

THIRD PARTY ASSESSMENT

Mozambique Leaf Tobacco, Limitada (MLT)

Nkhame area (part of sector B & entire sector D)

AGRICULTURAL LABOR PRACTICES PROGRAM



Control Union Certifications

Meeuwenlaan 4-6
8011 BZ ZWOLLE
Netherlands

April 2015

TABLE OF CONTENTS

1. ALP PROGRAM BACKGROUND AND ASSESSMENT OVERVIEW.....	5
2. MLT ASSESSMENT: SCOPE AND METHODOLOGY	8
2.1 OPENING MEETING	9
2.2 STAFF INTERVIEWS AND ALP PROGRAM DOCUMENTATION	9
2.3 FARM SAMPLE SELECTION	9
2.4 FARM VISITS	12
2.5 PERSONS INTERVIEWED	12
2.6 CLOSING MEETING	15
2.7 PREPARATION OF THE FINAL REPORT	15
3. ASSESSMENT IMPLEMENTATION OF PHASE 1 OF THE ALP PROGRAM.....	16
3.1 CONDUCT OF THE ASSESSMENT	17
3.2 PEOPLE AND PROCESSES TO MANAGE THE ALP PROGRAM	17
3.2.1 Internal structure for ALP implementation	17
3.2.2 Internal communication and reporting	18
3.2.3 ALP training, roles and responsibilities	18
3.2.4 Engagement with the ALP Program	19
3.3 COMMUNICATING THE ALP CODE REQUIREMENTS TO ALL FARMERS	19
3.3.1 The ALP communication strategy	19
3.3.2 ALP communication methods	20
3.3.3 Understanding and perception of the ALP Program	26
3.4 BUILDING FARM PROFILES FOR ALL CONTRACTED FARMS	28
3.4.1 Data gathering system for Farm Profiles	28
3.4.2 Accuracy Farm Profiles	29
3.4.3 Analysis on information Farm Profiles	30
3.5 PROMPT ACTIONS	30
3.5.1 Prompt Action reporting mechanism	30
3.5.2 Understanding Prompt Actions	31
4. FARM LEVEL ASSESSMENT OF ALP CODE STANDARDS	34
4.1 ALP CODE PRINCIPLE 1: CHILD LABOR	35
4.1.1 Prevalence of children working	35
4.1.2 Awareness of legal minimum working age	36
4.1.3 Awareness of hazardous work	36
4.1.4 Children below 15 contracted for other crop	37
4.1.5 Age verification	37
4.1.6 Lack of (access to) schools	37
4.2 ALP CODE PRINCIPLE 2: INCOME AND WORK HOURS	39
4.2.1 Minimum salary	40
4.2.2 Piece rate	42
4.2.3 End of harvest payments	42
4.2.4 Regular and overtime hours	42
4.2.5 Legal benefits	42
4.2.6 Awareness of legal minimum wage	43
4.2.7 Record keeping	43

4.3 ALP CODE PRINCIPLE 3: FAIR TREATMENT	44
4.3.1 <i>Treatment of workers</i>	45
4.3.2 <i>Potential grievances</i>	45
4.4 ALP CODE PRINCIPLE 4: FORCED LABOR.....	46
4.4.1 <i>No evidence of workers being forced to work</i>	46
4.4.2 <i>Indirect payment</i>	46
4.4.3 <i>Agreements between farmers and workers</i>	46
4.4.4 <i>End of the harvest payment</i>	47
4.5 ALP CODE PRINCIPLE 5: SAFE WORK ENVIRONMENT	48
4.5.1 <i>Training and awareness of Green Tobacco Sickness (GTS)</i>	48
4.5.2 <i>CPA handling and training</i>	49
4.5.3 <i>Clean drinking and washing water</i>	51
4.5.4 <i>Worker accommodation</i>	51
4.5.5 <i>General safety measures</i>	51
4.6 ALP CODE PRINCIPLE 6: FREEDOM OF ASSOCIATION.....	52
4.6.1 <i>Workers' right to freedom of association</i>	52
4.6.2 <i>Awareness of freedom of association</i>	52
4.7 ALP CODE PRINCIPLE 7: COMPLIANCE WITH THE LAW	52
4.7.1 <i>Information on legal rights</i>	53
4.7.2 <i>Written employment contracts</i>	53
4.7.3 <i>Terms and conditions</i>	53
5. CONCLUDING REMARKS	55
APPENDICES.....	57
APPENDIX 1. MLT RESPONSE AND ALP PROGRAM ACTION PLAN.....	58
APPENDIX 2. ALP CODE	68

