

THIRD PARTY ASSESSMENT

COLTABACO

Capitanejo and Carmen de Bolivar regions

AGRICULTURAL LABOR PRACTICES PROGRAM



Control Union Certifications

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GLOSSARY OF TERMS and ACRONYMS

ALP	Agricultural Labor Practices
ALP Code	PMI's Agricultural Labor Practices Code
ALP Code Principle	Short statements that set expectations of how the farmer should manage labor on his farm in seven focus areas
ALP Program	Agricultural Labor Practices Program
ANSPE	National Agency for Overcoming Extreme Poverty (ANSPE) is the national government agency responsible for social marketing strategy for the poorest and most vulnerable population
CA	Corporate Affairs
CU	Control Union
COLTABACO	PMI affiliate in Colombia - Compañía Colombiana de Tabaco
CPA	Crop Protection Agents
Crew leader	Person responsible for managing a group of workers
DAC	Dark aired-cured tobacco
Family farm	A farm that depends mainly on family members for the production of tobacco
Farm Profiles	A data collecting tool developed by PMI with Verité to track the socio-economic status of the farms, systematically gather detailed information about, among other things, the type of labor employed, farming activities that minors may be involved in, and hiring
FCV	Flue-cured Virginia tobacco
FMM	"Fundación Manuel Mejía" foundation
FEDETABACO	National Federation of tobacco producers
GAP	Good Agricultural Practices
GTS	Green Tobacco Sickness
ITP	International Tobacco Procurement program of PMI
Leaf tobacco supplier	A company that has a contract with PMI to supply tobacco but is not a farmer
Migrant labor	Migrant labor refers to labor that comes from outside the farm's immediate area. Migrant labor can come from a neighboring region in the same country, or from a different country
Measurable Standard	A Measurable Standard defines a good labor practice on a tobacco farm and helps determine to what extent the labor conditions and practices on a tobacco farm are in line with each of the ALP Code principles
NGO	Non-Governmental Organization
OC	PMI Operations Center (Lausanne, Switzerland)
Phase 1	Startup of ALP Program (training, communications, outreach)
Phase 2	ALP Program full implementation (monitoring, addressing problems)
Piece work	Payment at a fixed rate per unit of production/work
PMI	Philip Morris International, Inc. or any of its direct or indirect subsidiaries
PPE	Personal Protection Equipment
Prompt Action	A situation in which workers' physical or mental well-being might be at risk, children or a vulnerable group – pregnant women, the elderly - are in danger, or workers might not be free to leave their job
SENA	National Learning Service Department
STP	Sustainable Tobacco Production
Support mechanism	A way for workers to access information and get support in difficult situations and for workers and farmers to get support in mediating disputes. Farmers have access to additional services to improve labor and business practices.
VAC	Air-cured Virginia tobacco
VFC	Virginia flue-cured tobacco

1. ALP Program background and assessment overview



THIRD PARTY ASSESSMENT

COLTABACO
Capitanejo and Carmen de Bolivar regions
AGRICULTURAL LABOR PRACTICES PROGRAM

In 2011, Philip Morris International Inc. (PMI)¹ launched a worldwide Agricultural Labor Practices (ALP) program to progressively eliminate child labor and other labor abuses where they are found and to achieve safe and fair working conditions on tobacco farms. This program applies to all tobacco farms with which PMI or PMI's leaf tobacco suppliers have contracts to grow tobacco for PMI and consist of four main components:

- (1) the Agricultural Labor Practices Code, setting clear standards for all tobacco farms growing tobacco from which PMI ultimately buys;
- (2) an extensive training program for all PMI and leaf tobacco supplier's staff that are directly involved with tobacco growing, in particular the field technicians that provide regular visits to the farms;
- (3) a multi-layered internal and external monitoring system; and
- (4) involvement of governmental and non-governmental (NGO) stakeholders in improving labor practices and enhancing the livelihoods of tobacco growing communities.

The ALP Program was developed and is being implemented in partnership with Verité, a global social compliance and labor rights NGO. Control Union Certifications (CU) was commissioned by PMI to develop the external monitoring component of the ALP Program working in tandem with Verité to assess PMI leaf tobacco suppliers and tobacco farms worldwide. All PMI leaf tobacco suppliers submit internal, annual reports and are assessed regularly on their performance. For the ALP Program implementation, internal reviews are also being performed to assess the progress and challenges in the program's implementation. Third party assessments are periodic reviews undertaken by CU of PMI leaf tobacco suppliers and tobacco farms worldwide. In this initial stage of implementing the ALP Program, these third party assessments focus solely on the ALP Program implementation. They specifically focus on each leaf tobacco supplier's progress in implementing the ALP Code framed against the strategic objectives set by PMI. The ALP Code contains seven (7) principles:²

¹ For the purposes of this report, "PMI" means Philip Morris International, Inc. or any of its direct or indirect subsidiaries.

² The full ALP Code is contained in appendix 2.

1. **Child Labor**

There shall be no child labor.

2. **Income and Work Hours**

Income earned during a pay period or growing season shall always be enough to meet workers' basic needs and shall be of a sufficient level to enable the generation of discretionary income. Workers shall not work excessive or illegal work hours.

3. **Fair Treatment**

Farmers shall ensure fair treatment of workers. There shall be no harassment, discrimination, physical or mental punishment, or any other forms of abuse.

4. **Forced Labor**

Farm labor must be voluntary. There shall be no forced labor.

5. **Safe Work Environment**

Farmers shall provide a safe work environment to prevent accidents and injury and to minimize health risks. Accommodation, where provided, shall be clean, safe and meet the basic needs of the workers.

6. **Freedom of Association**

Farmers shall recognize and respect workers' rights to freedom of association and to bargain collectively.

7. **Compliance with the Law**

Farmers shall comply with all laws of their country relating to employment.

The implementation of PMI's ALP Program by leaf tobacco suppliers that purchase tobacco for PMI has been divided into two phases³:

Phase 1

- Management personnel and field technicians understand the ALP Code and the implementation approach, ensuring capacity of people and the processes in place to roll-out and manage the ALP Program;
- Communicate the ALP Code, requirements and expectations to all farmers;
- Document Farm Profiles for every contracted farm, identifying risk areas and tracking communication efforts to farmers;
- Being aware and engaged to identify situations and incidents at farms that should be both reported and addressed immediately.

Phase 2 (full implementation of the program)

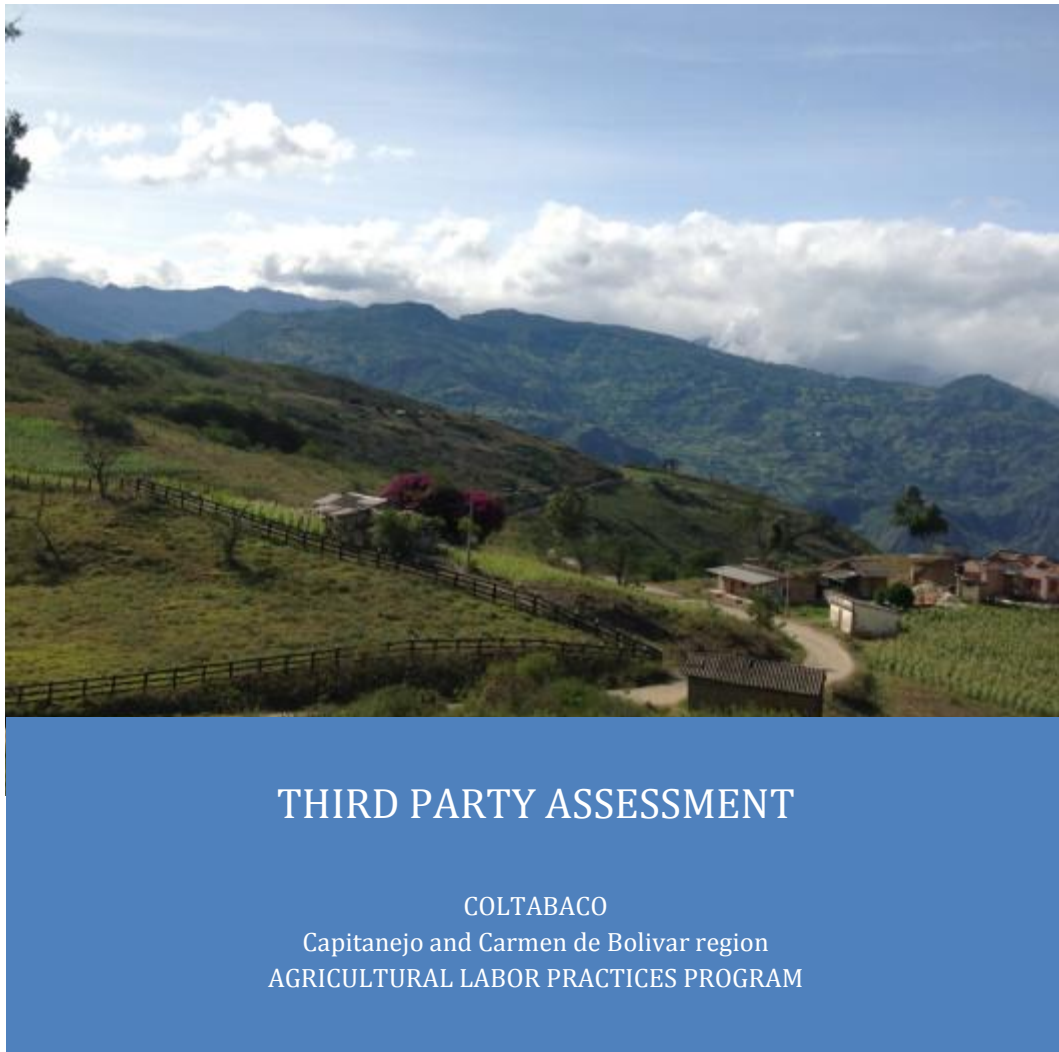
- Collect detailed information about labor practices on every contracted farm;
- Systemically assess each farm for status of the Measurable Standards outlined in the ALP Code;
- Create and implement an improvement plan for each farm to improve the implementation of all required standards;
- Identify and implement corrective and/or preventive measures to identify and address the root causes of potential situations not meeting the standards and risks found on the farms;
- Systemic reporting on the progress being made;
- Support mechanism in place.

³ Often there is not a strict distinction between the two phases during ALP implementation. In practice suppliers in many markets start to consider how to address and respond to situations that do not meet the Code and to monitor changes before formally finishing Phase 1.

(Source: Verité & PMI, 2011)



2. COLTABACO Assessment: Scope and Methodology



2.1 Scope

In 2011 PMI launched the ALP Program globally. This report of COLTABACO's tobacco growing operations in the Colombian regions of Capitanejo and Carmen de Bolivar is the tenth external ALP assessment by Control Union. The assessment was conducted in June/July 2015 during completion of COLTABACO's third crop season under the ALP Program and its first year of implementing a pilot stage for Phase 2.

2.2 Opening meeting

On 17 June 2015, CU started the assessment with a meeting at the COLTABACO offices in Bogotá, attended by the COLTABACO ALP steering committee (which included the senior management) and the COLTABACO ALP Country team. During the meeting, CU presented the objectives of the assessment and COLTABACO provided an overview of ALP implementation in their supply chain.

2.3 Staff interviews and ALP Program documentation

The assessment of COLTABACO's work included individual interviews with the ALP steering committee and the ALP Country Team at the head office. In addition, CU conducted interviews with two area supervisors, three agronomy supervisors and one agronomy project coordinator at the local offices in both visited regions. In addition to COLTABACO's personnel, interviews also included two external stakeholders supporting COLTABACO's contribution programs designed to improve the quality of education of rural schools located in the tobacco growing areas and the development of entrepreneur programs for tobacco farmers. All interviews were conducted individually so interviewees felt comfortable to speak freely and raise any issues. The conversations covered the following topics:

- General awareness of the ALP Program and knowledge of the ALP Code;
- Implementation of the ALP Program at the COLTABACO level;
- Responsibilities of management personnel;
- Internal training and communication on the ALP Program;
- Communication of the ALP Code to farmers;
- Internal system to collect information through Farm Profiles;
- Mechanism for reporting Prompt Actions;
- Records showing the training of field technicians;
- Relationship with external stakeholders;
- Steps taken to prepare for Phase 2;
- Pilot conducted for monitoring labor practices;
- Initiatives implemented to address widespread and/or systemic issues; and
- Support mechanism.

COLTABACO provided all the relevant documentation related to the ALP Program implementation requested by CU, including Farm Profiles, farmer communication materials, purchase contracts, Prompt Action reports, training records, personnel records, and internal ALP related job objectives.

2.4 Farm sample selection

To constitute a meaningful sample, CU needed to visit at least 49 farms; the square root of the total number of farmers directly contracted by COLTABACO in the regions of Capitanejo and Carmen de Bolivar.⁴ In total, CU visited 54 farms. Farm selection was based on the following criteria:

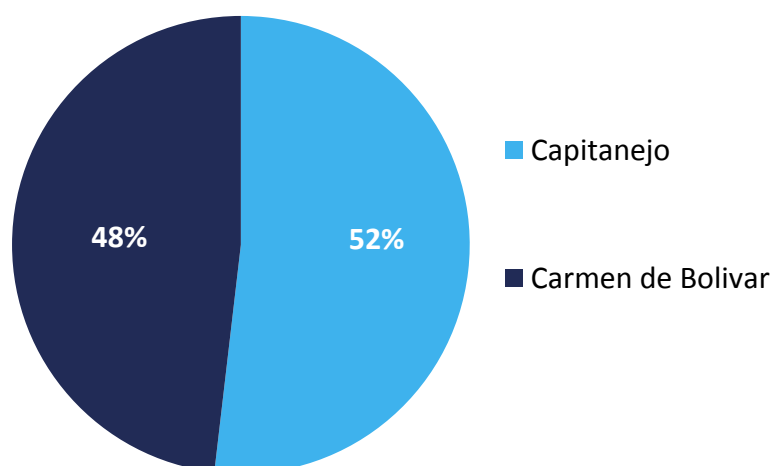
- Geographical spread
- Farm size
- Variety of tobacco
- Farms with reported Prompt Actions in 2014 and/or 2015

100% of the farm visits were unannounced. The day before a specific farm visit and assessment of a field technician, CU informed the ALP Country Team leader. Both the farmers and field technicians to be visited were informed on the day of the visit. Over two weeks, CU visited an average of 11 farms per field day with a full day of reporting reserved after each day of field visits.

The total number of contracted farms within the scope was divided over two growing regions: the Capitanejo region including Dark Air-Cured (DAC), Virginia Flue-Cured (VFC) and Virginia Air-Cured (VAC) tobacco farmers and the Carmen de Bolivar region including only Burley farmers. The farms in the Capitanejo region generally cultivate larger areas of tobacco (average production size is 0.9 hectares) than the farms in the Carmen de Bolivar region (average 0.5 hectares). In both regions, many farmers grow additional cash crops such as tomatoes, coffee, corn sweet potatoes and fruit.

The graphs and tables below provide information on the 54 sampled farms. Percentages refer to the demographic breakdown of this specific sample of farms.

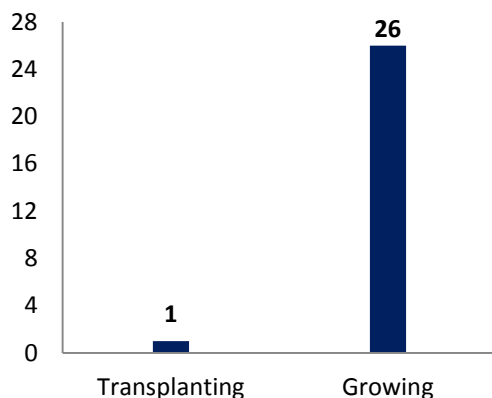
Total farms assessed by region



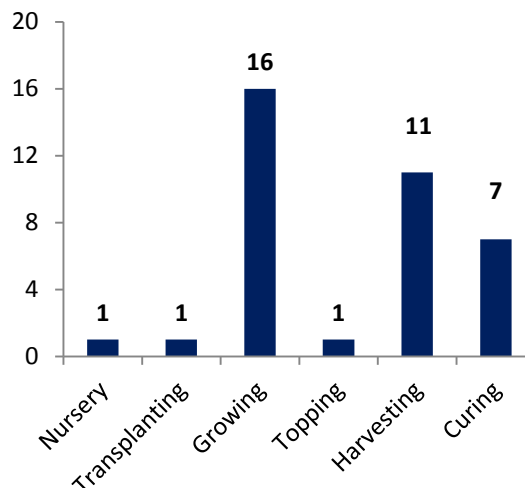
⁴ 2,406 farms at the time of the assessment.

The stage of tobacco production played a relevant role in the Carmen de Bolivar area as most of the tobacco was still growing due to the lack of rain and for which farmers in this area had not yet hired workers.

