



[2015-
2016]

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL VERIFICATION REPORT

COMPANY: Nestlé
COUNTRY: Ivory Coast
PROVINCE: Gôh
COMMUNITIES: Lébré and Kouamékro
MONITOR: Societal Compliance Initiative
AUDIT DATE: 19-25 January 2016
PRODUCTS: Cocoa
NUMBER OF GROWERS/WORKERS INTERVIEWED: 30 / 08
NUMBER OF FARMS VISITED: 30
PROCESSES: Harvesting, land clearing

IEM Reference Reports:

- Nestlé Lébré 2013
<http://portal.fairlabor.org/fla/go.asp?u=/pub/zTr5&tm=5&Rid=1508&Fdn=13&Fna=NES+Libre+2013%2Epdf>
- Nestlé Kouamékro 2013
<http://portal.fairlabor.org/fla/go.asp?u=/pub/zTr5&tm=5&Rid=1511&Fdn=13&Fna=NES+Kouamekro+2013%2Epdf>

Context: Verification visits are conducted in the same cooperatives and communities where previous assessments took place. Data are collected by conducting interviews, observation and record review at four levels: (1) Nestlé and the Cooperative's 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 Nestle, please visit the FLA website [here](#).

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Code Awareness

Previous IEM Finding (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 COC and Fair Labor Association FLA COCs that are applied on the farms. Currently, Nestlé's illustrated COC is the most widely distributed COC and the most used by growers, as compared to the other COCs. Therefore, there is a risk of farms not implementing UTZ and FLA COCs.

Company Action Plan (2013)

1. Nestlé's illustrated COC, which Nestlé has distributed to all farmers in Nestlé's Cocoa Plan supply chain, contains sections on corruption; forced labor; child labor; punishment and sexual abuse; payment; health and safety (H&S); and the environment. Nestlé is adding a non-discrimination and non-retaliation clause to the next leaflet revision, which will be accompanied by an explanatory note to suppliers emphasizing their role in its implementation. They will be completed and distributed to all of our Tier 1 suppliers.
Deadline: November 2014
2. Nestlé and Tier 1 suppliers will prepare a training module, which will cover supplier COC, grievance channel, non-retaliation policy, along with a simplified formula for policy and procedure creation, particularly on Health & Safety and disciplinary actions. The training will be given to group administrators (ADGs).
Deadline: August 2014
3. After the training of trainers' session that will be provided by Nestlé and Tier 1 suppliers, Group Administrator (ADGs) will discuss the training schedule and program with the cooperative board. ADGs will organize information/introductory sessions for each section, in which lead farmers introduce the farmer field school. ADGs will provide brief information on supplier COC and grievance procedures.
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 workers who are not in the certification program will be particularly encouraged to join farmer field schools.
Deadline: January 2015
5. All Nestlé Cocoa Plan cooperatives will distribute the COC to their farmers and workers, during farmer field schools, through either section heads or through community liaison individuals, depending on local preference.
Deadline: March 2015.

GEN. 2

Growers are informed about Nestlé's COC through farmer field schools (supported by the Nestlé Cocoa Plan among other stakeholders) and through Nestlé illustrated COC, which is distributed to them. However, there is no proof of workers' awareness on all code elements. Many workers/family members who work on the farms do not attend any awareness sessions.

Company Action Plan (2013)

See the Plan of Action for GEN 1, #3, #4, and #5.

The cooperative has agreed to make a list of workers. However, it must be noted that some workers only

come a day at a time; therefore, the list cannot have 100% coverage.

GEN. 3

Nestlé has provided a toll-free number as a noncompliance reporting mechanism, which is included on Nestlé's illustrated COC. However, the COC is only distributed to growers or displayed at cooperatives. At present, this 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. 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 is being corrected with the new version.
2. The new poster will be displayed at each section level warehouse. We will distribute the leaflet more widely to include workers (see GEN 1), who are welcomed to use the hotline, including for cases of retaliation.
3. Additionally, there is a reporting mechanism within the cooperative under UTZ COC:
 - a) UTZ requires the cooperative to make a complaint register, which is managed by 1 dedicated person;
 - b) This register is available to all cooperative members and to anyone involved in the community;
 - c) All complaints are to be related to application of the code (discrimination non-payment of the premium, etc.);
 - d) The system has to be known by all members.

