



[2016]

FAIR LABOR ASSOCIATION

INDEPENDENT EXTERNAL VERIFICATION REPORT

COMPANY: Nestlé
COUNTRY: Côte d'Ivoire
PROVINCE: Lôh-djiboua
CITY/DISTRICT: Guitry
COMMUNITIES: Zaourakro, Guitry, Babokon
MONITORS: Societal Compliance Initiative
AUDIT DATE: January 19-27, 2017
PRODUCTS: Cocoa
NUMBER OF WORKERS: 86
NUMBER OF WORKERS INTERVIEWED: 13
NUMBER OF FARMS VISITED: 60
PROCESSES: Harvesting

IEM Reference Report:

- Nestlé Guitry, 2014

<http://portal.fairlabor.org/fla/go.asp?u=/pub/zTr5&tm=5&Rid=1625&Fdn=13&Fna=Nestle%5FGuitry%5F2014%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.

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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.	
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Code Awareness

2014 IEM Findings

To access the 2014 FLA findings and company action plans, please visit [this page](#).

2016 Verification Findings

Following the 2014 IEM in this cooperative, Nestlé committed to:

- promote, through the cooperative, the participation of workers in farmers farm school sessions;
 - distribute its illustrated CoC to all producers and workers;
 - post the illustrated CoC poster in all sections of the cooperative;
 - increase awareness in child labor monitoring through the ASR and the community relays.
1. Regarding attendance at Farmers' farm school sessions, the monitors note 58 of the 60 interviewed producers, representing 97% participate in the training sessions. Regarding workers, only 3 of the 13 contract workers (seasonal workers and sharecroppers) interviewed, representing 23% of the workers, say they take part in training on behalf of their employer, while 10% say they have never been asked to take part in training sessions. On the issue, the cooperative officials say they continue to raise workers' awareness on the importance of their participation in training sessions. To this end, they organize days, called "Peasant Days", for the benefit of workers and producers. Although the organization of these days began in 2015 in some communities, such as Tiegba 2, they had not yet reached the three communities covered by the FLA assessment.
 2. On the visibility of the Nestlé Code of Conduct, monitors observed posters posted in the three communities visited (Zaourakro, Babokon, and Guitry). 57 of the 60 interviewed producers, representing 95%, now have Nestlé's illustrated code of conduct (Nestlé CoC leaflets). The three remaining producers (5%) explained they were absent from the community at the time of distribution because they went to their native village to attend funerals. They added that, since they returned, they did not report to the cooperative. In addition, only 2 of the 13 workers interviewed have the Nestlé CoC. However, they showed a real understanding of the requirements for good agricultural practices, health and safety, and child labor. According to the interviewed producers, most workers are seasonal workers. Therefore, even if they receive the leaflets, in the following season, they will have to give them again to the new hired workers the following season. For this reason, they prefer the channel of relaying information, rather than the distribution of supports to workers.
 3. On the issue of increasing awareness on child labor, the Child Labor Monitoring and Remediation System (CLMRS) has increased its activities towards producers, their workers, and members of the communities. In addition to the traditional activities of the team led by the Monitoring and Remediation Officer (ASR), Nestlé field staff, composed of Nathan Bello, NCP manager, and Mathilde SOKOTY, human rights and child labor manager, reinforce by their presence actions on the ground. In 2014, for example, they conducted an outreach visit to the Zaourakro, Korhogo, and Yobouekro sections. During their audit, the monitors noted both producers and workers in the communities visited had a high level of understanding of child labor requirements.

Overall Conclusion of the Verification: **there is significant progress observed**

At the end of the 2016 verification assessment, the monitors noted significant improvement in the area of code awareness. There is now a high rate (97%) of participation of producers in the training sessions. The illustrated CoC is now available in all communities to 95% of the interviewed producers. All workers and producers interviewed showed a good level of knowledge of the main elements of the Nestlé CoC.

However, efforts still need to be made at workers level, where 77% of them do not take part in training sessions and 85% have not received the CoC.

Follow-up Company Action Plan:

Throughout the year 2016, Nestlé has provided its first-level suppliers with a total of 492 posters and 49,250 flyers to be distributed to farmers and workers in cooperatives.

