



[2018]

## FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL VERIFICATION REPORT

**Company:** Olam  
**Country:** Côte d'Ivoire  
**Commodity:** Cocoa

**Production Process:** Post Harvesting

**Assessment Location:** Region of Indenié Djuablin, Sous prefecture of Niablé

**Monitor:** Societal Compliance Initiatives

**Assessment Dates:** May 6-15, 2019 at the coop and July 31, 2019 at Olam IMS

**Number of assessed farms:** 60

**Number of farmers interviewed:** 60

**Total number of workers:** 81

**Number of workers interviewed:** 23

### IEM Reference Report:

- Olam Cocoa Indenie, 2016

<https://www.fairlabor.org/transparency/workplace-monitoring-reports>

**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' - Olam 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 Syngenta, please visit the FLA website [here](#).

To access the FLA Agriculture Monitoring Benchmarks, please visit [this page](#).

## Employment Relationship

2016 IEM Findings			
Section	Benchmark	Compliance status	Farms
Recruitment and Hiring	ER.3.1	Noncompliance	All Farms
	ER.3.1.1	Noncompliance	All Farms
Work Rules and Discipline	ER.20.1	Noncompliance	All Farms
	ER.20.2	Noncompliance	All Farms
	ER.20.4	Noncompliance	All Farms
	ER.20.6	Noncompliance	All Farms
	ER.20.7	Noncompliance	All Farms
	ER.20.8	Noncompliance	All Farms
	ER.20.11	Noncompliance	All Farms

Proof of Age Documentation (2016 Findings)	
<b>Findings/Noncompliance Explanation:</b>	<p>During their assessment, monitors noted that farmers of the assessed communities recruit workers, including young workers, based on their self-declarations or physical appearance. This situation is because of the local culture and the lack of existing identification documents for the majority of the workers. Thereby, no age verification documents for young workers or no collection and maintenance of documentation necessary to confirm and verify the date of birth of workers in farms. No mechanism is experienced by the cooperative to overcome this issue.</p> <p><u>Source:</u> Farmer interviews</p>
<b>Company Action Plan:</b>	<p>Olam will sensitize all the suppliers on the importance of collecting and keeping the identification documents of workers, by their producers. Olam will help the ADGs (Group Administrators) to develop a mechanism for the tracking and identification of employees, at each level of the cooperative.</p> <p>Olam will encourage suppliers to make all producers aware of the importance of keeping copies of workers' identification documents. In addition, Olam will continue to encourage its suppliers to also sensitize their farmers to establish identification documents for all their children and support their workers who don't have identification documents during the establishment process.</p>
<b>Deadline Date:</b>	31 December 2018

2018-19 Verification Findings
<p>At the end of the 2018 verifications, monitors note that, according to OLAM, all the Non-Compliances identified after the IEM are communicated to the various links of the IMS. Regional Representatives (RR) are responsible for considering this in their activities. To this end, they are responsible for implementing the correction of non-compliances identified in the supply chain and then transmitting weekly reports to OLAM. They therefore regularly receive training allowing them to be sufficiently equipped to implement CAPs at cooperatives and producers level of. For example:</p> <ul style="list-style-type: none"> <li>- From May to June 2018, 217 representatives from OLAM and cooperatives (ADGs and Directors) including 28 RRs benefited from training on the functioning and mechanism of Child Labor. This training, which took place in</li> </ul>

Abengourou region, registered the participation of cooperative COAANI through its director and its ADG, as well as all the other cooperatives in Abengourou area.

- In July 2018, the FLA provided training on child labor to the RRs of OLAM and ADG of cooperatives in the Abengourou region, which took into account topics concerning the identification of the age of young workers. At the end of the training, profiling sheets of workers' households were distributed to participants by OLAM. These sheets contain information such as: the age of the worker, the number of children, etc. However, OLAM was unable to provide a copy of awareness reports and weekly reports from the RRs.

According to the cooperative, training has been organized by OLAM on child labor. These training took place in two phases for two different targets. The first phase for ADGs was held in May 2018 and the second, for PRs, took place from June 9 to 12, 2018. During these training sessions, the IMS of the cooperative was made aware of the issues of documenting the age of young workers. Also, as part of the GISCO (German Initiative for Sustainable Cocoa) project, the IMS would have made all its producers aware of the effect of verifying the age of young workers. But no documented evidence attests the holding of OLAM training or awareness raising to producers. In addition, according to the cooperative, contrary to its commitment, OLAM did not provide any assistance to ADGs in the implementation of a mechanism for identifying and monitoring producer employers in order to make them aware of the need to keep evidence of documentation of the age of young workers. The cooperative also said that it had not received any household profiling sheet from OLAM.