Application of this in the cooperative:

- a) The individual responsible within the cooperative has been trained by the "labor inspection;
 - b) This individual is supported by section delegates, who are collecting complaints locally;
 - c) The individual responsible is evaluating them and putting corrective measures in place.
3. Nestlé will recommend a non-retaliation policy to the cooperative and ADGs will be trained on this topic in August. Non-compliances can be reported through the cooperative's complaint procedure and our hotline.

Deadline: November 2014

4. The individual responsible at the cooperative for the certification will make a round of the farmer field schools to remind farmers of this mechanism.

Deadline: January 2015

Deadline Date	March 2015
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IEV Findings (2015)

Following the 2013 IEM, Nestlé committed to **update its Supplier Code of Conduct (COC)** by adding provisions on non-discrimination and non-retaliation. During the verification assessment, the monitors observed that Nestlé indeed revised its COC by adding the new provisions cited above. These provisions are also illustrated with images to enhance understanding of users, especially illiterate ones.

Regarding the **distribution of the new version of the COC to producers**, Nestlé Internal Monitoring System (IMS) manager told monitors that in January 2015, Nestlé has provided 533,300 COC leaflets to its suppliers, to be distributed to 100% of their 39,200 producers participating in the Nestlé Cocoa Plan, as well as workers. Similarly, more than 720 posters were distributed to cooperatives for their different sections. Nestlé manager added that they have developed a distribution-tracking sheet to ensure the effectiveness of the operation. The Group

Administrator (GA), manager of the cooperative's IMS at USCRG reported to monitors that he received 1,150 copies of the leaflets that he distributed to all of its 891 producers, as well as some of their workers. Additionally, he stated that he received and distributed 12 posters for all the 6 sections of the cooperative.

However during the verification visit, monitors noted that only 7 of the 30 producers interviewed, representing 23% of the total, obtained the revised Nestlé COC. 17 other producers had the old version of Nestlé COC and stated that they only have this version. 6 others stated they never received any COC. Regarding the new posters, monitors did not observe any posters in the communities visited, nor even at the central office of the cooperative. The IMS managers of Nestlé and the cooperative explain the lack of posters by the fact that they do not resist to severe weather conditions due to their display in public places. They affirm that they have effectively distributed leaflets to all producers and do not understand the fact that they are not able to present it to the monitors. According to the monitors, Nestlé would benefit from strengthening its distribution monitoring system to ensure that the leaflets effectively reach all producers and their workers. Furthermore, the cooperative had promised in 2013 to make a list of all permanent workers working with producers to better take them into account the deployment of policies at the cooperative level, but this has not yet been implemented.

Regarding **the cooperative IMS staff training**, Nestlé IMS manager reported that from October to November 2014, the company has trained in his Zambakro's research center (Yamoussoukro) all Group Administrators of cooperatives. During this training, all COC elements were discussed, including the grievance mechanism and non-retaliation policy. Based on record reviews and interviews with the GA, the monitors noted that the IMS staff of the cooperative participated in several training and capacity building sessions. Nestlé organized training in 2014 on his COC. They also attended training sessions organized by Cargill on the UTZ's COC, by Louis Dreyfus Commodity on fertilizer application techniques, by Syngenta on pesticides application techniques, by the Red Cross on first aid, and the German International Cooperation GIZ and Coffee and Cocoa Council (CCC) on the new OHADA regulations. Following interviews with producers and workers, the monitors noted that the cooperative regularly and effectively conducts training and awareness sessions for producers certified in localities to relay the received information to producers. According to the GA, training sessions are open to all producers, certified or not, workers and members of the community. The delegate of the section is responsible for transmitting information of training sessions to the target population of his section through the griot (traditional communication channel) of the village. However, the monitors noted that apart from certified producers, no other targets participate in training sessions. 8 interviewed workers indicated to monitors the reasons for their non-participation in training. First, they say they are not invited, then they say not having enough time because of their occupations and finally, they admit that they find no interest in participating in such activities since according to them, this concern certified producers who find their interest through certification premium. The training and awareness relate to the requirements of UTZ COC that cover most components of Nestlé COC to its suppliers.

The IMS staff confirmed that **sensitization of producers** \ addresses all the procedures and mechanisms available at the cooperative level, including the disciplinary procedure, the grievance mechanism and the non-retaliation policy. However, the monitors found that the grievance mechanism is not working properly. For verification purposes, the GA assured monitors that no complaints were registered by the cooperative since the existence of the procedure. To the contrary of this statement, during their visit to Lébré, producers have reported to monitors that they raised complaint several times about the lack of interest of the cooperative leaders to the GA and that these complaints were not followed. The monitors received no written proof of these complaints, neither at the producer level, nor at the IMS of the cooperative. However, the managers of the cooperative confirmed to be informed of these complaints and have even explained to the monitors the reasons for their inaction.

