INDEPENDENT EXTERNAL MONITORING OF NESTLÉ’S COCOA SUPPLY CHAIN IN IVORY COAST

EXECUTIVE SUMMARY

As a requirement of a company's affiliation with the Fair Labor Association (FLA), the FLA annually conducts independent assessments of a sample of each affiliated company’s supply chain. For Nestlé, which joined the FLA in 2012, this means monitoring the portion of its cocoa supply chain served by the Nestlé Cocoa Plan (NCP), which represents around 20 percent of its total cocoa supply chain.

From October to December of 2013, during the peak cocoa-harvesting season, the FLA conducted ten unannounced independent external monitoring visits to five cooperatives in the Ivory Coast supplying to Nestlé via the NCP. (Reports on all ten visits are available on the FLA website, www.fairlabor.org/2013-nestle-independent-external-assessments.) Assessors selected these five cooperatives through a stratified random sampling from the 45 cooperatives currently under the NCP; together the five cooperatives represent 11 percent of Nestlé’s certified cocoa supply chain. A team consisting of both FLA staff and trained external assessors conducted the visits in five different regions of the Ivory Coast visiting two communities in each region:

- Buyo: Germainkro and Noékro;
- Gagnoa: Kouamékro and Lébré;
- Yamoussoukro: Gbéliissou and Toumbokro;
- Abengourou: Aniassué and Satikran; and
- Bonoua: N’zérékou and Ahoulou Chantier.

Assessors visited a total of 200 farms (20 farms in each of the 10 communities, or 40 farms under each cooperative). These 200 farms represent seven percent of the 2,863 farm owners affiliated with the five visited cooperatives.

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1 Nestlé launched the Nestlé Cocoa Plan (NCP) in March 2011 with a commitment to eliminate child labor from its cocoa supply chain. In 2013, the NCP covered cocoa farmers in 45 participating cooperatives, some of them certified.

2 In addition to the ten monitoring visits described here, assessors conducted five additional independent external monitoring visits to gather information for the FLA’s July 2014 gender-focused report “Assessing Women’s Roles in Nestlé’s Ivory Coast Cocoa Supply Chain”: http://www.fairlabor.org/sites/default/files/documents/reports/nestle_gender_report_7-9-14.pdf
The team began by gathering information through desk-based research and meetings with 38 external experts, community members, and civil society organizations in the five regions. Following their research, the team visited the cooperatives, conducting a total of 358 interviews. Assessors interviewed 17 staff members at the cooperatives, 200 farmers (189 men and 11 women who own the cocoa plantations) and 109 adult seasonal workers and sharecroppers (86 men and 23 women who are engaged to work on the plantations by the farmers). Additionally, the team identified and interviewed seven young workers (between 15 and 18 years of age) and four child workers (younger than 15) working on the farms during the following field and community level visits.

Independent External Monitoring Findings

Nestlé produced an Illustrated Supplier Code of Conduct in 2013 and distributed it to 25,000 farmers in the Ivory Coast. The FLA assessment team confirmed that Nestlé’s Illustrated Code of Conduct for cocoa farmers is the most widely distributed code, and the one most often used by farmers. Assessors found that the code had been distributed to all 2,863 farmers, and the majority of farmers stated in interviews that they had attended training sessions where code elements were explained in the local language.

In addition, assessors identified the following key findings:

1. **Child and Forced Labor** – Assessors found four children under the age of 15 working in the cocoa fields, as well as one case of forced labor involving a young worker from Burkina Faso, believed to be 15, who had been working without pay or documentation since he was 13.³ Seven other young workers between the ages of 15 and 18 were also found working on the farms. Children perform the same work (both hazardous and non hazardous) as adults, and work the same hours. Additionally, farmers explained during the interviews that almost all the children and young adults in their families (both immediate and extended) perform farm-related tasks like picking cocoa, transporting wet beans, and cleaning the land. Some of them do not attend school. Assessors found that the farms lack an age-verification and documentation system, and lack a system to remove working children from the

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³ The young worker stated in an FLA interview that the farm owner sends payment to his father in Burkina Faso, but pays the worker himself nothing directly. He has worked for the same grower for three years, and has been involved in all activities at the farm. Nestlé followed up on this case twice, first interviewing the young worker again for clarification, followed by an unannounced farm visit. On both occasions, Nestlé reminded the farm owner of the required labor standards, including definitions of hazardous and age-inappropriate tasks, and the need to pay farm workers directly. Nestlé continues to explore options for alternative vocational training for this worker, and will ensure that the remediation component of its CLMRS, as it is rolled out, offers an appropriate response for cases of this kind.
farms.

2. **Health and Safety** – Assessors found a number of health-and-safety-related non-compliances at all visited farms, including lack of first aid kits, or trained health-and-safety personnel; inability to transport workers to a hospital or clinic, in case of emergency; insufficient safety and personal protective equipment (PPE), especially for women; and improper chemical storage and disposal procedures.

3. **Code Awareness, Employment Relationship, and Grievance System** – Despite farmers’ familiarity with Nestlé’s Code of Conduct, workers and sharecroppers have not received training on the code. Farmers have not been trained on document maintenance, and the lack of any employment documentation at the cooperatives and farms (such as labor profiles, employment contracts, hours of work, and compensation records) made verification of several code elements challenging. Among workers, assessors noted a general lack of awareness about grievance processes.

4. **Gender Disparities** – In all visited cooperatives, assessors noted that almost all staff managing the internal monitoring systems are men, and only one woman was found to be sitting on any cooperative’s Board of Directors. Similarly, assessors found only limited efforts to involve women as trainers or include women in training programs run by the farmer field schools or Nestlé’s Child Labor Monitoring and Remediation System (CLMRS).

5. **Non-discrimination** – Nestlé’s illustrated code lacks a non-discrimination clause.

**Corrective Action Plans**

In response to the FLA’s monitoring visits, Nestlé has developed and submitted a corrective action plan, included in the FLA monitoring reports. The highlights of this plan include:

1. **Child Labor** – Nestlé’s Child Labor Monitoring and Remediation System (CLMRS)\(^4\), serving eight cooperatives in 2013, will be extended to 16 cooperatives in 2014.

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\(^4\) According to Nestlé, by June 2014, CLMRS assessors had visited a total of 3,382 farms and interviewed 3,828 producers among the 11,815 registered cocoa farmers in the first 13 cooperatives. During those visits, 1,682 children (around 14 percent of children surveyed) were categorized as child workers involved in hazardous work. Nestlé has begun remediation work for these children, with 639 covered so far, including providing school kits (uniforms, books, paper, etc.) to 29 of these children, securing birth certificates (required for admission to junior secondary school) for more than 200, and developing income-generating activities for 291 mothers of identified children, with the remaining cases being investigated further. Of the 11,803 children of farmers who are members of the thirteen cooperatives, 7,801 (66 percent) attend school. The FLA will verify these figures as part of the 2014 monitoring cycle.
Under this system, in partnership with the International Cocoa Initiative (ICI), Nestlé staff in the Ivory Coast, cooperative staff, and farm owners all receive training workshops on:

- definitions of child labor;
- causes and consequences of child labor;
- international and national norms and legislation;
- monitoring, evaluation, and control systems; and
- steps for identification, prevention, and remediation of child labor.

In addition, the community selects Community Liaison People (CLPs) from among the cooperative members to receive training and manage child labor monitoring at the community level. The CLPs report situations in which children are at risk, and organize awareness-raising activities in the communities to prevent child labor. At the cooperative level, similarly, a Cooperative Child Labor Agent (CLA) is responsible for proposing child-labor prevention and remediation efforts, and for ensuring that these activities are followed through.

2. **Health and Safety** – Based on a health and safety risk analysis made at the cooperative level, CLMRS staff will be trained on developing and running a health and safety management system covering topics like safe chemical handling, use of personal protective equipment, first aid, accident procedures, and more.

3. **Grievance Procedures** – Nestlé will include grievance procedures in its existing training activities, and will extend these trainings – currently limited to farmers – to sharecroppers and workers. Nestlé has broadened access to its third-party-managed toll-free confidential hotline number, which is designed to help workers report non-compliances. This number will be displayed at each section level warehouse, and other types of grievance channels, such as suggestions boxes, and a grievance process involving the CLP, will be established at the cooperative level to ensure workers have multiple recourses.

4. **Gender disparities** – Nestlé has published a response to the FLA’s assessment of women’s roles in its Ivory Coast supply chain. Nestlé’s plan includes strategies for increasing the representation and recognition of women at the cooperative level, making training sessions more accessible to women, facilitating women’s access to community level dialogue and grievance platforms, and increasing women’s awareness of health and safety issues and access to personal protective equipment.

5. **Non-discrimination** – Nestlé will include a non-discrimination and non-retaliation provision in its illustrated code of conduct and distribute the new code to all Tier One suppliers and NCP farmers. Nestlé, in collaboration with its Tier One suppliers will reinforce training on the code of conduct for CLMRS staff at each cooperative who will then train lead farmers at the farmer field schools. Nestlé will actively encourage farming families and village residents, particularly women, to attend farmer field school training sessions.

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