



[2015-
2016]

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL VERIFICATION REPORT

COMPANY: Nestlé
COUNTRY: Ivory Coast
PROVINCE: Belier
COMMUNITIES: Gbélistou, Toumbokro
MONITOR: Societal Compliance Initiative
AUDIT DATE: 11 – 17 January, 2016
PRODUCTS: Cocoa
NUMBER OF GROWERS/WORKERS INTERVIEWED: 33 / 06
NUMBER OF FARMS VISITED: 33
PROCESSES: Harvesting

IEM Reference Reports:

- Nestlé Gbélistou, 2013

<http://portal.fairlabor.org/fla/go.asp?u=/pub/zTr5&tm=5&Rid=1512&Fdn=13&Fna=NES+OLA+Gbelissou+2013%2Epdf>

- Nestlé Toumbokro, 2013

<http://portal.fairlabor.org/fla/go.asp?u=/pub/zTr5&tm=5&Rid=1514&Fdn=13&Fna=NES+OLA+Toumbokro+2013%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' - Nestlé 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 Nestlé, please visit the FLA website [here](#).

Non-compliances Overview and Table of Content

1. Code Awareness		Page
2013 IEM FINDINGS		<u>4</u>
GEN 1	Establish and articulate clear, written workplace standards. Formally convey those standards to Company Growers as well as to supply chain Organizers.	
GEN 2	Ensure that all Company growers as well as supply chain Organizers inform their workers about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by workers) and undertake other efforts to educate workers about the standards on a regular basis.	
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.	
IEV FINDINGS (JAN 2015)		<u>5</u>
2. Forced Labor		
2013 IEM FINDINGS		<u>9</u>
F.1	General Compliance Forced Labor	
IEV FINDINGS (JAN 2015)		<u>9</u>
3. Child Labor		
2013 IEM FINDINGS		<u>10</u>
CL.1	General Compliance Child Labor	
IEV FINDINGS (JAN 2015)		<u>10</u>
4. Harassment or Abuse		
2013 IEM FINDINGS		<u>12</u>
H&A.2	Discipline/Fair and Non-discriminatory Application	
H&A.3	Discipline/Worker Awareness	
H&A.12	Grievance Procedure	
IEV FINDINGS (JAN 2015)		<u>12</u>

5. Non-Discrimination		
2013 IEM FINDINGS		<u>14</u>
D.2	Employment Decisions	
IEV FINDINGS (JAN 2015)		<u>14</u>
6. Health and Safety		
2013 IEM FINDINGS		<u>16</u>
H&S.1	General Compliance Health and Safety	
H&S.2	Document Maintenance/Worker Accessibility and Awareness	
H&S.4	Health and Safety Management System	
H&S.5	Communication to Workers	
H&S.6	Access to Safety Equipment and First Aid	
H&S.7	Personal Protective Equipment	
IEV FINDINGS (JAN 2015)		<u>17</u>
8. Hours of Work		
2013 IEM FINDINGS		<u>19</u>
HOW.1	General Compliance Hours of Work	
IEV FINDINGS (JAN 2015)		<u>19</u>
9. Wages, Benefits and Overtime Compensation		
2013 IEM FINDINGS		<u>20</u>
WBOT.1	General Compliance Wages, Benefits and Overtime Compensation	
WBOT.3	Timely Payment of Wages	
WBOT.7	Record Maintenance	
IEV FINDINGS (JAN 2015)		<u>20</u>

Code Awareness

Previous IEM Findings (2013)

GEN 1:

Nestlé's Code of Conduct (COC) does not mention the non-discrimination code element, although this element is covered under the UTZ Certification Program and FLA COCs that are applied on the farms. Currently, Nestlé's illustrated COC is the most widely distributed COC and the one most used by growers, as compared to other COCs. Therefore, this is a risk of farms not implementing UTZ and FLA COCs.

Company Action Plan (2013)

1. Nestlé's illustrated COC, which we have distributed to all farmers in our Nestlé Cocoa Plan supply chain, contains sections on corruption, forced labor, Child Labor, punishment and sexual abuse, payment, Health & Safety (H&S), and environment. Nestlé is adding non-discrimination to the next leaflet revision. The revised version of the COC will be distributed to farmers, women, and workers during introductory sessions (see Action 3) in villages.
2. Nestlé and Olam will prepare a training module, which will cover supplier COC principles, grievance channel, non-retaliation policy, internal monitoring, and a simplified formula for policy and procedure creation, particularly on H&S and disciplinary actions. The training will be given to group administrators (ADGs) and farmer trainers by Nestlé and/or Olam representatives. Training manuals will be prepared with visual materials considering illiterate workers and farmers and will be provided to participants.
Deadline: August 2014
3. After the training of trainers' session that will be provided by Nestlé and Olam, ADGs will discuss the training schedule and program with the Administrative Council. Farmer trainers and ADGs will organize information/introductory sessions in each section where they will introduce the farmer field schools and provide brief information on supplier COC, emphasizing child labor, H&S, and grievance channel, including the non-retaliation policy.
Deadline: November 2014
4. Since the introductory sessions will be organized in villages, all family members and village residents will be invited. During these sessions, women and farmers who are not in the certification program will be particularly encouraged to join farmer field schools. An announcement will be done through selected farmers from farmer trainings ("chef de class") in order to reach all residents in the village, including workers.
Deadline: November 2014
5. The cooperative has 6 sections and covers 36 villages. Each section has farmer trainers and farmer training schools are organized. The schools are open for all farmers, whether they are part of UTZ Certification or not. This fact will be underlined during the information sessions.
Deadline: November 2014
6. The cooperative will provide a timeline for training sessions and Olam/Nestlé representatives will join some of the trainings in order to support trainers during information sessions.
Deadline: November 2014
7. During farmer school and trainings, supplier COC principles will be explained in more detail with illustrated materials, procedures, and processes that will facilitate information recording. Workers will also be invited to the farmer training school.
Deadline: November 2014

GEN 2:

IMS (Internal Monitoring System) staff has made efforts to inform and raise awareness amongst farmers regarding Nestlé’s COC through farmer field schools and the International Cocoa Initiative’s (ICI)-implemented Child Labor Monitoring and Remediation Program. However, family members and sharecroppers who are workers in the visited area do not have sufficient knowledge on Nestlé’s COC, as no training has been given to them. Regular updating of labor issue-related training and refresher courses was not organized for growers and workers due to lack of trainers. Worker interviews found that, except for some H&S measures, they were not aware of other workplace standards or labor laws.

Company Action Plan (2013)

The cooperative will discuss the possibility of increasing the number of farmer trainers during the council meeting.

See also the Plan of Action for GEN 1, #3, #4, #6, and #7.

GEN 3:

Nestlé has provided a toll-free number as a noncompliance reporting mechanism, that is included on Nestlé’s illustrated COC. However, the COC is only either distributed to growers or displayed at cooperatives. At present, the reporting mechanism is only accessible by growers; workers do not have access to the number. Furthermore, according to grower interviews, they find the number difficult to use. Additionally, a non-retaliation policy has neither been developed nor communicated to growers and workers in case they wish to report non-compliances.

Company Action Plan (2013)

1. On the supplier COC leaflet and poster there was a mistake in the original hotline number which will be corrected in the new version.
2. The new poster will be displayed at each section level warehouse. To include workers, Nestlé will distribute the leaflet more widely (see GEN 1); workers are welcome to use the hotline, including for cases of retaliation.
3. Given the fact that FLA requires affiliate companies to create a grievance channel where the grievant could stay anonymous, a toll-free number is one feasible option for open working areas such as farms. However, the cooperative has also developed an open door policy, where farmers/workers could communicate directly with ADGs. Suggestion boxes are also placed in the cooperative building. All types of grievance channels will be explained during information sessions with members.
4. Olam/Nestlé will prepare farmer production notebooks in which farmers can register information on production and labor. The notebook will have visuals on supplier COC and the grievance channel’s toll-free number. One notebook will be provided for each cooperative, in order for them to share this information with farmers.

See also the Plan of Action for GEN 1, #3, #4, and #7.

Deadline Date:

November 2014

IEV Finding (2015)

Following the 2013 IEM, Nestlé committed to **update its Supplier Code of Conduct (COC)** by adding provisions on non-discrimination and non-retaliation. After interviewing Nestlé’s Internal Monitoring System (IMS) manager and reviewing the new COC in use at the cooperative, monitors confirm that Nestlé has updated its COC by adding requirements on non-discrimination and non-retaliation. These provisions are also illustrated with images to enhance understanding of the message by the users.

In terms of **distribution of Nestlé’s COC to producers**, the Nestlé’s IMS manager told the monitors that in January

2015, Nestlé has provided 533,300 leaflets to its suppliers to distribute to 100% of their 39,200 producers participating in the Nestlé Cocoa Plan and their workers. Similarly, more than 720 posters were made available to cooperatives to be posted in the different sections. A distribution tracking sheet was developed by Nestlé to monitor distribution of these materials to each cooperative. At the coop level, the Group Administrator (GA) being in charge of IMS at the cooperative level, has confirmed having received 303 copies of Nestlé COC leaflet. According to him, the leaflets were distributed to all the 293 producers members of the cooperative and 10 permanent farm workers registered at the time of distribution. In addition, the IMS of the cooperative confirms having received from Nestlé 6 posters that he sent to all his 6 sections that composed the cooperative. However, following interviews and observations conducted in the buying stores of the cooperative and with 33 producers and 10 workers in the two communities of the cooperative who had received assessments in 2013, monitors noted that only 14 producers recognized that they received Nestlé COC (42% coverage), 6 of them have shown it to monitors. Based on interviews with the other 29 workers and producers, they never received the COC. Furthermore, the new version of the COC poster is displayed nowhere in the cooperative stores, including the central store. The IMS staff explains this by the fact that the posters cannot resist to severe weather conditions as they are displayed in open areas to provide access to most number of people.