Regarding **the toll-free phone number used as a grievance line**, a number is now available on the leaflet published by Nestlé. However, this number remains impractical in rural areas, since it is only accessible from a landline and is operated in English, a language that community members do not understand.

Overall Conclusion:

Compared with the results of the 2013 IEM, the 2015 verification assessment confirmed that the Nestlé COC now includes the provisions on non-discrimination and non-retaliation. Nestlé has planned a sufficient number of leaflets and posters to be distributed to its partners, but the distribution to producers and workers is not implemented effectively. Training and awareness of IMS staff and producers has improved substantially with the organization of several training sessions and seminars for the GA and the effective participation of all producers in the training sessions. Workers are however still not participating in training sessions. They do not participate in training for various reasons including lack of time, lack of interest and the fact that they are not specifically invited. Most of the producers do not relay the information received during training to their workers. Finally, Nestlé toll-free phone number for raising complaints and grievances is now functional but not yet practicable for the target, given that it is only accessible from a landline and is operated in English.

Issues regarding the distribution of leaflets and the COC display, as well as the workers' participation in training sessions still need improvement.

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, Nestlé will:

- 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 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.

Nestlé will engage the cooperative and our tier 1 supplier to distribute the Nestlé's Supplier Code of Conduct to farmers and workers, during farmer field schools, through either section heads or through community liaison individuals, depending on local preference. The cooperative will provide code of conduct distribution list.

The poster will be displayed at each section level warehouse. To include workers, Nestlé will distribute the leaflet more widely. Workers will be encouraged to participate in farmer training schools during the information sessions that are held in villages by the cooperative.

Deadline Date:

March 2017

Forced Labor

Previous IEM Finding (2013)

F.7 Free Disposal of Wages/Cash and In-Kind Compensation

In Lébré, a young worker was found on 1 farm. He did not have any age verification documents; subsequently, assessors determined his age to be 15 years. He explained that his father, who lives in Burkina Faso, sent him to the grower and that he has been working with the same grower for the past 3 years. His salary is directly sent to his father in Burkina Faso and he is not aware of the compensation he receives. He receives no compensation personally from the grower and has been involved in all activities on the farm.

Company Action Plan (2013)

See the Plan of Action for CL.1.

Deadline Date

October 2014

IEV Findings (2015)

[Refer to CL.1 below for details.](#)

Overall Conclusion:

[The cooperative is raising awareness of producers on the payment of salaries to workers. Similarly, in the specific context of this child, given his age, the producer was made aware of the work prohibited for under 18 years workers. Consequently, this issue has been solved.](#)

Child Labor

Previous IEM Finding (2013)

CL.1 General Compliance

In Lébré, monitors found a young worker involved in cocoa bean transportation, which is considered hazardous work (lifting of heavy loads) at a Nestlé supplier's farm. The worker reported to monitors that he is engaged in the grower's daily work, including hazardous activities. During interviews with farmers, it was reported that child/young workers from farmers' families (both immediate and extended) are involved in farm work like cocoa picking and land cleaning. Some of these children and young workers do not attend school.

Company Action Plan (2013)

1. Nestlé has begun the roll out of our child labor monitoring and remediation system in this cooperative. See a short description at: <http://www.cocoainitiative.org/fr/projects/143-ici-nestle-project-in-cote-d-ivoire>
2. Nestlé will ask the person responsible in the cooperative to: a) follow up on this situation, b) ensure that the farmer is suitably trained on what is permissible for young workers, and c) find a solution for the worker's payment. The employer will be informed that:
 - a The young worker has to be paid for his job and cannot be employed in hazardous tasks and
 - b No other children, from either in the family or outside the family, could also be employed. Specific follow up will be ensured on this case, to make sure that the situation does not happen again. If awareness-raising activities do not suffice, appropriate remediation solutions are to be found for this young worker.
3. Similar follow up is to be ensured for all identified children involved in farming activities, when their activities are considered as hazardous by the national law.

CL.3 Proof of Age Documentation

In Lébré, the grower was not able to provide the proof of age of the young worker working on his farm. Monitors could not determine the exact age of the worker but based on interviews they estimate he was around 15 years old. According to the young worker, he has been employed on this farm for the past 3 years.

Company Action Plan (2013)

See the Plan of Action for CL.1.

1. The database being constructed by International Cocoa Initiative (ICI) in our Child Labor Monitoring and Remediation System (CLMRS) will record the ages of children and young workers.
2. In cases where there is no documentary evidence, a best estimation is to be derived from interviewing local people.

CL. 6 Employment of Young Workers

In Lébré, the young worker has been working on the farm for the past 3 years. His employment is not in compliance with local law, Nestlé COC, and FLA COC, especially in regard to the types of work performed, hours of work, and employment terms.

Company Action Plan (2013)

See the Plan of Action for C.1.

CL. 7 Hazardous Work for Young Workers

In Lébré, monitors observed a young worker involved in cocoa bean transportation. The worker reported to

monitors that he is engaged in the grower's daily work, such as cocoa pod picking and land cleaning, which are considered hazardous tasks

Company Action Plan (2013)

See the Plan of Action for CL.1.

CL. 8 Education of Young Workers

In Lébré, the young worker found in the field was never sent to school; he has been working on the farm for the past 3 years.

Company Action Plan (2013)

See the Plan of Action for CL.1.

Nestlé has built 6 primary schools in the Gagnoa area, and puts great emphasis on the importance of education when talking to farmers and cooperatives. Note that the minimum age of employment is 14 in the Ivory Coast and 15 in FLA's COC.

CL. 10 Removal and Rehabilitation of Child Laborers

As per IMS staff interviews, the company is in the process of developing a child labor monitoring and remediation plan. Under this plan, the identified children will be removed and rehabilitated. The assessors did not have a chance to verify this system. The young worker observed in the fields was yet to be identified by company staff.

Company Action Plan (2013)

See the Plan of Action for CL.1.

Deadline Date

October 2014

IEV Findings (2015)

Regarding **child labor monitoring**, Nestlé works in 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 supply chain. Likewise, ICI provides support in the development of remediation actions when cases of child labor are detected. This partnership is materialized by the implementation of the Child Labor Monitoring and Remediation System (CLMRS). Started as a pilot project in two cooperatives including USCRG studied here, the CLMRS now covers 40 cooperatives. Regarding other aspects of labor standards, Nestlé's IMS manager explained that they are covered under the current certification program implemented in the cooperative.

In the visited communities, the monitors noted that child labor monitoring activities are conducted effectively. As such, a Monitoring and Remediation Officer and 27 Community Relay (RC) have been recruited, trained and attributed to the cooperative to train, educate and inspect the producers and their households. Regarding other aspects of labor standards, monitors note that a Group Administrator (GA) and nine Farmer Inspectors have been recruited by the cooperative to conduct internal monitoring activities in six sections. In theory, this internal monitoring is supposed to cover all areas of compliance with the COC of the certification body, including labor standards. However, looking at the reports of internal inspections available at the office of the cooperative, the monitors concluded that social norms are not sufficiently inspected internally by the IMS because inspections focus essentially on aspects of good agricultural practices, quality and traceability.

Regarding **age verification**, the age verification process is supposed to be done in the communities through the identification documents. However, numbers of children living in those communities have no identification document that can facilitate this process. To overcome this, Nestlé has incorporated into its child labor

monitoring and remediation system to raise awareness in the families on birth registration at the Civil Registry and the importance to provide an opportunity for children to receive birth certificate. In addition, as a motivation for parents to move in that direction, Nestlé assisted 1,208 children in obtaining birth certificates in all communities involved in the CLMRS, of which 157 are from the communities of the cooperative. In the communities visited, the monitors found that producers are actually aware of the need for birth registration in the civil status and the establishment of a birth certificate for each child in the household. Following the community visits, the monitors found no cases of children having no birth certificate from the households of interviewed producers. According to data collected from ASR, Nestlé's support in the establishment of birth certificate covers all the six sections of the cooperative. The two communities visited totaling 14 children (9 to Kouamékro and 5 to Lébré) who have benefited from the program of supporting the establishment of birth certificates.

Regarding **support to children education**, according to the explanations of the IMS manager, Nestlé's support was carried through several actions. For example:

- 42 schools have been built in 42 communities of 12 cooperatives involved in Nestlé supply chain to allow access of 10,000 children to education. In the cooperative, 9 communities have benefited from the school building program.
- Nestlé has also assisted 1,208 children in obtaining birth certificates permitting them to access to citizenship and be empowered to perform acts in that capacity, such as school enrollment.
- Nestlé has supported the education of 1,595 children at risk in 22 cooperatives by distributing school kits. 87 of them are from the cooperative.
- Finally, 66 income-generating activities were funded by Nestlé to benefit 66 women or groups of women to enable them to support schooling of their children. More than 1,200 wives of producers are involved in these activities.

Following the interviews, the record review and observations made in the communities visited, monitors confirm that the communities of the cooperative effectively benefit from this support. For example, one of the two communities visited (Kouamékro), because of its isolation, is poorly covered by government initiatives. In the framework of this program, the community benefited from:

- a school building with 4 classrooms (with latrines), 3 classrooms for primary school and one classroom for kindergarten;
- 11 school kits for children at risk;
- support for the creation of the Association "Etra é Awlin" which has set up a cassava field in order to generate resources to support children education;
- support for creating the association of "Women Mothers of Students" (WMS). This association includes all women mothers in the community. The initiative was supported by Nestlé's partner, World Education who accompanied them to the establishment of a saving fund with a weekly fee of 100 FCFA per member for financing their income generating activities. The Association has a legal administrative existence and a savings account.

Regarding **the existence of a child labor remediation system**, Nestlé IMS manager argued that the CLMRS is effective through the majority of initiatives of the Nestlé Cocoa Plan which contribute one way or another to the remediation of child labor. She explained that for a sustainable solution of child labor, Nestlé and its partners address the root causes. More specifically:

- At the socio-cultural level, Nestlé and its partners focus on changing behaviors and practices through training and sensitization of actors in the supply chain on issues related to child labor. From this perspective:
 - 158 supervisors at tier one supplier level (exporters), more than 1,861 IMS personnel in cooperatives and 120,000 community members with 60,000 producers receive capacity building, training and / or sensitization. At the specific level of USCRG cooperative, monitors note that 38 IMS staff and 891 producers have benefited from these measures.

- In addition to these training and awareness raising sessions, Nestlé and its partners are experimenting special projects such as the Nestlé Gender Dialogue Platform whose goals is to make the family a pleasant living environment for the children through the maintenance of harmony and concerted decisions.
- At the economic level, Nestlé and its partners rely on several strategies. To address poverty that seems to be the main cause of child labor, according to the majority of producers, Nestlé and its partners multiply the interventions. First, they act through the premium payment system for producers participating in the Cocoa Plan or Certification. Then Nestlé and its partners intervened in the provision of high yielding plants to rejuvenate aging trees and improve the income of producers. They also encourage and support their producers to comply with good agricultural practices and facilitate their access to services helping them to increase their productivity and therefore their income. Finally, they support income-generating activities to enable them creating wealth and reinvest in education of their children.
- At the technical level, in order to reduce strenuousness of work and face the scarcity of labor force in the cocoa farms, Nestlé and its partners are experimenting measures to encourage producers to form community self-help groups in order to conduct the work in turn and in groups.
- At the institutional level, Nestlé and its partners support the efforts of national institutions contributing to the achievement of school infrastructure with better education conditions for children. Similarly, Nestlé participate in national forums as well as multi-stakeholder initiatives for the remediation of child labor. For example, Nestlé participates in the Working Group 6 of the Public-Private Partnership Platform dedicated to the fight against child labor. Nestlé is part of the World Cocoa Foundation and the International Cocoa Initiative. In 2012, Nestlé joined the Fair Labor Association with the objective of addressing the child labor in its supply chain.

Overall Conclusion:

At the end of the verification assessment, monitors note that notable efforts are undertaken by Nestlé to inform, educate, raise awareness and inspect the producers and their household in the fight against child labor. Similarly, many initiatives are taken to address this issue in a sustainable way. Regarding child labor monitoring, Nestlé is in partnership with the International Cocoa Initiative (ICI) to implement a Child Labor Monitoring and Remediation System that involves 28 staff members including 1 Monitoring and Remediation Agent and 27 Community Relay in 6 sections of the cooperative. Regarding age verification, Nestlé emphasizes producer awareness on birth registration and the establishment of birth certificate for their children. Nestlé assists some producers in obtaining these certificates. In terms of support to children education, Nestlé is involved in building schools, in the distribution of school kits to children at risk, and in the creation of income-generating activities for women. Finally, to sustainably address the child labor issue, Nestlé and its partners are addressing several factors, fighting root causes at socio-cultural, economic, technical and institutional levels.

The monitors confirm that all these actions benefit to the cooperative and the communities visited and attest that no cases of child labor were identified during the assessment.

Monitors concluded that the question is closely followed by Nestlé, which has set up a viable system. They encourage to maintain the effort because 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 Finding (2013)

H&A. 1 General Compliance

In Kouamékro, some of the interviewed workers (sharecroppers) reported that they feel abused due to the local practice of having to pay for in-kind gifts, which they give to growers to be able to work on their farms: They have to gift growers' bottles of wine (or liquor) before starting to work, and again at the end of the harvest when they receive part of their income.

Company Action Plan (2013)

There is a common practice in some ethnic groups where a farmer contracts with his workers with a special libation ceremony; the worker is asked to furnish some of the drink bottles.

1. During the training session with the Group Administrators, Nestlé will address the issue and amend the template of the contract between farmers and workers to mitigate this.
2. The information will be given to farmers during training on COC, grievance procedures, non-retaliation, working conditions, etc.
3. This contract template will be available at the section level.

H&A. 12 Grievance Procedure

Nestlé has developed a grievance process at the cooperative level. However, workers are not aware of any grievance procedure, as they do not participate in training sessions in which grievance procedures are communicated and explained.

Company Action Plan (2013)

See the Plans of Action for GEN 2 and GEN 3.

Deadline Date

March 2015

IEV Findings (2015)

The monitors note that the cooperative has developed a **contract template** to be used between producers and workers. A copy was made available to them. According to the GA, this contract is made available to 12 producers in the cooperative for a pilot test before expanding the system to all producers. Nestlé IMS manager reported that Nestlé encourages since 2014 all of its cooperative partners in this initiative.

Moreover, the GA reported that the cooperative educates producers, including those of Kouamékro (locality where the problem arose in 2013) on **workers' hiring conditions** so that no in-kind gift be requested by producers during recruitment. The monitors confirm that no report has been made to them on gift request in both communities visited.

Regarding the awareness of producers and workers of the grievance procedure and non-retaliation policy, please refer to the "Code awareness" section above.

Overall Conclusion:

A contract template is available to producers to help them document their working relation with their workers. This initiative is in its pilot phase in the visited cooperative. Workers are no longer victims of abuse related to the

payment of gifts to their employers since producers are sensitized on the issue. Finally, procedures exist particularly in disciplinary matters, grievance and non-retaliation, and are communicated to producers even if they are not sufficiently aware of the use of these procedures.

As a result, monitors point out the need to extend the initiative on the written contract between the producers and workers to all members of the cooperative. Similarly, they point out that the awareness of producers and workers on the existing procedures in the cooperative must continue and intensify.

Company Follow-up Action Plan:

Nestlé will intensify the awareness-raising efforts on existing procedures as part of farmer field school sessions.

Nestlé will encourage the cooperative to formalize all agreements between workers and producers through written contracts.

Deadline Date:

December 2016

Health & Safety

Previous IEM Findings (2013)

H&S 1 General Compliance

In Kouamékro, there is no health care and medical facility. The closest one, which is located 12 km away, is difficult to access due to impassable roads and a lack of transport means. There are no first aid kits available on the farms and in the village. Additionally, there is a lack of access to clean drinking water. Furthermore, some growers and workers work in an unsafe environment, as they have to use precarious bridges (tree trunks) to cross the river. Most of the issues above are present due to a lack of government-developed infrastructures.

In Lébré, due to the lack of government infrastructure, local rural communities' access to basic services, such as clean drinking water, health care, etc., is very low. As a result, there is no potable water at the village and farm levels. Water is drawn from wells and creeks and consumed without treatment. There are no first aid kits available in the village and the nearest health center is 5 kms away with no means of transportation.

Company Action Plan (2013)

1. The coop has a first aid procedure in accordance with UTZ certification:

The coop is distributing 20 first aid kits to villages. The Red Cross is training local first aiders in a selection of the villages. Nestlé will make sure the kits are complete and will communicate the procedures to farmers in the field schools along with basic first aid.

The coop evacuation plan mentions that first aiders are to inform the cooperative in cases of severe injury.

2. The cooperative, through first aiders, will remind both members and workers of this procedure during farmer field school sessions.

Drinking water: This is a widespread problem in rural areas in Ivory Coast. A Nestlé survey showed that around 37% of people do not have access to clean drinking water. We have a project with the International Federation of the Red Cross to refurbish water wells, build sanitation infrastructure, and educate children and adults about the importance of hygiene; this project has been active in the Gagnoa area.

Footbridges: This is typical of rural areas. While child labor remains our focus, Nestlé will not prioritize this issue.

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

In Lébré, workers do not participate in training sessions; therefore, they are not aware of any Health & Safety documents and procedures.

Company Action Plan (2013)

1. See the Plans of Action GEN 1 and GEN 2 regarding explaining the supplier COC to workers. See the Plan for Action for H&S.1 regarding first aid procedures.

