



[2017]

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL VERIFICATION REPORT

COMPANY: Olam (Outspan)
COUNTRY: Ivory Coast
REGION : Mé
CITY/DISTRICT: Yakassé Attobrou
COMMUNITIES: Abradine, Fiassé, Kong
MONITORS: Societal Compliance Initiatives
ASSESSMENT DATE: January 10th to 18th
PRODUCT: Cocoa
PRODUCTION PROCESS: Harvesting
NUMBER OF GROWERS/WORKERS INTERVIEWED: 60/5
NUMBER OF FARMS VISITED: 60

IEM reference report:

- Olam Yakassé 2014

<http://portal.fairlabor.org/fla/go.asp?u=/pub/zTr5&tm=5&Rid=1646&Fdn=13&Fna=Olam+Yakasse+Attobrou+2014%2Epdf>

Context: Verification visits are conducted in the same cooperative and communities where previous assessments took place. Data are collected by conducting interviews, observation and record review at four levels: (1) the companies' - Olam and the cooperatives - Internal Monitoring System (IMS) level, (2) farmers in the verified communities, (3) workers in the verified cocoa growing farms and (4) other influential stakeholders at the community level.

To view more about the FLA's work with Olam, please visit the FLA website [here](#).

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GEN 3	Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees, Supervisors and employees of supply chain organizers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	
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Code Awareness

2014 IEM Findings

To Access the 2014 FLA finding and company action plan, please visit [this page](#)

2017 Verification Findings

At the end of the 2017 verification, monitors note that:

- 1) OLAM has effectively revised its Code of Conduct and incorporated the requirements of hours of work, non-retaliation and non-discrimination. Following this revision of the CoC, Olam made available to the assessed cooperative, 2500 leaflets to be distributed to all its farmers as well as their identified workers. 20 posters were also offered to be posted in all the warehouses of the cooperative. But monitors also note that a large number of the leaflets intended for distribution are stored at the cooperative's headquarters, whereas only 18% of the sample of farmers interviewed has the leaflet and none of the 5 workers met have them. Moreover, apart from the central warehouse, monitors observed the Olam Code of Conduct poster only in the store of only one of the three visited sections.
- 2) With regard to the training of ADGs, farmers and workers: OLAM organizes each year initial and refreshing training of ADGs and Producer relays involved in its supply chain. For example, the ADG of the assessed cooperative has participated in 6 of the 7 training sessions organized by Olam since 2015. Several topics on labor standards are developed during these trainings, some of which are facilitated by the country representative of the FLA. Monitors note again that the level of knowledge of the ADG on labor standards is very good. They also retain from the interviews and the records review that in return, the ADG regularly organizes review or capacity building sessions on labor standards for the benefit of IMS members.

With regard to farmers' training, IMS staff testified that trainings are organized in the farmers' farm school by the PRs. In this regard, the cooperative has 14 PRs for its 14 sections. The review of the farmers' training reports allowed monitors conclude that several training topics, since 2015 have focused on labor standards, such as child labor, hours of work, forced labor, health, safety and environment. In addition, the IMS staff reported that outreach sensitization is also organized through learning groups.

As far as the enrichment of training materials is concerned, Olam has initiated an annual review of training materials, after an assessment of the previous program's achievements.

After the interviews, monitors note that 71.67% of farmers and 60% of workers have a good level of knowledge of labor standards. The current participation rate of farmers in the farmers' farm school is around 68.33%. Monitors point out that this rate is decreasing compared to 2014 where it was around 80%.

Despite this impressive number of sensitized farmers and workers, efforts still need to be made to take into account all farmers and workers. Moreover, monitors could not identify any evidence relating to the completion of the evaluation of the explanatory factors for the absence from the training sessions promised by Olam; and the motivation of farmers and workers to be more interested in participating in awareness-raising and training activities.