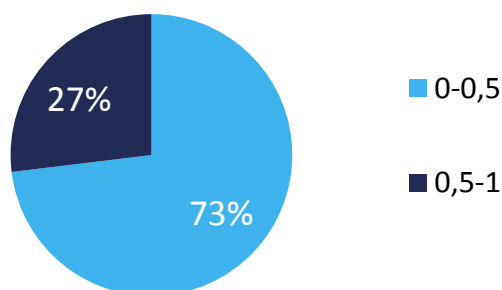
Stage of tobacco production in Carmen de Bolivar



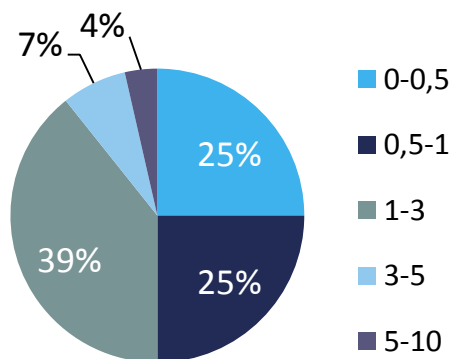
Stage of tobacco production in Capitanejo



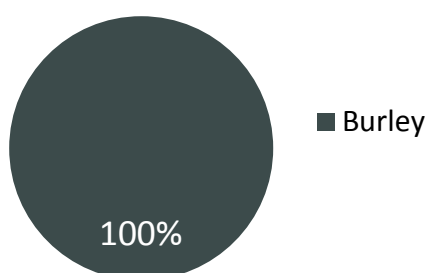
Farm size in Carmen de Bolivar (ha) (Total = 26)



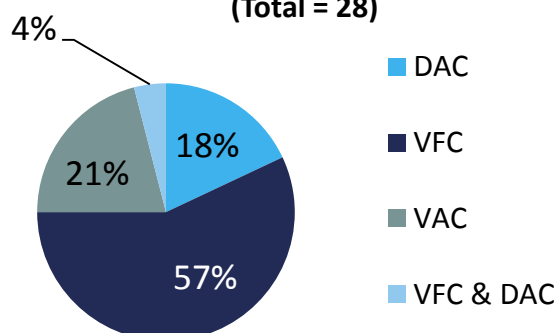
Farm size in Capitanejo (ha) (Total = 28)



Type of tobacco in Carmen de Bolivar (Total = 26)

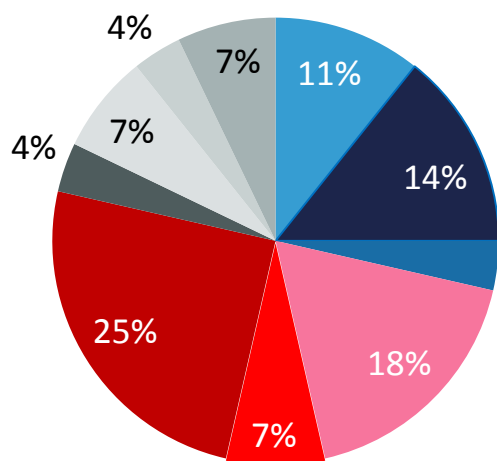


Type of tobacco in Capitanejo (Total = 28)



Types of farm Capitanejo

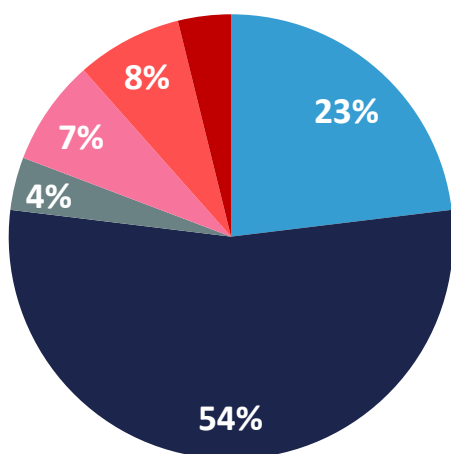
(Total = 28)⁵



- Farms with only family members working
- Farms with family members and local workers
- Farms with only local workers (no family members)
- Farms with family members and exchange of labor with other farmers
- Farms with only exchange of labor with other farmers (no family members)
- Farms with exchange of labor and contracted local workers
- Farms with sharecroppers who hire local workers
- Farms with sharecroppers who hire local workers and exchange labor with other sharecroppers
- Farms with sharecroppers exchanging labor
- Farms with only sharecropping

Types of farms Carmen de Bolivar

(Total = 26)⁵



- Farms with only family members working
- Farms with family members and local workers
- Farms with only local workers (no family members)
- Farms with family members and exchange of labor with other farmers
- Farms with only exchange of labor with other farmers (no family members)
- Family Farm with exchange of labor and contracted local workers

⁵ Exchange of labor ("*vuelta de costilla*"): when neighboring farmers work on each other's farms (often with their family members) without receiving cash but in-kind payment.

Sharecropping: A small farmer is responsible for managing a plot of land for which the larger farmer provides the inputs and at the end of the harvest the small farmer sells the tobacco to the larger farmer ("*aparcero*"). The contract with COLTABACO is normally held by the *aparcero*.

2.5 Farm visits

CU used a variety of methods to collect information on each farm's practices to implement the ALP Code's Measurable Standards. These included interviews with farmers and workers, verification of farm related documentation (Farm Profiles, Monitoring Forms, COLTABACO production agreement, Prompt Action registers, etc.) and visual observation of fields, storage rooms, curing barns, working areas and housing. Before every interview, CU explained the objective of the assessment and assured interviewees that anonymity would be preserved at all times.

On each farm, CU conducted an individual interview with the farmer to assess the effectiveness of COLTABACO's communication efforts, verifying:

- The farmer's awareness of the ALP Code;
- The farmer's level of understanding and attitude towards the ALP Code;
- The key messages received from COLTABACO;
- The farmer's willingness and ability to meet the standards of the ALP Code.

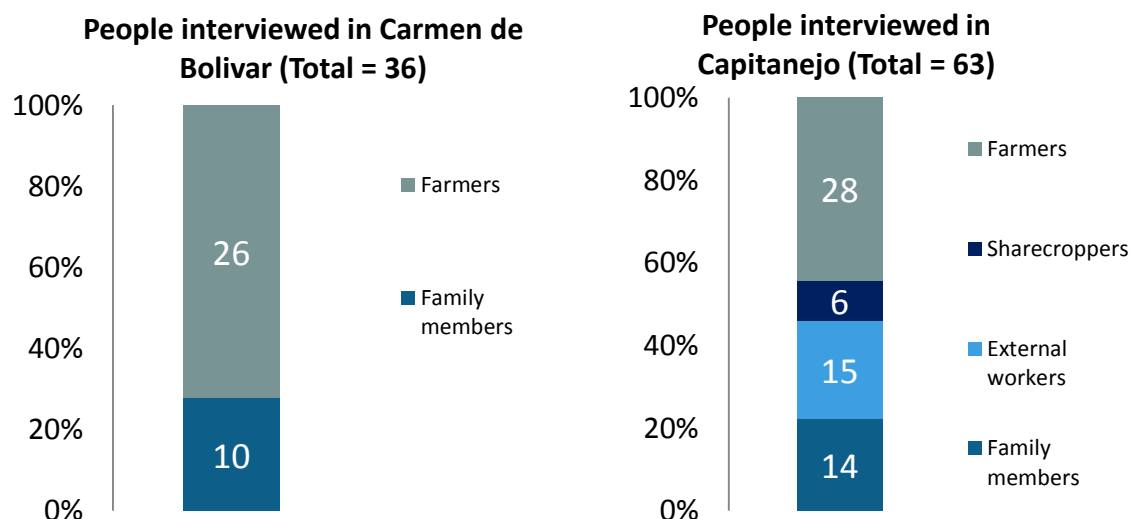
In addition, CU conducted individual and group interviews with farm workers and family members working at the farms, verifying:

- The worker's awareness of the ALP Code;
- The worker's level of understanding and attitude towards the ALP Code;
- The labor practices at the farm.

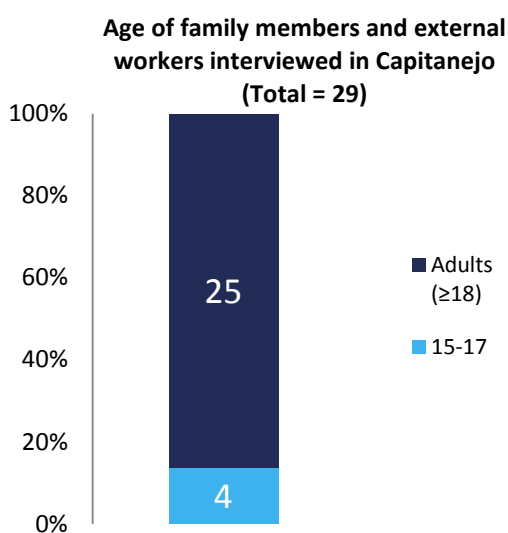
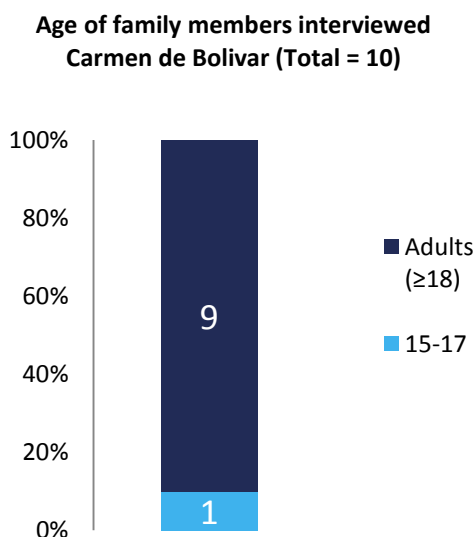
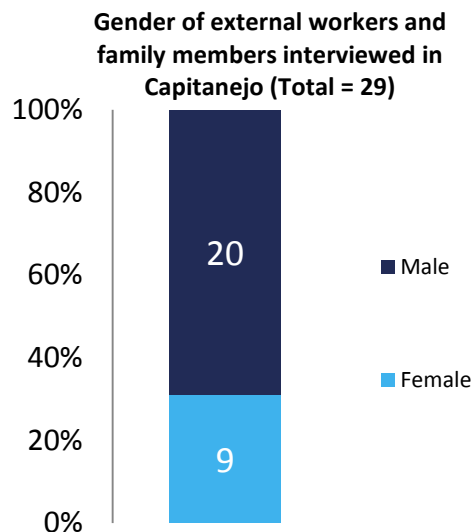
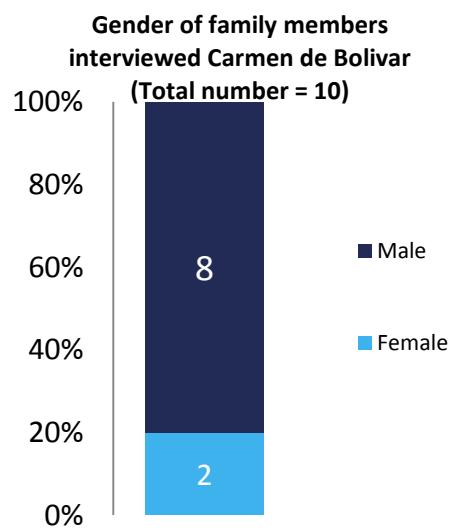
2.6 Persons interviewed

In total, 108 people were interviewed. To avoid undue interference or influence, CU attempted to conduct all interviews with workers without the presence of the farmer.

The graphs below provide a demographic profile of this sample of interviews. In the Carmen de Bolivar area, the low number of workers interviewed was due to the early stage of the tobacco production in the region (see 2.7) during which external workers are not required.

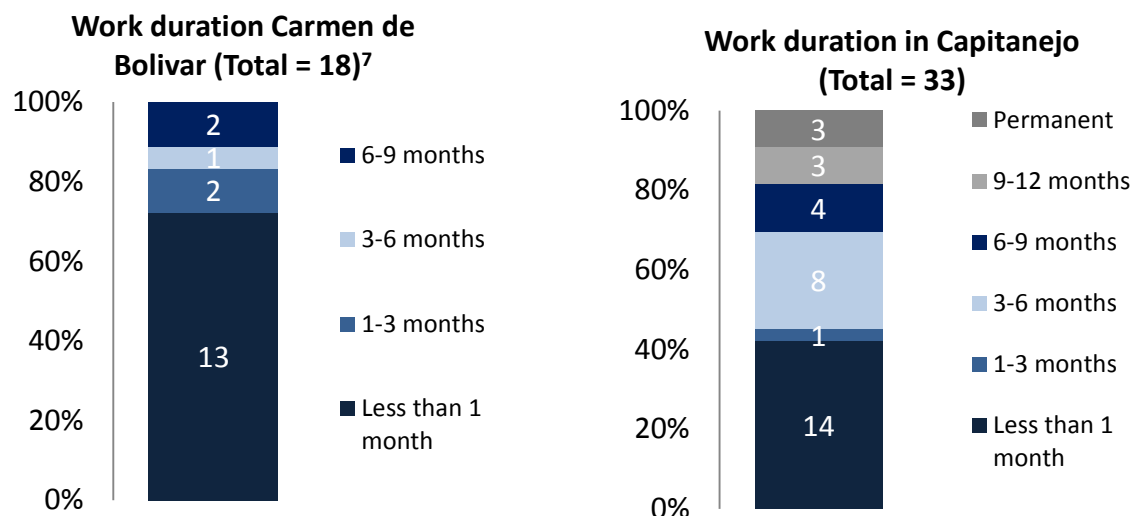


The following two graphs provide demographic information on the 39 external workers and family members of the farmers interviewed in each region. All workers interviewed were local workers.⁶



⁶ Workers who travel home daily.

The following graphs provide additional information about the workers' type of employment in each region during the farm visits.⁷



2.7 Closing meeting

On 17 July 2015, the closing meeting was held in Bogotá where CU presented its initial findings. The meeting was attended by the Managing Director of the company, CA Director, OPS Director, Legal Director, Head of Leaf, ALP Country Team Leader, Law Analyst, one representative of the OC, one representative of the PMI Regional Agricultural Programs team for Latin America and one consultant from Verité, responsible for Latin America.

2.8 Preparation of the final report

This final, public report is an important, external measurement of the progress of global ALP implementation in all countries where PMI sources tobacco including Colombia. Public release demonstrates PMI's commitment to transparency as an important component of the ALP Program. CU authors the final assessment report with quality control provided by Verité. While drafting the report, PMI and the local PMI entity or leaf tobacco affiliate may request clarifications on specific findings. After both PMI and the local PMI entity or leaf tobacco supplier believe findings have been clarified and understood, a country action plan is prepared or the country revises the existing GAP/ALP Program plans to respond to the findings.

All findings included in this report refer to the sample of employees of the leaf tobacco supplier, farmers, family members and/or workers applicable and assessed, unless described otherwise. Hence, the numbers and percentages presented do not refer to the entire farm base or staff contracted by the tobacco leaf supplier.

⁷ Based on worker interviews in Capitanejo and farmer declarations in the Carmen de Bolivar region.

3. Assessment of the implementation of Phase 1 of the ALP Program



THIRD PARTY ASSESSMENT

COLTABACO

Capitanejo and Carmen de Bolívar region
AGRICULTURAL LABOR PRACTICES PROGRAM

This chapter documents the findings of the assessment of COLTABACO's implementation of Phase 1 of the ALP Program. Phase 1 began with training for management personnel and field technicians including:

- 1) COLTABACO's objectives and expectations;
- 2) The meaning of the ALP Code Principles and Measurable Standards;
- 3) Techniques to communicate the ALP Code to farmers;
- 4) Tracking progress of communications and how to build a Farm Profile;
- 5) Identifying issues when visiting farmers.

3.1 Conduct of the assessment

CU was satisfied with the cooperation and access to information provided by COLTABACO. Everyone interviewed demonstrated a willingness to explain internal processes and provide their professional feedback. Both management and field personnel were fully transparent during the assessment and provided all support requested by CU. All farmers visited were willing to participate in the assessment while sharing the required documentation and/or allowing interviews with farm workers.

3.2 People and processes to manage the ALP Program

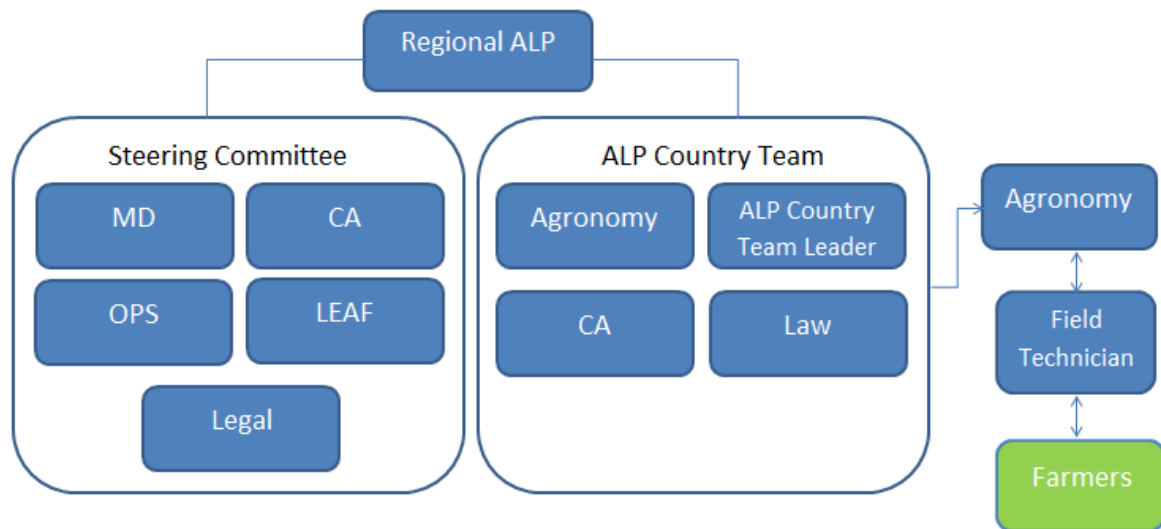
3.2.1 Internal structure for ALP implementation

At the time of the assessment, COLTABACO had previously established a Steering Committee which included senior management, an ALP Country Team consisting of management personnel and the ALP Country Team leader and Leaf Agronomy Team. This Steering Committee was represented by the following departments: Leaf, Finance, Corporate Affairs, Agricultural Programs, Planning and Law and the Regional Field Offices. The ALP Country Team leader worked in the department of Agricultural Programs. Both the Steering Committee and ALP Country Team were supported by the PMI Regional ALP Coordinator and all these employees were involved in the broader GAP Program.

In addition, the Leaf Agronomy Team, with support from the agronomy supervisors and field technicians, were part of the internal structure for ALP implementation. They were working closely and in regular contact with members of the ALP Country Team. See the organizational chart on the next page.

In 2014 changes were made to COLTABACO's internal structure for the ALP Program in which the ALP Country Team leader, Senior Analyst CA and Regional ALP Coordinator for Latin America were replaced.

Organizational chart for ALP implementation



3.2.2 Internal communication and reporting

The ALP Country Team and the ALP Steering Committee held quarterly meetings during which ALP was discussed. The ALP Country Team leader reported on program developments and related issues including the ALP plan, farm monitoring, addressing issues with farmers, Prompt Actions, the support mechanism, contributions, initiatives, budget, and stakeholder engagement. Subsequently, the ALP Country Team leader sent a quarterly report to the ALP Steering Committee and the PMI Regional ALP Coordinator.