At the end of the farm visits, the monitors note that none of the 60 producers interviewed was made aware of the need to keep a copy of the identification documents of their workers, including young workers, or to draw up documents identifying their children.

In conclusion, the monitors note that no concrete action to raise awareness among cooperatives, to encourage their producers to collect and keep copies of identification documents for young workers, was implemented by OLAM or by the cooperative. Producers were also not made aware of the issue. Therefore, more concrete interventions are required from OLAM and its partners.

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

OLAM, in accordance with its commitment following the 2016 IEM, has initiated training for its suppliers in order to make them aware of the need to check and keep evidence of documentation on the age of young workers. Even though no evidence could be provided, the cooperative's statements corroborate OLAM's allegations on the issue of training. However, these training sessions were not relayed to the producers. Indeed, no producer interviewed was informed of the need to keep proof of the documentation of the age of their workers. Also, the IMS of the cooperative says that it did not benefit from any assistance for the implementation of a mechanism for the identification and monitoring of producer employers in order to make them aware of the need to keep evidence of the documentation of the age of young workers. Olam would benefit from ensuring that this mechanism is put in place so that information reaches producers.

**New Finding**

The monitors noted one woman producer employing a young worker of 15 years. She does not keep any documentation relating to the age of his employee (see Child Labor).

**Follow-up Company Action Plan (to be filled by Olam):**

In 2017-2018, the cooperative experienced a crisis with its IMS which caused the departure of the ADG and PR and several producers in 2018. This crisis did not allow Olam to develop the action plan drawn up in 2016. However, Olam is committed to implementing the 2016 action plan in January 2020 with the new IMS team. To this end, Olam and the cooperative plan to:

- Organize an awareness meeting with all the producers to raise awareness on the need to keep proof of documentation of the age of young workers and on child labor at the headquarters of the cooperative. Olam

will help the cooperative to establish proof of this meeting and all other awareness meetings.

- Organize training and refresher training of the CLMRS team of the cooperative on child labor and CLMRS actions. This year, the CLMRS activities will be carried out with a smartphone, which will help to record all the awareness-raising actions of producers and workers on child labor.

- Share with this cooperative and all the other cooperatives in the Olam supply chain a clear mechanism for verifying the ages of workers to be recruited.

As for the producer employing the 15-year-old young worker, she was made aware of child labor issues and was asked to release his employee because he is under 18 years of age.

**Deadline Date** (to be filled by Olam): **December 2020**

### Work Rules and Discipline (2016 Findings)

<p><b>Findings/Noncompliance Explanation:</b></p>	<p>The disciplinary rules put in place in the assessed supply chain, covers only the relationship between the cooperative and its farmers. No disciplinary rules are available; neither at the cooperative nor at the level of the farms, to regulate the relationship between farmers and their workers.</p> <p><u>Source:</u> IMS staff, farmers and workers interviews, procedures review</p>
<p><b>Company Action Plan:</b></p>	<p>Olam will sensitize all the suppliers in its supply chain on the importance of setting up a disciplinary procedure to handle the relationship between producers and their workers to avoid abusive sanctions and the abuse of power. Suppliers with the aid of Olam, will extend their disciplinary procedures to the relationship between producers and their workers.</p> <p>Producers and workers will be trained and sensitized through farmer-field schools on the functioning of disciplinary measures in the relationship between producers and workers. Producers and workers will also be sensitized on the respect and application of these disciplinary measures under the supervision of the Group Administrator and the disciplinary committees of suppliers.</p>
<p><b>Deadline Date:</b></p>	<p>31 December 2018</p>

### 2018-19 Verification Findings

At the end of the meeting with OLAM, it reported to have distributed the flyer of its CoC to all its cooperatives. This leaflet contains disciplinary measures. However, OLAM has not yet initiated awareness among its suppliers about the need to set up a disciplinary procedure that considers the relationships between producers and their workers. No evidence or minutes of awareness of the cooperatives on the issue could be provided to the monitors either by OLAM or by the cooperative.

