

Response to the Fair Labor Association’s Social Impact Assessment: ‘Is Nestlé having a positive effect on the lives of cocoa workers and their children in Côte d’Ivoire?’

Nestlé welcomes the Social Impact Assessment carried out by the Fair Labor Association (FLA), which helps to provide deeper insights into the impact that the Child Labor Monitoring and Remediation System (CLMRS) is having in the cocoa growing communities we source from. This complements the rich data that the CLMRS provides and will help us strengthen how we tackle child labor in our cocoa supply chain.

FLA’s field work began 18 months ago in early 2019 with further work in early 2020. During this time Nestlé published its second [Tackling Child Labor report](#) in December 2019. In addition, the COVID-19 pandemic has had an impact on the most vulnerable farmers in our cocoa supply chains and has changed what actions we can take and the support we can give. Lockdowns have restricted field activities and we have relied more on digital means of communication. Local people, such as community liaisons, have been able to continue some of their responsibilities while observing social distancing as they live in communities and do not need to travel. Despite these changes the learnings from the FLA report gives many useful insights, which can still be applied and help shape our work in years to come. This is particularly helpful since we have announced that we will be expanding the CLMRS to all our Nestlé Cocoa Plan sourcing locations in West Africa by 2025.

We are pleased that FLA recognizes the progress we have made on the key areas of transparency, awareness raising, school attendance, adult worker availability and income generating activities. The FLA also notes the benefits of our various remediation strategies. We are pleased to report that we are extending our activities in these areas.

School attendance and education

We will continue helping families access education and increasing the quality of available education. We are continuing with bridging classes (which help children who have dropped out of school re-integrate into the school system), through extending our collaboration with the Jacobs Foundation’s TRECC program for a further two years and financing an additional 32 classes.

In addition, we have recently joined the [Child Learning and Education Facility \(CLEF\)](#) coalition to boost quality education in rural communities in Côte d'Ivoire. The CLEF coalition is a pooled financing facility of up to 125 million CHF, and the first public-private partnership focused on scaling investments for quality education in Côte d'Ivoire.

In their SIA, the FLA made a number of recommendations in their report. We are happy to provide our perspective:

FLA’s Recommendations	Nestlé’s response
The FLA recommends that ICI co-negotiates the salary of the Community Liaisons who collect CLMRS data, jointly with the cooperative. By doing so the cooperative is aware of the potential expenses from the start.	The remuneration of Community Liaisons has been set using benchmarks of similar roles and feedback from the people. We find that this has worked well so far and believe that cooperatives negotiating different salaries (potentially lower) may have a potential negative impact.
As part of the overall framework of the CLMRS, Nestlé should determine self-sufficiency milestones and the number of years that the cooperatives will continue to	We agree that cooperatives are a vital part of the solution to child labor, and that they need further capacity building. Over the long-term cooperatives should increase their independence and have the capacity and skills to monitor

<p>receive assistance and measure the progress of the cooperatives against those milestones.</p>	<p>and remediate child labor themselves. Our CLMRS is designed to adapt as we see cooperatives able to do this. Both Nestlé and our suppliers are engaged in this journey. Good examples are Cargill’s Coop Academy and Olam’s work with Scopeinsight. Nestlé runs leadership training for section delegates and helps cooperatives with their development plans. Cooperatives are encouraged to take more responsibility for the CLMRS, including performing remediation. This process is ongoing and will likely take several years. In the meantime we continue to provide assistance and back up to the cooperatives and budget for remediation.</p>
<p>Overall, interventions to increase awareness of child labor and encourage school attendance appear to be gaining traction. The assessment results show that awareness campaigns must be sustained and further improved to ensure that families and children understand the types of light work that children may undertake on family farms, the age at which they can undertake light work, and the allowable hours per day and per week.</p>	<p>We will continue raising awareness of child labor in the communities and explore innovative and engaging ways to do so. We have for example produced videos, which will be shown in the communities once COVID social distancing rules allow.</p>
<p>The FLA recommends that Nestlé continue to build on these efforts [Income-Generating Activities and the Community Services Groups]. In particular, it should explore strengthening existing and creating more IGA and CSGs. Within the Income-Generating Activity, Nestlé can explore how the income threshold of the participants can be increased by inputting more resources for the participants to scale activities, by facilitating market linkages, or providing means to process and conserve fresh produce.</p>	<p>We agree with this recommendation. So far we have created 191 Income-Generating and Village Savings and Loans Associations (VSLAs) groups. Nestlé recently entered in a partnership with the World Cocoa Foundation with funding from USAID to set-up an additional 100 VSLA groups. We hope that these can contribute to a greater resilience to economic shocks.</p> <p>In relation to the Community Services Groups, we have continued to expand their number, especially those focused on pruning, and these have now pruned 729 farms. The roll out will continue as we train our suppliers in best practice so they can push this out at scale.</p>

Conclusion

Child labor is not an issue to be tackled in isolation. Its causes are intertwined with other issues, such as poverty, gender inequality and deforestation. We continue to tackle these both in our own supply chain and in partnership with other stakeholders on a landscape basis. Our work in the [Cocoa & Forests Initiative](#), our [partnership with the government of Côte d’Ivoire and Earthworm Foundation on the conservation and restoration of the Cavally forest](#), our co-operation with the Royal Tropical Institute (KIT) on income pilots and our support to the International Cocoa Initiative’s 2021-26 strategy are some examples.

Finally, we remain committed to be transparent about the way we tackle child labor in our cocoa supply chain, the progress we make and the challenges that we face. We will continue to report on the progress of our CLMRS, share our learnings and invite others to do the same.

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