The ALP Country Team held bi-weekly meetings to discuss the status of initiatives, Farm Profiles, Prompt Actions, communication strategies to the farmers and any other relevant issues in the ALP implementation. Subsequently, bi-weekly minutes were sent by email to the ALP Country Team, ALP Steering Committee and the PMI Regional ALP Coordinator.

In the local offices, agronomy supervisors and field technicians met weekly to discuss ALP related issues including status of Prompt Actions, difficulties in how to communicate ALP to the farmers and strategies on how to better reach farmers. These meetings were regularly attended by the ALP Country Team leader who actively joined in discussions and the gathering of valuable field information. To continually improve both the knowledge and understanding of the ALP Code, different teaching strategies including role playing were used to facilitate the learning process and help field technicians share their experiences from field visits.

In between these weekly meetings, personnel involved in the ALP implementation were constantly updated with emails, phone calls or informal meetings.

3.2.3 ALP training, roles and responsibilities

All required personnel involved in implementing ALP were trained. The ALP Country Team leader, Management Staff, Agronomy Supervisors, and Agronomy Manager were first trained in 2011 by the PMI Regional Agronomy Team. In 2013, updated training sessions with management personnel were conducted by Verité and the PMI Regional ALP Coordinator. In 2014, the Senior Analyst CA was trained by the ALP Coordinator.

In 2013, Verité and the ALP Country Team Leader conducted trainings in the local offices. During weekly meetings, field technicians were repeatedly trained. At the time of the assessment, local offices were starting to test the knowledge of field technicians with verbal and written tests.

All personnel involved in the ALP Program had clearly defined roles and responsibilities relating to the implementation of ALP and specific ALP objectives were included in their annual job objectives.

COLTABACO response: *“CT repeatedly trains its FTs in Good Agricultural Practices (GAP) looking for continuous improvement. A good example was the “train the trainers” methodology for pesticide management, which focused on health and safety when handling pesticides. This training was carried out at the Agronomic Research Center in Villanueva with the support of an external partner, CABI (International Center for Agricultural Bioscience).*

CT has also recognized the importance of increasing field technicians’ communication skills for the implementation of the ALP Code using pragmatic methodologies to deliver appropriate messages to support the execution of action plans. Although CU acknowledges the high level of engagement from CT’s staff involved with the ALP program, particularly FT’s “unique and personal commitment”, CT will continue reinforcing rural extension methods aimed at strengthening the competences of its field force, in order to better approach tobacco growers and promote cultural, technological and managerial changes and a long-term partnership.”

3.2.4 Engagement with the ALP Program

The ALP Steering Committee, ALP Country Team and Leaf agronomy team were very engaged with the ALP Program. From the perspective of the ALP Steering Committee, the main goal of the ALP Program is to transform farmers into entrepreneurs to better understand tobacco growing as a business reinforced through the implementation of the ALP Code Measurable Standards. Achieving this goal was to be accomplished through communication and education.

The ALP Steering Committee was fully aware of the widespread issues and the progress of the initiatives at the farm level. To reinforce a participatory role, members of the ALP Steering Committee occasionally joined field personnel on a farm visit giving them insight into specific challenges and the farmers’ perspective.

ALP Country Team members were specifically responsible for setting the objectives for the ALP implementation. The primary objective was to achieve sustainable production which in the end would have a positive impact on tobacco quality and farmer income.

Moving down the organization, the engagement of field technicians was important as they manage the primary contact with the farmers. All of them declared seeing the ALP Code as an opportunity for farmers to improve both their production techniques and rural incomes. In the Carmen de Bolivar region, some field technicians developed their own methodologies to train farmers and workers demonstrating a unique and personal commitment with the ALP Code implementation.

3.3 Communicating the ALP Code requirements to all farmers

3.3.1 The ALP communication strategy

All farmers contracted by COLTABACO were included in ALP communication and training programs. Although the communication materials described in the following chapter include all seven ALP Code Principles, during farm visits, field technicians focused primarily on two topics; child labor and safety (GTS & CPA). These were considered the most critical topics in the country.

As a result of COLTABACO's communication efforts, 27 farmers in Capitanejo (98%) and 24 farmers in Carmen de Bolivar⁸ (92%) were aware of the ALP Code. The table below summarizes farmers' awareness of different ALP Code principles. These percentages do not refer to the farmers' total awareness of the ALP Code Principles, only the 7 major topics selected for the interviews.⁹

ALP Code Principle	Capitanejo	Carmen de Bolivar
Child Labor	24 (86%)	23 (88%)
Safe Work environment	23 (82%)	23 (88%)
Fair Treatment	17 (61%)	19 (73%)
Forced Labor	17 (61%)	15 (58%)
Income and Work hours	11 (39%)	14 (54%)
Freedom of Association	6 (21%)	6 (23%)
Compliance with the law	4 (14%)	2 (8%)

In Capitanejo, 26 farmers (96% of the farmers visited) and 24 farmers (100%) in Carmen de Bolivar were aware of the ALP Code and considered it important. They understood the importance of sending children to school and ensuring their health and wellbeing. From interviews, they believed the ALP Code was a guide to comply with local laws and should be followed.

⁸ Two farmers were unaware of the ALP Code, one was a new farmer and the other had two children under 18 helping at the farm performing hazardous activities.

⁹ Numbers in brackets refer to the total number of farmers.

27 (98%) farmers in Capitanejo, and 26 (100%) in Carmen de Bolivar considered their relationship with the field technicians good. They were satisfied with the agronomy support that helps them improve their tobacco productivity and income. Only one farmer declared he was dissatisfied with the field technician support.

COLTABACO response: *“Although pleased with the progress made so far, CT acknowledges that more work needs to be done, as identified by CU, including the proper understanding and perception of the following principles: Child Labor, Safe Work Environment and Compliance with the Law. To address this, CT will adopt the following actions:*

- *Update and distribute communication materials on all seven principles to ensure a proper understanding, with the objective to cover 100% of farmers by 2018.”*
- *“Train tobacco farmers through the Manuel Mejía Foundation, a local NGO partner which implements a distance learning program in business management for tobacco growing...”*
- *“Train Field Technicians on communication skills to strengthen their capability to communicate ALP principles more effectively and promote cultural, technological and managerial changes.”*
- *“Continue engaging with Fedetabaco (National Tobacco Growers Association) and Ministry of Agriculture representatives to communicate the ALP Code and principles...”*
- *“Organize an annual workshop to further communicate and update FTs on their understanding of the ALP Code.”*
- *“Annual update of the Legal guidelines and training of FTs on “Compliance with the Law” standards.”*
- *“Reinforce the discussion of practical cases presented by FTs and supervisors regarding prompt actions, farm profiles and farm-by-farm monitoring...”*

3.3.2 ALP communication methods and materials

Five specific groups of activities and materials were used to communicate the ALP Code to farmers. First, group meetings of 15 to 20 farmers were held during the contracting period to introduce the ALP Code to farmers. In the 2013/2014 crop season, 66 group meetings were held in Capitanejo. In the 2014/2015 crop season, 45 meetings were held in Carmen de Bolivar.

Second, a variety of communication materials were provided to farmers. These included:

- Calendars: The seven ALP principles were illustrated in calendars which in 2015 also included the phases of the moon as COLTABACO realized that farmers plan their production based on these.
- ALP posters: These referenced each of the 7 ALP Code Principles.
- Captain GAP posters and comics: Posted in schools, along roads at the local offices. Captain GAP comic books were distributed in schools.
- Notebook to record daily labor activities: Includes a reference to the seven ALP Code Principles and designed as a form with tear-off pages to record the activities performed at the farm.
- Videos about ALP: Stored on the handheld tablets of field technicians and used to share other farmers’ experiences related to the ALP Code implementation (success stories). Videos also included information about the support mechanism and safe work environment at the farm. These

videos were also broadcast on screens at local COLTOBACO offices during the contracting and buying season.¹⁰

- CPA quizzes: field technicians used CPA quizzes stored on their tablets to examine the farmers' knowledge on the use of the correct PPE.

All communication materials were adapted to ensure that farmers and workers could understand them. For example, written materials were replaced with images for illiterate farmers and workers.

Third is the growing contract. Since 2013, COLTABACO has included a specific annex with the seven ALP Code Principles. The contract clearly states that the farmer should meet the standards of the ALP Code. If the standard is not met, COLTABACO has the right to cancel the farmer's contract.

Fourth, COLTABACO organized meetings in groups of 60 to 100 farmers called field days. Field technicians led these field days at which farmers learnt about different topics related to the ALP Code such as the proper way to use the CPA kit and the harvesting PPE to avoid GTS.

Fifth and most important is the support of field technicians. Seven field technicians (58%) declared that they communicate the ALP Code to the farmer, the family members, external workers and neighboring farmers in case they were present on their visit. During the assessment, the field technician to farmer ratio was 1:109 in Capitanejo and 1:129 in Carmen de Bolivar. All Field Technicians declared visiting farms five to nine times per season. Eight (66%) said they needed more time to communicate the ALP Code with farmers who sometimes had difficulties to assimilate these new practices.

The table below summarizes the response from farmers to the different communication methods. CU focused on identifying which communication method was used to first teach farmers about ALP.¹¹

Communication method	Capitanejo	Carmen de Bolivar
Video	11 (39%)	7 (26%)
Calendar	7 (26%)	1 (5%)
Regular visit	6 (22%)	8 (31%)
Group meeting	2 (9%)	3 (14%)
Poster	1 (4%)	5 (21%)
Radio	-	1 (5%)

¹⁰ For realism the company decided to produce videos with real farmers. According to farmers' declarations this strategy was successful.

¹¹ The numbers refer to the number of farmers providing the corresponding answer. Percentages in brackets refer to the number of farmers that gave the corresponding answer over the total interviewed farmers. A farmer could give more than one answer (i.g. *Regular Visits* and *Poster*).

COLTABACO response: *“Originally implemented by Philip Morris Brazil (PMB), CT leveraged on the experience of PMI’s affiliate in Brazil and adapted “+Campo” to the local context and the needs of its contracted farmers and rural workers. Launched in March 2016, two vehicles equipped with media and practical training capabilities are used to reach farmers and deliver training and guidance on the three pillars of Good Agricultural Practices (GAP: (Crop, Environment and People), of which the people pillar refers to the Agricultural Labor Practices (ALP) program.*

Since the program was launched, 60% of farmers in Capitanejo and 100% of those in Huila have participated in the training. In 2016 and 2017, all farmers will be trained through “+Campo” training courses.

After each “+Campo” training session, participants are tested. CT is pleased with the feedback received from farmers and rural workers after the initial training sessions, which show significant levels of engagement and satisfaction for the topics covered and the information delivered by “+Campo”.

3.3.3 Understanding and perception of the ALP Program

COLTABACO management personnel generally had a good understanding of the ALP Program and ALP Code Principles especially the field technicians who serve as the primary contact for farmers. Consequently, their understanding of the ALP was critical. They saw the ALP Code as a tool to progressively eradicate child labor and improve the quality of life for farmers. Overall, their knowledge of the seven ALP Code Principles was good but some improvements were identified:

- Child labor: All field technicians were aware of the legal minimum working age which is 18 years. Five (42%) field technicians were able to explain that children between 15 and 17 inclusive can work but under certain conditions, meaning with the proper working permit¹² and doing activities considered non-hazardous.

The majority of the field technicians had a good understanding of the concept of “hazardous activities” giving accurate examples. Only one (1%) field technician recognized CPA application as hazardous but thought it would not be hazardous when using PPE, which is not the case.

- Income and work hours: All field technicians were aware of the legal monthly and daily minimum wage, the legal maximum work hours per day, the concept of overtime and that it should be voluntary and that one paid rest day should be provided per week. Five (42%) field technicians could also name the maximum hours per week. However, none of the field technicians interviewed was aware of the exact number of working hours for children between 15 and 17 years. With regards to legal benefits, all field

¹² Minimum working age in Colombia is 18 years old. Below 18 juveniles between 15 and 17 years old may work if they have completed a technical education from the National Service of Learning (SENA) and written authorization from the Inspector of Labor or the authority delegated by the Ministry of Labor in their absence.

technicians could name them but they did not know these were applicable to daily workers.

- Fair treatment: All field technicians understood the basic concept of this principle. They knew that workers should be treated equally (no discrimination) and fairly (provide good working conditions / “treat them as friends”).
- Forced labor: All field technicians understood the concept of this principle as they said workers must be free to work and cannot be forced under any circumstance. They also mentioned the risks associated with maintaining original identity documents, working under debt and end of harvest payment.
- Safe work environment: All field technicians had a good understanding of this principle; that workers should have a safe work place and take adequate safety measures to avoid accidents. The need to use PPE for CPA application, protective clothing for harvesting, sanitary facilities, access to water and adequate housing. Eleven (91%) of the field technicians understood the usage of PPE¹³ and the proper re-entry period to the field.
- Freedom of association: All field technicians understood that workers should be free to join unions or build their own labor unions and no worker shall be excluded for membership of a union.
- Compliance with the law: All field technicians understood this principle as a requirement for the farmer to comply with all the country’s laws but none of them explicitly mentioned employment contracts and legal rights. Two (16%) field technicians specifically mentioned the terms and conditions of the employment contract between the farmer and worker.

3.4 Building Farm Profiles for all contracted farms

As a requirement of Phase 1, COLTABACO employees were expected to build Farm Profiles for every farm. PMI developed a global template to support the collection of information on socio-economic indicators including farm size, number of workers, age and number of children in the farmer’s family, working status (for example part time, full time, migrant), the pay period for workers and living conditions.

3.4.1 Data gathering system for Farm Profiles

In 2013 the company used a digital system to complete the Farm Profiles. In 2014 the company changed the hardware used by field technicians to gather this information but the software was not ready for deployment. Consequently, they moved back to physical forms to collect Farm Profiles until the software could be developed. Following the PMI global template, a new Farm Profile was developed

¹³ One (1%) field technician believed that it was not necessary to use gloves when harvesting in dry weather and that it was only a risk when wet.

but was missing the following information; ALP communication, training to farmer and tasks performed at the farm.

At the time of the assessment two methods of data collection were used; ten (83%) field technicians declared that they used the digital system to complete the Farm Profile and two (17%) said they used written forms.

Field technicians were in charge of gathering and updating the information for the Farm Profiles. After completing the Farm Profile template they handed it over to the agronomy supervisor who would update the information in COLTABACO's internal system.

Of the farms visited during the assessment, 53 Farm Profiles (98%) were provided to CU during the visit. One Farm Profile (2%) could not be shown by the field technician as this related to a new farmer in Carmen de Bolivar and was sent to CU later by email.

3.4.2 Accuracy of Farm Profiles

By comparing the information on the Farm Profiles with the situations found at the farms, CU concluded that 20 (71%) of the Farm Profiles assessed in Capitanejo and 18 (72%) in Carmen de Bolivar were accurate. The remaining Farm Profiles farms had one or more of the following inaccuracies in the data collected:

- Number of hectares: in three Farm Profiles of the Capitanejo region and six Farm Profiles of the Carmen de Bolivar region the number of hectares did not match with the area declared by the farmer. Additionally, in four Farm Profiles of the Capitanejo region, the area cultivated under a sharecropping agreement was not included and therefore the number of hectares did not represent the total area used for tobacco production.
- People on the farm: two Farm Profiles in the Carmen de Bolivar region did not include the workers hired by the farmer.
- Other commercial crops: One Farm Profile in the Capitanejo region did not include the other commercial crops being grown by the farmer.

According to the supervisors and field technicians interviewed, Farm Profiles are constantly revised and updated if and when relevant changes are identified on the farm. Field technicians primarily focus their attention on changes in the production area. They do not note changes in the family structure or the number of workers being employed during tobacco production.

3.4.3 Analysis of information on Farm Profiles

Based on the information obtained through the Farm Profiles, COLTABACO conducted annual analyses to design initiatives to address widespread and/or systemic issues.

COLTABACO response: *"CT will implement the following actions:*

- *Align the farm profile template used by FTs with PMI's global template and include the missing information: ALP communications, trainings to farmers and tasks performed at the farm. CT updated the farm profiles immediately after the CU Assessment.*

- In 2016, Coltabaco will update 100% of farm profiles in all tobacco growing areas.
- Deliver periodic trainings for its FTs, emphasizing the importance of the accuracy of farm profiles and will coordinate annual information updates. In addition, CT is developing a data collection system which will be fully operational for the 2017 crop season, allowing FTs to collect data electronically from 100% of its contracted farms, including sharecroppers. This will speed up information collection and processing. During 2016, FTs will continue collecting the information manually."

3.5 Prompt Actions

PMI defines a Prompt Action as:

"a situation in which workers' physical or mental well-being might be at risk, children or a vulnerable group – pregnant women, the elderly - are in danger, or workers might not be free to leave their job." (source: PMI, 2011)

Another Phase 1 requirement is to identify and address Prompt Actions found on farms contracted to supply tobacco to COLTABACO. A Prompt Action should be reported immediately to the ALP Country Team leader, who should then provide guidance on how to address the issue or escalate it within the organization.

3.5.1 Prompt Action reporting mechanism

In the 2014/2015 crop season, 143 Prompt Actions were identified in Capitanejo and 161 in Carmen de Bolivar. All related to child labor and safe work environment. Everyone involved in reporting Prompt Actions was aware of the reporting procedure. Field technicians had a manual in their tablets to identify Prompt Actions and the procedures to be followed. The manual also included specific examples of situations at the farm that were considered to be Prompt Actions. The template for reporting Prompt Actions was clear and easy to understand.

3.5.2 Understanding Prompt Actions

All field technicians understood a Prompt Action as an activity or situation that has to be immediately stopped. Five field technicians considered (42%) that a Prompt Action only applied if minor and vulnerable groups were involved in dangerous situations. The remaining field technicians considered a Prompt Action any situation not meeting the ALP Code.

3.5.3 Addressing Prompt Actions

When observing a Prompt Action situation, field technicians were expected to explain the danger involved to the farmer, family members and/or workers and then complete the Prompt Action form and submit it to the agronomy supervisor during their weekly meetings. All Prompt Actions were escalated to the national ALP Country Team leader who, in turn, forwarded them to the other members of the ALP Country Team and the ALP Steering Committee. The field technicians followed up with the farmer but with no specific deadline. Prompt Actions need to be monitored closely to ensure the situation is addressed quickly. This will help avoid

confusion for both the farmer and field technician. The Prompt Action should be resolved before the next field visit. From the Prompt Actions verified by CU in Capitanejo, all three farmers were aware of the Prompt Action being reported. In two (67%) farms the incident was repeated during the CU visit. In Carmen de Bolivar, of the 10 Prompt Actions verified by CU, seven (70%) farmers were aware of the Prompt Action while three (30%) were not. This lack of awareness could be because the farmers did not receive a copy of the Prompt Action form. In one (10%) farm, the incident was repeated during CU's visit.

COLTABACO response: "Once a prompt action is reported, the FT will notify the farmer about the finding and agree on an improvement plan for resolving the issue identified. All FTs will conduct a second visit to the farmer to verify whether the farmer has followed the agreed improvement plan and that the situation has been resolved and closed.

CT will address these gaps through the training of field technicians with the objective of improving their understanding of prompt actions, emphasizing the reporting and monitoring procedures. CT will also improve the existing Prompt Action Manual used by FTs to include a more detailed list of hazardous activities that might trigger a prompt action situation. The detailed list of hazardous activities will also be communicated to farmers through the "+ Campo" mobile unit."

4. Assessment of the current status of Phase 2 of the ALP Program



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AGRICULTURAL LABOR PRACTICES PROGRAM

This chapter describes COLTABACO's implementation of Phase 2 of the ALP Program. It should be noted that COLTABACO was still at the pilot stage of Phase 2 implementation and so certain requirements were not yet completed, including improvement plans for every farm and addressing widespread issues, which were still in the pilot phase.

PMI introduces leaf tobacco suppliers to Phase 2 when the required preparation to implement the program has been taken. This does not necessarily mean that all Phase 1 requirements have been achieved. PMI and Verité then provide training to the ALP Country Team including:

- 1) Preparation of the ALP Country Team to train staff to systematically monitor labor practices on farms;
- 2) ALP status update;
- 3) Introduction to Phase 2;
- 4) General approach for monitoring before, during and after a farm visit; and
- 5) Next steps and planning for the upcoming season.

4.1 Monitoring of labor practices farm by farm

In Phase 2, PMI expects that monitoring of labor practices on individual farms has started and that at least two ALP Code Principles have been selected to focus efforts on in year one. By year two, the intention is that all ALP Code Principles and Measurable Standards should be implemented and monitored.

4.1.1 Selection of issues

Based on Farm Profile analysis, Prompt Actions, and personnel experience on the field, COLTABACO selected several issues that were considered widespread and/or systemic. In both regions, the most widespread issues were children involved in hazardous activities, lack of usage of the complete PPE and protective clothing, poor rural living conditions, and lack of entrepreneurship among farmers. In addition, COLTABACO specifically identified the lack of drinking water in the farms in Capitanejo.

4.1.2 Pilot of mechanism for monitoring

In order to develop an accurate monitoring system, COLTABACO executed a pilot for monitoring labor practices in 2014 covering 863 farms (81% of the total) in Capitanejo and 1,562 farms (88% of the total) in Carmen de Bolívar. During the pilot, all seven ALP Code Principles were covered. The results demonstrated the need for adaptations to the monitoring software and improvement of the field technicians' interpretation and understanding of certain principles.

In 2015, COLTABACO developed an improvement plan which included the development of a digital monitoring system and training of field technicians to increase the consistency in the interpretation of different situations on the farm either meeting or not meeting the ALP code. In Capitanejo 19 (68%) of the farms visited by CU had been included in the pilot and 22 (85%) in Carmen de Bolívar.

COLTABACO response: *“During 2016, FTs will continue collecting the information manually, while the electronic data collection system is further developed. CT expects to have the new system ready for the 2017 crop season. In order to improve the quality and accuracy of farm-by-farm monitoring data in 2016, Coltabaco will focus its monitoring on three principles: Child Labor, Safe Work Environment, and Income and Work Hours. These principles had been identified as priorities in previous risk assessments conducted by CT (2015 and 2016). Field Technicians are expected to monitor these principles at 100% of the farms in all tobacco growing areas.*

At the end of each crop season, CT’s ALP Country Team will analyse the internal monitoring data, the prompt action issues and situations not meeting the ALP Code standards, to define the monitoring strategy for the following crop season. CT’s objective is to progressively expand the principles to be systematically monitored.”

4.2 Address widespread and/or systemic issues

Phase 2 requires investigation of the root causes of various challenges for the practical implementation of ALP. The diverse challenges are identified and addressed under the ALP Program with two distinct but complementary approaches. First, initiatives are implemented to mitigate specific risks and improve the overall rural living conditions of contracted farms. Second, other initiatives involving the relevant stakeholders, including projects sponsored by the PMI Contributions department, address problems identified at the community level.

4.2.1 Investigation of root causes

Based on analyses conducted on Farm Profiles, irregularities reported during farm visits, Prompt Action analysis, a risk assessment performed by Verité and consultation with different national and private stakeholders, COLTABACO identified four root causes for the above-mentioned widespread and/or systemic issues;

1. Armed conflict: Although this posed a challenge for both areas, the Carmen de Bolívar region was particularly affected as many farmers were displaced from their farms during the guerrilla conflict and were still returning to their lands at the time of the assessment. Due to the conflict, many farmers had forgotten the technical knowledge and needed to learn again how to grow tobacco. In Capitanejo, tobacco production was considered an effective solution for replacing illicit crops.
2. Poverty¹⁴ and low educational coverage¹⁵ were identified as having a significant impact on living conditions, safe working environment and school attendance across rural Colombia.
3. Weak government presence and infrastructure: a lack of government SENA offices limited the ability of children between 15 and 17 years to obtain the required technical certificates for working on tobacco farms. In addition, there is a lack of access to sewage systems, drinkable water and/or electricity and poor road infrastructure in rural areas.

¹⁴ Rural Poverty 48.3% and Rural Extreme Poverty 24.1% (Department of National Planning).

¹⁵ 28% educational coverage and 41% school dropout in rural areas (Ministry of Education).

4. Illiteracy rates: According to COLTABACO's internal assessment, 13.7% of the contracted farmers are illiterate which limits the way in which the ALP Code can be communicated.¹⁶

4.2.2 Initiatives to address widespread and/or systemic issues

At the time of the assessment, COLTABACO was implementing several initiatives to mitigate specific risks and improve overall rural living conditions for contracted farmers. These included distribution of clips; stalk cutting to reduce child labor; distribution of PPE and protective clothing; distribution of CPA lockers, and safety training to address unsafe work environments. The details of these initiatives can be found in chapter 5.

In addition, COLTABACO was implementing initiatives to address problems identified at the community level to address poor living conditions and the lack of entrepreneurship among farmers. These included:

- Farmers Entrepreneurship Program "Manejo Empresarial de Tabaco"¹⁷: since 2011 COLTABACO has been working with FEDETABACO and Fundación Manuel Mejía (FMM) on the development of an education program to increase the entrepreneurship skills of farmers. In 2015 the company decided to include ALP Code Principles in this program.
- "Sembrando Futuro" Program: Since 2008, COLTABACO and the NGO "Dividendo por Colombia" worked on this program to improve the quality of education in the rural areas where tobacco is grown. The program was based on three pillars; to develop an education program focused on rural needs, support young mothers with children between six months and five years old and improve school infrastructure. In total 66 schools were included in the program.
- Solar lamps: COLTABACO distributed solar lamps to farms that did not have access to the electricity grid. In Carmen de Bolívar, 15 farmers (58%) said they had received solar lamps from COLTABACO. All were very pleased with this initiative as before they had no artificial light at night. In Capitanejo one farmer assessed by CU had received a solar lamp. The remaining farmers were on the electricity grid.
- Infrastructure initiatives to solve specific living conditions, for example projects related to rural housing, water filters and sanitary units (see section 5.5.3 for further details).

CU is aware that finding a farm that had not benefited from any of these initiatives does not mean that the initiatives were not being implemented. In many cases COLTABACO was still in the process of reaching out to the farms, and in others, initiatives were being implemented for the first time.

¹⁶ At the time of the assessment COLTABACO was working with governmental agencies on an adult literacy program.

¹⁷ Business management in tobacco production.

4.2.3 Stakeholder engagement

For these initiatives, COLTABACO worked with stakeholders such as FEDETABACO, the Ministry of Labor, FMM, and the NGO Dividendo por Colombia. In addition, COLTABACO collaborated closely with the Colombian government to facilitate the reintegration of former members of the armed forces.

4.3 Support mechanism

Unlike programs targeting the root cause of poverty, support mechanisms are programs that support both farmers (as employers) and workers that need help to improve their practices and specific farm situations, particularly providing information about rights and regulations that apply to them, and mediating disputes.

4.3.1 COLabora program

The COLabora¹⁸ program is a governmental initiative led by the Ministry of Labor and aimed at providing information on worker/employer legal rights. Farmers or workers can contact COLabora through a phone hotline or at a local office. According to COLTABACO, the program itself had no deficiencies but they had realized that farmers generally prefer to go to a governmental office to be informed rather than calling a hot line.

This program was promoted through radio advertisements. Field technicians had a video on their tablets which was used to explain the support mechanism during farm visits and posters and flyers were distributed among the farmers.

14 farmers (50%) in Capitanejo were aware of the support mechanism and one farmer (4%) declared to have used it once. All farmers aware of the mechanism in this region declared that they were verbally informed about the COLabora project during regular visits by the field technicians. Three farmers (10%) also stated they had been informed by the video on the field technician's tablet and the posters distributed by COLTABACO. None of the workers interviewed in this area was aware of the support mechanism.

In Carmen de Bolivar, 17 farmers (65%) were aware of the support mechanism but none of them had ever used it. All farmers in this region said they had been verbally informed about the COLabora project during the field technicians' regular visits. Three farmers (13%) also declared they had been informed by posters distributed by COLTABACO and eight farmers (32%) through the videos.

Three agronomy supervisors and 10/12 field technicians were not convinced about the utility of COLabora's support mechanism, and so they were less likely to promote it enthusiastically. Field staff believed farmers would not use it because of the low employment of hired labor and the limited trust in government organizations following recent conflicts. In order to address this issue and get an understanding of the effectiveness of the mechanism, COLTABACO met with the

¹⁸ <http://www.mintrabajo.gov.co/colabora>

coordinator of COLabora to evaluate the possibility of building a public-private partnership (PPP) between PMI and the Ministry of Labor. This PPP would help produce periodic reports on the questions and complaints registered in specific areas where the company buys tobacco. COLTABACO was also interested in training the call center personnel about the tobacco market and the principles in the ALP Code.



COLABORA flyer

COLTABACO response: "Although COLabora is considered an important tool, in 2017 CT will complement it with the implementation of a Support Mechanism Pilot in Capitanejo targeting approximately 800 farms. It will be operated by a third-party in order to allow farmers and workers to ask questions, request information and receive communications on farmers' responsibilities and workers' rights defined in the labor law, as well as information related to the ALP Code Principles, particularly Income and Working Hours, Compliance with the Law, Forced Labor, and Child Labor."

5. Farm level assessment of ALP Code standards



THIRD PARTY ASSESSMENT

COLTABACO

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AGRICULTURAL LABOR PRACTICES PROGRAM

Chapter 5 summarizes the field assessment of the current status of the ALP implementation. At the time of the assessment, COLTABACO was in the third year of implementing Phase 1 and in the first year of the pilot stage of implementing Phase 2 of the ALP Program, expecting to engage directly with farmers to address farm practices not meeting the ALP Code standards. As COLTABACO had initiated the pilot Phase 2 in 2014, the CU farm assessment should be viewed as a baseline to support the further implementation of Phase 2.

Before presenting the findings, it is important to clarify the structure of the ALP Code as this determines CU's analysis of farmers' practices. The ALP Code has seven ALP Code Principles, each with several Measurable Standards. ALP Code Principles are short statements designed to guide farmers on specific practices resulting in safe and fair working conditions.

A Measurable Standard defines a good practice and over time can be objectively monitored to determine whether and to what extent the labor conditions and practices on a tobacco farm are in line with each ALP Code Principle. Each chapter covers one of the seven ALP Code Principles and CU's findings. Risks, situations that may lead to problems in the future or about which a conclusion cannot be reached due to lack of evidence are also discussed.

5.1 ALP Code Principle 1: Child labor

Background

Minimum age regulations: According to *Article 29 of the Substantive Labor Code*, 18 years is the general legal minimum working age in Colombia. However, and in accordance to *Article 35 of Law 1098/2006* and *Article 4 of Resolution 1677/2008*, juveniles between 15 and 17 years old may work if they have acquired a technical accreditation (training), given by the National Service of Learning (SENA) along with written authorization from the Inspector of Labor or, in their absence, the authority delegated by the Ministry of Labor.

ALP Code Principle 1

Child labor

'There shall be no child labor.'

The Colombian Constitution encompasses the right to education which includes one year of pre-school and nine years of basic education (elementary school and middle school). Minors (per *Article 117 of Law 1098/2006*) under 15 years old and older than 12, can be exceptionally authorized to work, but only for artistic, cultural, recreational, and sport-type remunerated activities (with an authorization from the Inspector of Labor or the authority delegated by the Ministry of Labor in their absence). There is no age limit for Colombian nationals to start attending school. Under Colombian law tobacco farming is not considered a hazardous activity.

Child labor: Overall findings and challenges

5.1.1 Children working at the farm

- Capitanejo

At one farm (4%) a 14 years old child was employed to do stringing and sticking.

At six farms (21%) children below 18 were performing hazardous activities. Besides the 14 year old child hired for stringing and sticking, the rest of the cases were all farmers' children.

At one farm, two brothers (16 and 17 years old) were performing all tasks except CPA application. At another farm, a 15 year old farmer daughter was performing seedbed management, cultivation, fertilization, harvesting, bundling and grading. In one farm, a farmer's 16 year old niece helped with stringing and sticking activities. She was not attending school and was breastfeeding. One 16 year old daughter performed all the tasks on the farm except the application of CPA. Her father did not agree with the ALP Code and explained that he wanted his daughter to learn all the tobacco farming techniques; an important, local dynamic to consider. These two girls were the only children not attending school.

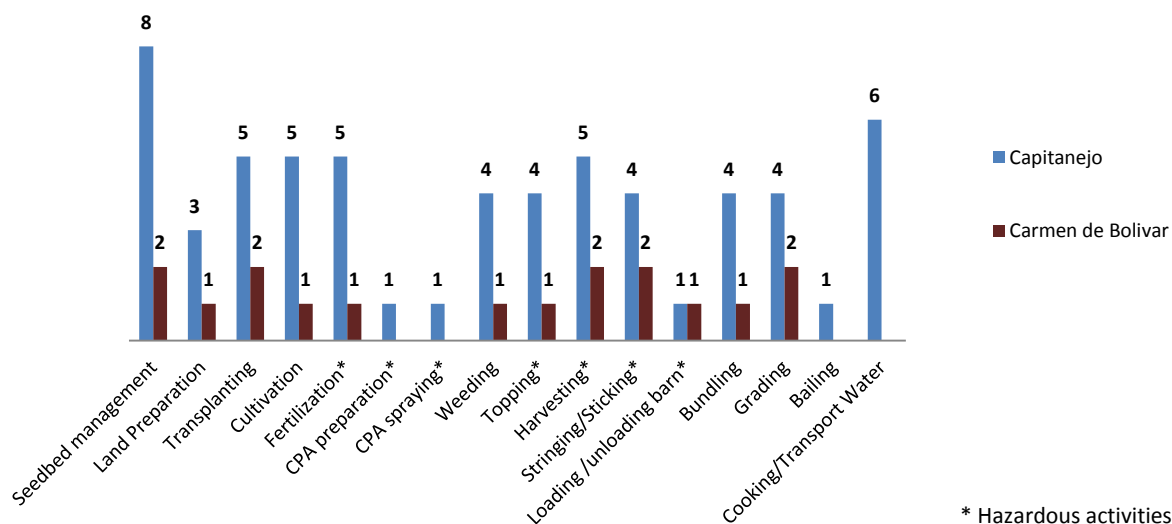
At one farm (4%) two children below 13 (9 and 11 years old) were helping with seedbed management and transporting water and food to workers.

- Carmen de Bolivar

CU did not find evidence of employment of children below 18 years on the visited farms.

One farmer (4%) declared that his 15 year old son helped him with harvesting, seedbed management, transplanting and stringing/sticking. At one farm (4%) a 14 year old child was involved in harvesting and stringing/sticking activities. Both children were attending school.

Activities of children



Initiatives to address Child labor

- Clips distribution:** This initiative aims to replace stringing of VFC tobacco with clips as this is an activity often done by children. In addition, it reduces the labor required as less time is needed to hang the tobacco leaves in the curing barn. COLTABACO only grew VFC tobacco in the Capitanejo region and four farmers (27%) declared they had received clips from COLTABACO. Two stated they used them for safe working, the other two were concerned the clips might damage the tobacco leaves. COLTABACO expected a 100% coverage of this initiative by 2019.
- COLTABACO volunteering program:** COLTABACO's employees participated in a volunteer program where they educated farmers' children about safe farm practices, GTS and child labor issues. These activities were done in local schools participating in the "Sembrando Futuro" program (see 4.2.3). One farmer (4%) in Carmen de Bolivar declared that one of his children attended a GTS training at school. Because farming is an inherent part of the local culture and economy, this program is an effective method for increasing the family's overall engagement with the ALP Program and helping attract future farmers into socially and economically beneficial tobacco production.
- Stalk cutting:** This initiative is for Burley farmers and aims to stop children harvesting tobacco leaves. It also reduces the harvesting time. It requires farmers to cut the entire plant in one go. Introduced in the 2014/2015 crop

season, it was the first year field technicians had taught the technique to farmers and as it was not harvest season yet, CU could not verify the potential impact. One farmer (3%) visited by CU declared he was planning to use stalk cutting for the coming harvest.

5.1.2 Awareness of legal minimum working age

- Capitanejo

Regardless of the findings above, the awareness of the legal minimum working age was high among farmers (88% or 23) and the workers at eight farms (90%).

- Carmen de Bolivar

The level of awareness about the legal minimum working age among farmers was also high in this region (95% or 25 farmers). Worker awareness could not be verified as no workers were available for interview at the time of the assessment.

Child labor: Risks

5.1.3 Awareness of hazardous work

- Capitanejo

The majority of the farmers (71% or 20) and the workers at seven farms (70%) were aware of the meaning of "hazardous activities".

- Carmen de Bolivar

20 farmers (77%) were aware of the meaning of "hazardous activities". Worker awareness could not be verified as no workers were interviewed in this region.

5.1.4 Exchange of labor

14 farmers in Capitanejo (50%) and five farmers in Carmen de Bolivar (21%) participated in some type of exchange of labor arrangement (see 2.4). This practice can represent a risk as children can be potentially involved in family labor exchanges in which farmers declared that they could sometimes send their children to other farms to replace them if they are ill or have no time to go. This risk could be increased when the exchange of labor is done with farmers who have no commercial contracts with COLTABACO, and therefore these other farmers are not aware of COLTABACO's standards. In the CU assessment this finding was evidenced in Capitanejo and then only at one farm (4%).

5.1.5 Sharecropping

Six farms in Capitanejo (21%) were managed by sharecroppers.¹⁹ In these situations, the sharecroppers managed a plot of land and hired workers, resulting in a lack of insight by the farmer in the terms and conditions of the labor force hired by the sharecroppers. Consequently, the farmers were unaware of the presence of children and the activities they performed. As field technicians did not include sharecroppers in the communication of the ALP Code, they might not be aware of the legal minimum working age and/or meaning of “hazardous activities”.

5.1.6 Age verification

- Capitanejo

16 farmers (70%) did not verify the age of their workers.

- Carmen de Bolívar

10 farmers (50%) did not verify the age of their workers.

Child labor: Analysis and Priorities

Although a farmer was found in Capitanejo employing one 14 year old child, the awareness level of the legal minimum working age among farmers and workers was relatively high. This may be due to COLTABACO’s efforts to improve farmer awareness on child labor or the efforts to address the difficulties for children to get the proper working permission from the Ministry of Labor and the SENA’s training (see 4.2.1).

In both regions, most of the farmers and workers interviewed were able to differentiate between hazardous and non-hazardous activities. However, CU found children below 18 in both regions involved in hazardous activities. So while farmers were aware, this did not automatically result in them ensuring that child family members were not involved in hazardous activities.

COLTABACO’s strategy to address this principle is bearing fruit in both regions but additional efforts are required to raise awareness on the prohibition of family members below 18 from performing hazardous activities. As only a few farmers visited by CU had adopted the new harvesting methods aimed at reducing labor in general and eliminating children involved in stringing tobacco leaves, it was too early to determine whether these initiatives have had any impact at the farms.

COLTABACO response: *“CT will continue to strengthen its collaboration with the Colombian Government and the International Labor Organization to eradicate child labor in those areas where our famers live and work.”*

“CT will continue partnering with local NGOs to implement community programs focused on the access to and quality of education.”

¹⁹ The farmer signed the contract with COLTABACO.

"The alignment between CT's Contributions Programs and the implementation of ALP is essential to tackle child labor in tobacco growing. Therefore CT will roll out volunteer programs focused on childrens' rights in order to raise awareness of the topic among farmers, workers and their families."

"Through Captain GAP comics and educational materials created by the International Labor Organization, and in association with the specific Departments' Secretaries of Education, CT will continue to involve employees, particularly FTs, with these activities."

"In 2015, CT developed 4 volunteer activities in 7 rural schools in Sucre, benefiting 200 children through the story book created by ILO and Captain GAP comics. During 2016, CT will continue implementing volunteer activities and by the end of the year, CT expects to have developed 6 volunteer activities in 6 different rural schools for approximately 300 children."

"CT will strengthen the communication of ALP's Child Labor Principle through FT and farmer trainings to raise awareness of the topic, particularly the prohibition of family members below 18 performing hazardous activities."

"CT will reinforce the communication on the prevention of child labor to farmers and family members participating in the training conducted by the "Foundation Manuel Mejia"..."

"The introduction of wooden clips to replace manual stringing of Flue Cured tobacco leaves has significantly reduced the labor hours involved. By 2016, CT had invested in 445,000 clips (66% of Flue Cured farmers) and is expected to reach 827,000 clips by 2019, meeting the needs of 100% of FC farmers."

CT plans to replace the stringing of Burley tobacco with stalk cutting which will simplify the production process, eliminate some time consuming activities and reduce the risk of child labor..."

"CT will also pay particular attention to the farms where there is an exchange of labor and/or sharecropping practices, as these pose an additional challenge in terms of visibility of who is working on the farm and how old the workers are."

5.2 ALP Code Principle 2: Income and work hours

Background

Labor Relation: According to the *Colombian Labor Code* the following aspects are required to constitute a labor relation: (i) personal activity, (ii) subordination and (iii) remuneration (*Colombian Labor Code, Art. 23*). The regulations mentioned below are only applicable to labor relations.

Minimum salary regulations: According to *Decree 2731/2014*, the legal minimum wage is 644.350 COP\$²⁰ per month, or 25.058 COP\$

²⁰ Colombian Pesos.

ALP Code Principle 2

Income and Work Hours

'Income earned during a pay period or growing season shall always be enough to meet workers' basic needs and shall be of a sufficient level to enable the generation of discretionary income. Workers shall not work excessive or illegal work hours.'

per day, or 3.132 COP\$ per hour.²¹ The Colombian labor law only states that salaries or wages must be paid at least monthly. For day laborers, salaries or wages must be paid at least weekly (*Substantive Labor Code, Article 134*). Piece work is allowed and so is payment in kind but these forms of payment must be included within the employment agreement (either verbal or written) and cannot exceed 50% of the total worker's salary, except for employees who earn the legal minimum salary, in which case it cannot exceed the 30% of the total salary. End of season payments are not allowed.

Work hours regulations: According to *Article 161* from the *Colombian Labor Code*;

- Maximum work hours for children of 15-16 years old: six hours a day and 36 hours a month. Maximum until 6pm.
- Maximum work hours for children of 17 years old: eight hours a day and 40 hours a month. Maximum until 8pm.
- Maximum work hours for adults: 48 hours a week. Eight hours a day.

Overtime hour's regulations: In accordance with *Article 22* of the *Law 50/1990* for overtime in daytime work²² between 6am and 10pm there is a 25% surcharge on the normal hourly wage plus base hourly rate. For overtime on night work between 10pm and 6am, there is a 75% surcharge on the normal hourly wage plus the base hourly rate. In addition, the employer must obtain an authorization from Ministry of Labor to request overtime from workers, valid for one year.

Benefits regulations: In accordance with the *Colombian Labor Code*, worker benefits include pension contributions, health care, transportation assistances if applicable,²³ vacations, fixed annual bonus, unemployment bonus, severance payments, mourning leave, maternity leave and paternity leave. Additionally, labor law and jurisprudence determined that the employer is obliged to authorize remunerated time off to serve in a public office of forced acceptance, for domestic incidents, to attend a funeral and medical appointments.

Income and work hours: Overall findings and challenges

5.2.1 Minimum salary

- Capitanejo

In 11 farms (65%) workers were being paid below the legal minimum wage. In two of these cases, sharecroppers hired external workers and farmers had no insight of their payment practices.

²¹ Colombian law does not specify a minimum hourly rate, but the amount can be calculated based on the monthly salary: $(\text{Monthly salary}/30 \text{ days} = X) + (\text{Paid rest days}/X) = Y$. Hourly rate = $Y/8$ hours.

²² Work that exceeds eight hours a day.

²³ Workers whose salary is less than two minimum wages, unless they live within 1.000 meters of the workplace, in which case Transportation Assistance is not mandatory for the employer.

- Carmen de Bolivar

In 13 farms (76%), farmers declared that they paid workers below the legal minimum wage. As there were no workers employed at the time of the assessment, a cross check was not possible.

Region	Number of farms at which workers were being paid between 13.000-25.058 COP \$/day ²⁴	Number of farms at which workers were being paid between 25.058-28.600 COP \$/day ²⁵	Below legal minimum wage	In-kind payment	Daily payment	Weekly payment
Capitanejo	10 ²⁶	6 ²⁷	63%	88%	50%	73%
Carmen de Bolivar ²⁸	13	4	76%	82%	50%	27%

5.2.2 Payment schedule

- Capitanejo

On 15 farms (86%), the payment schedules were in accordance with the local law. Workers were being paid either daily or on a weekly basis. On two farms (12%) the farmer said he paid workers at the end of the harvest.

- Carmen de Bolivar

All farmers declared that they paid workers on a schedule in accordance to the law.

5.2.3 Regular and overtime hours

No evidence was found of involuntary overtime hours in either region. On those farms with overtime hours, none of the farmers paid overtime hours in accordance with the legal overtime rate. Workers only received a fixed amount per day. In Capitanejo, this was the case on eight farms (14%) where work exceeded 48 hours a week.

5.2.4 Legal benefits

None of the workers interviewed in either region received the benefits to which they were entitled by law. Furthermore, none of the farmers or workers in either region were aware of the legal requirements regarding benefits, holidays and leave to which workers were entitled.

²⁴ Salaries include payment in-kind; 3 meals per day (up to 30% as per the law).

²⁵ Salaries include payment in-kind; 3 meals per day (up to 30% as per the law).

²⁶ The values includes two workers hired by Sharecroppers earning 15.600 and 20.800 COP\$/day respectively).

²⁷ The number includes two workers hired by Sharecroppers earning 26.000 and 28.600 COP\$/day respectively).

²⁸ Based on farmers' declaration.

5.2.5 Awareness of legal minimum wage

- Capitanejo

19 farmers (86%) and the workers at five farms (31%) were aware of the legal minimum wage.

- Carmen de Bolivar

13 farmers (72%) were aware of the legal minimum wage. Worker awareness could not be verified as no workers were interviewed in this region.

5.2.6 Awareness of legal work hours

- Capitanejo

19 farmers (86%) farmers and the workers at four farms (50%) were aware of the legal work hours.

- Carmen de Bolivar

17 farmers (67%) were aware of the legal work hours. Worker awareness could not be verified as no workers were interviewed in this region.

Income and work hours: Risks

5.2.7 Record keeping

None of the farmers visited in either region kept records of tasks performed or payments made to workers.

5.2.8 Pay slips

None of the farmers visited in either region provided pay slips to workers.

5.2.9 Exchange of Labor

The common agricultural practice of exchanging labor normally involved two or more parties that exchange the same type of work and/or for the same amount of time. As this practice does not result in a labor relation, it made it difficult to assess against the ALP Code. In Capitanejo, there was also an exchange of labor among sharecroppers. Some farmers interviewed who exchanged labor declared they were occasionally involved in these arrangements for more than seven consecutive days and/or more than eight hours a day, in order to comply with the exchange of labor agreement and finish tasks on time. Nevertheless, CU could not find any evidence that would indicate an unfair or unequitable relationship between these farmers. It is recommended that a further assessment is conducted to determine if these arrangements are fair and equitable.

5.2.10 Sharecropping

Six farmers (21%) in Capitanejo worked together with sharecroppers. Five of these farmers had a commercial relation with the sharecropper(s) as the latter were responsible for managing their own piece of land. Four of these sharecroppers hired external workers. In one case, however, several factual elements (personal tasks, remuneration, and certain elements indicative of subordination²⁹) in the relationship between one farmer and three sharecroppers were suggestive of an employment relationship. This farmer provided inputs (CPA and seeds) and gave the sharecroppers loans for buying food and hiring external workers during the harvest season. The farmer would earn half of the income at the end of the season and the rest would be split among the three sharecroppers after deducting agrochemical costs and loans. The facts at hand and the information obtained did not allow Control Union to draw a final conclusion on the exact nature of the relationship.

The main risk associated with sharecroppers being employees is that such an arrangement could be considered unfair because as employees, sharecroppers should be paid a salary, receive this at least monthly, should not have to pay for any inputs, and have their employment formalize. In this one case, they received a percentage of the revenue without knowing the total amount, did not receive payment until the end of the harvest, and had to pay for crop inputs.

Having said that, even situations in which sharecroppers were in a commercial relation with the farmer presented risks. First, the lack of written records means that it is more difficult to evidence the activities performed, leading to a risk of non-payment. Second, sharecroppers generally did not know the total revenue of the tobacco sales causing a lack of transparency in the relation. Third, most sharecroppers did not own the land they managed which poses a risk to their investment³⁰. Fourth, all sharecroppers paid 50% of the crop inputs without having a formal contract with the farmer, so if the farmer would decide not to pay for the tobacco they did not have proof of their right to claim 50% of the revenue.

COLTABACO response: *“The existence of several traditional commercial agreements such as sharecropping and labor exchange - which are not labor relations according to the local regulation – occur in agriculture in Colombia, including some tobacco growing regions, and shall be addressed in depth. Such agreements are a way to practically address land ownership and tenancy difficulties in rural areas, one of the biggest challenges that is being dealt with by the Colombian government and institutions, given the forced displacement of people that led to widespread land ownership issues.”*

Income and work hours: Analysis and Priorities

Communication efforts implemented by COLTABACO to raise awareness of income and work hour topics such as the legal minimum wage, overtime hours, and benefits were still in their infancy and need time to mature before achieving the

²⁹ The farmer explained he could fire a sharecropper if he was not following his production rules, which he had done in the past.

³⁰ Farmers executing that commercial production agreements with COLTABACO are protected by a crop insurance policy which includes coverage for harvest losses due to bad weather, but sharecroppers do not have this insurance.

desired result. CU's findings clearly demonstrated that this ALP Code Principle required further investigation and attention. Even if most of the farmers were aware of it, the majority of farmers and sharecroppers were paying below the minimum wage. In addition, workers seemed to be less aware of the legal minimum wage. Consequently, the COLABORA support mechanism could become a useful tool, if properly promoted by field technicians and through other communications tools.

The agreements between farmers and sharecroppers needed special attention as they faced different challenges. When sharecroppers were in a commercial agreement, they experienced pressure to produce high yields and worked long hours or hired workers to finish the tasks on time. They were also exposed to financial risks, for instance they could face be in debt to the farmer when hiring workers. If the harvest is lost due external conditions including bad weather, there is a risk that they do not receive any income. Moreover, in some farms the sharecroppers could be involved in a labor rather than a commercial relation and if so, all the rules and labor laws apply. Increasing understanding of this relation between the farmer and sharecropper is crucial to ensure that farmers contracted by COLTABACO assume their responsibilities for all people working at the farm.

COLTABACO response: *"In order to address awareness issues, CT will train 100% of farmers on country laws through the "+ Campo" project, regular meetings and visits to farmers, in addition to distributing communication materials on the minimum wage and workers' rights during 2016, 2017 and 2018 crops."*

"...CT therefore seeks to pool its efforts with the Ministry of Agriculture, the Ministry of Labor, SENA and the ILO, within the framework of a Memorandum of Understanding to design and execute programs on income generation, formalization and improvement of living conditions in rural areas, signed by those authorities in June 2015."

"Regarding the risks identified by CU related to sharecropping and the exchange of labor, CT will map out the different elements of commercial contracts, labor relations, sharecropping and labor exchange agreements with the objective of better understanding the different types of relations in those agreements. By the end of 2016, CT will develop a template for a basic commercial contract to approximately 200 farmers who work with sharecroppers on their lands and a support booklet to aid all farmers in identifying the differences between contracting practices, further enabling them to document relations in a manner consistent with their nature, highlighting the importance of keeping records of their employment agreements with their workers, including the duration of employment of workers, working hours, wage, and tasks performed."

5.3 ALP Code Principle 3: Fair treatment

Background

Regulations: The *Colombian Labor Code* and *Law 1010/2006* protect employees from discrimination and/or harassment. The employer must give an equal and proper treatment to its employees and must not harass them. Employees have the right to denounce any type of discrimination and/or harassment by the employer, and can file an action in the labor court. Additionally, *Law 1496 of 2011* establishes equal pay between men and women and mechanisms to eradicate all forms of discrimination.

ALP Code Principle 3

Fair treatment

'Farmers shall ensure fair treatment of workers. There shall be no harassment, discrimination, physical or mental punishment, or any other forms of abuse.'

Fair treatment: Overall findings and challenges

5.3.1 Fair treatment

At the farms visited in both regions, no evidence was found of sexual, verbal or physical abuse or harassment.

5.3.2 Communication with workers

Farmers are expected to communicate directly with all workers so small problems can be solved without additional escalation. At those farms at which workers were contracted directly by the farmer (12 or 43%) CU did not find any evidence of workers not being able to communicate with farmers to file potential grievances. However, workers contracted by sharecroppers (3 or 50%) did not communicate directly with the farmers as farmers did not want to interfere in the relation between the sharecroppers and workers.

Fair treatment: Analysis and Priorities

At the farms visited in both regions, no sign of sexual, verbal or physical abuse or harassment between farmers and workers or sharecroppers was identified. However, workers hired by sharecroppers did not communicate directly with farmers and COLTABACO did not have a thorough understanding of the potential risks involved with these situations.

5.4 ALP Code Principle 4: Forced labor

Background

Regulations: Employers cannot force workers to work against their will. Forced labor, or any type of slavery or servitude is prohibited under *Constitutional Law*. According to *Law 65 of 1993* and *Law 1709/2014* that regulate prison labor, people deprived of liberty have the right to

ALP Code Principle 4

Forced labor

'All farm labor must be voluntary. There shall be no forced labor.'

work and this is considered as a therapeutic means of rehabilitation.

ALP Code versus Colombian law: Although *Law 1709/2014* allows prison labor under certain circumstances, the ALP Code explicitly prohibits this practice. In this case the ALP Code prevails.

Forced labor: Overall findings and challenges

5.4.1 No evidence of workers unable to leave their job

All workers interviewed declared they were free to leave their employment with reasonable notice. In addition, none of the workers declared that they had been required to make any financial deposits or relinquish their original, identity or travel documents.

5.4.2 Debts with the farmer

At five farms (83%) the farmers provided loans to sharecroppers so that they could buy food and/or hire workers. In one of these cases, the three sharecroppers were in a relation that had certain elements of subordination that could be considered to be an employment relation. In the other cases the sharecroppers were in a relation with the farmer that seemed to be commercial (see 5.2.10). In both instances, the debts were deducted from the remuneration paid to the sharecroppers at the end of the season.

Forced labor: Risks

5.4.3 Financial problems among farmers

Four farmers (15%) in Carmen de Bolivar declared that they had occasional financial problems at the end of the harvest leading to an inability to pay their workers at the time agreed at the beginning of the contract.³¹ These farmers explained that by the end of the harvest they had run out of savings and had to wait until they sold the tobacco to pay the workers, delaying payment by a maximum of 15 days. The payment schedule was still within the legal maximum period of one month, but the agreement with the workers was not respected in these cases. Rather than showing a disregard to workers, this was a symptom of limited access to capital.

Forced labor: Analysis and Priorities

All farmers, sharecroppers and workers interviewed stated that the workers were free to leave their employment at any time, that no financial deposits were requested and that they did not hire prison or compulsory laborers. However, financial management was a challenge as some farmers reported running out of cash at the end of season and had to wait until they sold their tobacco to complete their payments to workers.

³¹ COLTABACO's commercial production agreements include the possibility to advance payments to the farmer so he can pay his workers during the early stages of harvesting.

Sharecropping agreements between farmers and sharecroppers also presented risks of forced labor as sharecroppers were often in debt to the farmer to produce tobacco and pay workers. With the verbal nature of these agreements and the fact that the income of sharecroppers depended on the success of the harvest, sharecroppers were in a vulnerable situation. As mentioned earlier, it is crucial that COLTABACO obtains a better understanding of these agreements.

COLTABACO response: *“For this reason, CT will continue its efforts to raise the level of awareness and understanding of the business among farmers through initiatives such as the Manuel Mejia Foundation Program and their understanding of the characteristics of the different labor relations and agreements between growers and farmers. CT will define a concrete plan for gaining more visibility into their practices, based on the results of a 2016 survey that will determine the different labor practices and agreements within the Colombian tobacco sector.”*

5.5 ALP Code Principle 5: Safe work environment

Background

Regulations: Colombian safe work environment regulations are complex. For example, *Decree 1607 of 2002* states that high risk activities, and consequently hazardous work, are defined as such under chapters *IV and V* of this Decree, but tobacco farming is not included under this Decree. In addition and according to *Decree 1443/2014*, personal protective equipment (PPE) must be provided by the employer. Among the required PPE are helmets, boots, gloves and other items to protect the employee. Moreover, *Article 57, numeral 2* of the *Colombian Labor Code* establishes the general obligation for the employer to provide suitable PPE against occupational accidents and disease. Regarding first aid kits, *Article 57, numeral 3* of the *Colombian Labor Code* establishes the general obligations of the employer to provide immediate first aid in the case of accident or illness. Other example, *Article 127 of Act 9 of 1979* states that every work place shall have all what is necessary to provide first aid to employees. Regarding correct CPA disposal, the law establishes that the CPA user has to pierce, triple rinse, separate and deliver the empty CPA containers according to the local disposal methods. By law the CPA retailer should implement a collection program and inform the producer about his role in this procedure (e.g. provision of a container in which to dispose the pierced CPA bottles).

ALP Code Principle 5

Safe work environment

‘Farmers shall provide a safe work environment to prevent accidents and injury and to minimize health risks.

Accommodation, where provided, shall be clean, safe and meet the basic needs of the workers.’

Safe work environment: Overall findings and challenges

5.5.1 Training and awareness of Green Tobacco Sickness (GTS)

- Capitanejo

At 16 farms (73%), farm personnel who handled green tobacco declared they had received training on avoidance of GTS. However, when asked to describe the symptoms of GTS, 12 farmers (46%) and the workers at three farms (12%) were unaware and associated the symptoms to weather conditions or food in bad condition. At one farm (4%), a 16 year old girl who was breastfeeding was sticking and bundling tobacco.

- Carmen de Bolivar

At 17 farms (85%), people who handled green tobacco declared they had received training on the avoidance of GTS. One farmer (4%) was unaware of the existence and symptoms of GTS. Worker awareness in this region could not be verified as there were no workers present during the assessment.

Most people in charge of handling green tobacco in both regions used one or more types of protective clothing for handling green tobacco. At one farm in Carmen de Bolivar (6%), one person declared not using any type of protective clothing because he thought it uncomfortable (see table below).

Harvest PPE ³²	Capitanejo	Carmen de Bolivar
Full equipment ³³	1 (8%)	3 (18%)
Long sleeves + long pants + shoes	3 (25%)	8 (47%)
Long sleeves + long pants	7 (58%)	5 (29%)
Only gloves	1 (8%)	-
No protective clothing	-	1 (6%)

Initiative to address safe work environment in GTS

- Distribution of harvesting kit: By 2016, COLTABACO's target was to include 100% of the contracted farms. Seven farmers (25%) in Capitanejo declared they had received equipment and two farmers (29%) maintained they did not use the kit when harvesting because they did not find it comfortable. In Carmen de Bolivar, 13 farmers (50%) stated that they had received the equipment and one farmer (8%) said he was not using the equipment as he had lost it.

³² Percentages indicate the type of equipment used over the total population of those using any type of protective equipment in the assessed region.

³³ Full equipment: gloves, long pants and long sleeves, shoes and raingear.

5.5.2 CPA handling and training

- Capitanejo

At 21 farms (84%), those responsible for applying CPA were trained. At the remaining 4 farms (16%) the people applying CPAs declared they had never received training in CPA application.

- Carmen de Bolivar

At 22 farms (96%) those responsible for applying CPA were trained.

Equipment used ³⁴	Carmen de Bolivar	Capitanejo
Full equipment ³⁵	9 (47%)	11 (55%)
Overall + boots + gloves	2 (11%)	3 (15%)
Mask + boots + gloves	1 (5%)	-
Overall + boots + mask	4 (21%)	-
Overall+ boots	-	1 (5%)
Mask + boots	-	1 (5%)
Boots + gloves	2 (11%)	2 (10%)
Overall/apron	-	1 (5%)
Gloves	1 (5%)	-
No equipment	-	1 (5%)

Initiative to address safe work environment in CPA application

- Distribution of CPA application kit: By 2016, COLTABACO's target was to cover 100% of the contracted farmers. In Capitanejo, 14 farmers (50%) declared they had received a CPA application kit and two farmers (14%) said they did not use them because they were uncomfortable. In Carmen de Bolivar, 22 farmers (85%) stated that they had received the CPA application kit and only one farmer (5%) maintained that he had not used the kit when applying CPAs because the suit was uncomfortable.

5.5.3 Clean drinking and washing water

- Capitanejo

Washing and drinking water was available at 17 farms (61%).

³⁴ *Percentages indicate the type of equipment used over the total number using any type of protective equipment in the assessed region.

³⁵ Full equipment includes overall or long sleeves and long pants, boots, gloves and mask.

- Carmen de Bolivar

At 12 farms (46%) washing and drinking water was available.

Initiative to address lack of drinking water

- Water filter distribution: COLTABACO distributed water filters to farms that have no access to drinkable water. Eight farmers (31%) in Capitanejo, and 15 farmers in Carmen de Bolivar (58%) had received water filters. Three farmers (20%) in Carmen de Bolivar said that the sieves in the water filters clogged because of the high amount of sediment in the water.

5.5.4 Worker accommodation

- Capitanejo

At three farms (33%) the worker accommodation verified by CU was considered adequate according to local standards.

- Carmen de Bolivar

One worker accommodation (13%) was considered adequate, the other seven (87%) lacked toilets or ventilation in the sleeping areas. There was one farm where the workers' sleeping area did not have a proper ventilation system so they were sleeping in the field which is considered inadequate by local standards.

5.5.5 Re-entry period

- Capitanejo

12 farmers (43%) could not guarantee that the re-entry period after CPA application was respected. Three farmers (11%) used the warning signs provided by COLTABACO.

- Carmen de Bolivar

17 farmers (65%) could not ensure that the re-entry period after CPA application was respected. Two farmers (8%) were using the warning signs provided by COLTABACO.



Picture 12: Re-entry sign distributed by COLTABACO

5.5.6 CPA storage and final disposal

- Capitanejo

Five farmers (18%) did not have a locked CPA storage and 24 farmers (89%) declared they did not discard their empty CPA containers correctly.³⁶ Instead of handing in their empty CPA containers to the field technician, these farmers either burned or buried them.

- Carmen de Bolivar

10 farmers (38%) did not have a locked CPA storage and 18 farmers (69%) did not discard their empty CPA containers correctly, either burning or burying them or storing them in plastic bags at the farm.

Initiative to address safe work environment with CPA storage

- COLTABACO distributed CPA lockers to farmers and aimed to cover 100% of the contracted farms by 2016. The lockers were made of metal and had a lock to prevent access by children or people not trained in managing CPA. In Capitanejo, 20 farmers (71%) said they had received a CPA locker from COLTABACO. One farmer (5%) was storing other things besides CPA in the locker (school material, food, bible, etc.). There was also one farmer (5%) who was using the lock for his house. In Carmen de Bolivar, 16 farmers (62%) had received a CPA locker. There was one farmer (6%) who had lost the lock and one farmer (6%) who was using the CPA locker to store other things than CPA.³⁷

³⁶ Farmers are asked to rinse used CPA containers and discard them into suitable bags distributed by COLTABACO. This discard and collect activity takes place through different authorized entities depending on the region, including "CAMPO LIMPIO" (implemented along with the Colombian Industrial Association "ANDI"); BIOENTORNO and COLECTA.

³⁷ When field technicians are unable to deliver the CPA lockers directly to the farm, farmers need to pick them up from the COLTABACO buying stations which could be difficult sometimes due to the lack of a local public transportation service.

Safe work environment: Risks

5.5.7 General safety measures

In order to ensure a safe and sanitary work environment for both family members and workers, it is important that farmers are aware of general safety hazards at the farm and take measures to prevent accidents, injury, and exposure to health risks.

- Capitanejo
 - Five farmers (18%) had a first aid kit at the farm.
 - One farmer (4%) had received first aid training.
 - 11 farmers (39%) had a means of transport to the nearest medical care (motorcycle or horse).
 - At 11 farms (39%) equipment and tools were found to be safely stored.
 - None of the farmers visited had their own records of CPA application.
- Carmen de Bolivar
 - Five farmers (19%) had a first aid kit at the farm.
 - Six farmers (23%) had transport to medical care (motorcycle, bicycle, or a donkey).
 - At eight farms (39%) equipment and tools (shovels, machetes, CPA application and dosage equipment, etc.) were found to be safely stored.
 - None of the farmers visited had their own records of CPA application.

Safe work environment: Analysis and Priorities

COLTABACO prioritized this ALP Code Principle in ALP communications, training with the farmers and field technicians. These efforts were reflected in the field as the majority of farmers stored CPA correctly, most people responsible for harvesting tobacco and applying CPA were trained and were using at least one type of protective clothing / PPE. These efforts should be continued to ensure that everyone takes the required safety measures. Additional efforts are required to ensure safe disposal of empty CPA containers.

Farmers still lack awareness on general and specific safety hazards on the farm such as the symptoms of GTS. Even if they know that GTS exists, they cannot always link the symptoms to the sickness, for example the breastfeeding woman handling green tobacco. This finding could be related to the low awareness of GTS symptoms. Regardless, COLTABACO could continue to focus its training efforts on the awareness and avoidance of GTS.

Most of the farmers visited in Capitanejo were not controlling the re-entry time to their land after CPA application. COLTABACO could evaluate how to reinforce the use of warning signs in its existing communication and training strategy with farmers.

Farmers and workers in Carmen de Bolivar have more obvious difficulties to access drinking and washing water. This is correlated with COLTABACO's effort in the distribution of water filters in this region. After this initial stage, COLTABACO could

assess the effectiveness of its current water filter program and determine the best products and training needed to ensure further adoption of these technologies.

COLTABACO response: *“CT will continue working on the communication of the principle, in particular concerning (i) the importance of safe disposal of empty CPA containers; (ii) prevention and mitigation of specific safety hazards like GTS and its symptoms, considering that most farmers are unable to identify the symptoms; and (iii) the responsibility to display warning signs and control the re-entry time in the field after CPA application, which has not been correctly regulated.*

CT will provide communication materials and roll out training sessions for FTs, farmers, and workers to improve their level of understanding and awareness of the health risks when handling fertilizers without PPE or re-entering a field that was recently sprayed.

By the end of 2016, CT will have supplied CPA storage lockers and PPE kits (GTS and CPA) to 100% of farmers. Likewise, CT estimates that by the end of 2018, all farmers will have received dosage application kits. CT will adapt the communication materials to target illiterate farmers and confirm whether these have been distributed accordingly.”

“...some volunteer activities will focus on communicating the symptoms and effects of GTS, so farmers and their children can learn about it along with other key messages that promote safe working conditions.”

“...CT will continue distributing water filters, focusing on areas where the situation is urgent and critical.”

“With regards workers’ accommodation on farms, CT will conduct a communication campaign to all contracted farmers, informing them about the need to provide adequate accommodation to the workers living on their farms, in line with local standards.”

5.6 ALP Code Principle 6: Freedom of association

Background

Regulations: In Colombia, the freedom to join unions is a fundamental right explicitly incorporated in the *Colombian Constitution*. Consequently this right is protected by concrete and extraordinary constitutional remedies. Workers have the right to form unions or associations without intervention by third parties. This right is developed in detail in the *Labor Code*.

Freedom of association: Overall findings and challenges

ALP Code Principle 6

Freedom of association

‘Farmers shall recognize and respect workers’ rights to freedom of association and to bargain collectively.’

5.6.1 Workers’ right to freedom of association

No evidence was found at the farms visited of farmers disrespecting workers’ right to freedom of association or to join/form labor unions. None of the farmers and

workers interviewed was aware of active labor unions in the region nor were there any worker representatives at the farms visited.

Freedom of association: Risks

5.6.2 Awareness of freedom of association

51 farmers (85%) in the two regions were aware of the workers right to freedom of association. At five farms in Capitanejo (71%) workers were unaware of the right to freedom of association.

Freedom of association: Analysis and Priorities

While awareness of workers' right to freedom of association among farmers was high, the majority of workers were unaware. Even if there are no active labor unions in the two regions, workers should be aware of their right to organize themselves so they may discuss and review working conditions or leverage on the existing network of farmer meetings organized by COLTABACO to discuss their own agenda of community development. This demonstrates that additional communication on this topic is required.

COLTABACO response: *"CT will ensure that workers participate in ALP trainings and will develop communication materials regarding farmers' and workers' rights, in alignment with the Colombian Law, in order to inform farmers and workers on their rights and duties, including those related to freedom of association."*

5.7 ALP Code Principle 7: Compliance with the law

Background

Regulations: As per the *Colombian Labor Code*, a written contract between an employer and employee is not mandatory.

Compliance with the law: Overall findings and challenges

5.7.1 Information on legal rights

Despite COLTABACO's efforts to notify farmers about the local labor law, none of the workers interviewed were fully informed by the farmers about all their legal rights and employment conditions. However, farmers do inform workers about their salary and tasks to be performed, but not the more complex labor rules, i.e. vacation days and social security contributions.

5.7.2 Employment contracts

As a written employment contract is not mandatory by law, the farmers and workers assessed declared that they arranged their contracts verbally. This may

ALP Code Principle 7

Compliance with the law

'Farmers shall comply with all laws of their country relating to employment.'

have been influenced by the high level of illiteracy. (See 3.3.2 a reference to the notebook to record daily labor activities).

Compliance with the law: Analysis and Priorities

The fact that none of the farmers that CU visited properly informed their workers of their legal rights and employment conditions demonstrates the need for additional support from COLTABACO to the farmers. COLTABACO's initiative to provide field technicians with a pocket Labor Law guide is a good way to increase their level of understanding but apparently this has not yet resulted in the provision of information on legal rights to workers.

COLTABACO response: *"CT will update and periodically review the Pocket Labor Law Guide, as CU acknowledged that this is a good way to increase the level of understanding among field technicians. CT expects FTs to continue informing farmers about their responsibilities as employers and to emphasize the importance of having farmers communicating with workers about their rights, employment conditions, and benefits they are entitled to."*

6. Concluding remarks



THIRD PARTY ASSESSMENT

COLTABACO

Capitanejo and Carmen de Bolivar Region
AGRICULTURAL LABOR PRACTICES PROGRAM

Since the initial implementation of the ALP Program in 2011, positive progress has been made in Colombia. All required personnel were trained and employees from different levels of the organization are engaged with the program; farmers received frequent messages on ALP; and steps were taken to better understand issues on the farms. Given the complexity of the tobacco market in Colombia, COLTABACO decided to move slowly into Phase 2 by first running a pilot for monitoring and identifying widespread issues.

COLTABACO implemented several strategies to obtain as much information as possible from its network of farmers. First, the Farm Profiles were completed and analyzed to identify the main issues and to investigate root causes. Second, external stakeholders were engaged to obtain information on rural living conditions and community issues such as the high levels of illiteracy among farmers and workers. Finally, CU's external assessment was considered an important tool to better evaluate the local market, producers and workforce.

However, five challenges still remain. First, the different types of working arrangement (e.g. sharecropping and exchange of labor) require specific approaches and monitoring to identify risks and the best ways to address potential issues. COLTABACO needs to further investigate these arrangements to verify whether they are fair to all those involved. Second, the understanding among field technicians is still insufficient on fundamental legal aspects resulting in limited support to farmers. Third, while farmer awareness of the ALP Code is high, several ALP Code Principles are practically unknown. Fourth, farmers and workers have not yet started using the support mechanism. Finally, the most challenging situation not meeting the standard is the payment of salaries, possibly due to the low awareness of the legal minimum wage among workers.

COLTABACO's response and action plan demonstrate that the findings presented in this report are taken seriously and action has been and will be undertaken to address the issues identified. It also shows that COLTABACO is aware of the context in which the farmers are operating and the challenges to overcome to implement the ALP Code. Among other areas, action has been taken to improve the skills of field technicians, the communication to farmers, and to address child labor. Future assessments will have to verify whether these actions had the desired impact.

Appendices



THIRD PARTY ASSESSMENT

COLTABACO

Capitanejo and Carmen de Bolivar Region
AGRICULTURAL LABOR PRACTICES PROGRAM

Appendix 1. COLTABACO response and ALP Program action plan

Coltabaco S.A.S. (CT) thanks Control Union (CU) for their objective approach and understanding of the complex reality of the Colombian rural areas when assessing the implementation of the Agricultural Labor Practices Program (ALP) in Capitanejo and Carmen de Bolívar regions. The final report presented by CU, with the valuable support of Verité, will be an important tool for addressing the challenges ahead of us.

Since its adoption in 2011, the ALP program has been a priority for CT, with the commitment of Local Management, designated members of the Country Team, and the decisive work of the Field Technicians (FTs) in the implementation of ALP related initiatives on contracted farms.

In general, CT considers that the risks and findings included in the report are aligned with the challenges previously identified by CT, its stakeholders and the authorities in charge of sustainable development for the agricultural sector in Colombia.

According to the latest census coordinated by the National Statistics Agency- DANE in 2014³⁸, 45.6% of the rural population lives in multi-dimensional poverty, 56.8% do not have access to potable water, 94% do not have access to sewage systems, and many face serious challenges in the areas of health, education and access to public services.

Rural income is a major concern in Colombia. In 2013, the monthly income per capita in rural areas was barely 34% (COP \$215.597) of the minimum monthly wage applicable for that year (COP \$616.000), according to the National Planning Department DNP³⁹.

Furthermore, according to a study conducted by the Labor Market and Security Observatory of Externado University of Colombia⁴⁰, the informal labor index in Colombia for 2014 was 60.1% and, the Ministry of Labor estimated that informal labor in rural areas accounted for around 3.3 million workers, or 82% of the rural labor market.

In this context, it is important to recognize that while the application of labor laws and regulations is aligned with the spirit of the ALP Code Principles, enforcement remains a challenge in those rural areas of Colombia where informal labor is prevalent.

This is particularly important when comparing aspects such as remuneration and legal benefits with the parameters established in the legislation. Low institutional

³⁸ DEPARTAMENTO NACIONAL DE ESTADÍSTICA - DANE. *Censo Nacional Agropecuario*, 2014

³⁹ DEPARTAMENTO NACIONAL DE PLANEACIÓN – DNP. *Diagnóstico de la pobreza rural, Colombia 2010-2014* August 2015

⁴⁰ EXTERNADO DE COLOMBIA UNIVERSITY. “El Trabajo Decente en Colombia” in “Boletín del Observatorio del Mercado de Trabajo y de la Seguridad Social No. 15”

presence, poverty and a lack of education impose customary constraints in rural areas that may explain aspects such as the absence of written agreements, whether work or commercially related, and the low engagement with governmental services, including available grievance mechanisms.

CT will continue its efforts to gain more knowledge of the nature of the relationships on farms, to better understand the divide between informal working relations from others that are of a more commercial nature and that bind farmers and sharecroppers, which is fundamental to help reduce risks and address issues.

The existence of several traditional commercial agreements such as sharecropping and labor exchange - which are not labor relations according to the local regulation - occur in agriculture in Colombia, including some tobacco growing regions, and shall be addressed in depth. Such agreements are a way to practically address land ownership and tenancy difficulties in rural areas, one of the biggest challenges that is being dealt with by the Colombian government and institutions, given the forced displacement of people that led to widespread land ownership issues.

In this context, it is important to understand that Colombia is facing a significant juncture in its history due to the finalization of the peace process with FARC guerrillas after more than 50 years of internal conflict. Rural development and land ownership were key topics during the negotiations and it is expected that the rural sector will face an important reorganization as a consequence of the implementation of the agreements.

Regardless of the complexity of the problems faced, CT has concentrated on demonstrating that its tobacco growing model is a viable and sustainable alternative for farmers, especially in the Coastal Region (Carmen de Bolívar) and Santander Region (Capitanejo), which were severely affected by the conflict. CT remains focused on improving the working and living conditions of tobacco growers and workers, their families and the communities they belong to, not only for business continuity but as a contribution to the peace process.

CT is committed to addressing the difficulties identified by CU through the implementation of the concrete actions described in this document, leveraging on the strengths of the direct relationship established with farmers through its Integrated Production System (IPS). CT will continue to focus its efforts on communicating ALP to FTs and farmers, delivering trainings, and making the necessary investments and efforts to improve clarity in the relations between farmers and sharecroppers, and other commercial stakeholders present in tobacco growing regions.

I. PEOPLE AND TOOLS TO MANAGE THE ALP PROGRAM

1. People

CT leverages on its FTs to implement most of the ALP program related activities as they are the direct link with growers and workers in the tobacco growing areas. The group of 28 FTs with knowledge in tobacco growing and agricultural extension provide support to farmers. They visit them on average six times during each of the main stages of the crop, monitoring all field activities and being alert to identify issues, mitigate risks, and address situations needing immediate intervention (prompt actions). The toolkit used by FTs to implement the ALP Program includes the ALP Code, up to date training materials, and videos on health and safety, which they use to reinforce the importance of these topics to the farmers.

CT repeatedly trains its FTs in Good Agricultural Practices (GAP) looking for continuous improvement. A good example was the “train the trainers” methodology for pesticide management, which focused on health and safety when handling pesticides. This training was carried out at the Agronomic Research Center in Villanueva with the support of an external partner, CABI (International Center for Agricultural Bioscience).

CT has also recognized the importance of increasing field technicians’ communication skills for the implementation of the ALP Code using pragmatic methodologies to deliver appropriate messages to support the execution of action plans. Although CU acknowledges the high level of engagement from CT’s staff involved with the ALP program, particularly FT’s “unique and personal commitment”, CT will continue reinforcing rural extension methods aimed at strengthening the competences of its field force, in order to better approach tobacco growers and promote cultural, technological and managerial changes and a long-term partnership. We expect this to result in better possibilities for farmers and their families, and safe and fair working conditions to everyone working on their farms.

2. Integrated Production System (IPS)

The introduction of IPS helps transfer technology and efficiencies, build capability and implement all elements of the ALP Program. We believe IPS has an impact on improving the quality and productivity of farmers’ crops, their respect for the environment, and achieving safe and fair labor conditions.

The main features of IPS can be summarized as follows:

- Direct contract with farmers ensuring the purchase of 100% of the tobacco produced at guaranteed prices.
- Free technical assistance to 100% of contracted farmers, with an appropriate farmer/FT ratio that ensures the effective implementation of GAP, including ALP.

- Training in GAP to 100% of farmers.
- 100% financing of crop inputs and cash advances.
- Cost of production: once a year CT uses a standard PMI template to determine the costs associated with tobacco production in order to calculate farmer profitability.
- Implementation of sustainable tobacco production projects that are focused on higher productivity, optimized cost of production, reduction of labor and improvement in tobacco quality, among others.

3. “+Campo” Project

CT will also address CU’s findings through the “+Campo” training program, created to support farmers with guidance and information on GAP and ALP topics. Originally implemented by Philip Morris Brazil (PMB), CT leveraged on the experience of PMI’s affiliate in Brazil and adapted “+Campo” to the local context and the needs of its contracted farmers and rural workers. Launched in March 2016, two vehicles equipped with media and practical training capabilities are used to reach farmers and deliver training and guidance on the three pillars of Good Agricultural Practices (GAP: (Crop, Environment and People), of which the people pillar refers to the Agricultural Labor Practices (ALP) program. The training modules include the following topics:

Crop:

- CPA: Use of improved spraying technology.
- IPM: Introduction to Integrated Pest Management (IPM), reinforcing the use of recommended CPA’s.
- Other training topics: Sustainable Tobacco Production (STP) best practices.

Environment:

- Safe CPA Disposal: Promote the collection of empty CPA containers.
- Other training topics: use of sustainable fuel for curing and sustainable wood for curing infrastructure.

People:

- Safe Work Environment: Promote the proper use of Personal Protection Equipment (PPE) to prevent exposure to CPA and GTS, and training for safety on farm.
- Child Labor: Promote programs to tackle child labor and other labor abuses.
- Training on the ALP Code principles.

The first step in the “+Campo” program was the training of CT’s FTs, who are responsible for scheduling training courses with tobacco farmers. Since the program was launched, 60% of farmers in Capitanejo and 100% of those in Huila have participated in the training. In 2016 and 2017, all farmers will be trained through “+Campo” training courses.

After each “+Campo” training session, participants are tested. CT is pleased with the feedback received from farmers and rural workers after the initial training sessions, which show significant levels of engagement and satisfaction for the topics covered and the information delivered by “+Campo”.

II. PHASE 1 OF THE ALP PROGRAM

1. ALP Code Communication

CU's assessment noted that farmers' levels of awareness of the ALP Code was very high (98% in Capitanejo and 92% in Carmen de Bolivar), and that almost all of these farmers considered it important. These results suggest progress with our efforts to communicate the ALP Code Principles, particularly on Child Labor and Safe Work Environment.

Although pleased with the progress made so far, CT acknowledges that more work needs to be done, as identified by CU, including the proper understanding and perception of the following principles: Child Labor, Safe Work Environment and Compliance with the Law. To address this, CT will adopt the following actions:

- Update and distribute communication materials on all seven principles to ensure a proper understanding, with the objective to cover 100% of farmers by 2018. CT has invested substantial resources since 2013 in communication materials. Delivery of training materials to farmers is recorded to confirm receipt. Since the Phase 1 implementation, CT trains 100% of farmers each year during sessions and meetings where the ALP Code is discussed. Registration allows CT to confirm attendance at each session. During 2016, CT continued training tobacco farmers in the seven principles of the ALP Code. Based on the risk assessments CT conducted in 2015 and 2016, and considering the CU findings, farmers' training will be focused on the following three principles: Child labor, Safe Work Environment, and Income and Work Hours.
- Train tobacco farmers through the Manuel Mejía Foundation, a local NGO partner which implements a distance learning program in business management for tobacco growing which includes specific content relating to Good Agricultural Practices and the ALP Program. CT will continue to support this program, which is expected to benefit approximately 40% of contracted farmers by 2018. The program will allow farmers to diagnose their farms, improve their management skills and execute an action plan to increase profitability and business sustainability.
- Train Field Technicians on communication skills to strengthen their capability to communicate ALP principles more effectively and promote cultural, technological and managerial changes.
- Continue engaging with Fedetabaco (National Tobacco Growers Association) and Ministry of Agriculture representatives to communicate the ALP Code and principles, through their participation in periodic Tobacco Chain meetings. This will cover the development of the Colombian tobacco sector and projects that have the potential to improve the sustainability of crops and productivity, while enhancing working conditions and the livelihoods of tobacco farmers, farmworkers, their families, and tobacco growing communities.
- Organize an annual workshop to further communicate and update FTs on their understanding of the ALP Code.

- Annual update of the Legal guidelines and training of FTs on "Compliance with the Law" standards.
- Reinforce the discussion of practical cases presented by FTs and supervisors regarding prompt actions, farm profiles and farm-by-farm monitoring, during the monthly meetings with the agronomy team in each tobacco growing area, in order to realign the strategies and set objectives, measure the progress of the ALP program and discuss the process of recording, addressing, and following-up on prompt actions, including the effectiveness of the improvement plans agreed with farmers. In 2016, 100% of farmers will be monitored for the Child Labor, Safe Work Environment, and Income and Work Hours Principles. All field technicians will conduct at least six field visits to each farmer in different stages of the crop season.

Implementing such initiatives will help CT to fill the information gaps identified in CU's report, will identify new challenges and build innovative ways to communicate the ALP principles through the feedback obtained from FTs and farmers.

2. Farm Profiles

Collecting socio-economic data and compiling a farm profile for contracted farms is critical for assessing and defining priorities and to implement appropriate actions related to the implementation of the ALP program. As acknowledged by CU, CT has been analyzing the information on an annual basis to design and implement initiatives to address widespread and/or systemic issues. It is important to note that the success of such analyses depends on the accuracy, completeness and continuous updating of the farm profiles.

CT welcomes the observations of CU underlining the importance of reviewing the farm profiling process to improve the accuracy and completeness of the information obtained. In order to meet this objective, CT will implement the following actions:

- Align the farm profile template used by FTs with PMI's global template and include the missing information: ALP communications, trainings to farmers and tasks performed at the farm. CT updated the farm profiles immediately after the CU Assessment.
- In 2016, Coltabaco will update 100% of farm profiles in all tobacco growing areas.
- Deliver periodic trainings for its FTs, emphasizing the importance of the accuracy of farm profiles and will coordinate annual information updates. In addition, CT is developing a data collection system which will be fully operational for the 2017 crop season, allowing FTs to collect data electronically from 100% of its contracted farms, including sharecroppers. This will speed up information collection and processing. During 2016, FTs will continue collecting the information manually.

3. Prompt Actions

As defined by Philip Morris International, prompt actions are situations in which workers' well-being might be at risk and where a worker is not free to leave their

job or a vulnerable group is in danger. Prompt actions require immediate attention in order to stop the occurrence, and close follow-up by the FTs, according to a predefined procedure.

For the period of 2014 and 2015, 311 prompt action cases were reported, all related to the "Child Labor" (53 cases) and "Safe Working Environment" (258 cases) principles. Although all FTs understood that a prompt action needs to be stopped immediately, CU identified some aspects that could be improved by CT, related to the proper understanding of prompt action definitions by FTs and farmers, as well the monitoring, follow-up and resolution of reported prompt actions. Once a prompt action is reported, the FT will notify the farmer about the finding and agree on an improvement plan for resolving the issue identified. All FTs will conduct a second visit to the farmer to verify whether the farmer has followed the agreed improvement plan and that the situation has been resolved and closed.

CT will address these gaps through the training of field technicians with the objective of improving their understanding of prompt actions, emphasizing the reporting and monitoring procedures. CT will also improve the existing Prompt Action Manual used by FTs to include a more detailed list of hazardous activities that might trigger a prompt action situation. The detailed list of hazardous activities will also be communicated to farmers through the "+ Campo" mobile unit.

III. PHASE 2 OF THE ALP PROGRAM

1. Monitoring of Labor Practices Farm by Farm

After the full implementation of Phase I, CT progressively implemented the second phase of the ALP Program. In 2014, an initial pilot was carried out to collect farm data using an electronic tool. A second pilot was adopted in 2015, including all ALP principles and with technological enhancements to the previous version of the electronic tool. During 2016, FTs will continue collecting the information manually, while the electronic data collection system is further developed. CT expects to have the new system ready for the 2017 crop season. In order to improve the quality and accuracy of farm-by-farm monitoring data in 2016, Coltabaco will focus its monitoring on three principles: Child Labor, Safe Work Environment, and Income and Work Hours. These principles had been identified as priorities in previous risk assessments conducted by CT (2015 and 2016). Field Technicians are expected to monitor these principles at 100% of the farms in all tobacco growing areas.

At the end of each crop season, CT's ALP Country Team will analyse the internal monitoring data, the prompt action issues and situations not meeting the ALP Code standards, to define the monitoring strategy for the following crop season. CT's objective is to progressively expand the principles to be systematically monitored.

2. Support mechanism

In an initial phase, CT identified COLabora, a grievance mechanism promoted by the Ministry of Labor, as a potential support mechanism that could help inform farmers and workers about labor and social protection regulations, rights and duties. CT will continue leveraging on COLabora for the 2016 crop season. CT expects to train 100% of farmers and 90% of workers by 2017 on the existence of COLabora and their labor rights and obligations.

Although COLabora is considered an important tool, in 2017 CT will complement it with the implementation of a Support Mechanism Pilot in Capitanejo targeting approximately 800 farms. It will be operated by a third-party in order to allow farmers and workers to ask questions, request information and receive communications on farmers' responsibilities and workers' rights defined in the labor law, as well as information related to the ALP Code Principles, particularly Income and Working Hours, Compliance with the Law, Forced Labor, and Child Labor.

IV. FARM LEVEL ASSESSMENT OF ALP CODE STANDARDS

1. ALP Code Principle 1: Child Labor

Although tackling child labor has been one of the priorities defined by CT as part of its ALP Implementation Plan, CT acknowledges that the involvement of farmers' children in activities deemed hazardous, such as stringing and sticking, remains a challenge. Despite the encouraging high level of farmers' awareness of the legal minimum working age, and workers' ability to differentiate between hazardous and non-hazardous activities, CU's auditors did identify one 14 year old child employed and further children below 18 involved in hazardous activities.

While CU acknowledges that progress had been made with our communication efforts on the prevention of hazardous child labor, we are mindful that a lot of work is still required to change behavior on farms, particularly in tackling the cultural acceptance of child labor in the context of the family farm and rural communities. According to the Ministry of Labor, more than one million children work in Colombia to sustain themselves and their families⁴¹. Colombian law allows minors between 15 and 17 to work, provided that they hold an official certificate of technical training along with written authorization from the Ministry of Labor or its delegates. However, it is hard for youths to obtain the authorization as most live in poor households and struggle to comply with the authorities' requirements. CT will continue engaging with the local authorities to clarify the authorization process, and communicate it to farmers to help them understand and follow these requirements.

CT will continue to strengthen its collaboration with the Colombian Government and the International Labor Organization to eradicate child labor in those areas where our famers live and work. In 2015, CT joined the Colombian Network against Child

⁴¹ <http://sostenibilidad.semana.com/impacto/articulo/trabajo-infantil-colombia-1039000-ninos-trabajan-ilegalmente-pais/33183>

Labor, led by the Ministry of Labor, the UN Global Compact (UNGC), and supported by ILO, which seeks to be a regional benchmark for public-private partnerships on child labor prevention, eradication policies and the design of strategies to prevent and progressively eradicate child labor in their supply chains and the area of influence of their operations.

