

[2016]

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING AGRICULTURAL REPORT

Company: Nestlé Country: Côte d'Ivoire Commodity: Cocoa Production Process: Harvesting Assessment Locations: Region of Gôh (Gagnoa) Diangoménou, Pokoukouamékro and Gôgôkô Communities

Monitor: Societal Compliance Initiatives (SCI) Assessment Dates: 3- 10 November 2016 Number of assessed farms: 60 Total area covered: 224.55 ha Number of farmers interviewed: 60 Total number of workers: 148 Number of workers interviewed: 33

To view more about the FLA's work with Nestle, please visit the FLA website <u>here</u>. To access the FLA Agriculture Monitoring Benchmarks, please visit <u>this page</u>.



Employment Relationship

Compliance Status

Section	Benchmark	Compliance status	Farms
	ER.1.1	In compliance	
Human Resource Management	ER.2.1 (PR)	In progress	All Farms
System	ER.2.1.1(PR)	In progress	All Farms
	ER.3.1	Risk of Noncompliance	All Farms
	ER.3.1.1	Risk of Noncompliance	All Farms
	ER.3.1.2	In compliance	
	ER.4	N/A	
	ER.5.1	N/A	
	ER.5.2	N/A	
	ER.5.3	In compliance	
	ER.6 (PR)	Not Initiated	All Farms
Recruitment and Hiring	ER.7.1	In compliance	
	ER.7.2	In compliance	
	ER.7.3	In compliance	
	ER.7.4	In compliance	
	ER.7.5	In compliance	
	ER.7.6	In compliance	
	ER.7.7	In compliance	
	ER.7.8	In compliance	
	ER.9.1	In compliance	
	ER.9.2	In compliance	
	ER.9.2.1	In compliance	
	ER.9.2.2	In compliance	
	ER.9.2.3	In compliance	
	ER.9.3	In compliance	
	ER.9.3.1	In compliance	
	ER.9.3.2	In compliance	
Terms and Conditions	ER.9.3.3	In compliance	
	ER.10	In compliance	
	ER.11	In compliance	
	ER.12.1	Noncompliance	All Farms
	ER.12.1.1	In compliance	
	ER.12.2	N/A	
	ER.13.1	In compliance	
	ER.13.2 (PR)	N/A	
	ER.13.3 (PR)	N/A	
	ER.15.1	In compliance	
	ER.15.2	In compliance	
Administration	ER.15.2.1	In compliance	
	ER.16.1	In compliance	
	ER.16.2	In compliance	
	ER.17.2 (PR)	N/A	
	ER.17.3 (PR)	In compliance	
	ER.17.4 (PR)	In compliance	
Worker Invelvement	ER.18.1	In compliance	
Worker Involvement	ER.18.2 (PR)	In compliance	
Right to Organize and Bargain	ER.19	In compliance	
Work Rules and Discipline	ER.20.1	Noncompliance	All Farms



	ER.20.2	Noncompliance	All Farms
	ER.20.3 (PR)	Not Initiated	All Farms
	ER.20.4	Noncompliance	All Farms
	ER.20.6	Noncompliance	All Farms
	ER.20.7	Noncompliance	All Farms
	ER.20.8	Noncompliance	
	ER.20.9 (PR)	Not Initiated	All Farms
	ER.20.11	Noncompliance	All Farms
Access to Training for Family Members	ER.21	In compliance	
	ER.24.1.	Noncompliance	All Farms
	ER.24.2 (PR)	In compliance	
	ER.24.3	In compliance	
	ER.24.4 (PR)	In compliance	
	ER.24.4.1 (PR)	In compliance	
HSE Management System	ER.24.4.2 (PR)	In compliance	
	ER.24.4.3 (PR)	In compliance	
	ER.24.4.4 (PR)	In compliance	
	ER.24.4.5 (PR)	Not Initiated	All Farms
	ER.24.4.6 (PR)	In compliance	
	ER.24.5 (PR)	In compliance	
	ER.25.1 (PR)	In compliance	
Grievance Procedures	ER.25.2 (PR)	In compliance	
Grievance Procedures	ER.25.3	Noncompliance	All Farms
	ER.25.4	In compliance	

Employment Relationship Assessment Summary

Proof of Age Documenta	tion
employment and work towards c of birth of all workers, including	of of age documentation for all young workers in the farm at the time of their ollecting and maintaining all documentation necessary to confirm and verify date long term and casual workers. asonable measures to ensure such documentation is complete and accurate.
Findings/Noncompliance Explanation:	During the assessment, monitors did not meet any hired young workers. However, according to farmer interviews, recruitment of workers is generally based on their own declarations or their physical appearance. This situation is the consequence of the local culture and the lack of existing identification documents for most of the workers. Thereby, no verification of age documentation for young workers and no collection and maintenance of documentation necessary to confirm and verify date of birth of workers occur in farms. No mechanism is experienced by the cooperative to overcome this issue.
Company Action Plan:	 <u>Source:</u> Interview with farmers Identification in rural areas is a problem in Côte d'Ivoire. This situation is more of a concern among workers. Cooperatives have a register of certified farmers. We will continue to raise awareness among cooperatives on the importance of Annually updating the register of farmers by indicating the ages of the workers, if any, and by keeping a copy of their identity document on file, Having the farmers to involve the delegates and the Producers Relays (PRs) in the recruitment of their permanent or temporary workers, For laborers with no identity documents, two people from the community (i.e.



	 Branch Delegate and Village Chief) should certify the worker's age orally or in writing, Raising farmers' awareness on workers' age verification. 			
Deadline Date:	December 2018			
Communication				
Benchmarks: ER.12.1: Employers shall regularly inform workers about workplace rules, health and safety information, and laws regarding workers' rights with respect to freedom of association, compensation, working hours, and any other legally required information, and the FLA Code through appropriate means, including posted in local language(s) throughout the workplace's common areas or in the surrounding community. In the case of workplaces with informal labor structures, these communication and awareness raising activities could be done with support from supply chain intermediaries such as cooperatives, organizers, tier one suppliers or the participating company.				
Findings/Noncompliance Explanation:	To inform farmers and workers about workplace rules and standards, the assessed cooperative organizes training sessions for its members and their workers. However, monitors registered that workers do not participate in those trainings.			
	According to the interviewed workers, they receive some information on workplace rules and standards through their employers (farmers) or through television and radio. However, the interviews revealed this information is not complete. In addition, only 43% of farmers have Nestlé's Code of Conduct. As a result, the level of workers' knowledge on labor standards is very low.			
	Source: Interviews, Observation			
Company Action Plan:	Throughout the year 2016, Nestlé 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 Code of Conduct (CoC), Nestlé 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 the Internal Monitoring System's (IMS) requirements, including the provision of Nestlé's CoC, exists and is reviewed through meetings between Nestlé's IMS 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 this regard, we will organize discussions with the farmers to decide on a training day in the field school for the workers. 			
Deadline Date:	December 2018			
Work Rules and Discipline	e			
Benchmarks: ER.20.1: Employers shall have disciplinary rules and practices that embody a system of progressive discipline (e.g. a system of maintaining discipline through the application of escalating disciplinary action moving from verbal warnings to suspension and finally to termination). ER.20.2: Any person supervising workers shall be aware of the disciplinary rules and practices.				

ER.20.4: The disciplinary system shall be applied in a fair and nondiscriminatory manner and include a management

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ER.20.8 : Workers have the right to ER.20.11 : The disciplinary system	ed when a disciplinary procedure has been initiated against them. o participate and be heard in any disciplinary procedure against them. shall include a third-party witness during imposition, and an appeal process. In ting appeal mechanism at community level is acceptable.
Findings/Noncompliance Explanation:	Apart from the disciplinary procedure developed in the framework of the certification initiatives in force in the cooperative to govern the relations between the cooperative and its farmer members, no rules of disciplinary practice govern the relations between farmers and their workers in the visited farms.
	<u>Source</u> : Review of the cooperative's disciplinary procedure, Interview with farmers, workers, and IMS staff
Company Action Plan:	 Nestlé has developed, with the ADG (Administrators Group) of cooperatives, a template of contract of employment between farmers and laborers, which includes disciplinary measures that each cooperative may adapt. We will engage all the cooperatives to encourage the use of this contract template by their farmers and assist them, if needed, through field representatives and staff, during the hiring of permanent workers. Considering local practices in dispute settlement, we will encourage the cooperatives to involve local witnesses as guarantors in the implementation of disciplinary procedures between the farmers and their workers. When settling a dispute, the presence of delegates and lead farmers is required, and a report must be written, signed, and filed at the headquarters of the cooperative. Given that most farmers and workers are illiterate, we will encourage the cooperatives to the relations between farmers and workers (contracts of employment, complaints, volume of beans, payments), with the involvement of the Branch Delegates, Producers Relays (PR), and Community Relays (RC). 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
HSE Management System	n

ER.24.1: Health, safety and environmental rules shall be communicated to all workers in the local language or language spoken by workers if different from the local language.

