



2013

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING AGRICULTURAL REPORT

COMPANY: Nestlé
COUNTRY: Ivory Coast
PROVINCE: Belier and Yamoussoukro
COMMUNITY: Toumbokro
MONITOR: FLA and Jean Baptiste APPIA
AUDIT DATE: November 17 – 21, 2013
PRODUCTS: Cocoa
NUMBER OF GROWERS/WORKERS: 20/11
NUMBER OF GROWERS/WORKERS INTERVIEWED: 20/11
NUMBER OF FARMS VISITED: 20
TOTAL AREA COVERED IN AUDIT: 71.5 HA
PROCESSES: Harvesting, Pod Opening, Cocoa Drying, Farm Cleaning

To view more about FLA's work with Nestlé, please visit the FLA website [here](#).

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Code Awareness:

GEN 1 Establish and articulate clear, written workplace standards. Formally convey those standards to Company Growers as well as to other supply chain partners.

Noncompliance

Explanation: Nestlé’s Code of Conduct (COC) does not mention the non-discrimination code element, although this element is covered under the UTZ and FLA COCs that are applied on the farms. Currently, Nestlé’s illustrated COC is the most widely distributed COC and the one most used by growers, as compared to other COCs. Therefore, this is a risk of farms not implementing UTZ and FLA COCs.

Sources: interviews, document review

Plan Of Action:

1. Nestlé’s illustrated COC, which we have distributed to all farmers in our Nestlé Cocoa Plan supply chain, contains sections on corruption; forced labor; child labor; punishment and sexual abuse; payment; health and safety (H&S); and environment. We are adding non-discrimination to the next leaflet revision. The revised version of the code will be distributed to farmers, women, and workers during introductory sessions (see Action 3) in villages.
2. Nestlé and Olam will prepare a training module, which will cover supplier COC principles, grievance channel, non-retaliation policy, internal monitoring, along with a simplified formula regarding policy and procedure creation, particularly on H&S and disciplinary actions. Nestlé and/or Olam representatives will give training to group administrators (ADGs) and farmer trainers. Training manuals will be prepared with visual materials, in order to accommodate illiterate workers and farmers, and will be provided to participants. Deadline: August 2014
3. After the training of trainers’ session that will be provided by Nestlé and Olam, ADGs will discuss the training schedule and program with the Administrative Council. Farmer trainers and ADGs will organize information/introductory sessions for each section, where they will introduce the farmer field schools and provide brief information on supplier COC, with emphasis on child labor, H&S, and grievance channel, including the non-retaliation policy. Deadline: November 2014
4. Since introductory sessions will be organized in villages, all family members and village residents will be invited. During these sessions, women and farmers who are not in the certification program will particularly be encouraged to join farmer field schools. An announcement will be done through selected farmers from farmer trainings (“chef de class”) in order to reach all residents in the village, including workers. Deadline: November 2014
5. The cooperative has 6 sections and covers 36 villages. Each section has farmer trainers and farmer training schools are organized. The schools are open for all farmers, whether they are part of UTZ certification or not. This fact will be underlined during information sessions. Deadline: November 2014
6. The cooperative will provide a timeline for training sessions and Olam/Nestlé representatives will join some of the trainings in order to support trainers during information sessions. Deadline: November 2014
7. During farmer school and trainings, supplier COC principles will be explained in more detail with illustrated materials, procedures, and processes that will facilitate information recording. Workers will also be invited to the farmer training school. Deadline: November 2014

Deadline

Date: November 2014

Action

Taken:

Plan

Complete:

Plan

Complete

Date:

Code Awareness:

GEN 2 Ensure that all Company growers as well as supply chain partners 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.

Noncompliance

Explanation: IMS (Internal Monitoring System) staff has made efforts to inform and raise awareness amongst farmers regarding Nestlé's COC through farmer field schools and the International Cocoa Initiative's (ICI)-implemented Child Labor Monitoring and Remediation Program. However, family members and sharecroppers who are workers in the visited area do not have sufficient knowledge on Nestlé's COC, as no training has been given to them. Worker interviews found that, except for some H&S measures, they were not aware of other workplace standards or labor laws.

Sources: interviews, document review

Plan Of Action: The cooperative will discuss the possibility of increasing the number of farmer trainers during the council meeting.

See also the Plan of Action for GEN 1, #3, #4, #6, and #7.

Deadline Date: November 2014

Action Taken:

Plan Complete:

Plan Complete Date:

Code Awareness:

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 partners (cooperatives) to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.

Noncompliance

Explanation: Nestlé has provided a toll-free number as a noncompliance reporting mechanism, that is included on Nestlé’s illustrated COC. However, the COC is only either distributed to growers or displayed at cooperatives. At present, the reporting mechanism is only accessible by growers; workers do not have access to the number. Furthermore, according to grower interviews, they find the number difficult to use. Additionally, a non-retaliation policy has neither been developed nor communicated to growers and workers in case they wish to report noncompliances.