2. We will train ADGs on the Health & Safety management system, as there is already a risk analysis available at the cooperative level. During the training, Nestlé will investigate how the individuals responsible for first aid run the Health & Safety management system.

H&S 4 Health and Safety Management System

No H&S management system is available for growers and workers

Company Action Plan (2013)

1. Nestlé will start by making sure the first aid procedure is working (H&S.1).
2. Nestlé will train ADGs on the H&S management system, as there is already a risk analysis available at the cooperative level. During the training, we will investigate how the individuals responsible for first aid can run a H&S management system (setting up clear responsibilities, procedures, reporting all H&S matters (chemical handling, personal protective equipment (PPE), first aid, handling of accidents, etc.).

H&S 5 Communication to Workers

There is no proof that works are aware of the H&S requirements as they do not attend the farmer field school training sessions.

Company Action Plan (2013)

See the Plans of Action for GEN 2 and H&S.1.

H&S 6 Access to Safety Equipment and First Aid

No first aid kit is available in the villages and the nearest health care clinic is 5 to 12 km away. Additionally, there are no paved roads or modes of transportation.

Company Action Plan (2013)

See the Plan of Action for H&S.1.

H&S 7 Personal Protective Equipment

In Lébré, monitors observed that both growers and workers, mainly women, do not have suitable protective equipment, like boots, while working on the farms.

Company Action Plan (2013)

1. The importance of PPE will be reinforced in farmer training.
2. As part of our response to FLA's gender report (<http://www.fairlabor.org/report/nestle-womens-roles-assessment-cocoa>), we will investigate the root causes with selected women's groups and devise related solutions by 2015.

H&S 8 Chemical Management and Training

Growers are aware of the banned chemicals and take precautions to segregate the chemicals from their workplace and living quarters. However, it was noticed that empty chemical containers are not properly disposed of, as they are either buried in the ground or thrown out into the wild.

Company Action Plan (2013)

The proper disposal of chemical containers is a critical part of the UTZ COC. In fact, as there are no national methods of collection and disposal of these containers, burial in the ground (after washing and piercing the container) is considered an acceptable practice. Throwing the containers into the wild is not acceptable; this message will be reinforced in farmer trainings, in conjunction with our supplier of phyto-sanitary goods

Deadline Date

March 2015

IEV Findings (2015)

In order to address the need of **training for producers** on Health & Safety requirements, the cooperative IMS staff states that the cooperative has strengthened training in the farmer field school compared to the practices in 2013. The current training practices largely address issues on Health, Safety & Environment. At the end of the interviews with producers, the monitors confirm that producers are trained and made aware of Health & Safety. These training and awareness sessions cover multiple aspects of Health & Safety, including the use of personal protective equipment (PPE). Producers and their workers are aware of the need of wearing boots, pants and long-sleeved shirts when they go to farms. They are also aware and trained on the management of empty chemical products. Some producers have reported that they relay information received during training on health, safety and environment to their workers, because they believe that these issues are vital. Workers interviewed showed some knowledge especially in terms of management of pesticides.

The interviews, observations and record review enabled monitors to note that the cooperative has recruited and trained **23 first aid officers** who are responsible for first aid in the sections and central stores of the cooperative. They also ensure the transfer of urgent cases to the nearest health center. This procedure is explained to producers during training and awareness sessions. Moreover, the producers themselves are educated on emergency care in case of injury, snake or insect bites, or in case of poisoning. In addition, the cooperative has equipped each section with a first aid kit in case of first aid need. However, the monitors noted that the first aid kits regularly miss equipment and supplies. There is no system in place to ensure that first aid kits are monitored and resupplied.

Regarding **access to drinking water**, IMS managers of the cooperative and Nestlé say that 29 communities of the cooperative benefit from the awareness program on water and sanitation, the environment, living environment and on the parking of animals. This program was initiated by Nestlé and the Red Cross since 2010. As part of this program, Kouamékro which was concerned in 2013 by the problem of access to clean water, benefited from the rehabilitation of the village water pump, the training of a responsible repairer equipped with technical equipment and the establishing of a village committee for the management of water points.

Despite this intervention, the situation remains the same at Kouamékro if Nestlé stick to the results recorded during the 2015 verification, because the community is not able to agree on the mode of management of the village pump. The only village pump that provided access to clean water to 1,678 inhabitants (according to the village chief) is inoperative since 3 months. According to the head of the Management Committee, after a dispute between some members of the community and himself, the committee is no longer functional. Therefore, he has no means to ask the responsible repairer to intervene.

Overall Conclusion:

At the end of their verification visit, the monitors attest that additional efforts were made by the cooperative in terms of training and awareness raising particularly on issues related to personal protective equipment, management of empty chemical containers and first aid. First aid officers have been identified, trained and equipped to handle first aid of injured workers/producers prior to their transfer to the nearest health center. However, the kits available to them are poorly equipped and regularly lack supplies. Similarly, no significant progress has been made in access to safe drinking water in the community of Kouamékro, where the population is consuming water from wells or backwaters, without sanitation because of lack of initial training and the status of their village pump which is currently out of order.

Compared to the situation in 2013, Nestlé and the cooperative have made tremendous progress. However, they must ensure to consolidate the achievements and help solve the problems generated at the community level.

Company Follow-up Action Plan:

Nestlé will engage the cooperative to extend Health & Safety policy including procedures and responsibilities to all the communities of the cooperative by providing and equip all first aid kits in sections and communities that have no health center nearby.

Nestlé will also engage the coop to raise awareness of farmers about boiling water before drinking.

IFRC technical team has made the diagnostic and discussed with the community members and leadership. An agreement has been reached and the community committed to reactivate the WASH committee and repair the pump. The project will be followed-up and supported with specialized workmanship to fix the pump.

Deadline Date:

August 2016

Hours of Work

Previous year finding (2013)

HOW 1 General Compliance

No documents on Hours of Work are maintained at the farm level; therefore, it is difficult to determine the total number of hours of work during peak season.

Company Action Plan (2013)

Nestlé's research shows that 45% of farmers are illiterate and running very small farms with the infrequent use of paid labor; therefore, the lack of records will be a widespread issue.

1. In accordance with the requirements of UTZ certification, the cooperative has agreed to emphasize the importance of working no more than the maximum number of working hours.

2. Nestlé will discuss solutions regarding recording hours with the cooperative during 2015.

Deadline Date

Late 2015

IEV Findings (2015)

Monitors note that in the absence of **working hour records** in the farms, the cooperative educates producers on the need for rest days and avoiding excessive working hours. The visited farms are small family farms that operate informally. It has been asked to them to relay this information to their workers. The monitors observed during their assessment that producers and workers effectively take rest time. Moreover, at the time of the visit, some producers and workers were interviewed in the village while resting on the day of the visit. Workers and producers interviewed testified that when they are in the farm, they rest for 1 hour per day at least, even when the job is intense. They say they also take between 1 and 2 days off each week. The monitors also noted that farmers and workers have a free management of their working time.

Overall Conclusion:

The monitors noted that in absence of implementing a record keeping system of working hours, the cooperative has sensitized the producers to encourage rest and give up excessive working hours.

This issue is efficiently addressed by Nestlé and its partner.

Wages, Benefits and Overtime Compensation

Previous year finding (2013)

WBOT.1 General Compliance

In Lébré, a young worker explained that his father (who lives in Burkina Faso) sent him to work on the farm. Therefore, he has worked on the farm for 3 years, with his salary going directly to his father in Burkina Faso. Subsequently, this young worker receives nothing personally.

Company Action Plan (2013)

See the Plan of Action for CL.1.

WBOT 7 Record Maintenance

No wage payment records are maintained at the farm level, as neither the cooperative nor the company has trained growers on the same. Therefore, there is no way to determine how many additional casual or daily workers work on the farms and what kind of compensation is made to them.

Company Action Plan (2013)

Our research shows that about 45% of Ivorian cocoa farmers are illiterate and running very small farms with the infrequent use of paid labor; therefore, a lack of records will be a widespread issue. Nestlé run farmer field schools that cover better farming practices, which introduce some accounting basics according to farm costs. Our priority is on child and forced labor issues, which affect compliance on certification, Health & Safety, and our supplier COC. Wages and their records, along with sharecropping arrangements all merit closer attention; however, to do so this year will distract our resources and focus. Typical wage rates are above the minimum wage of 33,000 CFA per month. Nestlé will discuss record keeping with the cooperative in 2015.

Deadline Date

Late 2015

IEV Findings (2015)

Following the verification assessment, monitors note that the issue of **documentation of payments** between producers and workers has no progress compare to the situation in 2013. Unlike the transactions between the cooperative and the producers who are documented by receipts and records, no provision is made to assist producers and workers, which are mostly illiterate in the documentation of their payment to workers.

Overall Conclusion:

Such as in 2013, payments that occur between producers and workers are not documented. This question needs further improvement.

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