Noncompliance in all farms

Findings/Noncompliance Explanation:	Training and awareness sessions, including health, safety, and environmental issues, are organized by the cooperative for the benefit of workers and farmers. These trainings are made in local languages using supporting pictures.
	However, monitors noted that none of the interviewed workers participate in these sessions, and none are exposed to accurate information about labor standards by any means.
	Source: Interviews
Company Action Plan:	We will work with our partners to increase awareness on farm workers' participation in training. In this regard, we will organize discussions with the farmers to decide on a training day in the field school for the workers.



Deadline Date:	Décembre 2018
Grievance Procedures	
for farmers and workers in the sup	shall make sure that a confidential non-compliance reporting mechanism is available ply chain (such as members of cooperatives or suppliers of seed organizers). Through n be communicated to the company if the local and farm level grievance redress dress the issue.
Findings/Noncompliance Explanation:	According to monitors, there is no functional confidential non-compliance reporting mechanism available for farmers and workers in the supply chain that could help supply chain actors to communicate any code violation to Nestlé.
	Currently, Nestlé has set up a toll-free number, so supply chain actors can voice their grievances using this number. However, in practice, the system in place is complicated, and no one is using it. To reach the final recipient (based in Switzerland at Nestlé headquarters), the call must go through at least three levels of interlocutors. The language of communication is English, whereas the farmers and workers cannot understand or speak it. Finally, the number is only accessible via a landline, whereas the landline network does not cover all rural areas.
	According to Nestlé's local staff, the company is seeking alternative ways to improve the existing channel.
	Source: Interviews, observation
Company Action Plan:	Nestlé encourages the cooperatives to maintain suggestion boxes in all branches and warehouses of cooperatives and to raise the awareness of farmers and workers. To test an alternative grievance mechanism, Nestlé is involving the RCs in the anonymous collection of complaints through a pilot action in two communities. With the agreement of its suppliers, Nestlé will encourage the modification of farmer inspection forms by adding a question, allowing the farmers to express their grievances.
Deadline Date:	December 2018

Child Labor

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	CL.1	Risk of Noncompliance	Farm 13
Minimum Age	CL.2	In compliance	
Immediate Family Members	CL.3	Noncompliance	Farm 13 and 19
Right to Education	CL.4.1 (PR)	Not Initiated	Farm 13 and 19
	CL.4.2 (PR)	In compliance	
	CL.5	In compliance	
Young Workers	CL.6.1	In compliance	
	CL.6.2	In compliance	
	CL.7	In compliance	



Apprenticeships and	CL.8.1	In compliance	
Vocational Training	CL.8.2	In compliance	
Children on Premises	CL.9	Noncompliance	Farm 13
Removal and Rehabilitation	CL.10.1	In compliance	
of Child Laborers	CL.10.2 (PR)	In compliance	

General Compliance Child Labor / Immediate family members

Benchmarks: CL.1: Employers shall comply with all national laws, ratified international conventions, fundamental labor rights, regulations and procedures concerning the prohibition of child labor.		Risk of Noncompliance in one farm
 may be involved in light work on The work is not danger The work does not prejunct of the work does not prejunct of the work of the work is appropriate social, moral or physical 	to the child's age and physical condition and does not jeopardize the child's	Noncompliance in 2 farms
Findings/Noncompliance Explanation:	During the assessment, monitors observed a 13-year-old girl in t father, who was slitting firewood with an axe. Another 9-year-old sitting under the rest shelter of the farm, reported he participates production activities. Although he was not observed at work, his test that, despite his young age (under 12), he is involved in product violation of the requirements of FLA's Code of Conduct and applica children do not have birth certificates. The monitors used the testi parents and the children to estimate their age. <u>Source:</u> Interviews, observation	I boy, who was s in his father's timony indicates ion activities in able laws. These

Company Action Plan:	This cooperative joined the Child Labor Monitoring and Remediation System (CLMRS)
company Action Flam.	in July 2013, with a Monitoring and Remediation Officer (ASR) and 13 active RCs, who
	cover the farmers located in 37 villages. Data collection has led to the identification
	of 1,136 children between 5 and 17 years, of which 751 are enrolled in school.