GLOSSARY OF TERMS and ACRONYMS

Agreement worker	A person who works together with the farmer and other workers at the farm and receives payment based on the amount of time worked.
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
CA	Corporate Affairs
CU	Control Union
CPA	Crop Protection Agents
Crew leader	Person responsible for managing a group of workers
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
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
Measurable Standard	A Measurable Standard defines a good labor practice on a tobacco farm and helps us determine to what extent the labor conditions and practices on a tobacco farm are in line with each of the ALP Code principles
Migrant labor	Labor coming from outside the farm's immediate geographic area. Migrant labor can come from a neighboring region in the same country, or from a different country
MLT	Mozambique Leaf Tobacco, Limitada
MKW	Malawi Kwacha
MZN	Mozambique Meticals
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
Sharecropping	A system of agriculture in which a landowner allows a Tenant to use/rent the land in return for a share of the crops produced on the land.
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.
Tenant	A worker responsible for managing a plot of land for which the farmer provides the agriculture inputs. At the end of the harvest, the worker sells the tobacco to the farmer.

1. ALP Program background and assessment overview



THIRD PARTY ASSESSMENT

Mozambique Leaf Tobacco, Limitada (MLT)
Nkhame area (part of sector B & entire sector D)
AGRICULTURAL LABOR PRACTICES PROGRAM

In 2011, Philip Morris International Inc. (PMI)¹ launched a worldwide Agricultural Labor Practices 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 suppliers have contracts to grow tobacco ultimately supplied to PMI and consists of (1) an Agricultural Labor Practices Code, setting clear standards for all tobacco farms growing tobacco that PMI ultimately buys; (2) an extensive training program for all relevant PMI staff and 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 suppliers and tobacco farms worldwide. All PMI 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 both initial 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. 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.

¹ For the purposes of this report, "PMI" means Philip Morris International, Inc. or any of its direct or indirect subsidiaries, and "supplier" where used, means a company that has a contract with PMI to supply tobacco but is not a farmer.

² The full ALP Code is contained in appendix 3.

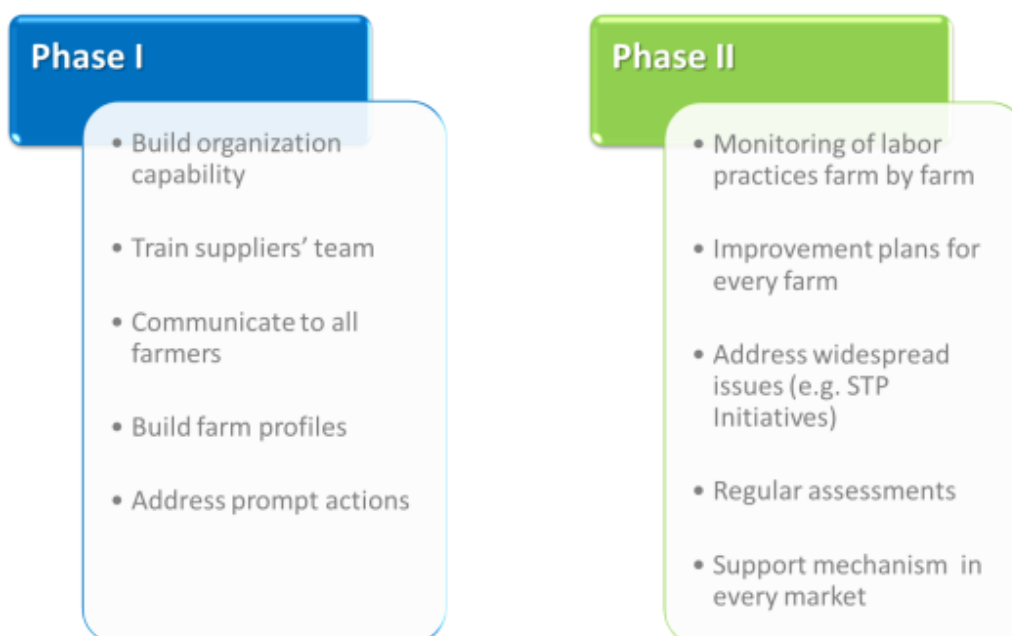
The implementation of PMI's ALP Program by leaf tobacco suppliers that purchase tobacco for PMI has been divided into two phases:³

Phase 1

- Management personnel and field technicians at supplier level understand the ALP Code and the implementation approach, ensuring capacity of people and the processes in place to roll-out and manage the 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 able to identify situations and incidents on farms that should be both reported and addressed immediately (Prompt Actions).

Phase 2 (full implementation of the program)

- Collect detailed information about labor practices on every contracted farm;
- Systematically assess each farm for the status of the Measurable Standards outlined in the ALP Code;
- Create and implement an improvement plan for each farm to meet 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;
- Systematic reporting on the progress being made;
- Support mechanism in place to support farmers and ensure workers can raise and resolve problems and grievances.



(Source: Verité & PMI, 2011)

³ Often, there is not a strict distinction between the two phases during ALP implementation. In practice many countries 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.

2. MLT assessment: Scope and methodology



THIRD PARTY ASSESSMENT

Mozambique Leaf Tobacco, Limitada (MLT)
Nkhame area (part of sector B & entire sector D)
AGRICULTURAL LABOR PRACTICES PROGRAM

Since the launch in 2011, this report covers the ninth, external assessment of the ALP Program. The Nkhame area (part of sector B & entire sector D) – with MLT as the only PMI leaf tobacco supplier – was selected as the second African tobacco growing region to be assessed. At the time of the assessment in March 2015, MLT was implementing the third crop season of Phase 1 of the ALP Program.

2.1 Opening meeting

On Monday, 23 February 2015, CU opened the assessment with a meeting at the MLT office in Tete, Mozambique. This meeting was attended by MLT's Managing Director, seven management personnel (including those involved in the ALP implementation at both the national level and Nkhame), three representatives of the PMI regional Africa team, and a representative of Verité. During the meeting, CU presented the objectives of the assessment, while MLT provided an overview of the ALP implementation in Mozambique.

2.2 Staff interviews and ALP Program documentation

The management assessment included a desk review prior to the assessment and interviews with all personnel involved in the implementation of the ALP in both Nkhame (sectors B & D) and the national level. In addition to management personnel, CU interviewed the provincial ALP coordinator for the Tete province, the ALP supervisor for the Tete province, the division manager for the Nkhame division, two sector managers (sectors B & D), and 16 leaf technicians. All interviews were conducted individually so that interviewees felt comfortable and able 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 MLT 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;
- Training of leaf technicians;
- Relationship with external stakeholders;
- Steps taken to prepare for Phase 2.

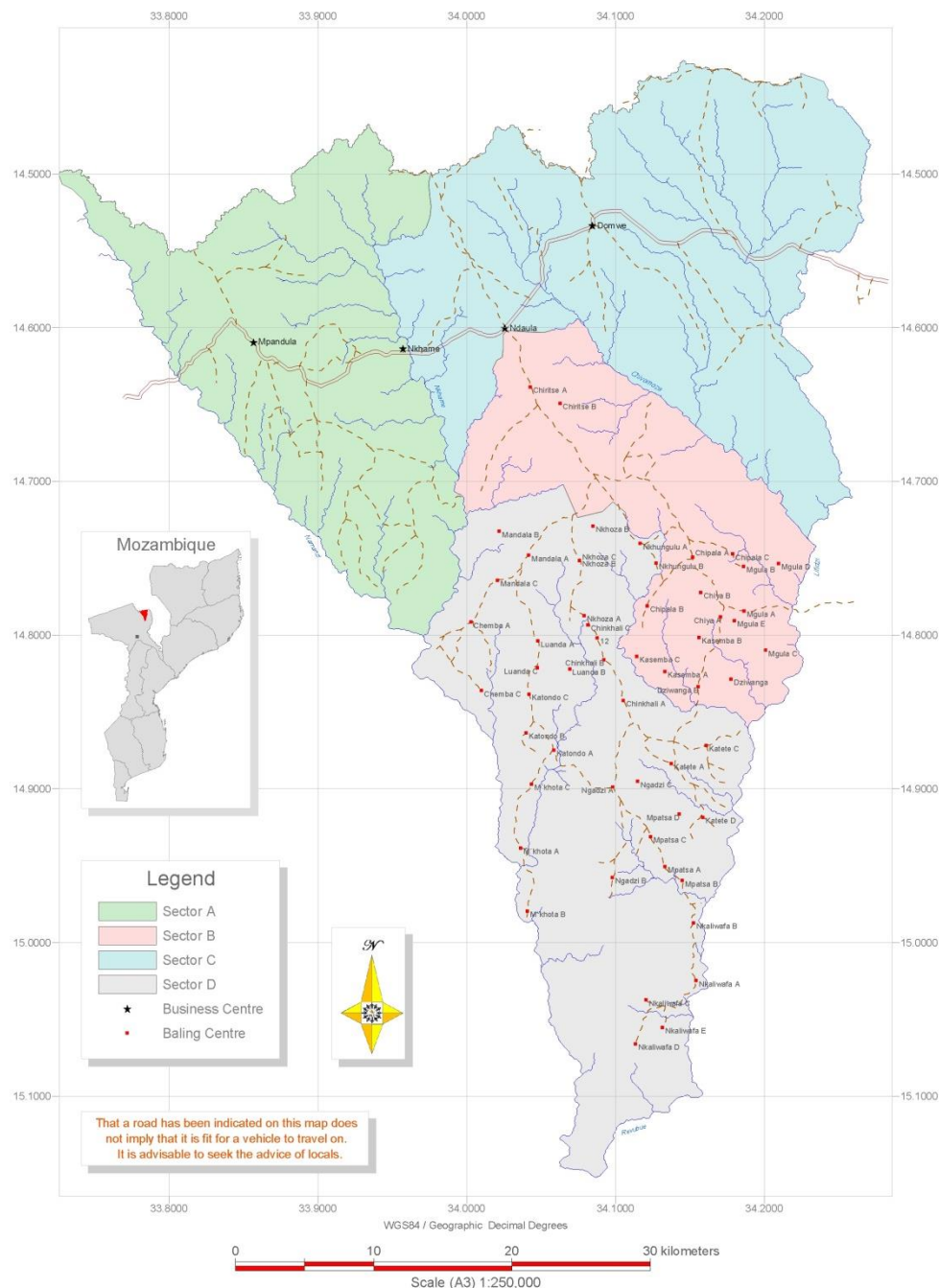
MLT provided all documentation relevant to the implementation of the ALP Program, including Farm Profiles, farmer communication materials, growing contracts, Prompt Action reports, training records, personnel records, and internal ALP related job objectives.

2.3 Farm sample selection

To constitute a meaningful sample, CU needed to visit at least 69 farms; the square root of the total number of farmers directly contracted by MLT in the Nkhame area

(part of sector B & entire sector D).⁴ The total number of contracted farms within the scope was divided over 17 geographical zones. 80% had less than one hectare of tobacco, 12% had between one and two hectares of tobacco, and 8% had more than two hectares of tobacco. The zones selected in both sectors were chosen because they produce Burley tobacco, the only variety purchased by PMI.

Scope of assessment: Nkhame area (part of sector B & entire sector D)



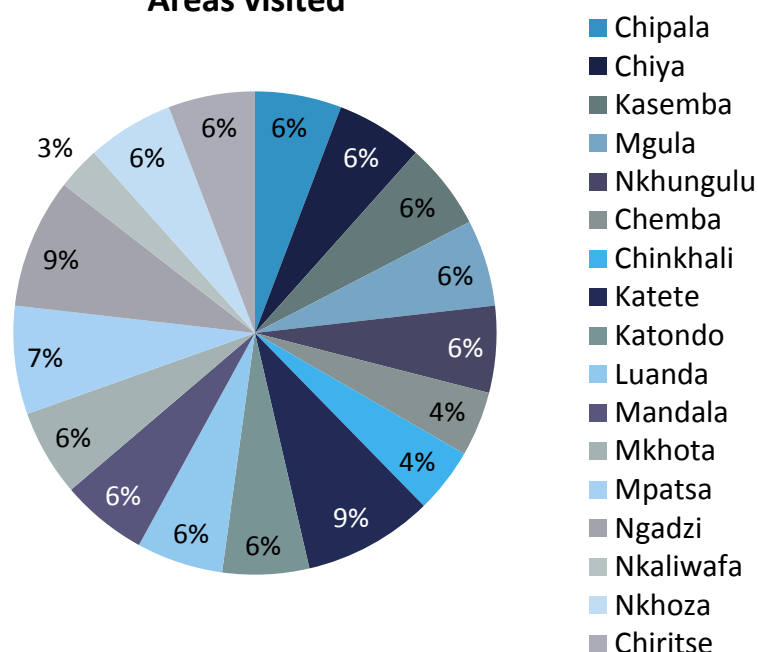
⁴ The 17 zones included in the scope represent a total of 4,727 farms. During the assessment, one zone had been added. CU had observed an incident and requested MLT to add that specific zone to the scope to include any relevant findings, which was approved by MLT.