To monitor the distribution of the CoC's, Nestlé has provided the first-level suppliers with two types of forms: a form for distribution to cooperatives and another for distribution to farmers and workers.

In addition, a plan of action for the implementation of Internal Management System (SGI)'s requirements, including the provision of Nestlé's CoC exists and is reviewed through meetings between Nestlé's Internal Monitoring System Officer and that of the cooperative during field missions

Given that the number of farmers and workers in cooperatives is growing every year, we will:

- Continue to make available the Nestlé codes of conduct.
- Increase awareness on farm workers' participation in training.

In addition, our tier 1 supplier set up farmers' days not only to improve producers and workers participation in awareness sessions, but also to make these sessions more attractive and useful for them.

Deadline Date: December 2018

Child Labor

2014 IEM Findings

To access the 2014 FLA findings and company action plans, please visit [this page](#).

2016 Verification Findings

Following the verification visits to the communities, the monitors note the cooperative has been involved in the Child Labor Monitoring and Remediation System since 2013 to fight against child labor in a sustainable manner. To this end, it has a Monitoring and Remediation Officer and 9 Community Relays who carry out community level monitoring and organize activities to raise awareness among producers, workers, and community members. These actions reinforce those implemented in the cooperative through the certification mechanism, carried out by the Group Administrator and his team (PRs). All the producers and workers interviewed showed a good knowledge of child labor issues, such as work that should not be done by children, the minimum age required to employ them, etc.

Additionally, the cooperative committed to help get birth certificates for the children of its producers who do not have any. Thus, at the time of the verification visit, it had helped get 26 birth certificates for 26 children of producers and continues identifying the needs of producers, so birth certificates can be obtained free of charge for all children whose parents ask for it.

Concerning the 10-year-old child identified in the 2014 IEM as child worker, his schooling and that of his junior brother has been guaranteed since 2014 through a joint effort of Nestlé, the cooperative, and the parents of the children. As such, Nestlé pays for school fees and materials, the father for rental of their dormitory, and the cooperative for their food. Currently, these two children are in fourth grade at Assakra College in Guitry.

As for the 12 years old girl, she also receives the support of Nestlé and the cooperative in addition to the attention of her family. Since 2015, she has been participating in a literacy program and is now able to read and write. In addition, she has been attending a vocation training school to learn how to sew at the Institute of Training and Female Education of Guitry (IFEF). The cooperative has also helped issue her birth certificate.

To prevent the occurrence of new cases of child labor and unauthorized child work, the cooperative is experimenting with the organization of producers in community service groups (CSGs) to counter the labor shortage. Yobouekro and Attokro communities have benefited from this initiative since 2014. To encourage these CSGs, Nestlé and its partners provide them with Personal Protective Equipment and tools necessary to conduct farm activities.

With the support of Nestlé, the cooperative also supports the producers' wives by organizing them as associations for the promotion of income-generating activities. From 2014 to 2016, six groups of women from six communities of this cooperative were formally constituted and were able to develop income-generating activities:

1. In Dioligbi, the group was officially constituted in July 2014, with 16 women currently farming half a hectare of cassava. Through the International Cocoa Initiative (ICI), Nestlé has provided this group with a cassava grinder for the processing of cassava.
2. In Attokro in September 2014, 47 women officially formed an association to farm cassava and chili. Nestlé, through ICI, has planned to provide this association with a motor tricycle for the transportation of their products at the time of harvest.
3. In Babokon in August 2014, 19 women officially formed an association to produce cassava. They received a motor tricycle from Nestlé, through ICI.
4. In Yobouekro in January 2014, 13 women, who cultivated cassava and groundnut, associated. They received as a donation a tricycle and production tools from the first lady of Côte d'Ivoire.
5. In Zaourakro, 68 women formed an association and grow maize. They received PPEs, tools, and wheelbarrows from Nestlé, through ICI, and are waiting to receive a hulling machine.
6. Finally, at Koffikro, 34 associated women grow cassava. They are waiting for a grinder promised by Nestlé.

These women, once economically autonomous, will be able to support the schooling of their children.

To facilitate access to education for all children in the surrounding villages, Nestlé built, in 2014, in three sections of the cooperative (Gnambouassou, Petit Korhogo, and Kouta), 3 schools of 3 classrooms and latrines. In Tiegba 2, it helped renovate the old school building.