Visits to farms and households have identified 141 child workers. To address this high number of child workers, the following remediation actions have been initiated:

- More than 7000 community and outreach awareness sessions among farmers and community members,
- 66 school kits distributed to child workers,
- 146 supplementary birth certificates established for children in school and out of school; Six (6) groups of women have benefited from income-generating activities to support the education of children,
- Four (4) Community Service Groups (GSCs) of 10 members each have received working materials to set-up an adult workforce as an alternative to child labor in 04 communities,
 - A school with 3 classrooms and 3 houses for teachers, toilet facilities, and an improved well has been built in the village of Koffikro-Jérusalem.

The coop has expanded and increased the number of farmer members, and at the time of the audit, these new farmers were not yet included in the CLMRS. The RCs and the ASR will focus the activities on the identification of new farmers and their dependents, monitoring of children, and implementation of appropriate remediation

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

The cooperative has a team of 16 applicators with personal protective equipment, who are trained on rational use of agrochemicals and farm treatment.

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

- The use of the applicators of the cooperative for the agrochemical treatment of farms,
- The importance of wearing boots and safety glasses during farm work,
- The importance of keeping children far from the work place to avoid injuries and intoxication related to farm application.
- 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 during the branches and will serve as a basis for raising



	the awareness of the farmers							
Deadline Date:	July 2018							

Health, Safety and Environment

Compliance Status

Section	Benchmark	Compliance status	Farms			
General Compliance	HSE.1.	Noncompliance	Farm 13,16,55			
	HSE.2 (PR)	In compliance				
Documents, Permits and	HSE.3.1	In compliance				
Certificates	HSE.4 (PR)	In compliance				
Evacuation Requirements	HSE.5.1 (PR)	In compliance				
and Procedure	HSE.5.2	In compliance				
Cofety Faultaneout and	HSE.6.1 (PR)	In Progress	All Farms			
Safety Equipment and First Aid	HSE.6.2 (PR)	In Progress	All Farms			
FIISCAID	HSE.16.3 (PR)	In Progress	All Farms			
Personal Protective	HSE.7 (PR)	In Progress	All Farms			
Equipment	HSE.8	In compliance				
	HSE.9.1	In compliance				
	HSE.9.2	In compliance				
Chemical Management	HSE.9.2.1	In compliance				
Chemical Management	HSE.10	In compliance				
	HSE.11.1	In compliance				
	HSE.11.2	In compliance				
Protection Reproductive	HSE.12.1	In compliance				
Health	HSE.12.2 (PR)	In compliance				
	HSE.13 (PR)	In compliance				
	HSE.17.1	In compliance				
Infrastructure	HSE.17.2 (PR)	Not Initiated	All Farms			
limastructure	HSE.19 (PR)	In compliance				
	HSE.21 (PR)	In compliance				
	HSE.22 (PR)	In compliance				
	HSE.14.1	Noncompliance	Farms 13,16,55			
Machinery Safety	HSE.14.2	In compliance				
Machinery Safety	HSE.14.3	In compliance				
	HSE.14.4	In compliance				
Ergonomics and Medical	HSE.15.2 (PR)	Not Initiated	All Farms			
Facilities	HSE.16.2	In compliance				



HSE Assessment Summary

General Compliance / Machinery Safety

Benchmarks:

HSE.1: Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.

Noncompliance in 3 farms

HSE.14.1: All production machinery, equipment and tools shall be properly guarded and regularly maintained.

Findings/Noncompliance Explanation:	In two assessed farms, monitors observed chemicals sprayers under the shelters of the farm that were not properly guarded and were reachable by all, including children. In addition, monitors observed a farmer applying chemicals (herbicide) without any protective equipment and in the presence of his 9-year-old child, sitting under the shelter in the farm.
	Source: Interviews and observation
Company Action Plan:	As part of the Child Labor Monitoring and Remediation System (CLMRS), the farmers/workers and their families have been trained by the RCs on a module on risks associated with the use of phytosanitary and pharmaceutical products, including how to protect children from chemical hazards. These awareness-raising actions will continue within communities and families, with a focus on preventing child participation in all phytosanitary activities.
	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 RCs to educate farmers and their laborers on:
	 The use of the applicators of the cooperative for the agrochemical treatment of farms. The importance of protecting children.
	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 during the branches and will serve as a basis for raising the awareness of the farmers.
Deadline Date:	July 2018