Sources: interviews, document review

**Plan Of
Action:**

1. On the supplier COC leaflet and poster there was a mistake in the original hotline number, which is being corrected in the new version.
2. The new poster will be displayed at each section level warehouse. We will distribute the leaflet more widely to include workers (see GEN 1), who are welcome to use the hotline, including for cases of retaliation.
3. Given the fact that FLA requires affiliate companies to create a grievance channel where the grievant could stay anonymous, a toll-free number is one feasible option for open working areas, such as farms. However, the cooperative has also developed an open door policy, where farmers and workers could communicate directly with ADGs. Suggestion boxes are also placed in the cooperative building. All types of grievance channels will be explained during information sessions with members.
4. Olam/Nestlé will prepare farmer production notebooks in which farmers can register information on production and labor. The notebook will have visuals on supplier COC and the toll-free number of the grievance channel. One example will be provided to each cooperative in order for them to share with farmers.

See also the Plan for Action for GEN 1, #3, #4, and #7.

**Deadline
Date:** November 2014

**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**

Child Labor: General Compliance

CL.1 Growers shall comply with all local laws, regulations, and procedures concerning the prohibition of child labor.

Uncorroborated Evidence of Noncompliance

Explanation: Monitors did not observe any **hired** child labor or young workers on the visited farms. Farmer interviews found that child/young workers from farmers' families (both immediate and extended) and sharecroppers' families are involved in farm work during their school vacation. Some of the children and young workers either do not attend school or fail at school and are involved in farm work, as there are no other alternatives available in the village.

Sources: interviews

Plan Of Action: 1. Nestlé is working in cooperation with the ICI on the elimination of child labor. If cases of child labor are found during monitoring or follow-up visits by farmer trainers or ADGs, the ICI will be informed immediately. Farmers complete the farmer's questionnaire with community liaison individuals that report to ICI in order to detect the reasons behind the child labor. Remediation activities are proposed by ICI to Nestlé on a case-by-case basis. See a short description at: <http://www.cocoainitiative.org/fr/projects/143-ici-nestle-project-in-cote-d-ivoire>

2. Farmer trainers and the ICI inform farmers on child labor definitions in order to raise awareness.

See also the Plan of Action for GEN 1, #7.

Deadline Date: November 2014

Action Taken:

Plan Complete:

Plan Complete Date:

Harassment or Abuse: Grievance Procedure

H&A.12 Company shall have in place grievance procedures that allow first an attempt to settle grievances directly between the worker and the grower but, where this is inappropriate or has failed, it is possible for the worker to have the grievance considered at one or more steps, depending on the nature of the grievance and the structure and size of the enterprise. Company shall ensure that workers know the grievance procedures and applicable rules.

Noncompliance

Explanation: According to the cooperative's disciplinary policy and procedure, if a cooperative member is repeatedly non-compliant, the Approval Committee meets about their case. After several verbal warnings, a first-degree penalty, such as withdrawal from the project, may be imposed on the concerned grower. If the issue persists, the grower may be removed from the list of cooperative suppliers. Neither grower interviews nor record review mentioned the opportunity to reply or make appeals against termination.

Sources: interviews, document review

Plan Of Action: During the training sessions organized by Nestlé and/or Olam, ADGs and farmer trainers will be informed of the disciplinary system requirements. As a training activity, farmer trainers and ADGs will develop suitable procedures at the farm level. These procedures will also be actively discussed with farmers. After having been approved by the cooperative, these procedures will be introduced during information sessions and farmer trainings.

See also the Plan of Action for GEN 1, #2 and #7.

Deadline Date: November 2014

Action Taken:

Plan Complete:

Plan Complete Date:

Non-Discrimination: Employment Decisions

D.2 All employment decisions shall be made solely on the basis of a person's qualifications, in terms of education, training, experience, demonstrated skills and/or abilities, as they relate to the inherent requirements of a particular job.

Uncorroborated Evidence of Noncompliance

Explanation: At the cooperative level, it was noted that: a) there are no female members on the cooperative board and b) no women are involved in decision making at the cooperative level, even though women make up a majority of the workforce. IMS staff members are also all men, which may prevent cooperatives from tackling problems that are specific to women.

Sources: interviews

Plan Of Action: This is a widespread issue in cooperatives, and is one aspect of the gender disparity in these rural areas. We are collecting data on the position of women in our supply chain and publishing on Nestlé.com (<http://www.nestle.com/asset-library/documents/creating-shared-value/responsible-sourcing/action-plan-women-in-cocoa-supply-chain.pdf>). We will work out how to incorporate gender issues into the Nestlé Cocoa Plan once we have reviewed the recommendations from FLA in the gender report we commissioned (<http://www.fairlabor.org/report/nestle-womens-roles-assessment-cocoa>).

The cooperative has agreed to widely distribute a note, which encourages female farmers to become members of the cooperative board by March 31, 2015.

Deadline Date: March 2015

Action Taken:

Plan Complete:

Plan Complete Date:

Health and Safety: General Compliance Health and Safety

H&S.1 Growers shall comply with all local laws, regulations, and procedures concerning health and safety. In any case where local laws and the Workplace Code of Conduct are contradictory, the higher standards will apply. The grower will possess all legally required permits.