- 3) The commitment on the follow-up of the distribution of the leaflets by the regional managers was not respected. A very large stock of leaflets is still archived in the cooperative, while on farms, farmers and workers do not have any.
- 4) Regarding the grievance mechanism, the cooperative has put in place a documented mechanism, explaining the grievance handling procedure and involving designated and known actors. This mechanism, according to the IMS, is communicated to all the actors, during farmers' farm school sessions as well as

when the contracts between the cooperative and the farmers are signed. Olam has also provided a toll-free number on the new version of its code of conduct.

Nevertheless, since 2014, no grievance has yet been registered through this mechanism. Finally, monitors realize that only 7% of the farmers and 20% of the workers know the functioning of the existing grievance mechanism. For the majority of farmers, they use the representative of the cooperative that is most accessible to them. This lack of information justifies the fact that 45% of the farmers and 20% of the workers of the sample have grievances against the cooperative, but cannot report it. However, of the 26% of farmers who explained to monitors that they managed to report their grievance to a representative of the cooperative, 10% confirmed that their grievances were taken into account.

Also, monitors note that Olam has assigned a Regional Representative (RR) to supervise its suppliers of the region, including the assessed cooperative. However, opposed to the commitments of the Corrective Action Plan, monitors could not note any involvement of the RR in the functioning of the grievance mechanism.

Regarding the toll-free number, only 2% of the interviewed farmers showed evidence of knowledge of this channel.

Overall Conclusion of the Verification: there is significant progress observed but still need sustainable improvement

Olam has updated its code of conduct to align it with the FLA Code of Conduct. He let copies of this code of conduct at the disposal of the assessed cooperative for distribution to all farmers and workers. IMS staff is trained on the elements of the code and in return, they relay information to farmers and workers in field. Many farmers and some workers participate in these training sessions and are aware of the requirements of labor standards. The cooperative, now, has a formal grievance mechanism and Olam has provided the cooperative with a toll-free number to allow interested parties to reach their services.

However, the distribution of leaflets in the cooperative remains approximate with a low rate of availability of the leaflets at the farmers and workers level, while a wide stock is still in the cooperative's archives. On this point, the commitment to monitoring the distribution promised by Olam is not effective. In addition, the functioning of the grievance mechanism, is not well explained to farmers and workers. Posters are not displayed in all sections as claimed by the IMS of the cooperative. Monitors observed it only at the central warehouse and in only one of the three sections visited.

Monitors therefore encourage Olam to strengthen the monitoring of the distribution of the Code of Conduct leaflets to farmers and workers. It must also ensure the effective posting of the poster of its CoC in all the warehouses of the 14 sections of the cooperative. Finally, the IMS of the cooperative must highlight the explanation of the grievance mechanism to farmers and workers and Olam must train its office staff on the management of the toll-free number.

Follow-up Company Action Plan (to be filled by the company):

- To be more active in its sustainability activities Olam has reorganized the scope of work of its regional representatives. Thus, there are regional representatives dedicated 100% to procurement and some dedicated 100% to sustainability activities. In order to achieve all the goals, the number of regional sustainability representatives will be increase with 20 new hired for this campaign 2018/2019.
- This reorganization will help to assure a close follow up of all sustainability action plans at cooperative level. The action of these regional sustainability representatives at each cooperative level will be reinforced by an agronomic coach in charge of trainings.
- In order to understand the low rate of farmer field school attendance, both the regional sustainability representatives and the coaches working for Olam will conduct a survey on the issue.
- The coach in charge of farmers' training at cooperative level will make sure that all the producers in the cooperative's data base are trained.

- For this campaign Olam will redistribute the flyers of its CoC. Both the regional sustainability representatives and the coaches will ensure that all the old stocks of flyers at cooperative level and the new stocks are distributed to producers and workers. The distribution will be followed at the ground by both.
- To reinforce the grievance mechanism, Olam has implemented a toll-free number mentioned on all the Olam’s Code of Conduct flyers distributed last year to producers and workers in its supply chain.
- Through the farmers ‘field school Olam will explain to workers and producers the instructions to use the toll free. Since it was set up, the management of the free-toll is under the control of the Community Development Officer in charge of child labor issues. This year, Olam has recorded: 5 calls from farmer trainer reporting non-payment of salaries. 1 cooperative supplier member denounced the discrimination at the supplier level regarding the free distribution of fertilizer and 1 cooperative laborer denounced the involvement of children in some hazardous tasks.
- In order to improve the grievance channel, Olam has committed the FLA to assessment the grievance channel in place and propose solution.

Deadline Date (to be filled by the company):

Child Labor

2014 IEM Findings

To Access the 2014 FLA finding and company action plan, please visit [this page](#)

2017 Verification Findings

Following the 2017 verification, monitors note less improvement in these areas. Indeed, the child worker identified in 2014 and his father, no longer live in the community. According to the explanations of the cooperative, following the IEM of 2014 the cooperative assigned his director to meet the parents of the identified child worker to discuss together the appropriate remediation actions. Together, the parties agreed to enroll the child in school at the start of the following school year at the Public Primary School COPROYA. The cooperative agreed to support school fees until the 16 years old of the child. Unfortunately, the child and his father were no longer present in the community coming the time when the director returned for the removal of the child for school enrollment. To find out more about this sudden disappearance of the child and his family, without the farmer who employed the father knows their next destination, nor the reasons for their sudden departure, monitors decided to cross check this version delivered by the cooperative. Following their investigations, anonymous witnesses told them that after the 2014 audits and the visits of the representatives of the cooperative in 2015, the whole village community was panicked by the discovery of a case of child labor in their community. It therefore put pressure on the farmer and his sharecropper. The farmer would have pleaded with the community to allow him time to pay his sharecropper and terminate their employment relationship. Two months later, after the sale of the crop, the farmer was able to pay the worker and terminated his contract. Since then, nobody knows where the sharecropper and his son went. At the time of the verification visit, the former employer of the child’s father was traveling. So monitors could not collect his version on the issue.

Regarding the strengthening of the committee against child labor, the monitors note that the process of implementation has not been completed. The person in charge of the fight against child labor at Olam level met the staff of the IMS of the cooperative to jointly define the line of resources to be mobilized to support the establishment of the committee. The people likely to lead the committee were subsequently identified by the cooperative. These people were trained by the Olam Child Labor Coordinator to set up the committee. But since this training, no other activity has been carried out. The cooperative says it is still waiting for the Coordinator's

return and the provision of the means promised for the launch of the activities.

Finally, no profiling activity of the farmers was carried out in the cooperative as mentioned in the 2014 action plan and the monitors did not identify any activity of the CLEAR project in this cooperative. Nevertheless, monitors noted some initiatives aimed to combating child labor in the cooperative. This is the case for the intensification of farmers and workers awareness on child labor issue by the IMS staff since the 2014 visit. In this context, Olam has made available to the cooperative, images box to raise the awareness of farmers and workers on labor standards with focus on child labor. In addition, the cooperative has taken steps with the sub-prefect and the primary school inspection to facilitate obtaining birth certificates for children in its supply chain who do not have birth certificate. But according to the testimonies collected by monitors with the IMS staff and the competent authorities, the Government of Côte d'Ivoire has launched a wide campaign of identification of the pupils who do not have a birth certificate. In order to avoid several parallel programs, the cooperative has been asked to identify the cases of the children of its farmers and report them to the inspection so that they can be taken into account in this vast program. But at the time of the visit, this project had not yet experienced a beginning of realization. Similarly, the cooperative built a 6-class primary school (EPP COOPROYA) equipped with a library, toilettes and an office for the school director. It has rehabilitated the library of the municipal high school in one of its communities, and it periodically distributes school kits in communities. According to the ADG, at the farmer level, almost all of their children go to school. In addition, foreign workers almost do not immigrate with their children under 18 years of age.

Overall Conclusion of the Verification: still need sustainable improvement and initiation of process for removal and rehabilitation of child worker along with the establishment of functional non-retaliation policy.

At the end of the farms visits, monitors did not meet any new case of child labor. They note from the interviews that for 88.33% of farmers, the phenomenon of child labor has significantly decreased. But they also note that the cooperative does not have a formal system for monitoring and remedying child labor that is functional in order to prevent risks and, above all, to avoid misunderstandings or incidents like the one caused by the 2014 case, in one of the communities visited. Olam should work with all of its cooperatives to put in place a collaborative system of effective removal and rehabilitation involving the different stakeholders. Olam should also ensure that the non-retaliation measure in the cooperatives involved in its supply chain is working and that they are not in solidarity with acts of retaliation, but rather that they are actors of social change.

Follow-up Company Action Plan (to be filled by the company):

Olam is working with its business partners to intensify its CLMRS activities and ensure their effective functioning in all its cooperatives participating in its supply chain including this cooperative. These efforts encompass a framework for an effective removal and rehabilitation along with sustainable remediation actions through establishment of VSLA and IGA.

Deadline Date (to be filled by the company):	December 2020
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Harassment or Abuse

2014 IEM Findings

To Access the 2014 FLA finding and company action plan, please visit [this page](#)

2017 Verification Findings

Olam has effectively revised its Code of Conduct and incorporated a non-retaliation measure. Following this revision of the CoC, Olam made available to the assessed cooperative, 2500 leaflets to be distributed to all its farmers as well as their identified workers. 20 posters were also offered to be posted in all the warehouses of the

cooperative. However, monitors note that a large quantity of the leaflets intended for distribution are stored at the cooperative's headquarters, while 82% of the sample of farmers and 100% of the workers interviewed do not have the leaflet. Also, outside of the central warehouse, only one of the three sections visited by the monitors actually posted the Olam's CoC poster in its warehouse.

Regarding the grievance mechanism, the cooperative has put in place a documented mechanism, explaining the grievance handling procedure and involving designated and known actors. This mechanism mentions non-retaliation. For this purpose, a memorandum is even available at the headquarter of the cooperative. This mechanism, according to the IMS staff, is communicated to all the actors, during farmers' farm school sessions as well as when the contracts between the cooperative and the farmers are signed. Olam has also provided a toll-free number on the new version of its code of conduct.

However, following the interviews, monitors noted that only 7% of farmers and 20% of workers know how the existing grievance mechanism works. But none of the farmers or workers are aware of any non-retaliation memorandum.

Overall Conclusion of the Verification: there is some progress observed but still need sustainable improvement

Despite the existence of a grievance and non-retaliation procedure at the cooperative level, it is known by very few farmers and workers. Also, despite the existence of a non-retaliation provision, the child worker identified in 2014 and his family were pressured to leave the community, according to anonymous witnesses. This is proof that the non-retaliation policy is not yet well integrated with the farmers' habits. Monitors therefore urge Olam and his partner to intensify Olam's CoC communication and the cooperative's grievance procedure that contain non-retaliation provisions. They need to raise awareness on the issue so that complainants are no longer victims of retaliations.

Follow-up Company Action Plan (to be filled by the company):

- To intensify the communication of its CoC, Olam will redistribute the flyers. Both the regional sustainability representatives and the coaches will ensure that all the old stocks of flyers at cooperative level and the new stocks are distributed to producers and workers. The distribution will be followed at the ground by both.
- Given the fact that Olam will appoint sufficient number of regional representatives, they will be involved in the proximity awareness building program that will include grievance mechanism awareness building and non-retaliation policy popularization.
- Olam will also engage the cooperatives to focus on the information of all farmers and workers and community members about the grievance procedure and its functioning and popularize the non-retaliation policy available on Olam CoC during the farmers' field schools and the proximity warness building sessions.
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Deadline Date (to be filled by the company):	December 2022
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Health and Safety

2014 IEM Findings

To Access the 2014 FLA finding and company action plan, please visit [this page](#)

2017 Verification Findings

At the end of the 2017 verification, the monitors retain that:

There is no progress regarding the inclusion of workers in the distribution of CoC leaflets, since none of the 5 workers met has the Olam leaflet. On the subject of worker participation in the farmers' farm school, monitors retain that they have been sensitized and have a good level of knowledge of labor standards.