Similarly, through a partnership between the World Cocoa Foundation (WCF), the Coffee-Cocoa Board, and ICI, these schools were equipped with teaching materials in 2015.

Finally, to continue the work of its partner, the cooperative donated materials (cement and wood) to build a school in Zaourakro. It also distributes school kits to students each school year.

Overall Conclusion of the Verification: there is significant progress observed

During the verification visit, monitors have not encountered any potential or proven cases of child labor. They note awareness-raising efforts and strengthening of the mechanisms to combat child labor. The child laborers identified in 2014 were removed from work and rehabilitated by Nestlé and the cooperative. For a sustainable resolution of the phenomenon of child labor, new initiatives of GSC (Groupe de Service Communautaire) and AGR (Activités Génératrices de Revenus) are being tested in the communities.

We can conclude the child labor issue is seriously and efficiently tackled in this cooperative. Monitors encourage Nestlé and its partners to remain vigilant, to continue their efforts, and to extend the initiatives undertaken to other communities of the cooperative and in the other Cooperatives of the supply chain.

Follow-up Company Action Plan:

The CLMRS will continue in all the communities of this cooperative. In addition, 27 new cooperatives of

Nestlé's supply chain will join the CLMRS program in 2017.

Harassment or Abuse / Grievance procedure

2014 IEM Findings

To access the 2014 FLA findings and company action plans, please visit [this page](#).

2016 Verification Findings

GRIEVANCE PROCEDURE

Following the 2016 verification, monitors note, at the local level, the cooperative has a functioning grievance mechanism. According to the procedure, any person can orally or in writing contact the grievance responsible person, who is the delegate of each section. A grievance form was developed by the cooperative and made available to those responsible. The complainant can also contact the president of his section or the president of the young people of his community, who will try to resolve the complaint at the community level. If they fail, they escalate the complaint to the grievance officer at the headquarters of the cooperative. The latter would contact the delegate of the section concerned to find a solution to the problem. In the event of failure, the grievance officer of the cooperative can refer to the higher competent persons for the settlement of the grievance. A grievance register was set up at the headquarters of the cooperative to record all the grievances made by producers and workers and the follow-up.

The monitors assessed the producers are well-informed of this procedure. Workers are not informed, as they usually do not attend the training sessions. Only the three workers who take part in the training sessions have confirmed to be informed.

However, the monitors note that, in practice, complaints are often settled outside the mechanism provided by the cooperative. Producers prefer to contact the ADG (Administrateur de Group) and the ASR (Agent de Suivi et de Remediation) when they have complaints. It is very rare they contact the delegates. Moreover, these complaints are always oral, and the persons who receive them are not documenting them.

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

Monitors confirm there is a grievance mechanism that exists locally within the cooperative. This mechanism was communicated to the producers of the three sections visited. Section delegates were given the responsibility for receiving and resolving complaints in their respective sections. Producers are sensitized on the procedure; however, 10 of the 13 workers interviewed were unable to explain it. According to them, they have never been sensitized on the issue. Grievance form and a register are available at the head office of the cooperative to document complaints, but these documents are not used by the interested parties. Producers prefer to report their complaints to ADG and ASR rather than to delegates. Last, this mechanism is not extended directly outside the cooperative to give those who do not trust the cooperative the possibility to reach the exporter (Tiers 1) or Nestlé.

Follow-up Company Action Plan:

Nestlé encourages the cooperatives to maintain suggestion boxes in all sections and warehouses of cooperatives and to raise the awareness of farmers and workers.

As producers prefer to report their complaints to ADG and ASR rather than to delegates, Nestlé is involving RC's in the anonymous collection of complaints through a pilot action in two communities.

Deadline Date: December 2018

Health and Safety

2014 IEM Findings

To access the 2014 FLA findings and company action plans, please visit [this page](#).

2016 Verification Findings

The 2014 IEM in this cooperative identified 4 major problems related to health and safety:

1. Workers' access to health and safety documentation;
2. The absence of reporting mechanisms for diseases and accidents;
3. The lack of communication of health and safety mechanisms to workers;
4. And the absence of a first aid kit.

As a result of the 2016 verification, the monitors note there is a clear improvement in access to documentation and communication of health and safety mechanisms to workers. Nestlé CoC posters addressing health and safety issues are posted in the three communities visited. Nestlé's pamphlets listing the health, safety, and environmental requirements and illustrated with images are also distributed to producers and to some workers in accordance with the commitments of the company and the cooperative. Also, an emergency procedure is posted on the information chart in two of the three communities visited (Babokon and Guitry). Deployment of the training sessions (CEP) continues, with a high percentage of participation. Moreover, even if the participation of workers in training sessions is negligible, interviews with them showed a good level of information on HSE issues, thanks to the relayed information provided by the producers.

As far as the management of medical emergencies is concerned, each section visited now has a first aid officer. The sections of Guitry and Babokon are already equipped with first aid kits, even if the interviewed producers are not yet informed of its existence. At the time of the visit, the section of Zaourakro was still waiting for his Kit.

Finally, with regard to the issue of accident and disease reporting, the monitors did not register any action from Nestlé and its partners to take this requirement into account.

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

Monitors conclude sustained efforts have been made by Nestlé and its partners to ensure the health and safety policy is deployed to producers and workers through adequate documentation and communication. First aid officers have been designated, and the sections are provided with First Aid Kits, with the exception of Zaourakro, which is still on standby.

However, they note information on the availability of first-aid officer and first-aid kits is not sufficiently disseminated in the communities of the section. Also, they note the lack of action regarding the reporting mechanism of diseases and accidents.

New Finding :

At the time of the assessment, monitors noted further non-compliance regarding the management of empty chemical containers. In the farms of two of the producers, the monitors observed empty boxes of chemicals thrown out into the ground and within reach of the children.

Follow-up Company Action Plan:

Nestlé will encourage the cooperative to continue to raise awareness among farmer and workers on health and safety issues and integrate into their health and safety policy the systematic reporting of deaths, accidents and emergencies in order to have an overview of the health and safety problems sections level and respond appropriately if necessary.

As part of the SS RTE, the farmers/workers and their families have been trained by the RC's on a module on risks associated with the use of phytosanitary and pharmaceutical products. These awareness-raising actions will continue within communities and families.

The flyers and posters on the Nestlé Code of Conduct contain images on the use of phytosanitary products and proper equipment.

Awareness-raising sessions will be conducted by the lead farmers and the RC's to educate farmers and their laborers on:

- The use of the applicators of the cooperative for the agrochemical treatment of farms
- The importance to wearing boots and safety glasses during farm work.

In addition, Nestlé will develop a series of videos as part of its Digital Green project. One of the videos will relate to the use of agro chemicals. These videos will be projected in the sections and will serve as a basis for raising the awareness of the farmers.

Deadline Date: July 2018

Wages, Benefits and Overtime Compensation

2014 IEM Findings

To access the 2014 FLA findings and company action plans, please visit [this page](#).

2016 Verification Findings

As a result of their verification visit, monitors note the issue of documentation of premiums payment to producers, as well as payments made to workers, remains a challenge. Even though no problems of non-payment of premiums to producers and wages to workers have been encountered, monitors note these payments are still not documented. Nevertheless, although there are no witnesses used for the payment of premium to the producers, witnesses are often used for payments between producers and workers. Regarding the sharecroppers, who constitute the bulk of the contract workers, they have access to receipts for the purchase of cocoa beans issued by the cooperative to the producers, which provide the necessary information to calculate their due income.

Overall Conclusion of the Verification: still need sustainable improvement

There is ongoing effort implemented to ensure the effectiveness of payments to producers and workers in the communities. However, Nestlé and its partner should continue their efforts to experiment more documentation initiatives to record premiums payment to producers and compensation to workers (as is the case with the purchase of cocoa beans, for which receipts are issued to producers).

Follow-up Company Action Plan:

Given that most farmers and workers are illiterate, we will encourage the cooperatives to strengthen the

documentation and archiving of information relating to the relations between farmers and workers (contracts of employment, complaints, volume of beans, payments...) with the involvement of the Branch Delegates, PR's and RC's.

These updated policies and procedures will be widely disseminated and will be part of the training schedule in farmers' field schools.

Deadline Date: December 2018