CT will continue partnering with local NGOs to implement community programs focused on the access to and quality of education. Many studies have demonstrated that the quality of basic primary education is a motivational factor to continue with secondary education, reducing the risks of school dropout and child labor. As in the previous eight years, CT will maintain its commitment to the "Sembrando Futuro" ("Sewing Future") Contributions Program, aimed at improving the quality of education in rural schools in tobacco growing areas, benefitting children from 6 months to 12 years of age, their teachers and community mothers. In 2016, "Sembrando Futuro" will directly benefit approximately 1,650 toddlers, 1,860 children, 80 teachers, 58 rural schools and 114 community houses.

The alignment between CT's Contributions Programs and the implementation of ALP is essential to tackle child labor in tobacco growing. Therefore CT will roll out volunteer programs focused on childrens' rights in order to raise awareness of the topic among farmers, workers and their families. CT will promote 6 volunteer activities per year between 2016 and 2018, targeting children attending rural schools located in Capitanejo and Coastal Regions, involving field technicians and childrens' parents during the activities.

These initiatives will concentrate on the value of education and the possibilities that it may open up for them, considering some of these children live in areas where up to 30% of adults are illiterate and the fact that paradigms may be different depending on a persons' education level and life experiences.

Through Captain GAP comics and educational materials created by the International Labor Organization, and in association with the specific Departments' Secretaries of Education, CT will continue to involve employees, particularly FTs, with these activities. CT will focus on those children attending under-resourced rural schools in tobacco growing areas, to understand and identify a child labor case and influence how growers perceive this issue.

In 2014, CT delivered to 10 rural shools 400 sets of ILO's storybook with color pencils and short notebooks made by CT's employees. In 2015, CT developed 4 volunteer activities in 7 rural schools in Sucre, benefiting 200 children through the story book created by ILO and Captain GAP comics. During 2016, CT will continue implementing volunteer activities and by the end of the year, CT expects to have developed 6 volunteer activities in 6 different rural schools for approximately 300 children.

Furthermore, CT will strengthen the communication of ALP's Child Labor Principle through FT and farmer trainings to raise awareness of the topic, particularly the prohibition of family members below 18 performing hazardous activities. Also, extra communication materials will be distributed to FTs to support them when explaining what child labor is and why children should not be involved in hazardous labor

(e.g. calendars with self-explanatory cartoons, newsletters, videos, practical guidelines, list of hazardous work, etc.)

In addition, CT will reinforce the communication on the prevention of child labor to farmers and family members participating in the training conducted by the "Foundation Manuel Mejia", created to improve labor skills related to agricultural enterprise and to train farmers in the diagnosis, objectives, cost structure and profitability of their crops.

CT's Leaf department has also prioritized field investments to reduce the risk of child labor at the farm. The introduction of wooden clips to replace manual stringing of Flue Cured tobacco leaves has significantly reduced the labor hours involved. By 2016, CT had invested in 445,000 clips (66% of Flue Cured farmers) and is expected to reach 827,000 clips by 2019, meeting the needs of 100% of FC farmers.

CT plans to replace the stringing of Burley tobacco with stalk cutting which will simplify the production process, eliminate some time consuming activities and reduce the risk of child labor, as this is typically performed by adults. By 2019, a sizable investment in stalk cutting will substantially reduce stringing practices.

CT will continue to support the initiatives focused on Child Labor in order to mitigate the risks of having children involved with hazardous work and progressively eliminate this practice at contracted farms. CT will also pay particular attention to the farms where there is an exchange of labor and/or sharecropping practices, as these pose an additional challenge in terms of visibility of who is working on the farm and how old the workers are. During the training sessions with farmers, CT will stress the importance of verifying workers' ages.

2. ALP Code Principle 2: Income and Work Hours

CT acknowledges the problematic practices identified by CU regarding payments to workers below the minimum wage, legal benefits, and payment periodicity, as well as the agreements between farmers and sharecroppers, to which CT will pay particular attention due to the limited visibility for these relationships.

In order to address awareness issues, CT will train 100% of farmers on country laws through the "+ Campo" project, regular meetings and visits to farmers, in addition to distributing communication materials on the minimum wage and workers' rights during 2016, 2017 and 2018 crops. CT will engage with the Secretary of the Tobacco Chain (Ministry of Agriculture) and Fedetabaco (the tobacco growers association) with the objective of developing and implementing joint initiatives for these problems.

Nonetheless, it is important to bear in mind that informal labor and rural incomes are widespread issues in agriculture and call for the involvement and commitment of the agricultural sector as a whole along with the government authorities in charge of labor and agriculture policies. CT therefore seeks to pool its efforts with the Ministry of Agriculture, the Ministry of Labor, SENA and the ILO, within the framework of a Memorandum of Understanding to design and execute programs on

income generation, formalization and improvement of living conditions in rural areas, signed by those authorities in June 2015.

These authorities and institutions also identified that labor regulations are a critical challenge as they are conceived for employment in urban areas and so often are not relevant to conditions in rural areas. Given that this is a general concern among the different representatives and stakeholders in the rural sector, CT will work with the Colombian Agriculture Society (SAC) and several representatives of other agricultural entities, to evaluate the current regulatory framework and further explore potential alternatives to strengthen and adapt it to the local reality. A full assessment is being prepared and is expected to be implemented by the end of 2016.

Regarding the risks identified by CU related to sharecropping and the exchange of labor, CT will map out the different elements of commercial contracts, labor relations, sharecropping and labor exchange agreements with the objective of better understanding the different types of relations in those agreements. By the end of 2016, CT will develop a template for a basic commercial contract to approximately 200 farmers who work with sharecroppers on their lands and a support booklet to aid all farmers in identifying the differences between contracting practices, further enabling them to document relations in a manner consistent with their nature, highlighting the importance of keeping records of their employment agreements with their workers, including the duration of employment of workers, working hours, wage, and tasks performed.

CT recognizes that relationships between sharecroppers and land owners with whom Coltabaco has signed contracts need special attention to ensure all aspects are well understood. To that end, CT will undertake regular monitoring of all farms relying on sharecroppers and will implement targeted communication activities to ensure sharecroppers receive accurate information about the contracting terms and conditions offered by CT.

In addition, CT will work with all parties to promote and ensure these are all fair and safe working arrangements. Where CT identifies a common interest of land owners and sharecroppers to change their current arrangements, CT will consider, if feasible, direct contracting with sharecroppers to further build their capacity and overall farm profitability.

3. ALP Code Principle 3: Fair Treatment

Although CU did not find any situations of sexual, verbal, physical abuse or harassment among tobacco growers and workers, CT will continue its efforts to monitor and respond to any infraction of this essential principle. CT was pleased to learn that workers were able to communicate their potential grievances to farmers or sharecroppers, which suggests an open and positive relationship between them.

However, CT recognizes the importance of bringing more clarity to the sharecroppers' relations with their workers and other commercial associates. To that end, CT will map out the different relationships among tobacco growers, either

labor relations or different commercial agreements such as sharecropping and exchange of labor (see section 4. Forced Labor)

4. ALP Code Principle 4: Forced Labor

Although CU found no evidence of workers not being able to leave their employment, which is aligned with CT's experience, CT acknowledges the risks highlighted by CU regarding potential forced labor situations as sharecroppers are often in debt with the landowner to produce tobacco and pay workers. The risks related to sharecropping also include delayed payments, as well as payments at the end of harvest or non-payment due to the lack of written records for the activities performed. CT believes that these are exacerbated by the harsh economic conditions in the rural areas and the low level of education among growers. These challenges put workers and sharecroppers in a vulnerable situation.

For this reason, CT will continue its efforts to raise the level of awareness and understanding of the business among farmers through initiatives such as the Manuel Mejia Foundation Program and their understanding of the characteristics of the different labor relations and agreements between growers and farmers. CT will define a concrete plan for gaining more visibility into their practices, based on the results of a 2016 survey that will determine the different labor practices and agreements within the Colombian tobacco sector.

5. ALP Code Principle 5: Safe Work Environment

Supporting contracted farmers to improve the working and living conditions on farms for workers and family members has been a priority for CT. We are encouraged by the progress made so far on this topic, however, we believe that more work needs to be done, namely in addressing the areas identified by CU in need for improvement, such as the limited awareness on general and specific safety hazards on the farm, controlling the re-entry period after CPA application, and limited access to drinking and washing water in some farms.

Although the Colombian Ministry of Labor recognizes that agriculture in general is one of the most hazardous occupations in the country, the levels of economic development among tobacco growing communities have improved over time. However, there are still problems related to the lack of public services, particularly water and sanitation, which make ensuring a safe work environment a complex task.

As reported by CU, the majority of farmers stored CPAs correctly and used at least one type of protective clothing, which suggests progress with CT's communication efforts to improve farmers' safety practices. CT will continue working on the communication of the principle, in particular concerning (i) the importance of safe disposal of empty CPA containers; (ii) prevention and mitigation of specific safety hazards like GTS and its symptoms, considering that most farmers are unable to identify the symptoms; and (iii) the responsibility to display warning signs and

control the re-entry time in the field after CPA application, which has not been correctly regulated.

CT will provide communication materials and roll out training sessions for FTs, farmers, and workers to improve their level of understanding and awareness of the health risks when handling fertilizers without PPE or re-entering a field that was recently sprayed. In addition, CT will stress to FTs the importance of verifying that farmers follow the ALP Code regarding safety.

By the end of 2016, CT will have supplied CPA storage lockers and PPE kits (GTS and CPA) to 100% of farmers. Likewise, CT estimates that by the end of 2018, all farmers will have received dosage application kits. CT will adapt the communication materials to target illiterate farmers and confirm whether these have been distributed accordingly.

As previously mentioned, CT believes that Contribution Programs play an important role in supporting operational efforts to improve working conditions on farms. Therefore, some volunteer activities will focus on communicating the symptoms and effects of GTS, so farmers and their children can learn about it along with other key messages that promote safe working conditions.

Lastly, as concluded by CU, some farmers and workers in the Coastal Region have difficulty to access drinking and washing water. As there are no water treatment plants or water pipes in many rural areas where the farms are located, CT will continue distributing water filters, focusing on areas where the situation is urgent and critical. During 2016, CT plans to deliver 280 filters for those lacking drinking water in Carmen de Bolívar and Capitanejo, which will bring the farmer coverage up to 82%. In 2017, 450 additional units will be delivered that will take the coverage to 97% of total farmers in all zones, the other 3% remaining of farmers, which are located in Santander department, do not require water purifiers as they consider potable water is available in the area. In addition, CT will work with the Ministry of Agriculture, the NGO Semana Foundation, and the Tobacco Production Chain on the progress of water projects aimed at building reservoirs in tobacco growing regions, to provide irrigation water for the crop and potable water for human consumption, through a special treatment.

With regards workers' accommodation on farms, CT will conduct a communication campaign to all contracted farmers, informing them about the need to provide adequate accommodation to the workers living on their farms, in line with local standards. The campaign will include basic recommendations to promote and improve safe, clean, and fair living conditions. In addition to informing farmers about their obligations towards workers who live on their farms, field technicians will continue monitoring accommodation conditions during the crop season.

6. ALP Code Principle 6: Freedom of association

CT acknowledges the importance of workers' rights to freedom of association and is encouraged by the relatively high level of awareness of farmers on this topic. These results are even more encouraging due to the fact that CU's assessment suggests that there are no active labor unions in Capitanejo and Carmen de Bolívar.

However, CU noted that most workers were unaware of their right to freedom of association, although there was no evidence that this right had been disrespected.

CT will ensure that workers participate in ALP trainings and will develop communication materials regarding farmers' and workers' rights, in alignment with the Colombian Law, in order to inform farmers and workers on their rights and duties, including those related to freedom of association.

7. ALP Code Principle 7: Compliance with the Law

CT recognizes the importance that farmers comply with all Colombian laws related to employment, and most importantly that they inform workers of their legal rights and employment conditions. This remains a challenge and CT has been notifying farmers about their obligations as employers through communication materials and trainings. Despite our previous efforts, CU's Assessment concluded that none of the workers visited were properly informed by farmers about all of their legal rights and employment conditions.

CT will update and periodically review the Pocket Labor Law Guide, as CU acknowledged that this is a good way to increase the level of understanding among field technicians. CT expects FTs to continue informing farmers about their responsibilities as employers and to emphasize the importance of having farmers communicating with workers about their rights, employment conditions, and benefits they are entitled to.

V. CONCLUDING REMARKS

The rural sector in Colombia is complex due to the evolving political situation since the recent peace process with FARC guerrillas. This is compounded by the unpredictable weather and the challenging economic situation in the agriculture sector. The magnitude of these problems limits the capacity of CT to effectively implement substantive changes and requires the collaboration of key local stakeholders, such as the government, civil society organizations, local NGOs, and international organizations. We remain committed to collaborating with multi-stakeholder initiatives aimed at addressing the systemic issues facing farmers, as more often than not these are deeply engrained in the socio-political, economic, and cultural fabric of most rural communities in Colombia.

CT is fully committed to the implementation of the ALP Program and CU's report is a valuable tool to identify gaps, risks and problems that need to be addressed to achieve the ultimate objective of eliminating child labor and other labor abuses in all contracted tobacco farms in Colombia.

CT's action plan is intended to cover the different failings and areas to be improved as identified by Control Union, emphasizing our communication efforts and the strengthening of relations with our different stakeholders with the aim of making these ambitious goals a reality.

Furthermore, CT will continue to act as a catalyst for positive change, encouraging authorities and stakeholders to combine their efforts to improve the rural issues and to position tobacco as a viable and sustainable income-generating crop in Colombia.

Appendix 2. ALP Code

ALP Code Principle 1: Child labor

There shall be no child labor.

Measurable Standards:

- 1) There is no employment or recruitment of child labor. The minimum age for admission to work is not less than the age for the completion of compulsory schooling and, in any case, is not less than 15 years or the minimum age provided by the country's laws, whichever affords greater protection.⁴²
- 2) No person below 18 is involved in any type of hazardous work.
- 3) In the case of family farms, a child may only help on his or her family's farm provided that the work is light work and the child is between 13 and 15⁴³ years or above the minimum age for light work as defined by the country's laws, whichever affords greater protection.

ALP Code Principle 2: Income and work hours

Income earned during a pay period or growing season shall always be enough to meet workers' basic needs and shall be of a sufficient level to enable the generation of discretionary income. Workers shall not work excessive or illegal work hours.

Measurable Standards:

- 1) Wages of all workers (including for temporary, piece rate, seasonal, and migrant workers) meet, at a minimum, national legal standards or agricultural benchmark standards.
- 2) Wages of all workers are paid regularly, at a minimum, in accordance with the country's laws.
- 3) Work hours are in compliance with the country's laws. Excluding overtime, work hours do not exceed, on a regular basis, 48 hours per week.

⁴² As an exception, pursuant to ILO Convention 138, developing countries may under certain circumstances specify a minimum age of 14 years.

⁴³ The same ILO convention 138 allows developing countries to substitute "between the ages 12 and 14 in place of "between the ages 13 and 15".

- 4) Overtime work hours are voluntary.
- 5) Overtime wages are paid at a premium as required by the country's laws or by any applicable collective Agreement.
- 6) All workers are provided with the benefits, holidays, and leave to which they are entitled by the country's laws.

ALP Code Principle 3: Fair treatment

Farmers shall ensure fair treatment of workers. There shall be no harassment, discrimination, physical or mental punishment, or any other forms of abuse.

Measurable Standards:

- 1) There is no physical abuse, threat of physical abuse, or physical contact with the intent to injure or intimidate.
- 2) There is no sexual abuse or harassment.
- 3) There is no verbal abuse or harassment.
- 4) There is no discrimination on the basis of race, color, caste, gender, religion, political affiliation, union membership, status as a worker representative, ethnicity, pregnancy, social origin, disability, sexual orientation, citizenship, or nationality.
- 5) Workers have access to a fair, transparent and anonymous grievance mechanism.

ALP Code Principle 4: Forced labor

All farm labor must be voluntary. There shall be no forced labor.

Measurable Standards:

- 1) Workers do not work under bond, debt or threat and must receive wages directly from the employer.

- 2) Workers are free to leave their employment at any time with reasonable notice.
- 3) Workers are not required to make financial deposits with employers.
- 4) Wages or income from crops and work done are not withheld beyond the legal and agreed payment conditions.
- 5) Farmers do not retain the original identity documents of any worker.
- 6) The farmer does not employ prison or compulsory labor.

ALP Code Principle 5: Safe work environment

Farmers shall provide a safe work environment to prevent accidents and injury and to minimize health risks. Accommodation, where provided, shall be clean, safe and meet the basic needs of the workers.

Measurable Standards:

- 1) The farmer provides a safe and sanitary working environment, and takes all reasonable measures to prevent accidents, injury and exposure to health risks.
- 2) No worker is permitted to top or harvest tobacco, or to load barns unless they have been trained on avoidance of green tobacco sickness.
- 3) No worker is permitted to use, handle or apply crop protection agents (CPA) or other hazardous substances such as fertilizers, without having first received adequate training and without using the required personal protection equipment. Persons under the age of 18, pregnant women, and nursing mothers must not handle or apply CPA.
- 4) Workers do not enter a field where CPA have been applied unless and until it is safe to do so.
- 5) Workers have access to clean drinking and washing water close to where they work and live.

- 6) Accommodation, where provided, is clean, safe, meets the basic needs of workers, and conforms to the country's laws.

ALP Code Principle 6: Freedom of association

Farmers shall recognize and respect workers' rights to freedom of association and to bargain collectively.

Measurable Standards:

- 1) The farmer does not interfere with workers' right to freedom of association.
- 2) Workers are free to join or form organizations and unions of their own choosing and to bargain collectively.
- 3) Worker representatives are not discriminated against and have access to carry out their representative functions in the workplace.

ALP Code Principle 7: Compliance with the law

Farmers shall comply with all laws of their country relating to employment.

Measurable Standards:

- 1) All workers are informed of their legal rights and the conditions of their employment when they start to work.
- 2) Farmers and workers have entered into written employment contracts when required by a country's laws and workers receive a copy of the contract.
- 3) Terms and conditions of employment contracts do not contravene the country's laws.