour and Forced Labour*, developed by the OECD Centre for Responsible Business Conduct and the International Cocoa Initiative (ICI).



Why a Handbook?

Businesses operating in the cocoa sector are at risk of being linked to adverse impacts, in particular child labour and forced labour, through their supply chains and business relationships.

While businesses are generally aware of the need to respect human rights and support responsible business conduct through risk-based due diligence, many still find it challenging to operationalise these expectations within their cocoa supply chains. The Handbook has been designed to help companies identify, prevent and address both risks and actual impacts relating to human rights in the cocoa sector, focusing on child labour and forced labour. Business can use this Handbook to translate responsible business commitments into action using OECD risk-based due diligence.

The Handbook:

- Promotes a common understanding of risks and impacts in cocoa supply chains, to help companies meet voluntary and mandatory standards on due diligence and commitments on child labour and forced labour.
- Provides clarity on how to operationalise existing OECD recommendations on due diligence in complex and fragmented supply chains in the cocoa sector.
- Provides sector-specific considerations, tips and examples for business to implement due diligence, including for small and medium sized enterprises (SMEs).
- References existing resources available to companies that can be used to support due diligence, and address child labour and forced labour in the sector.



You can download the Handbook [here](#).

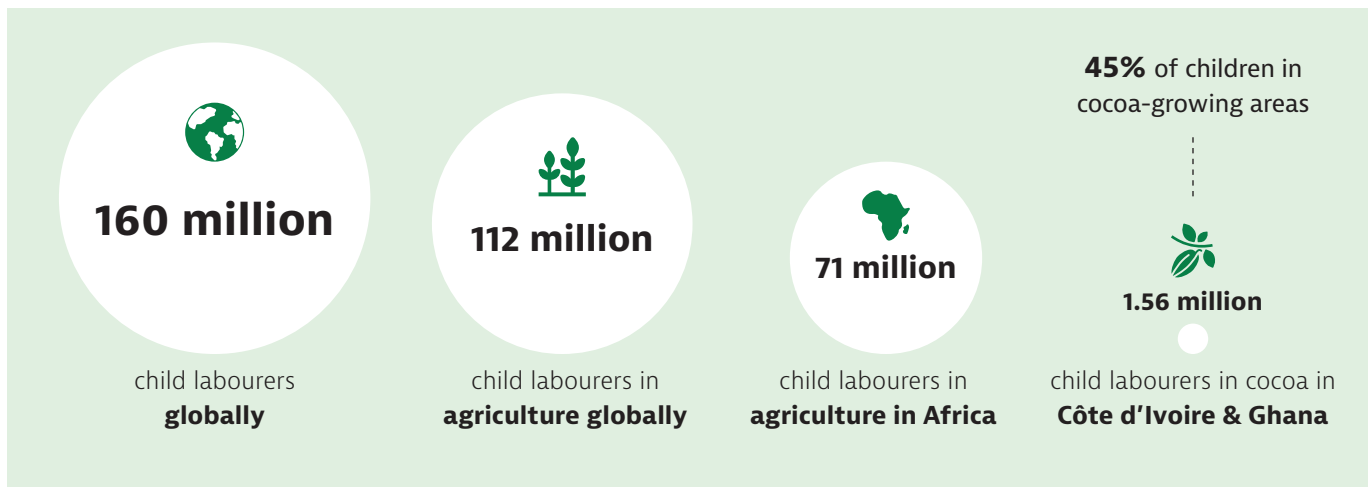
Child labour and forced labour in the cocoa sector

Globally, 90% of cocoa is produced by smallholder farms ranging from five hectares or less (ICCO, n.d.)¹. About 70% of the world's cocoa originates from Africa, with Côte d'Ivoire and Ghana being the leading producers accounting for 44% and 16% of global cocoa production respectively, in 2019-2020 (ICCO, 2022)². The cocoa supply chain is often highly complex and fragmented, and much of the world's cocoa is grown in countries with high levels of poverty; a lack of access to quality essential services and infrastructure such as education, healthcare, and social protection; and challenges with enforcing legal and regulatory frameworks.

¹ ICCO Cocoa Economy Information, <https://www.icco.org/economy/>

² ICCO Production Statistics: <https://www.icco.org/statistics/#tab-id-6>

The latest estimates on child labour indicate:

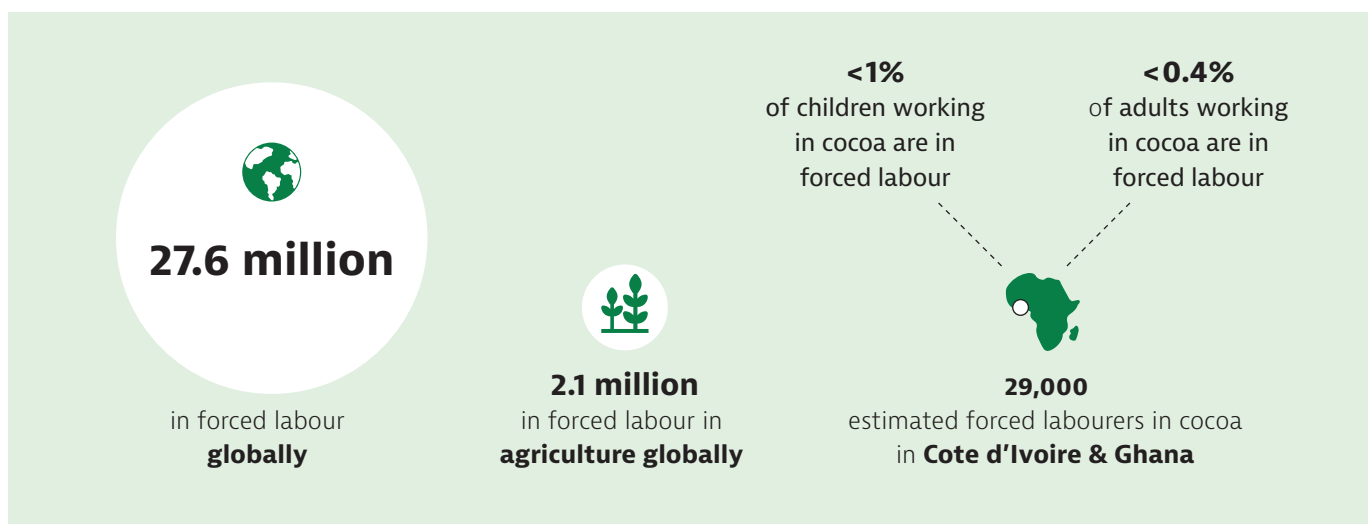


Source: ILO, UNICEF, Child Labour: Global estimates 2020, trends and the road forward: https://www.ilo.org/ipecc/informationresources/WCMS_797515/lang-en/index.htm NORC: Assessing Progress in Reducing Child Labor in Cocoa Production in Cocoa Growing Areas of Côte d'Ivoire and Ghana: https://www.norc.org/PDFs/Cocoa%20Report/NORC%202020%20Cocoa%20Report_English.pdf

In cocoa, a significant majority of these children are involved in hazardous work such as:



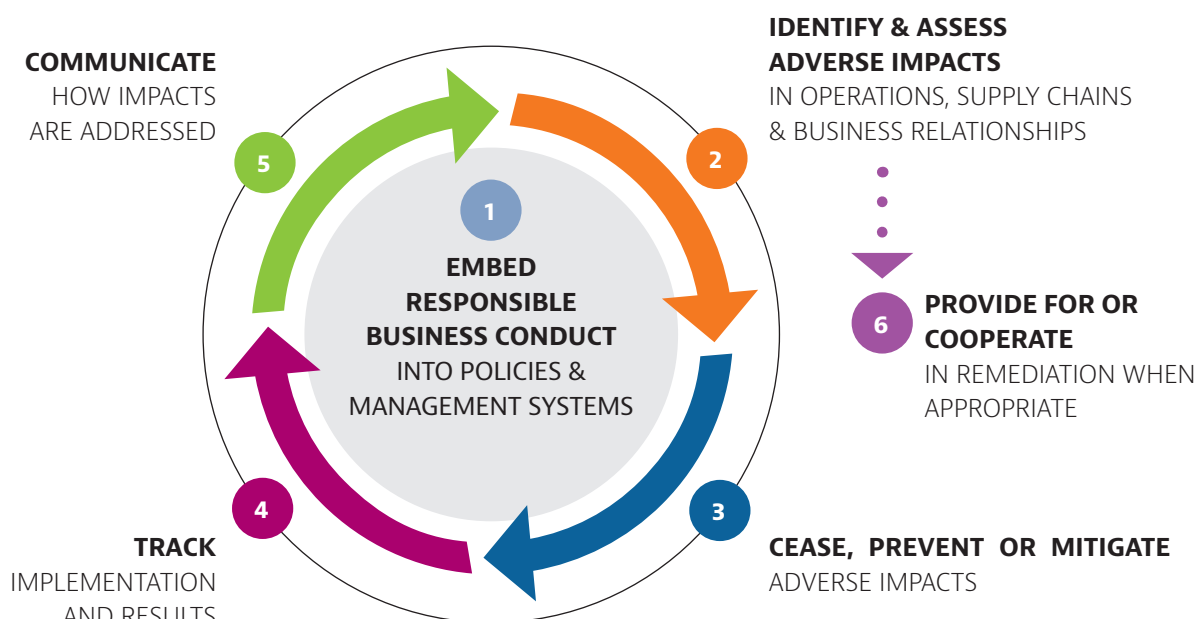
Forced labour is another salient risk in the cocoa sector. The latest estimates indicate:



Source: ILO, WalkFree, IOM: Global Estimates of Modern Slavery 2022: <https://www.walkfree.org/reports/global-estimates-of-modern-slavery-2022/> WalkFree, Tulane: The prevalence of forced labour and child labour in the cocoa sectors of Côte d'Ivoire and Ghana, 2018: <https://www.cocoainitiative.org/knowledge-hub/resources/walk-free-foundation-study-prevalence-forced-labour-and-child-labour-cocoa>

Due diligence in the cocoa sector

The OECD has developed a risk-management framework for companies to identify, prevent, mitigate and account for how they address actual and potential adverse impacts, including on human rights, associated with their operations, supply chains and business relationships.



