

# Handbook for companies to identify, prevent and address child labour and forced labour in the cocoa supply chain

## The challenge

Companies operating in the cocoa sector face inevitable salient human rights issues, notably child labour and forced labour. Understanding how in practice to identify, prevent and address human rights risks and impacts is a challenge.

Companies increasingly recognise that they have a role to play in the way that business decisions – including sourcing and relationships with suppliers – can impact people, society and the planet. Such a recognition is also emerging through regulations on human rights due diligence by businesses. While this trend for more regulations, including the ongoing EU legislative procedure on sustainable corporate governance<sup>1</sup>, serves as driver for companies to carry out human rights due diligence, several implementation barriers persist particularly in complex and fragmented agricultural supply chains.



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A number of companies are aware of the need to implement robust systems and services that responsibly and transparently prevent and remediate adverse impacts on human rights, such as child labour and forced labour, along the cocoa supply chain and in cocoa growing communities. In order for companies to implement such systems and services, practical support is needed.

## Help addressing human rights risks, above all child labour and forced labour, in the cocoa sector

What can now be done to further support companies in improving and accelerating their efforts in working towards and then ensuring promoting and protecting human rights in their own operations and supply chains? Companies in the cocoa sector can benefit from actionable recommendations and concrete examples to operationalise due diligence and existing resources and tools to strengthen its effectiveness.

*An estimated 1.56 million children are in child labour in Côte d'Ivoire and Ghana. Studies show that most of the children who work on cocoa farms do so within their household or extended family.*

– **International Cocoa Initiative**

To guide businesses from commitment to action, the OECD [Centre for Responsible Business Conduct](#) (RBC Centre) and the [International Cocoa Initiative](#) (ICI) are set to develop a technical handbook for companies of any size and any position in the cocoa supply chain to

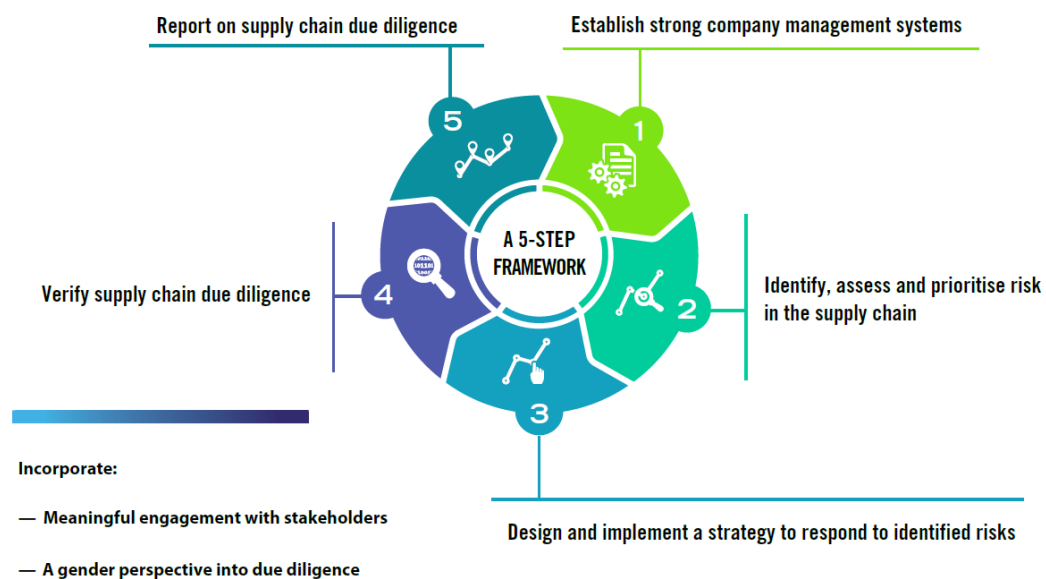
<sup>1</sup> For more information, please see European Commission, [Initiative on sustainable corporate governance](#) and European Parliament (March 2021) [Recommendations on corporate due diligence and corporate accountability](#)

identify, prevent and address risks related to human rights including child labour and forced labour, with funding from the [Federal Ministry for Economic Cooperation and Development](#) (BMZ).

The handbook will:

- Promote a common understanding of human rights risks and impacts, with a focus on child labour and forced labour, in the cocoa sector and help companies progress towards meeting regulation on human rights due diligence;
- Provide clarity on how companies can use OECD risk-based due diligence to address risks related to human rights in the cocoa supply chain;
- Highlight how companies, especially downstream companies in the cocoa supply chain, can implement OECD due diligence to address human rights risks effectively;
- Provide illustrative examples on key aspects of OECD risk-based due diligence. For example good practices that support business to map the supply chain and sector risks, examples of remediation and examples of collaboration to address child labour and forced labour along the cocoa supply chain and in the cocoa sector;
- Where appropriate, reflect how different supply chain actors, taking into consideration company size, context of operation, business models, and position in the supply chain, can use existing good practices and tools in due diligence; and
- Reference leading multi-stakeholder/industry or policy initiatives including their existing tools and approaches.

The five-step framework for risk-based due diligence set out in the OECD-FAO Guidance for Guidance (2016)



## Proposed approach for development of the handbook

The handbook will build on the recommendations of the [OECD Guidelines for Multinational Enterprises](#) (2011), the [OECD-FAO Guidance for Responsible Agricultural Supply Chain](#) (2016) and the [OECD Due Diligence Guidance for Responsible Business Conduct](#) (2018) and focus on effective implementation of OECD risk-based due diligence.

The OECD risk-based due diligence framework provides a step-by-step approach for companies to integrate due diligence into their operations and supply chains and recommends specific actions to mitigate risks. By implementing risk-based due diligence, companies can systematically identify, prevent, assess,

mitigate and account for how they address the actual and potential adverse impacts on human rights such as child labour and forced labour in their operations and business relationships.

This handbook will also draw on current good practices in due diligence identified by ongoing global initiatives to build responsible cocoa supply chains.

## How can you get involved?

A participatory process is key to designing a pragmatic handbook. The OECD and the ICI will convene an informal multi-stakeholder group that consists of experts in child labour and forced labour issues and cocoa sector specialists from both public and private organisations, as well as expected end-users of this handbook such as business practitioners including from small- and medium-sized enterprises (SMEs) to help its development. Three meetings with this informal expert group (IEG) will take place to help shaping the handbook. Two workshops in Côte d'Ivoire and Geneva for broader and inclusive consultation with different stakeholders as well as online public consultation for written comments will be organised in 2022 to collect feedback and incorporate suggestions into the handbook.

For inquiries on or to express your interest in taking part in the IEG, please contact:

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## Indicative timeline

The development of the handbook will begin in early 2022 and it is foreseen to be released in 2023.



## Contact

Organisation for Economic Cooperation and Development (OECD)

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### Key references

OECD (2011) [OECD Guidelines for Multinational Enterprises](#)

OECD/FAO (2016) [OECD-FAO Guidance for Responsible Agricultural Supply Chains](#)

OECD (2018) [OECD Due Diligence Guidance for Responsible Business Conduct](#)

### Suggested references

OECD (2017) [Practical actions for companies to identify and address the worst forms of child labour in mineral supply chains](#)