They also did not observe any disciplinary procedure either at the level of the cooperative or at the level of the producers, because the cooperative either did not sensitize producers on the establishment of a disciplinary procedure governing relations with their workers. This was noted during interviews with producers. None of the 60 producers interviewed is aware of any disciplinary procedure.

**Overall Conclusion of the Verification: no notable progress has been observed**

The monitors conclude that the non-compliances identified in 2016 have not yet been corrected. Even if no abuse has been observed, they still invite OLAM and its partner to set up a real disciplinary procedure taking into account all the actors in its supply chain, from the cooperative to the workers.

**Follow-up Company Action Plan (to be filled by Olam):**

Olam is committed to develop in collaboration with the cooperative, the disciplinary procedure governing relations between workers and producers, and between the cooperative and its workers as announced in 2016. This procedure will be explained to producers during the awareness meeting which will be organized at cooperative level, but also in farmer field schools. This procedure will be communicated to all Olam cooperatives.

**Deadline Date (to be filled by Olam): December 2020**

**Health, Safety and Environment**

**2016 IEM Findings**

Section	Benchmark	Compliance status	Farms
General Compliance	HSE.1.	Noncompliance	Farms 13,54,55,58,59

**General Compliance (2016 Findings)**

<b>Findings/Noncompliance Explanation:</b>	<p>During farm visits, monitors observed empty chemical containers disposed of in the farms of two of the assessed farmers. These containers could be a risk for children who use them as toys, as well as for families; given that they often end up in households used as cans.</p> <p><u>Source:</u> Observation, Review of the Olam Code of Conduct.</p>
<b>Company Action Plan:</b>	<p>Olam will support its suppliers and all other suppliers in its supply chain to increase the awareness of producers, workers and their households about the dangers of poor management of empty chemical containers and cocoa plantation spraying tools.</p> <p>Olam will redistribute its supplier code of conduct leaflet to all producers and workers to remind them of the implementation of good behaviors, regarding health and safety measures; especially chemical application and empty container management. With the support of Olam, training on the management of empty chemical containers will be repeated in all the farmer-field schools.</p>
<b>DeadlineDate:</b>	December 2018

**2018-19 Verification Findings**

On the issue of health and safety at work, the monitors note that OLAM strengthens each year the capacities of the cooperatives in its supply chain on the mechanisms of health and safety at work through farmers' farm school, to correct any non-compliance. Also, each year training is organized by each cooperative for their

applicators. In terms of awareness, 350 leaflets and ten posters are distributed to each cooperative affiliated with OLAM each year.

For the 2018-2019 campaign, the number of cooperatives in its supply chain was 194 compared to 192 for the 2017-2018 campaign. The IMS presented to monitor the electronic version of the 2017-2018 and 2018-2019 campaign leaflets and posters distribution follow up sheet.

The training was confirmed by the cooperative, which attests that in August 2018 OLAM organized training for PRs of its partner cooperatives on integrated pest management and the use of agrochemicals. At the cooperative level, it organized eight training sessions on HSEs for its producers, workers and members of their families in 2017. These training are certified by minutes which show that 98 producers out of 372 in the cooperative participated in HSE training, about 26%.

During the visits, the monitors noted that among the 60 producers interviewed, 49 were made aware of HSE, a rate of 82%. Regarding workers about 44 workers and their families have been trained on HSE according to the IMS reports. Farm visits showed that among the 23 workers interviewed, 19 were aware of HSE, a rate of 83%.

Regarding the distribution of Olam's CoC, the monitors confirm that it has indeed been distributed to the producers of the cooperative and their workers, but this distribution has not yet reached 100% coverage. Interviews with producers revealed that of the 60 interviewed producers, 38 have the Olam COC, a rate of 63%. Concerning workers, of the 23 interviewed by the monitors, 7 have the COC of Olam, a rate of 30%.

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

The monitors note the efforts made by Olam and his partner to train and raise awareness of actors in its supply chain on health, safety and the environment. The visits showed that these trainings and awareness reached more than 80% of the respondents, including the workers. The CoC was distributed to over 60% of producers and around 30% of workers.

Despite training and awareness raising on HSE organized by the cooperative for producers, workers and members of their families, cases of HSE non-compliance have been noted. During the visits, the monitors observed empty packaging of agrochemical products on five farms of the producers interviewed. Also, they observed a producer who treated his farm himself without adequate PPE near his camp. Finally, they observed a woman producer who keeps agrochemical products in her kitchen.