- 1) As for the list of prohibited pesticides and those authorized by the Coffee-Cocoa Council, they are available with the 10 applicators who have the exclusive management of chemical application of farms of all farmers. Also, farmers are trained at farmers' farm school to recognize and avoid the use of prohibited products. Interviews with farmers reveal that 78% of them benefited from this awareness and 93% use the applicators designated by the cooperative.
- 2) In terms of health, safety and environment, the cooperative has developed several health, safety and environment management procedures including snake bite, work accident, agrochemical product management and evacuation. According to the IMS staff, delegates have been designated to be the focal points for the management of these health, safety and environment procedures in their sectors. In addition, first aid kits are now available in the cooperative and the 14 section delegates are designated to be the focal points for HSE. They are trained by a doctor each year on what to do in the event of an emergency. The training certificates consulted by monitors confirm this. IMS staff added that because of the lack of medicine in the first aid kits or their rapid exhaustion, the IMS decided to sensitize and encourage farmers to purchase individual first aid kits. However, monitors note that most farmers are not aware of the existence of these procedures and are not aware of the existence of first aid kits. For example, based on the sample surveyed, 68% of farmers have insufficient knowledge of the snake bite procedure, 77% of the work accident procedure, 30% of product management procedure, 85% of the evacuation procedure, and 80% do not know the existence of first aid kits. The delegates, themselves, are unaware that they have the mission of focal points for the management of the HSE policy of the cooperative in their sectors.
- 3) Regarding the issue of availability of drinking water, monitors note that no well was built or rehabilitated. However, the cooperative has applied to the Operations Department of the National Water Company (SODECI) Abengourou regional office for physicochemical analyzes of water in the communities where it operates. The results of these analyzes, made available to monitors, highlight the non-compliance of water with the WHO standards. At the request of the cooperative COOPROYA, recommendations on the disinfection of well's water have been elaborated by SODECI, which has been regularly dealing with water for the past two years in all the communities of the cooperative.
Monitors' farm visits also revealed that most of the wells in the camps are now protected and covered.

Overall Conclusion of the Verification: there is some progress observed but still need sustainable improvement

The cooperative now has the list of agrochemical products authorized and those prohibited by the Government of Côte d'Ivoire. This list is only available with applicators. It is not displayed in the cooperative's warehouses as it was intended, but it is communicated to the farmers at the farmers' farm school.

The cooperative has also developed procedures for the management of HSE, but they are poorly known of farmers and their workers. The wide majority of farmers are not aware of the existence of first aid kits, which are also very poorly supplied with medicines. The monitors estimate that 92% of the farmers are poorly informed about the HSE procedure of the cooperative.

Monitors invite Olam and its partner to intensify awareness and training on health and safety procedures. Regular supply of health and safety kits with drugs is also necessary.

Follow-up Company Action Plan (to be filled by the company):

Olam acknowledge that participation in farmers' field schools during which the cooperatives build the awareness of farmers and their workers on labor standards is very low and limited. For this purpose, Olam has initiated the coaching program and the proximity awareness building program. Thanks to these programs, the cooperatives with the support of regional representatives will increase the sensitization of

producers and their workers on all labor standards including HSE.

Continuous effort will be made to provide necessary drugs to equip the first aid kits in all the sections of this cooperative.

Deadline Date (to be filled by the company): December 2020

Wages, Benefits and Overtime Compensation

2014 IEM Findings

To Access the 2014 FLA finding and company action plan, please visit [this page](#)

2017 Verification Findings

At the end of the 2017 audit, it appears that :

- 1) the cooperative has set up a mechanism allowing the Producer Relays to conduct a survey on the perception or not of the certification premium by the farmers by informing them at the farmers' farm school. Apart from this action, monitors note that the payment procedure has not changed compared to 2014. The cooperative pays all the premium of farmers to the section delegate who pays the farmers in return. As proof of payment, the farmer who receives his premium signs in a register or on a payment slip. This document is then sent to the cooperative, which archives it as proof of payment of the premium to farmers. But the section delegates still do not issue a receipt for the payment of premiums to farmers, as it was noted in 2014, so that he can archive the proof of payment of its premium at his level. Therefore, in case of questioning of the data contained in the register, no other means can prove the effectiveness of the payment.
Moreover, it appears from the interviews that despite this payment register, 52% of farmers do not recognize having received their premium. Outside the register, the IMS could not provide any other evidence contradicting the declaration of these farmers. In addition 78% believe that the calculation of the premium is not sufficiently transparent.
- 2) Farmers have been aware for several years of the need to establish contracts of employment with workers. However, the cooperative did not take any action to accompany the introduction of proof of wage payment (notebooks or receipts of payments made to workers) at the farmer level; as promised. As a result, 91% of surveyed farmers do not issue a pay receipt to their workers for payments made.

New 2017 findings:

According to the testimony of a delegate met by the monitors, the premium collected on behalf of the members of his section is 50 FCFA / kg. On the other hand, in contradiction of all the provisions in force, he authorizes himself to distribute this amount as follows: 25 FCFA are paid to the farmer per kilogram of product delivered; 15 FCFA are reserved for the running costs of the warehouse; and 10 FCFA remaining for transporting cocoa production from farm to the section warehouse.

Even if the farmers in this section receive a portion of the certification premium, monitors believe that the practice of distributing the premium in this section is not in compliance with the provisions, especially since the cooperative pays each section a commission of 25 FCFA / kg to cover the running costs of the warehouse and transportation of the cocoa beans from the farm to the section warehouse. There is therefore an abusive levy made by the section delegate.

Overall Conclusion of the Verification: still need sustainable improvement

Monitors conclude that the problems identified in 2014 have not found a solution and the commitments have not been followed. This non-compliance with the commitments resulted in abusive levies on the farmers' premium by a section delegate. This is why they are still inviting Olam and his partner to set up a real mechanism for monitoring the payments made to workers and issuing certification premiums to farmers.

Follow-up Company Action Plan (to be filled by the company):

- Olam will continue to sensitize the cooperative Cooproya as well as all the cooperatives in its supply chain to give a premium payment receipt to producers when the delegates pay them their premium instead of let them sign only in the cooperative payment register.
- With the support of the farmer leaders and section delegates, Olam will engage each cooperative to establish for each section, a worker's register for all long-term workers that will be updated at the beginning of each campaign. This register could provide with the details of the workers. A copy of each register can be maintained at the cooperative headquarter to allow setting up the cooperative's farms workers register.
- Olam will encourage the cooperative to initiate a system for monitoring the payment of workers' wages at the level of each producer by setting up a payroll record book.
- Olam will send the regional sustainability representative in charge of the cooperative Cooproya to verify the case identified by FLA regarding the reduction of some producer premium by a delegate. Olam will ask the cooperative to stop the action of that delegate and if possible replace him by a new delegate.
- Olam will discuss with the cooperative and ensure that all the engagements of the cooperative regarding the corrective actions plans of 2014 and 2018 are respected and carried out.
- Since 2 years, the Olam M&E has started to verify the premium payment between cooperative and producers by selecting a sample of producers. This year, the M&E team will intensify the verification action starting with Cooproya.

Deadline Date (to be filled by the company):

December 2020