Regarding **training of producers and workers**, the Nestlé IMS manager told monitors that awareness sessions were conducted by the company in all its cooperatives to encourage them to involve workers and family members in the training sessions to enable them accessing information. The IMS at the cooperative confirmed this initiative and added that the cooperative has invited all the inhabitants of the villages covered by the cooperative to attend farmer field school sessions. On the eve of each training session, the representative of the cooperative in each village uses the griot (traditional communication channel used to convey important information in the villages) to inform the whole village. Despite these actions, the IMS manager recognizes that people who are not members of the cooperative and producers' family members do not seem interested in the training. Even if during the interviews conducted, workers, producers (members and not members of the cooperative) in the two visited areas confirmed the public invitation made by the cooperative, they nevertheless mention that people who are not members of the cooperative rarely join in training sessions because they do not feel concerned by these training. The same issue applies for family members of producers and workers. Even worse, the producers themselves do not always seem interested in these trainings, as they are not regularly attending the various sessions. Of the 33 farmers surveyed, only 12 reported having participated in at least one training in the last 12 months.

Speaking of the **training content**, the review of the training reports provided by the IMS of the cooperative and the results of interviews with producers who participate in the training indicate that the training topics cover all points of sustainable agriculture and standards of decent work: good agricultural practices, Health & Safety at work, forced labor, Child Labor, environmental good practices, conservation and rational use of water, and others.

As for the **training reports**, the IMS of the cooperative told the monitors that all training sessions are documented by keeping training reports in the archives of the cooperative. Some of these reports have been consulted by the monitors during their record review.

Regarding the **toll-free phone number** as grievance mechanism, an operational number (00 111 11888 799 0983) is now available on the leaflets and posters published by Nestlé. However, this number remains impractical in rural areas since it is only accessible from a landline and is operated in English.

Nestlé IMS manager ensured monitors that for **communication of the grievance mechanism** to producers, the company has encouraged all of its cooperative partners to set up a grievance procedure responding to the realities of each cooperative and educate producers and workers on this procedure during farmer field school. At the cooperative level, monitors confirm the existence of a grievance procedure that is effectively communicated orally to producers during farmer field school. However, this procedure is not functional, since, despite the dissatisfaction of some producers, no complaint is notified within the archives of the cooperative. At Gbélassou, the cooperative has lost more than half of its producers compared to 2013. Before leaving the cooperative, producers have repeatedly raised complaints to the cooperative, according to the interviews, through the producer relay, which also serves as their delegate. Following the interview conducted, the IMS of the cooperative has noted that the cooperative is actually aware of these complaints. However, neither complaints nor the replies

to such complaints are documented anywhere in the archives of the cooperative.

Moreover, to date, Nestlé and Olam have not developed a farmer's production book as described in their 2013 Action Plan. This document, which was supposed to allow producers to take up useful information on production and work and contain important COC information and the grievance procedure, has not yet been implemented.

Overall Conclusion:

Following the 2015 verification visit, monitors noted that Nestlé expanded its COC with the provision on non-discrimination that was missing in 2013 and added a clause for non-retaliation.

In terms of training, there is still a low attendance rate to awareness raising sessions. If in 2013 it was the deficit of trainers that affected the training, in 2015 it is rather a lack of producers' interest that is the cause of low rate of participation in training.

Regarding access to information, the monitors have observed, as in 2013, a low rate of distribution of communication materials and low visibility in the communities.

Consequently, monitors conclude that more efforts should be deployed for general compliance in this cooperative. In particular regarding:

- Monitoring the effective distribution of leaflets to producers and display the COC in the communities;
- Strengthening the participation of producers, workers and their families to the farmer field school training sessions;
- Improving the functioning of grievance mechanisms at the cooperative and Nestlé levels.

Company Follow-up Action Plan:

Nestlé has been looking for a nation-wide solution to help all farmers and workers' voice their concerns through an effective grievance mechanism. This is made difficult by the fact that the mobile network is fragmented, with 3 different mobile companies sharing the network, including in remote, rural areas.

While Nestlé continues to look for a solution at the national level, we will:

- Engage the cooperative to continue to raise producers, workers and their families' awareness on the important of their participation to the farmer field school training sessions.
- Engage the cooperative to continue to raise farmers' and farm workers' awareness on all existing grievance procedures at the cooperative level through the system of lead farmers and farmer field schools.
- Engage the cooperative to provide suggestion boxes in all cooperative sessions and raise farmers' and farm workers' awareness around these boxes, including how to proceed in case of illiteracy.
- Pilot a new approach (in another cooperative) that would empower the Community Liaison People to collect grievances from community members and pass them on to the cooperative, our suppliers or to us directly, as appropriate.
- According to Nestlé COC, we will engage our Tier 1 supplier to a) Monitor leaflets distribution to all the producers and their workers and b) provide a distribution report.
- Olam has developed a farmer's production book that will be pilot-tested in this cooperative. Nestlé will monitor its distribution to producers and see how this book is relevant to be extended to others cooperatives.
- Nestlé will engage its tier 1 suppliers to make efforts in Good agricultural practices

	training preparedness by making them more attractive and practical with activities such as demo plots, pruning demos and videos if possible.
Deadline Date:	March 2017 (Deadline to begin the pilot with one coop)

Forced Labor

Previous IEM Finding (2013)

F.1: General Compliance

During the visit in Gbélistou, no clear evidence of forced labor was found. However, growers engage family members, sharecroppers, and their family in work; subsequently, none of them have either a (written or verbal) contract with growers. In some instances, wages are not determined at the beginning of the season. In these cases, workers do not know how much they will receive until the end of the harvest; therefore, they feel mentally coerced to keep working on the farms in order to receive the final payment. It was also reported during interviews that although their (growers' family members) needs are conveyed (although in some cases they are not), as they have no determined wages and benefits, they are not able to organize their lives due to the uncertainty of their income.

Company Action Plan (2013)

The cooperative is providing a simple working contract document to farmers. The contract document requires farmers to complete information on the duration of work and wages. The document will be revised and a simplified version of disciplinary actions and working hour limits will be added as a note. This contract document will be introduced during farmer training school by farmer trainers.

See also the Plans of Action for GEN 1, #3, #4, and #7, and GEN 3, #2.

Deadline Date

November 2014

IEV Finding (2015)

To address the shortcomings identified in 2013, Nestlé organized working sessions with its cooperative partners, encouraging them to educate their producers on the need for **written contracts with their workers**, or to agree at least verbally on the terms of their collaboration in the presence of a witness. In the visited communities, the monitors observed that all producers surveyed are aware of the need for a written contract between themselves and their employees who are not family members. A contract template has even been developed to help illiterate farmers. However, all producers met during the assessment are linked to their workers only by a verbal agreement concluded for some, in the presence of a witness. According to the GA of the cooperative, the template was shared with 12 producers for a pilot test and they are waiting for assessing the results before extending the initiative to all producers of the cooperative.

Overall Conclusion:

Nestlé and its partner have raised awareness of the producers on the need for a written contract with workers. But to date, none of the producers met is linked to its employee by a written contract. Since 2014, on Nestlé's initiative, a written contract template is being pilot tested in the cooperative, but until now, the results of the pilot have not been evaluated to allow the extension of the initiative to all producers.

The monitors encourage Nestlé and its partner to accelerate the expansion of the initiative on the written contract between the producers and workers to all members of the cooperative.

Company Follow-up Action Plan:

Nestlé will intensify its awareness-raising efforts on existing procedures as part of farmer field school sessions. Nestlé will also encourage the cooperative to formalize all agreements between workers and producers through written contracts.

Deadline Date:

December 2016

Child Labor

Previous IEM Finding (2013)

CL.1: General Compliance

Monitors did not observe any hired child labor or young workers on the visited farms. Farmer interviews found that child/young workers from farmers' families (both immediate and extended) and sharecroppers' families are involved in farm work, such as cocoa picking and land cleaning. Additionally, some of these children and young workers do not attend school. One of the grower's sons, who is less than 14 years old and should be in primary school, was found carrying water for cooking on the farm. His father mentioned that he goes with him to the field because he refuses to go to the school.

Despite the large number of children, there is a lack of educational facilities. However, people in the area do send their children to school. The schools' directors confirm that their enrollments are around 95%. Yet, there are no opportunities for children who fail at school; therefore, when they fail, they become involved with work in the field, regardless of their age.

Company Action Plan (2013)

Nestlé is working in cooperation with the ICI on the elimination of child labor. If cases of child labor are found during monitoring or follow-up visits by farmer trainers or ADGs, the ICI will be informed immediately. Farmers complete the farmer's questionnaire with community liaison individuals that report to ICI in order to detect the reasons behind the child labor. Remediation activities are proposed by ICI to Nestlé on a case-by-case basis. See a short description at: <http://www.cocoainitiative.org/fr/projects/143---ici---nestle---project---in---cote---d---ivoire>

Farmer trainers and ICI inform farmers on child labor definitions in order to raise awareness.

See also the Plan of Action for GEN 1, #7.

Deadline Date

November 2014

IEV Finding (2015)

Regarding **child labor remediation**, Nestlé continues its partnership with the International Cocoa Initiative (ICI) recognized for its expertise in the fight against child labor. As part of this partnership, ICI provides support to Nestlé in terms of training, awareness raising and monitoring of child labor in its cocoa supply chain. Additionally, ICI provides support in the development of remediation actions. This partnership is embodied in the implementation of the Child Labour Monitoring and Remediation System (CLMRS). To this end, a Monitoring and Remediation Agent and 19 Community Relays are at work in the cooperative. The results available at the time of the verification assessment state that 16 children benefit from remediation support, of the 30 children at risk identified in the cooperative by the CLMRS.

Compared to 2013, the monitors noted that the level of knowledge and understanding of child labor by producers has changed markedly. The interviews show that the level of awareness of producers on child labor issue has increased and the prevalence is almost zero since no children were observed in a work situation during the farm visits. Moreover, after checking information at the community and the IMS level, the monitors noted that none of the children at risk identified by the CLMRS come from the two assessed communities.

Overall Conclusion:

Referring to 2013, the monitors noted that the level of knowledge and understanding of child labor by producers has evolved markedly. The interviews show that the level of awareness of producers on child labor

has increased in the visited communities and the prevalence is almost zero since no children were observed in a work situation during the farm visits.

The monitors concluded that Nestlé and his partner (ICI) have a viable system for child labor monitoring and remediation. They encourage them to maintain the effort as the situation remains precarious in the communities.

Company Follow-up Action Plan:

Nestlé will continue to implement the Child Labor Monitoring and Remediation system (CLMRS) activities.

Deadline Date:

Ongoing

Harassment or Abuse

Previous IEM Findings (2013)

H&A 2: Discipline/Fair and Non-discriminatory Application

Disciplinary rules developed by the company were not found at the farm level.

H&A 3: Discipline/Worker Awareness

The workers and sharecroppers are not trained on disciplinary procedures and practices.

H&A 12: Grievance Procedure

According to the cooperative's disciplinary policy and procedure, if a cooperative member is repeatedly non-compliant, the Approval Committee meets about their case. After several verbal warnings, a first-degree penalty, such as withdrawal from the project, may be imposed on the concerned grower. If the issue persists, the grower may be removed from the list of cooperative suppliers. Neither grower interviews nor record review mentioned the opportunity to reply or make appeals against termination.

Company Action Plan (2013)

During the training sessions organized by Nestlé and Olam, ADGs and farmer trainers will be informed on the disciplinary system requirements. As a training activity, farmer trainers and ADGs will develop suitable procedures for the farm level. These procedures will also be actively discussed with farmers. The procedures that will be created and then confirmed by the cooperative will be introduced during information sessions and farmer trainings.

See also the Plans of Action for GEN 1, #2 and #7, and F.1, #1.

Deadline Date

December 2014

IEV Finding (2015)

To overcome the shortcomings identified in the 2013 IEM regarding **disciplinary procedure**, Nestlé organized a workshop in 2014 to the attention of Group Administrators involved in its supply chain. At the end of this workshop, a model of disciplinary procedure was developed to be adapted to each context and then be implemented in each cooperative involved in Nestlé Cocoa Plan. The interviews with the GA and some producers confirm that they were informed of this provision during training sessions in farmer field school and meetings of the cooperative. However, even if they know they have the opportunity to appeal, that provision is not clearly provided in written form in the procedure.

Overall Conclusion:

The cooperative has set up a disciplinary procedure with the support of Nestlé. This procedure is widely communicated to producers. However, even if producers are aware that they can appeal any disciplinary measure, that provision is not formally mentioned in the procedure.

The monitors invite Nestlé and its partner to integrate an appeal mechanism in the disciplinary procedure of the cooperative.

Company Follow-up Action Plan:

See above (p.7) what Nestlé is planning to do to strengthen existing grievance mechanisms at different levels.
Once the grievance mechanism will be more effective, Nestlé will build on lessons learnt to develop an appeal mechanism as part of the disciplinary procedure itself.

Deadline Date:

March 2017

Non-discrimination

Previous IEM Finding (2013)

D 2: Employment Decisions

At the cooperative level, it was noted that:

- a) there are no female members on the cooperative board and
- b) no women are involved in decision making at the cooperative level, even though women make up a majority of the workforce.

IMS staff members are also all men, which may prevent cooperatives from tackling problems that are specific to women.

Company Action Plan (2013)

This is a widespread issue in cooperatives, and is one aspect of the gender disparity in these rural areas. We are collecting data on the position of women in our supply chain and publishing on Nestlé.com (<http://www.nestle.com/asset---library/documents/creating---shared---value/responsible---sourcing/action---plan---women---in---cocoa---supply---chain.pdf>). We will work out how to incorporate gender issues into the Nestlé Cocoa Plan once we have reviewed the recommendations from FLA in the gender report we commissioned (<http://www.fairlabor.org/report/nestle---womens---roles---assessment---cocoa>).

The cooperative has agreed to widely distribute a note, which encourages female farmers to become members of the cooperative board by March 31, 2015.

Deadline Date

March 2015

IEV Finding (2015)

In 2013, monitors noted **discrimination against women** marked by their absence in the decision-making body of the cooperative, as well as in its Internal Monitoring System (IMS). In a report published by the Fair Labor Association (FLA), at the request of Nestlé, this aspect has been widely explored and general recommendations were made to reduce gender disparities in Nestlé cocoa supply chain in Ivory Coast. In response to these recommendations, Nestlé has begun implementing a series of activities to work towards gender equality, to give women a voice and promote their integration into the decision-making bodies of their living communities, including the cooperatives. More specifically:

- Nestlé encourages women to organize themselves into local associations, and provides support to income generating activities that could strengthen their purchasing power. To date, 66 women's groups were given support with income generating activities such as cultivation and sale of cassava.
- Nestlé finances the establishment of cocoa nurseries in cooperatives of its supply chain (some of which are exclusively managed by women) to facilitate access to plants for all, including women, to increase the number of women producers and encourage their inclusion in the cooperatives.
- Nestlé organized in 2014 a training seminar on gender for the cooperative leaders, community leaders and partners of the cocoa sector in Yamoussoukro. The goal being to strengthen the capacity of participants to recognize and better appreciate the roles played by women in cooperatives and cocoa producing communities in the fight against poverty.
- Nestlé has organized training and awareness raising sessions on gender in 29 cooperatives with the aim of creating more possibilities for women in the cocoa production and in the communities.
- In collaboration with the FLA, Nestlé initiated a gender dialogue platform project whose pilot phase covers

two women's associations attached to two cooperatives of Nestlé Cocoa Plan. The objective of this project that integrates GALS (Gender Action Learning for Sustainability) is to strengthen the capacities of existing associations of women and establish a dialogue structure that can serve as a mechanism of expression and grievance resolution.

At the cooperative specifically:

- Nestlé supported the conduct of awareness activities on gender that covered all producers of the cooperative. These awareness campaigns included encouraging women to apply to decision-making positions in the cooperative.
- Nestlé has supported the establishment of two income-generating activities for women in two communities of the cooperative.

The monitors observe that these initiatives have not yet allowed the entry of women in the decision-making bodies of the cooperative, but they note that they have promoted awareness of members of the cooperative who are increasingly sensitive to gender issues.

Overall Conclusion:

Since 2013, Nestlé implements several initiatives to try and address the problem of discrimination against women. For now, the issue is not resolved in this cooperative, but mentalities have changed and the members of the cooperative are increasingly aware of the gender issues.

Company Follow-up Action Plan:

Nestlé will continue to support the implementation of actions to strengthen women's empowerment in the cooperative communities such as:

- Build women's and men's capacity on gender
- Support women's incoming generating activities

Deadline Date:

Ongoing

Health & Safety

Previous IEM Findings (2013)

H&S 1: General Compliance

Although growers have received training on H&S requirements, they do not implement or practice the necessary activities to comply with them; at times, this is due to a lack of infrastructure. Additionally, there is very limited access to health centers and women do not use adequate gear.

Although there is a private health care facility in the village (Toumbokro), the growers and workers find it very expensive to use. The cooperative has provided first aid kits and only the Producer Relay is trained in first aid. As per the workers they are injured several times during farm work and cannot afford to go to the private clinic. There are no government sponsored health clinics present in the village.

Company Action Plan (2013)

1. Farmers will be informed of H&S requirements through refresher trainings in farmer school. (See also the Plan of Action for GEN 1, #7.) The importance of personal protective equipment (PPE) usage will be underlined during trainings to all family members.

2. Women will be encouraged to participate in farmer training schools during the information sessions that are held in villages.

3. There are 2 health centers in the area and all farmer trainers were trained on first aid. During farmer trainings, farmers will be re-informed of the health centers' locations and will educate staff on first aid.

Nestlé/Olam will organize a needs' assessment visit to cooperative sections to observe the communities' need for health centers and will contact the local authorities in case health care is inaccessible.

H&S. 2: Document Maintenance/Worker Accessibility and Awareness

In Gbélistou, none of the documents establishing health and safety policies or procedures are accessible to workers (sharecroppers and family members). One of the reason is that the workers do not attend any trainings sessions where documents and procedures are explained and transmitted

Company Action Plan (2013)

See the Plan of Action for GEN 1, #2, #3, #4, and #7.

H&S 4: Health and Safety Management System

No management system has been defined for ensuring Health and Safety.

Company Action Plan (2013)

The cooperative has already conducted a risk analysis at the farm level. According to risk analysis results, the cooperative will prepare H&S procedures. Olam/Nestlé will: a) assist the cooperative on system creation and b) provide guidance on the requirements and basic content of an H&S management system during ADG and farmer trainer training. After creating procedures, ADGs and farmer trainers will share them with farmers and workers during farmer trainings.

H&S 5: Communication to Workers

In Gbélistou, growers in the visited area work with their family members and sharecroppers. There is no proof of workers' awareness on Health & Safety requirements, as they do not attend the farmer field school training sessions.

Company Action Plan (2013)

See the Plan of Action for GEN 1, #2, #3, #4, and #7.

H&S 6: Access to Safety Equipment and First Aid

In Gbélistou, there is no safety equipment for all growers and workers (mainly women). Although there is a first aid kit available in the village, which is maintained by the cooperative, and the Producer Relay is trained on first aid, this information is only accessible to growers, not workers.

Company Action Plan (2013)

1. The cooperative has already provided first aid trainings to farmer trainers. The refresher course will be organized in 2014. The information will be shared during farmer trainings.
 2. The majority of the farmers use PPE. However, women prefer not to change out of their traditional clothes. Additionally, while they have access to PPE, they do not have sufficient information on the farm level risks. In order to change the prevailing mindset and help women get their own PPE, the cooperative will propose giving model boots and shirts to selected farmer's wives, so they can set an example. Women will also be encouraged to join farmer trainings during information/introductory sessions.
- See also the Plan of Action for GEN 1, #2, #3, #4, and #7.

H&S. 7: Personal Protective Equipment

Women were found working in farms without suitable equipment, such as boots; in contrast, men were wearing them.

Company Action Plan (2013)

1. Farmers will be informed on H&S requirements through refresher trainings in farmer training schools. (See also the Plan of Action for GEN 1, #7.) The importance of PPE usage for all family members will be underlined during trainings.
 2. Women will be encouraged to participate in farmer training schools during information sessions, which will be held in villages.
 3. The majority of farmers use PPE. However, women do not prefer to change out of their traditional clothes. They have access to PPE, but do not have sufficient information on the risks at the farm level. In order to change this mindset, the cooperative will propose models of boots and shirts to selected farmer's wives, in order to set an example. Women will be encouraged to join farmer trainings during information/introductory sessions.
- See also the Plan of Action for GEN 1, #2, #3, #4, and #7 and H&S.6

Deadline Date

November 2014

IEV Finding (2015)

Following the 2015 verification assessment, monitors noted that unlike in 2013, the cooperative has a **Health & Safety policy and procedure** for producers and their workers. To prevent cases of poisoning with pesticides, the cooperative recruited, trained and equipped applicators for the chemical treatment of producers' farms. For the care of sick and injured workers, the cooperative has encouraged producers to use existing health centers in the communities and their surroundings. In addition, the cooperative has equipped each of its sections with first aid kits managed by first aid officers, trained for this purpose. However, first aid kits are poorly equipped and regularly face supply shortages.

Regarding **information of producers and workers on the cooperative's Health and Safety policy**, the monitors

note that it is effective for some producers, through farmer field school sessions and through sensitization. The IMS staff of the cooperative uses Nestlé and UTZ COCs, both in use in the cooperative, as well as the various procedures developed on the issue to train and educate producers taking part in farmer field school training sessions. Following the interviews and record review, the monitors noted that the rate of producer participation in these training is low. Workers do not participate at all. In addition, the visibility of the Health & Safety policy still remains poor in the cooperative, since only 42% of producers surveyed acknowledged having received the Nestlé illustrated COC and no poster were observed by the monitors in the visited communities.

Regarding **producers' awareness of safety measures and the distribution of Personal Protective Equipment (PPE) models as example**, Nestlé has provided guidance to the managers of the cooperative. The cooperative, according to these instructions, insisted on the use of PPE for all people working in the farms. Furthermore, participants in the training were urged to relay this information to all family members including women and their workers. In both communities visited, the producers attest to the communication of these awareness sessions. However, the distribution of PPE models was never made and behaviors regarding the use of PPE has not changed. Men involved in production activities continue to protect themselves against obvious risks posed by machete wounds, thorns and snake bites while women still wear open sandals in the fields. Some of them say that they feel uncomfortable wearing protective footwear, as they deem appropriate only for men. For others, they find the purchase price of protective shoes too high enough and are unable to purchase them.

Overall Conclusion:

Monitors noted that efforts have been made by Nestlé and the cooperative in terms of Health & Safety policy and procedure development, training, awareness and first aid. However, additional efforts are required for the provision of supplies for first aid kits, personal protective equipment and awareness in the field for behavior change.

The issue of Health & Safety requires continuous improvement in particular concerning:

- providing supplies to equip first aid kits;
- provision of PPE models to cooperatives (e.g. women's boots);
- awareness for behavior change to encourage producers and workers (men and women) to adopt best practices for individual protection.

Company Follow-up Action Plan:

Nestlé will engage the cooperative to extend the health and safety policy including procedures and responsibilities to all the communities, and to provide and equip all first aid kits in communities without a health center nearby. (August 2016)

Nestlé will engage with the cooperative to:

Continue to raise farmer's awareness on the use of necessary personal protective equipment (PPE), such as eyes and nose protection and boots for females

In addition, Nestlé will pilot the distribution of eye protection equipment to farmers of 2 communities in 2 cooperatives (this cooperative not being in the scope). This will be done together with farmers' sensitization on the use and advantages of this kind of protection during farmer field school sessions.