Overview - Farms vs. Noncompliances

Total number of Farms: 60

	Employment Relationship	Non-discrimination	Harassment or Abuse	Forced Labor	Child Labor	Freedom of Association and Collective Bargaining	Health, Safety and Environment	Hours of Work	Compensation	Total
% of farms with non- compliances or risk of non-compliances	100%	0%	0%	0%	3%	0%	5%	0%	0%	
Farm No. 1	12	0	0	0	0	0	0	0	0	12
Farm No. 2	12	0	0	0	0	0	0	0	0	12
Farm No. 3	12	0	0	0	0	0	0	0	0	12
Farm No. 4	12	0	0	0	0	0	0	0	0	12
Farm No. 5	12	0	0	0	0	0	0	0	0	12
Farm No. 6	12	0	0	0	0	0	0	0	0	12
Farm No. 7	12	0	0	0	0	0	0	0	0	12
Farm No. 8	12	0	0	0	0	0	0	0	0	12
Farm No. 9	12	0	0	0	0	0	0	0	0	12
Farm No. 10	12	0	0	0	0	0	0	0	0	12
Farm No. 11	12	0	0	0	0	0	0	0	0	12
Farm No. 12	12	0	0	0	0	0	0	0	0	12
Farm No. 13	12	0	0	0	3	0	2	0	0	17
Farm No. 14	12	0	0	0	0	0	0	0	0	12
Farm No. 15	12	0	0	0	0	0	0	0	0	12
Farm No. 16	12	0	0	0	0	0	2	0	0	14
Farm No. 17	12	0	0	0	0	0	0	0	0	12
Farm No. 18	12	0	0	0	0	0	0	0	0	12
Farm No. 19	12	0	0	0	1	0	0	0	0	13
Farm No. 20	12	0	0	0	0	0	0	0	0	12
Farm No. 21	12	0	0	0	0	0	0	0	0	12
Farm No. 22	12	0	0	0	0	0	0	0	0	12
Farm No. 23	12	0	0	0	0	0	0	0	0	12
Farm No. 24	12	0	0	0	0	0	0	0	0	12
Farm No. 25	12	0	0	0	0	0	0	0	0	12



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Farm No. 26	12	0	0	0	0	0	0	0	0	12
Farm No. 27	12	0	0	0	0	0	0	0	0	12
Farm No. 28	12	0	0	0	0	0	0	0	0	12
Farm No. 29	12	0	0	0	0	0	0	0	0	12
Farm No. 30	12	0	0	0	0	0	0	0	0	12
Farm No. 31	12	0	0	0	0	0	0	0	0	12
Farm No. 32	12	0	0	0	0	0	0	0	0	12
Farm No. 33	12	0	0	0	0	0	0	0	0	12
Farm No. 34	12	0	0	0	0	0	0	0	0	12
Farm No. 35	12	0	0	0	0	0	0	0	0	12
Farm No. 36	12	0	0	0	0	0	0	0	0	12
Farm No. 37	12	0	0	0	0	0	0	0	0	12
Farm No. 38	12	0	0	0	0	0	0	0	0	12
Farm No. 39	12	0	0	0	0	0	0	0	0	12
Farm No. 40	12	0	0	0	0	0	0	0	0	12
Farm No. 41	12	0	0	0	0	0	0	0	0	12
Farm No. 42	12	0	0	0	0	0	0	0	0	12
Farm No. 43	12	0	0	0	0	0	0	0	0	12
Farm No. 44	12	0	0	0	0	0	0	0	0	12
Farm No. 45	12	0	0	0	0	0	0	0	0	12
Farm No. 46	12	0	0	0	0	0	0	0	0	12
Farm No. 47	12	0	0	0	0	0	0	0	0	12
Farm No. 48	12	0	0	0	0	0	0	0	0	12
Farm No. 49	12	0	0	0	0	0	0	0	0	12
Farm No. 50	12	0	0	0	0	0	0	0	0	12
Farm No. 51	12	0	0	0	0	0	0	0	0	12
Farm No. 52	12	0	0	0	0	0	0	0	0	12
Farm No. 53	12	0	0	0	0	0	0	0	0	12
Farm No. 54	12	0	0	0	0	0	0	0	0	12
Farm No. 55	12	0	0	0	0	0	2	0	0	14
Farm No. 56	12	0	0	0	0	0	0	0	0	12
Farm No. 57	12	0	0	0	0	0	0	0	0	12
Farm No. 58	12	0	0	0	0	0	0	0	0	12
Farm No. 59	12	0	0	0	0	0	0	0	0	12
Farm No. 60	12	0	0	0	0	0	0	0	0	12
		0	0	0	4	0	6	0	0	730