Uncorroborated Evidence of Noncompliance

Explanation: Although there is a private health care facility in the village, growers and workers find it very expensive to use. While the cooperative has provided first aid kits, only the farmer trainers are trained in first aid. According to workers, they get injured several times during farm work and cannot afford to go to the private clinic. Furthermore, there are no government-sponsored health clinics present in the village.

Sources: interviews, observation

Plan Of Action: Nestlé/Olam will organize a needs' assessment visit to cooperative sections to observe the communities' need for health centers and will contact the local authorities in case health care is inaccessible.

Deadline Date: November 2014

Action Taken:

Plan Complete:

Plan Complete Date:

Health and Safety: Health and Safety Management System

H&S.4 The health and safety policy shall contain the framework for a comprehensive health and safety management system within which growers' responsibilities and workers' rights and duties, various responsibilities of designated personnel, procedures that enable workers to raise health and safety concerns, and procedures for reporting death, injury, illness, and other health and safety issues (for instance, near-miss accidents) are clear and regularly tested and reviewed.

Noncompliance

Explanation: No management system that ensures H&S has been defined or available for review.

Sources: interviews, document review

Plan Of Action: The cooperative has already conducted a risk analysis at the farm level. According to risk analysis results, the cooperative will prepare H&S procedures. Olam/Nestlé will: a) assist the cooperative on system creation and b) provide guidance on the requirements and basic content of an H&S management system during ADG and farmer trainer training.

Deadline Date: September 2014

Action Taken:

Plan Complete:

Plan Complete Date:

Health and Safety: Personal Protective Equipment

H&S.7 All necessary personal protective equipment (PPE), such as gloves, eye protection, respiratory protection, etc., should be made available to relevant workers to prevent unsafe exposure (such as inhalation or contact with solvent vapors, dust, etc.) to health and safety hazards.

Noncompliance

Explanation: Women were found working in farms without suitable equipment, such as boots; in contrast, men were wearing them.

Sources: interviews, observation

Plan Of Action:

1. Farmers will be informed on H&S requirements through refresher trainings in farmer training schools. (See also the Plan of Action for GEN 1, #7.) The importance of PPE usage for all family members will be underlined during trainings.
2. Women will be encouraged to participate in farmer training schools during information sessions, which will be held in villages.
3. The majority of farmers use PPE. However, women do not prefer to change out of their traditional clothes. They have access to PPE, but do not have sufficient information on the risks at the farm level. In order to change this mindset, the cooperative will propose models of boots and shirts to selected farmer's wives, in order to set an example. Women will be encouraged to join farmer trainings during information/introductory sessions.

See also the Plan of Action for GEN 1, #2, #3, #4, and #7.

Deadline Date: November 2014

Action Taken:

Plan Complete:

Plan Complete Date:

Hours of Work: General Compliance

HOW.1 Growers shall comply with all local laws, regulations, and procedures concerning hours of work, public holidays, and leave.

Noncompliance

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

Sources: interviews, document review

Plan Of Action: Nestlé has conducted research on the average daily work time at the farm level in Ivory Coast for their program on rural development frameworks. Due to weather conditions, workers could not work office hours (8:00 am – 6:00 pm). Depending on circumstance, workers prefer to work early in the morning and late in the afternoon. Therefore, farmers and workers will be informed on the weekly working time limits and minimum wages during farmer’s trainings.

See also the Plan of Action for GEN 3, #4.

Deadline Date: November 2014

Action Taken:

Plan Complete:

Plan Complete Date:

Wages, Benefits and Overtime Compensation: General Compliance

WBOT.1 Growers shall comply with all local laws, regulations and procedures concerning the payment of wages and benefits, including overtime compensation. In any case where laws and the FLA Workplace Code of Conduct are contradictory, the standard that provides the greatest protection for workers shall apply. Where provisions are lacking, growers shall take measures to reasonably accommodate matters concerning the payments of wages and benefits, including overtime.

Noncompliance

Explanation: Farmers reported that they have not received any premiums from the cooperatives. Cooperatives responded that due to financial difficulty, they were not able to provide timely payments and premiums to growers.

Sources: interviews, document review

Plan Of Action: The cooperative held an annual general meeting to inform farmers about the situation during the 2011/12 seasons; it is now committed to pay premiums and other payments on time.

Deadline Date: October 2014

Action Taken:

Plan Complete:

Plan Complete Date:

Wages, Benefits and Overtime Compensation: Timely Payment of Wages

WBOT.3 All wages, including overtime compensation shall be paid within legally defined time limits. When law does not define time limits, compensation shall be paid at least once a month or as agreed between the worker and the grower.

Noncompliance

Explanation: All wages, including overtime compensation, shall be paid within legally defined time limits. When the law does not define time limits, compensation shall be paid at least once a month or as agreed upon between workers and growers.

Plan Of Action: Report results were discussed with cooperative representatives and the cooperative will prioritize accelerating farmers' payments.

Deadline Date: October 2014

Action Taken:

Plan Complete:

Plan Complete Date: