



[2017]

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL VERIFICATION REPORT

COMPANY: Nestle
COUNTRY: Ivory Coast
PROVINCE: Indenie
COMMUNITY: Aniassue, Satrikan
MONITOR: SCI
AUDIT DATE: 29/11 to 7/12, 2017
PRODUCTS: Cocoa
NUMBER OF GROWERS/WORKERS INTERVIEWED: 60/16
NUMBER OF FARMS VISITED: 60
PRODUCTION PROCESSES: Harvesting

IEM reference report:

- Nestle Aniassue, 2013

<http://portal.fairlabor.org/fla/go.asp?u=/pub/zTr5&tm=5&Rid=1510&Fdn=13&Fna=NES+Aniassue+2013%2Epdf>

- Nestle Satrikan, 2013

<http://portal.fairlabor.org/fla/go.asp?u=/pub/zTr5&tm=5&Rid=1510&Fdn=13&Fna=NES+Satrikan+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 Nestle, please visit the FLA website [here](#).

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

2013 IEM Findings

To Access the 2013 FLA finding and company action plan, please visit [this page](#) and [this page](#)

2017 IEV Findings

At the end of their verification visits, monitors note that :

- 1) The new version of the Nestlé Code of Conduct made available to its partners includes non-discrimination and non-retaliation requirements. The IMS staff explained to monitors that no explanatory note was provided to them as promised by Nestlé to accompany the new version of the CoC to emphasize rôles and responsibilities. Nevertheless, they testify that this note has been replaced by a working session on the contents of the new code of conduct as well as the responsibilities of each actor. This session was conducted by the Nestlé Internal Monitoring System Manager, following the distribution of the flyers. Minutes were drafted after the meeting.
- 2) In 2015, Nestlé organized a training session in Yamoussoukro for the ADGs who are responsible for managing the internal monitoring system at cooperative level to educate them on its collaboration with the FLA. This training was used to introduce them to the FLA Code of Conduct that inspired Nestlé's own Code of Conduct. In 2017, this training was refreshed with a special focus on understanding the elements of the FLA Code of Conduct that cover Nestlé's Code of Conduct. This cooperative was represented on both occasions.
- 3) The cooperative continuously trains farmers on several topics, including the elements of the code of conduct. The topics include: 1. Management: traceability procedure, procedure for submission and treatment of grievance and ideas, 2. Working conditions: equal rights and opportunities for women, sexual harassment, diversity and discrimination, the importance of education. According to the IMS, refreshing sessions were held in January 2017. The IMS emphasized that the cooperative invites family members of farmers and workers to participate in these training sessions. The attendance lists made available to monitors show the participation of family members and workers. However, based on the interviews with the farmers themselves, it appears that 53% of the interviewed sample do not participate in this training due to lack of time or lack of interest. Similarly, none of the 10 contract workers and six family workers interviewed participate in these training sessions. According to them, their non participation can also be explained by the lack of time, the lack of information, or because they find no interest in participating.
- 4) For a large distribution of its CoC in its supply chain, Nestlé has undertaken to distribute the flyer version to farmers and workers of NCP cooperatives, and to make posters available to cooperatives for displaying in communities. For this purpose, the assessed cooperative received 800 leaflets to be distributed and explained to the farmers and their workers at the farmers' farm school sessions, in its nine sections. The cooperative also received 15 Nestlé CoC posters to display in the sections. According to the IMS staff, the leaflets were distributed to all the farmers and workers clearly listed on the cooperative's database at that time. Indeed, as planned by Nestlé in its Corrective Action Plan, the list of permanent employees of the cooperative's farmers has been updated and integrated into the cooperative's database.

However, monitors note after the verification that of the 60 farmers interviewed, 28 (47%) do not have a CoC leaflet because of the slowness in the distribution process. With regard to workers, only four (25%) of those interviewed have the code leaflet and understand it. The CoC poster was displayed in four of the fie warehouses visited.

- 5) In order to make its non-compliance reporting mechanism functional, Nestlé has also corrected and published a new toll-free number on its CoC to allow anyone to contact it directly if desired. But this number remains inaccessible for the target because it is reachable only from a landline, while this

means is rare or does not exist in the sections visited. In addition, the language of communication is English, which is not accessible to farmers who are predominantly illiterate and whose official language is French. In fact, no farmer or worker interviewed uses this number or knows its usefulness. This gap is filled at a first level by the cooperative, which offers farmers and workers another grievance mechanism. At this level, even if none of the farmers knows this mechanism in detail, all of them told the monitors that in cases of grievance, they would contact the delegate or the producer relay of their section. This is the first step in the cooperative grievance process. Concerning the workers, they have no knowledge of this mechanism provided by the cooperative, but they explained that cases of grievance against their employers are settled directly with them, or they use their witness, or the village chief.

Overall Conclusion of the Verification: significant progress was observed but sustainable improvement is still needed.

At the end of the verification visits, monitors agreed that Nestlé updated its code of conduct with the non-discrimination and non-retaliation elements. Nestlé has trained IMS staff who train farmers, their workers and their family members. But to date, their participation in training sessions remains low and their understanding of the elements of the code of conduct remains approximate. To ensure greater visibility of its CoC, Nestlé has begun distributing the flyer version and displaying posters. Although the majority of farmers have the leaflet, some do not yet have it and neither do a large majority of workers. As for the posters, they are available in four of the five stores visited. With regard to the toll-free number, despite Nestlé's efforts to release a new issue, the mechanism remains impractical for technical and language reasons and is unknown to farmers and workers.

Finally, Nestlé must continue its efforts to effectively engage farmers and workers in training sessions and ensure a better understanding of the elements of the code of conduct. Nestlé will also need to quickly provide its partners with a grievance mechanism adapted to the local context so that people can reach it when needed.

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

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

In order to test an alternative grievance mechanism, Nestlé encourages cooperatives to involve the RC's in the anonymous collection of complaints.

In addition, Nestlé will develop a series of videos. Some of the videos are related to the elements of the code of conduct such as:

- Good agricultural practices,
- Health and security,
- Child labor,
- Bush fire,
- Water and sanitation.

These videos will be shown in the sections and will serve as a basis for farmers awareness raising.

Deadline Date (to be filled by the company):

August 2019

Child Labor:

2013 IEM Findings

To Access the 2013 FLA finding and company action plan, please visit [this page](#) and [this page](#)

2017 IEV Findings

At the end of their verification visit, the monitors note that:

- 1) The 14-year-old child worker identified in 2013 was removed from the farm and rehabilitated. He has been attending school since 2013 and is in the sixth schooling year, currently at EPP Aniassué 1. His schooling charge is supported by Nestlé and the farmer who employs his father. Since schooling is free, Nestlé provides the school kits while the farmer supports the other small expenses related to his schooling. He now has a birth certificate. The father of the child worker is now very happy that his child is attending school and is proud of his results. Although he does not have great means, he brings from time to time to the host family of his son (his employer) some food to contribute to the educational momentum around his child. Indeed, the biological family of the child lives in the camp of the employer who is inside the farm and far from the available school.
- 2) In order to permanently remedy the phenomenon of child labor, since 2015 Nestlé has integrated this cooperative, as planned, into its CLMRS managed by ICI. This system includes household profiling, training and awareness activities, removal and rehabilitation, and internal inspection. According to the monitoring and remediation agent, this system currently covers seven sections out of the nine that the cooperative has. The sections of Assémanou and Pokoukro are not yet covered because they are waiting for the recruitment of community relays. Recruitment is done gradually according to the resources of the cooperative; since the end of the pilot phase of the project, it is now the cooperative that is responsible for its deployment.
- 3) Today, sensitization to and training on child labor are both experiencing a particular boom with the recruitment of dedicated staff (ASR and RC) who are well-trained and well-resourced to carry out outreach work with farmers and workers. In addition to training in farmer farm schools, they visit households and farms in order to raise awareness and for internal inspections. The first household assessment identified 93 at-risk children who were profiled and whose ages are specified in the available data. However, according to the CLMRS staff, the continued integration of new farmers into the cooperative also leads to new cases of children at risk, which makes the current database very scalable.
- 4) Monitors found that the level of knowledge of farmers and workers on the issue of child labor is very high and their cautiousness in the use of children in their production activities has increased. Moreover, monitors also noted that in addition to the commitments made by Nestlé, it is also committed to the Cocoa Action initiative that integrates child protection and the remediation of child labor into its pillars of action, as well as community development activities that help to combat the root causes of child labor, and to provide farmers and their families with better living conditions. Although there are currently no visible results of these initiatives, the commitment and intent of these community development projects are noteworthy.

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

In conclusion, monitors note that Nestlé has made a fair response to the 2013 observations on child labor with the enrollment of the cooperative in the CLMRS, the implementation of removal and rehabilitation actions, and the prevision of community development initiatives to support remediation activities. However, seven new cases of identified children reveal how delicate this phenomenon is; it cannot be reduced in one click. To do this, they encourage Nestlé to oversee the continuity of CLMRS activities relegated to the cooperative after

the pilot phase in order to avoid any kind of negligence that could lead back to the starting point.

2017 New findings:

Despite all these initiatives, and notwithstanding the very encouraging results recorded in this cooperative in the fight against child labor, culminating in the removal and rehabilitation of the formal case identified in the 2013 assessment, who is today the pride of his family, the monitors note that the risk of child labor is still present in the communities visited. During the verification visit, they observed seven children aged between nine and 15 years old in the Dallo and Aniassué communities, performing weeding with machetes and harvesting work involving the carrying of heavy loads. None of these children were in school. One worked as an employee, when he was only 14 years old, the other six worked in the family. Their parents all mentioned the lack of means to educate them. They said they use the children in field work because they cannot afford the services of a contract worker. They are all aware that it is strictly forbidden to use children in hazardous work.

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

The cooperative SCANIAS joined the CLMRS in June 2015 with one ASR and 14 active RCs who cover the farmers located in 13 villages. Data collection has led to the identification of 986 children between the ages of five and 17, of which 696 are enrolled in school (70.6%).

Visits to farms and households have identified 99 child workers. To address this number of child workers, the following remediation actions have been initiated:

- More than 250 community and outreach awareness sessions among farmers and community members ,
- 134 school kits distributed to child workers,;
- 141 supplementary birth certificates established for children in school and out of school,
- Three groups of women (total of 56 women) have benefited from income-generating activities to support the education of children,
- Two SCGs of 10 members each have received working materials to set up an adult workforce as an alternative to child labor in two communities.

Since 2017, there have been two new law decrees on hazardous work and light work. Faced with these changes, producers' training and awareness tools are being modified. Through the CLMRS :

- ASR and RC are being trained on two new law decrees and new awareness tools.
- We will continue refreshing and training all Nestlé partners on the new law on child labor.
- Continue raising awareness of child labor among farmers and their workers.

The newly found child laborers are currently in our CLMRS database and their parents (farmers and farm worker) have already been reached by child labor awareness sessions.

About the 14-year-old child worker, we are working with the cooperative and his family to find a sustainable solution to his situation. Arrangements have been made for him to no longer be employed.

Deadline Date (to be filled by the company) :

December 2018

Harassment or Abuse	
2013 IEM Findings	
To Access the 2013 FLA finding and company action plan, please visit this page and this page	
2017 IEV Findings	
<p>After their verification visits, monitors note that the cooperative continually trains the farmers on several subjects, including the elements of the code of conduct. The IMS emphasized that the cooperative invites family members of farmers and workers to participate in these training sessions. The attendance lists at these sessions, made available to monitors, shows the participation of family members and workers. However, with regard to the specific point of the disciplinary procedure, the monitors note that the content is limited to the relations between the cooperative and the farmers, and does not take into account the relations between the farmers and the workers. Neither the interviews with the IMS nor those with the farmers and workers revealed any kind of farm disciplinary procedure that could be used between farmers and their workers, contrary to the commitments made by Nestlé and its partners in 2014. Interviewed workers told the monitors that when hiring, employers explain to employees what to do, what is allowed, and what is not allowed in the execution of their contract. And for each type of fault (non respect of the contract, irreverence, theft, etc.), the worker knows the sanction incurred. But this is part of an informal framework and follows traditional and community norms, and not rules guaranteeing a progressive and equitable system of disciplinary measures.</p>	
Overall Conclusion of the Verification: there is some progress but still need sustainable improvement	
<p>At the end of the interviews, monitors note that a disciplinary procedure exists at the cooperative and now covers the relations between the cooperative and its members. It was the subject of a training of trainers. However, this disciplinary procedure of the cooperative still does not take into account the relations between the farmers and the workers. At the farm level, farmers and workers rely on traditional and community standards in terms of discipline at work, not on a procedure that ensures a progressive and equitable disciplinary system.</p>	
Follow-up Action Plan (to be filled by the company):	
<p>The cooperative is ready to include in the disciplinary procedure a point related to the relation between farmers and workers. All the cooperative members and workers will be informed and sensitized on these changes</p>	
Deadline Date (to be filled by the company):	December 2019

Health and Safety:

2013 IEM Findings

To Access the 2013 FLA finding and company action plan, please visit [this page](#) and [this page](#)

2017 IEV Findings

As a result of the verification visit, the monitors note:

1. The cooperative has provided all sections with first aid kits, managed by the section delegates. These delegates are trained by a nurse whenever the need arises. The content of training is determined by the risk assessment of production activities. Monitors gathered testimony from one of the first aid officers in one of the communities visited, who reported receiving and administering primary care to two farmers in the month prior to the monitors' visit. Three farmers from another community have also acknowledged that have already benefited from these interventions. However, the monitors note that 80% of the farmers and none of the workers interviewed during the verification were informed of the existence of the kits in their section.
2. Concerning the health, safety and environment policy of the cooperative and the training of farmers, workers and family members in matters of health, safety and the environment and basic notions of primary care and the evacuation procedure, monitors note that the cooperative has developed a health, safety and environment policy with two components: first at the level of prevention, and then at the level of management of accident victims and / or patients.
3. For prevention, the cooperative has developed a procedure for the phytosanitary treatment of farms that clearly mentions the roles and responsibilities of the actors involved in the process. It has designated eight applicators who are trained and equipped for this purpose.
4. For the health support of farmers, the cooperative has developed a system that takes into account the list of emergency contacts and a procedure that describes the various steps of an emergency evacuation, if needed (in case of injury, snake bite, and the need for evacuation.)
5. According to the IMS staff, these prevention and care policies are communicated and explained during training sessions in farmer farm schools, and through leaflets and posters. For example, monitors noted evidence of training on good practices in agrochemical management and the use of PPE. They also observed the evacuation procedure and the list of emergency contacts posted in the sections visited. They even recorded a case of an injured person for whom the emergency procedure had been applied last year.
6. However, monitors note that many challenges remain in communicating the above policies and changing the behavior of the concerned targets. Indeed, interviews and observations revealed that 72% of the farmers evaluated are not aware of the emergency evacuation procedure. This could be explained by the rate of participation and attendance in the training sessions that remain quite low in this cooperative. They also note that 18% of farmers personally carry out phytosanitary treatment of their farms, while 13% of them do not protect themselves properly.
7. None of the workers whom the monitors met knew the policies; 76% of them did not protect themselves properly during production activities.
8. With regard to the safety of the cooperative headquarters environment, where fuel was stored in 2013, the deposit in question was removed from the cooperative environment and stored away. An extinguisher was acquired as planned, although no registration indicating the flammability of the product is yet available on the fuel storage space.