Source: (OECD, 2018)

OECD risk-based due diligence

Understanding the steps of the framework

The Handbook explores each step of the OECD framework to illustrate how companies operating in the cocoa sector can implement, or adapt as needed, the due diligence process to prevent and address child labour and forced labour impacts. It includes practical actions that companies can take to progressively improve due diligence and promote and protect human rights in cocoa supply chains. In practice the process of due diligence is ongoing, iterative and not necessarily sequential. Several steps may be carried out simultaneously with results feeding into each other.

1

**EMBED RESPONSIBLE BUSINESS CONDUCT AND DUE DILIGENCE
INTO POLICIES AND MANAGEMENT SYSTEMS**



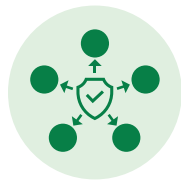
Establish and/or update policies with clear references to child labour and forced labour



Structure internal management systems and human resources to support due diligence



Establish a system of controls and transparency along the supply chain



Make the policy publicly available and communicate it to all personnel, suppliers, business partners and relevant stakeholders



Incorporate due diligence expectations into supplier contracts or written agreements

Step 1 of the OECD due diligence framework is about having robust policies and corporate management systems in place. The Handbook outlines what this means for companies undertaking due diligence in cocoa supply chains in relation to human rights impacts, such as child labour and forced labour.

2

**IDENTIFY, ASSESS AND PRIORITISE CHILD LABOUR AND
FORCED LABOUR RISKS IN THE SUPPLY CHAIN**



Map the supply chain



Identify risks and impacts in each part of the supply chain



Assess child labour and forced labour risks and impacts in cocoa supply chains

In line with Step 2 of the OECD due diligence framework, the Handbook explains how companies can develop a complete picture of their cocoa supply chain to identify, assess and prioritise potential and actual adverse human rights impacts, especially child labour and forced labour.

3

CEASE, PREVENT AND MITIGATE CHILD LABOUR AND FORCED LABOUR IMPACTS



Design and implement
a strategy to respond to
adverse risks and impacts



Adopt risk prevention and
mitigation measures

Step 3 is about adopting risk management and mitigation measures and implementing a strategy to address risks and impacts. The Handbook illustrates how companies can design a fit-for-purpose strategy to prevent and address child labour and forced labour risks and impacts in the cocoa supply chain.

4

TRACK IMPLEMENTATION AND RESULTS



Monitor and track
implementation
and effectiveness
of the company's
commitments,
goals and activities
on due diligence



Carry out
assessments of the
supply chain



Consult and
engage impacted
or potentially
impacted
rightsholders



Conduct periodic
reviews of
multi-stakeholder
and industry
initiatives of which
the enterprise is a
member



Include feedback of
lessons learned into
the enterprise's
due diligence
to continuously
improve the
process and
outcomes

Step 4 of the OECD due diligence framework is about making sure that your due diligence activities are effective. The Handbook describes how companies in the cocoa sector can track the effectiveness of measures implemented to prevent and mitigate human rights risks and impacts such as child labour and forced labour, in their supply chains.

5

COMMUNICATE AND REPORT ON DUE DILIGENCE



**Publicly report relevant
information on due diligence
processes**



**Publish the information in a
way that is easily accessible and
appropriate**

Step 5 provides recommendations on how to externally communicate relevant information on due diligence policies, processes and activities conducted to identify and address actual and potential impacts, including the findings of these actions.

6

PROVIDE FOR OR COOPERATE IN REMEDIATION
WHEN APPROPRIATE

The provision of a remedy is a separate, critical process that due diligence should enable and support. The Handbook describes different ways a company in the cocoa sector can provide for or cooperate in remediation in the case of child labour and forced labour risks and impacts when appropriate.



You can download the Handbook [here](#).

Read together

- **OECD Guidelines for Multinational Enterprises**
<https://doi.org/10.1787/9789264115415-en>
- **OECD Due Diligence Guidance for Responsible Business Conduct**
<https://mneguidelines.oecd.org/due-diligence-guidance-for-responsible-business-conduct.htm>
- **OECD-FAO Guidance for Responsible Agricultural Supply Chains**
<https://doi.org/10.1787/9789264251052-en>

Published 2023



Supported by:

