

## The link between the African Regional Standard on Sustainable Cocoa and the EU Corporate Sustainability Due Diligence Directive

This briefing outlines how the African Regional Standard on Sustainable Cocoa's requirements concerning child labour and forced labour align with the EU Sustainability Due Diligence Directive. It provides an overview of practical actions companies can implement to assist cooperatives in meeting the ARS 1000-1 requirements.

### What is the ARS 1000?

The [African Regional Standard \(ARS\) on Sustainable Cocoa](#), published in June 2021 by the African Organisation for Standardisation (ARSO), aims to promote the production of sustainable cocoa beans. This initiative responds to the growing demand for sustainably produced cocoa from consuming countries. The Standard is based on the principle of continuous improvement and addresses the social, economic and environmental aspects of sustainable cocoa.

The ARS comprises three parts:

- ARS 1000-1: Requirements for Cocoa Farmers as an Entity/Farmer Group/Farmer Cooperative – Management Systems and Performance
- ARS 1000-2: Requirements for Cocoa Quality and Traceability
- ARS 1000-3: Requirements for Cocoa Certification Schemes

Currently, the Standard is being rolled out in Côte d'Ivoire and Ghana, where it will become mandatory. Both [Côte d'Ivoire](#) and [Ghana](#) have developed and published country implementation guides that account for their unique traditions, cultures, land tenure systems and legal frameworks. The International Cocoa Initiative (ICI) has been closely engaged in the development of the Standard, particularly ARS 1000-1, and these implementation guides through a stakeholder consultation process.

### Key takeaways

The ARS 1000-1 is designed for farmer groups or cooperatives, referred to as the *Recognised Entity*. These groups will have to conform and seek certification to the Standard. When addressing human rights issues, the Standard follows the principles of HRDD as outlined in the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Due Diligence Guidelines for Responsible Business Conduct and as required now by HRDD legislation such as the [EU Sustainability Due Diligence Directive](#) (EU CS3D).

While the ARS 1000-1 is aligned with the new EU legislation, it is important to note that being ARS 1000 certified does not mean an entity can claim to be fully compliant with this legislation. However, by supporting the cooperatives they source from in successfully meeting the requirements of ARS 1000-1, companies can implement HRDD principles to identify, prevent, and address human rights risks and impacts, including issues like child labour and forced labour. Child Labour Monitoring and Remediation Systems (CLMRS), grievance mechanisms and other tools can help meet these requirements.

## The link between HRDD, the ARS1000-1 and the national implementation guides

### HRDD (UNGP, OECD, EUCS3D)

**Integrate human rights due diligence into company policies and risk management systems (incl. mapping of operations)**

**Identify actual or potential human rights impacts**

### Main ARS 1000-1 requirements

- Develop a human rights policy and action plan within 12 months of registering the entity, which should:
  - Include HRDD to identify, prevent, mitigate and report on how the entity addresses its human rights impacts and processes to remedy any negative impacts or its contribution to them.
  - Be specific about managing the risks of child labour and forced labour where they exist and contribute to their elimination.
  - Be implemented over the 5 years following the initial certification audit.
- Establish and implement a policy on forced labour, ensuring that no one is engaged to work under compulsion.

- Display a list of applicable hazardous activities and disseminate information about the prohibition of hazardous work for children within farmer groups/cooperatives and among hired workers/registered farmers.
- Immediately report suspected cases of unconditional worst forms of child labour to the relevant authorities.
- Undertake a risk inventory to identify the possible human rights issues, including children's rights issues. A risk inventory shall allow to identification of the possible risks related to child labour and forced labour on farms.

### Implementation Guide – Ghana

- Implement a written management policy on the commitment to respect human rights. The policy should be approved by the members of the farmer group or cooperative. It should include the process to identify, prevent, mitigate and report any negative human rights impacts.

- Establish systems to identify, monitor, and remediate child labour cases, especially for high-risk farmers, through risk assessments every 2.5 years.

### Implementation Guide – Côte d'Ivoire

- Implement policies that uphold human rights and dignity, including responsible sourcing, for example through a Code of Conduct.
- Promote the prohibition of child labour and the elimination of forced labour by ensuring a work environment free from such practices and by communicating relevant laws.

- Map human rights risks in the area covered

**HRDD (UNGP, OECD, EUCS3D)**

**Main ARS 1000-1 requirements**

**Implementation Guide – Ghana**

**Implementation Guide – Côte d'Ivoire**

**Prevent and minimise potential adverse impacts, and bring actual adverse impacts to an end and mitigate their extent**

- Based on the risk inventory mentioned above, undertake actions to prevent, monitor and remediate child labour, worst forms of child labour and forced labour, related to the activities on the farms and among farmer groups/cooperatives and hired workers/registered farmers.
- Ensure the prevention of discrimination, harassment and abuse, including through a gender-sensitive grievance procedure.

- Establish a process to prevent, mitigate, remediate and report on negative human rights impacts.

- Take necessary measures to prevent and remedy child abuse, exploitation, or harm, including through defining disciplinary actions against perpetrators, and developing psycho-social and economic support mechanisms for victims.
- Implement a system to correct or remediate cases and establish relationships with Civil Society Organisations.

**Establish and maintain a complaints procedure**

- Put in place mechanisms for obtaining feedback, including complaints and grievances from the registered farmers or hired/temporary agricultural workers if applicable.

- Establish annual work plans and a feedback mechanism to receive complaints and grievances. Work plans and feedback should be communicated internally.

- Put in place a grievance mechanism

**Monitor the effectiveness of the due diligence policy and measures**

- Monitor and measure the progress in implementing the annual plan (through conducting internal audits), reviewed by top management every 12 months to ensure its continuing suitability, adequacy and effectiveness.

- Monitor activities against the annual work plan and monitoring framework.

- Have a monitoring system throughout the value/production chain.

**Publicly communicate the due diligence measures**

- Communicate the policy and annual work plan at least throughout all levels of the Recognised Entity.

- Communicate the policy and annual work plan (mainly internally).

- Communicate the policies and procedures (mainly internally).

## Implications for cocoa and chocolate companies

While the ARS 1000-1 requires cooperatives or farmer organisations to establish the costs associated with implementing and conforming to the Standard, the initial implementation costs can be recovered over time through a percentage of the premium obtained from the sale of sustainably produced cocoa. Additionally, the Standard allows for contractual arrangements that enable the first buyer or internal and external parties concerned to recover all or part of the investments made.

In line with HRDD logic and the EU CS3D, companies are expected to support their business partners, especially SMEs and producers, especially through capacity building and financial support: “Companies should provide targeted and proportionate support for an SME, such as direct financing, low interest loans, guarantees of continued sourcing, or assistance in securing financing” (EU CS3D, para. 54). As such, ICI encourages its member companies to work closely with their suppliers and cooperatives to support them with technical and financial means to successfully meet the ARS 1000-1 requirements.

Companies can help cooperatives and farmer organisations meet the requirements set out in ARS 1000-1 concerning child labour and forced labour by:

- ✓ **Implementing a Child Labour Monitoring and Remediation System (CLMRS) within their supply chain.** By identifying children in or at risk of child labour and providing support to improve their situation, CLMRS help cooperatives fulfil the ARS 1000-1 requirements to identify, prevent, monitor and remediate child labour.
- ✓ **Setting up grievance mechanisms to address forced labour.** Grievance mechanisms enable workers and farmers to express their concerns safely and offer remedies for those whose rights have been negatively impacted by business activities. By assisting in establishing these mechanisms, companies can help cooperatives meet the ARS 1000-1 requirements for identifying, preventing, and addressing forced labour, as well as for establishing processes to receive grievances and complaints.
- ✓ **Conducting an assessment of the most common exploitative labour practices** in the supply chain to identify practices putting workers at risk of exploitation, forced labour and human trafficking, as required by the ARS 1000-1.
- ✓ **Supporting cooperatives in designing and implementing interventions to address the most common exploitative labour practices.** In particular:
  - ✓ Supporting cooperatives in keeping complete and up-to-date records of all workers of their registered farmers.
  - ✓ Making written contracts available at the cooperatives/farmers group level, in a language and format hired workers understand.
  - ✓ Ensuring that coops or farmer groups provide the necessary protective equipment free of charge to registered farmers and hired workers operating in hazardous conditions.

The following table shows how CLMRS and grievance mechanisms can help cooperatives and farmer organisations meet the requirements set out in ARS 1000-1 related to human rights, and especially child labour and forced labour.

## HRDD (UNGP, OECD, EUCS3D)

**Identify actual or potential human rights impacts**

**Prevent and minimise potential adverse impacts, and bring actual adverse impacts to an end and mitigate their extent**

## Main ARS 1000-1 requirements

→ Display a list of applicable hazardous activities

→ Undertake a risk inventory to identify the possible human rights issues, including children's rights issues. A risk inventory shall allow the identification of possible risks related to child labour and forced labour

→ Undertake actions to prevent, monitor and remediate child labour, worst forms of child labour and forced labour, related to the activities on the farms and among farmer groups/cooperatives and hired workers/registered farmers.

## CLMRS

CLMRS are a means of systematically identifying actual or potential child labour cases in cocoa cooperatives and farms, based on a list of applicable hazardous activities.

CLMRS are a means of:

- Raising awareness, which is one of the most effective means of preventing child labour
- Monitoring children and households through regular visits
- Providing support to children, households and communities to remediate child labour
- Following up with cases to monitor if cases of child labour have come to an end, or whether further support is needed

## Grievance mechanisms

Grievance mechanisms are a means of identifying a range of human rights impacts, including the risk of forced labour.

Grievance mechanisms are a means of:

- Raising awareness about forced labour and other labour rights
- Allowing individuals to safely and anonymously report concerns and other adverse impacts, without fear of retribution or punishment
- Providing support or remedy to address concerns and mitigate risks, for example through dispute resolution, formalisation of contracts, and mediation
- Actively promote the social inclusion of disadvantaged/minority groups in grievance processes

HRDD (UNGP, OECD, EUCS3D)	Main ARS 1000-1 requirements	CLMRS	Grievance mechanisms
<b>Establish and maintain a complaints procedure</b>	→ Put in place mechanisms for obtaining feedback, including complaints and grievances from the registered farmers or hired/temporary agricultural workers if applicable. *	CLMRS enable children, farmers and workers to raise concerns with CLMRS Personnel.	Grievance mechanisms enable workers, farmers and others to provide feedback, complaints or grievances without fear of retribution or punishment
<b>Monitor the effectiveness of the due diligence policy and measures</b>	→ Monitor and measure the progress in implementing the annual plan	The CLMRS database allows monitoring of the system's effectiveness in identifying, supporting and ending child labour.	Data on grievances received and action taken is a means of monitoring effectiveness.
<b>Publicly communicate the due diligence measures</b>	→ Communicate the policy and annual work plan at least throughout all levels of the Recognised Entity.	CLMRS data can be used in regular company reporting on measures implemented and their effectiveness.	Data from the grievance mechanism can be used in reporting on measures implemented and their effectiveness.

*\*the ARS 1000-1 specifies that "the Recognized Entity shall draft and implement an action plan to eradicate all forms of harassment and abuse, including a gender sensitive grievance procedure with equal access for women and men. Within the grievance procedure there shall be no retribution or punishment for reporting an injustice."*