9. The phytosanitary products, too, are stored in a closed but airy store, on which we can see a pictogram indicating the dangers of the products stored there.

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

Monitors conclude that Nestlé and its partner, the cooperative, have made considerable and remarkable efforts to develop a formal, functional health, safety and environment policy. They even managed to define the roles and responsibilities of the actors as well as the communication channels used to disclose these policies to stakeholders.

However, Nestlé and its partner have not yet been able to find the right strategies to encourage farmers (whether they participate in certification programs or not), workers and their families, to participate actively and regularly in training sessions. As a result, despite the existence of policies, few of them know and apply them up to date.

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

1. A plan of action for the implementation of the IMS's requirements, including the provision of Nestlé's CoC, exists and is reviewed during field visits.
2. As the number of farmers and workers in cooperatives is increasing every year, Nestlé and its suppliers will emphasize the messaging to the cooperatives to:
 - Increase awareness on farm workers' participation in training.
 - Organize some training sessions in villages to increase farmers and farm worker participation.
3. In addition, Nestlé will develop a series of videos. Some of the videos will relate to health and security. These videos will be shown in the sections and will serve as a basis for raising awareness among farmers.

Deadline Date (to be filled by the company):

August 2019

Hours of Work:
2013 IEM Findings
To Access the 2013 FLA finding and company action plan, please visit this page and this page
2017 IEV Findings
At the end of the verification, monitors confirmed that the documentation of working hours in informal cocoa farms in Côte d'Ivoire is a real challenge that is difficult to meet. Interviews with farmers and workers reveal that workers generally work by objective and not by time. They have free management of their time and organize themselves to fulfill their obligations. Moreover, neither the farmers nor the workers raised the issue of working time. According to the IMS, training in the farmers' farm school also includes awareness of decent hours of work and in general, it appears that the working time on the farms rarely exceeds eight hours, if we stick to the estimates made by the farmers and workers. In fact, farmers and workers say they start work between 7.30am and 8am and end at sunset, around 16.30-17:00, with breaks for rest and for the meal.
Overall Conclusion of the Verification: issue closed
The monitors conclude that the need for a working time register does not arise in Côte d'Ivoire's informal cocoa farms, since workers are not subject to any constraints related to time management.

Wages, Benefits and Overtime Compensation:	
2013 IEM Findings	
To Access the 2013 FLA finding and company action plan, please visit this page and this page	
2017 IEV Findings	
<p>After the verification, monitors noted that for the payments made to the workers, the farmers still do not issue proof of payment, and no mechanism is provided by the cooperative to remedy this deficiency.</p> <p>On the other hand, with regard to payments made by the cooperative to farmers, two kinds of evidence are provided. A receipt for the purchase of beans containing three sheets, one of which is given to the Coffee Cacao Board, a leaflet given to the farmer and one that remains in the cooperative's archives. Another receipt is provided for payment of the certification premium. This last receipt has two sheets, one of which is given to the farmer and the other is kept by the cooperative. However, monitors note that while all farmers acknowledged receiving regular bean purchase receipts, 38% say the cooperative does not issue receipts for the premium payment.</p>	
Overall Conclusion of the Verification: still need sustainable improvement	
Based on the information gathered, monitors believe that Nestlé and its cooperative partner, relying on local IMS staff, can assist farmers, in developing ways to prove the payments made to their workers. Then Nestlé, through the cooperative's exporting company, could be more involved in monitoring the proof of payment of premiums to farmers, just as the CCC does for the purchase of beans, so as to ensure greater transparency.	
Follow-up Action Plan (to be filled by the company):	
This year, Nestlé will initiate with this cooperative the implementation of a purchase receipt that mentions the payment of the worker and the farmer. A receipt copy will be kept at the cooperative level.	
Deadline Date (to be filled by the company)	March 2019