Deadline Date:

March 2017

Hours of Work

Previous IEM Finding (2013)

HOW 1: General Compliance

No documents on Hours of Work are maintained at the farm level so it is difficult to determine the total number of Hours of Work during the peak season.

Company Action Plan (2013)

Nestlé has conducted research on the average daily work time at the farm level in Ivory Coast for their program regarding rural development frameworks. Due to weather conditions, workers could not work office work hours (8:00 am – 6:00 pm). Depending on circumstances, they prefer to work early in the morning and late in the afternoon. Therefore, farmers and workers will be informed on the weekly working time limits and minimum wages during farmers' trainings.

See also the Plans of Action for GEN 3, #2, and F.1.

Deadline Date

November 2014

IEV Finding (2015)

To take into account the results of the 2013 IEM regarding **reasonable and rational management of working hours**, the cooperative has integrated awareness on working hours and rest break during work in training sessions to producers. It also educates producers on the need to have at least one day of rest per week and do the same for their workers. The monitors have found that in the visited communities, producers and workers have a free management of their working time and are not subject to any constraints. They also observed that they do not work excessive hours and give themselves time to rest.

Overall Conclusion:

Even if the monitors note that no formal mechanism for managing working time exists in the farms because of the informal nature of production, they note the efforts of the cooperative to raise the awareness of stakeholders on the need of rest time and reasonable working hours. In the communities, producers and workers include time management in their operation.

Wages, Benefits and Overtime Compensation

Previous IEM Findings (2013)

WBOT 1: General Compliance

In Toumbokro, farmers reported that they have not received any premiums from the cooperatives. Cooperatives responded that due to financial difficulty, they were not able to provide timely payments and premiums to growers.

Company Action Plan (2013)

The cooperative held an annual general meeting to inform farmers about the situation during the 2011/12 seasons; the cooperative is now committed to pay premiums and other payments on time.

WBOT 3: Timely Payment of Wages

In Toumbokro, all wages, including overtime compensation, shall be paid within legally defined time limits. When the law does not define time limits, compensation shall be paid at least once a month or as agreed upon between workers and growers.

Company Action Plan (2013)

Report results were discussed with cooperative representatives and the cooperative will prioritize accelerating farmers' payments.

WBOT 7: Record Maintenance

No wage records are maintained at the farm level. Most of the workers are either family members or sharecroppers who received a part of the final harvest. In the absence of any compensation records, it was difficult to establish any payments made to workers (even casual or short term workers). Growers are not trained on any document maintenance.

Company Action Plan (2013)

See Plans of Action for GEN 1, #3, #4 and 6; GEN 3, #2; and F.1.

Deadline Date

November 2014

IEV Finding (2015)

In 2013, the monitors noted that the cooperative proceeded by a deposit-purchase¹ of products and did not pay on time what it owed to producers. Similarly, it was identified that producers do not perceive their certification premiums. Following these findings, the cooperative held a general meeting with producers to explain the difficulties encountered and explain the observed dysfunctions. As a result, managers of the cooperative committed to make every effort to pay the producers certification premiums and their incomes on time. In 2015, the monitors found that certification premiums are now paid regularly to producers. However, the cooperative always uses the system of deposit-purchase, which sometimes causes late payments of producers' income.

¹ System consisting in collecting cocoa beans from producers without making initial payment, to deliver them to the exporter and collect cash payment from the exporter before paying back the producers.

According to the explanations of the cooperative’s managers, they still experience financial difficulties due to lack of cash at the start of the season², which requires them to use the deposit-purchase system. This causes infidelity of producers and some of them left the cooperative. However, unlike the situation in 2013, the cooperative tries to regularize the status of payments as soon as possible.

Regarding the **documentation of payments made by the producers to the workers**, monitors note that the situation has not changed compared to 2013. In fact, the payments that occur between the cooperative and the producers are documented by receipts or records, while no support is provided to producers (mostly illiterate) to help them documenting the payments made to their workers, or to be assisted by a witness, if necessary.

Overall Conclusion:

Unlike in 2013, payments of producers’ certification premium are effective and the cooperative tries to regulate the timely payment of beans collected to producers, even if financial problems still hamper the payment on time. However, just as in 2013, payments that occur between producers and workers are not documented. In addition, premiums paid to producers are only documented in a register. Thus, no evidence of payment is available at the producer level.

The cooperative needs support to stabilize its cash and professionalize its management. Similarly, it should assist producers in the documentation of payments that occur between them and their workers. Finally, it must issue receipts for the payment of certification premiums to producers as it is done for payments of cocoa beans.

Company Follow-up Action Plan:

- Nestlé will continue to follow up with the cooperative commitment to raising farmers’ awareness on the importance of written payment records.
- Nestlé will continue to engage the cooperatives to assist farmers and workers as witness in workers wage payment
- Nestlé will develop with the participation of cooperatives a model of record payment and experiment it with a sample of farmers in two cooperatives

Deadline Date:

July 2017

² The season here reflects the period of harvesting and marketing of cocoa beans.