These recurring non-compliances show that the level of awareness of producers, workers and their families is not yet full. Therefore, the monitors invite OLAM to intensify its awareness through mechanisms of perception change and not just inform the actors.

**New Finding**

Nil

**Follow-up Company Action Plan (to be filled by Olam):**

Olam will again distribute 350 flyers and ten posters from its new CoC to ensure that 100% of producers and workers own it. This new CoC contains more provisions on the HSE with the provisions on lifting techniques. The cooperative with the support of Olam will intensify through the farmers' field schools its awareness-raising actions on the consequences of bad management of empty containers of agrochemical products already used, but also on the importance of storing unused agrochemical products in well-kept places, isolated out of reach of all.

The cooperative, with the support of Olam, will increase producers' awareness of the dangers of treating their plantations themselves without adequate PPE and without training in the matter.

The cooperative with the support of Olam will educate producers to make more use of the cooperative's applicators for the treatment of their plantations. The cooperative will organize its applicators so that they are

available to all producers.

**Deadline Date** (to be filled by Olam): **December 2020**

## Child Labor

### 2016 IEM Findings

#### General Compliance

<b>Findings/Noncompliance Explanation:</b>	No case of child labor was found during 2016 IEMS
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<b>Company Action Plan:</b>	NA
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<b>DeadlineDate:</b>	NA
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### 2018-19 New Findings

During the 2016 IEM visits, the monitors did not identify any formal case of child labor. However, during verification visits, they identified two cases of child labor.

The first case is a 15-year-old child, who according to himself and his employer, has been formally employed by a woman producer of the partner cooperative of OLAM since 2018. The child, a Togolese, was in fifth grade at a college in Togo and stopped going to school for lack of financial means in 2017. His uncle residing in Côte d'Ivoire, made him come to Côte d'Ivoire to study mechanics. But when he arrived, he sent him as an agricultural worker to a woman cocoa producer. The child is in his first year of employment and must receive 170,000 CFA francs at the end of his annual contract. He is involved in all maintenance work of a cocoa farm and the establishment of new plots. During the visits, the monitors observed him digging holes with a pickaxe (sharp tool) for cocoa planting. The tool used is classified by Ivorian legislation as a dangerous tool prohibited for children under 18 years old. In addition, the legislation in force in Côte d'Ivoire, prohibits any formal employment before 17 and makes it compulsory for all children under 16 to attend school. But this 15-year-old boy was out of school. At the end of the child's contract, their salary will be paid to his uncle, who is responsible for him. The child is too young to manage his income efficiently. Beyond child labor, monitors also fear situations of abuse and forced labor.

The second case is that of a family worker. During the visits, the monitors met a 6-year-old child (according to his father) on the farm of a producer from the partner cooperative of OLAM. He was transporting cocoa pods to gather at the place of pods opening. The child is the son of the producer's sharecropper. His father confirmed to the monitors that he did not attend school because he arrived from Burkina Faso (their country of origin) to Côte d'Ivoire in February 2019. According to him, the child will be schooled at the start of the next school year (2019 - 2020). The father, however, refused to reveal the child's name to the monitors, ordering him not to answer the monitors' questions.

This situation is in violation of Ivorian law which prohibits any child under the age of 13 from performing any kind of task.

**Follow-up Company Action Plan** (to be filled by Olam):

Following RFI (Red Flag Issue) raised by FLA, the cooperative with the support of Olam, sensitized the producer

on child labor and forced labor. The cooperative, with the support of Olam, asked the producer to pay the 15-year-old young worker's money and release him. Following communication with the young worker's parents, he was returned to his native country, Togo.

For the six-year-old child from Burkina Faso, the cooperative with the support of Olam made the worker, who is his father, aware of child labor and the child has been sent to school.

Olam is committed to help the cooperative to intensify its efforts to sensitize producers and workers on child labor and forced labor.

In order to ensure that all possible work cases of child labor are identified, Olam has strengthened the functioning of CLMRS of this cooperative as well as that of all other cooperatives by digitizing the activities, but also by taking charge the payment of the operation of teams. This provision will allow the different CLMRS to become more efficient.

All CLMRS will be trained or refreshed in 2020 and all producers will be sensitized on the issues of child labor and forced labor throughout this 2020 campaign. This awareness raising will be recorded on the smartphone.

**Deadline Date (to be filled by Olam): December 2020**