In total, CU visited 69 farms. The selection criteria of farms include:

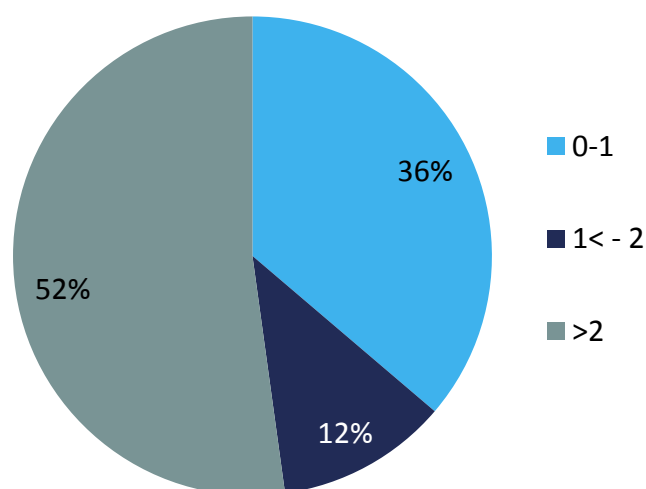
- Farm size
- Geographical spread
- Variety of tobacco (only Burley)
- Farms with reported Prompt Actions in the current and previous crop season
- Random sampling (both from the farm list and in the field)

Over a two week period, CU visited an average of 11.5 farms per day with a reporting day reserved after each field day. The graphs and tables summarize the sample of 69 farms. Percentages refer to the demographic breakdown of this specific sample of farms.

Areas visited

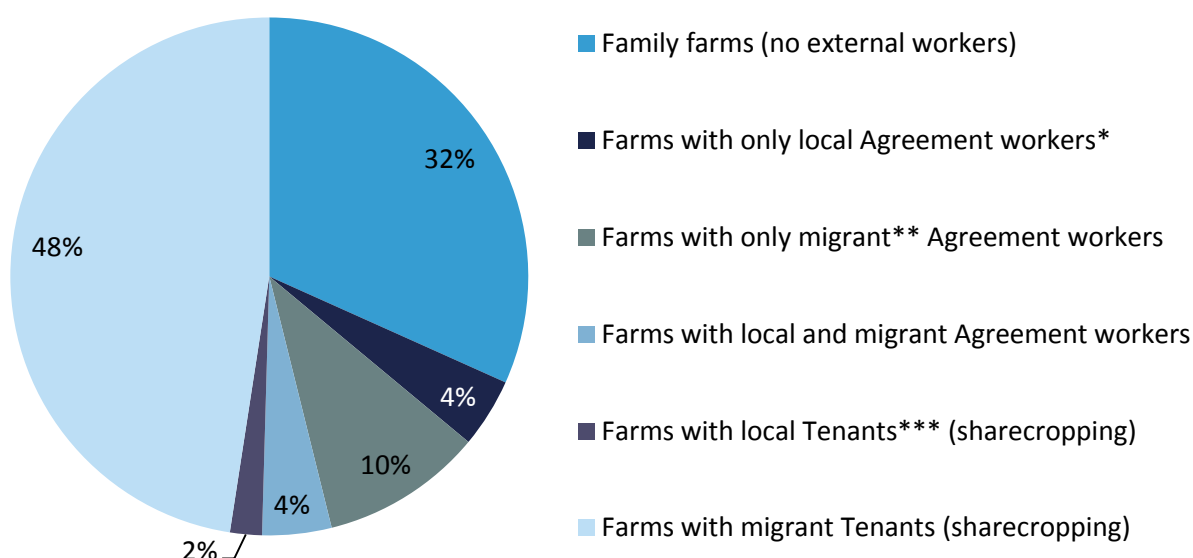


Farm size (ha of tobacco)*



* Given the ALP Code Principles apply primarily to contracted labor, the visits were purposely skewed to larger farms to ensure that CU would be able to interview as many workers as possible.

Types of farms



* Agreement worker: works with the farmer and other workers at the farm and is paid based on the amount of time worked.

** Migrant workers: workers from outside the farm's immediate area, either from a neighboring region in the same country, or from a different country.

*** Tenant: worker responsible for managing a plot of land for which the farmer provides the inputs and at the end of the harvest the worker sells the tobacco to the farmer, considered sharecropping.

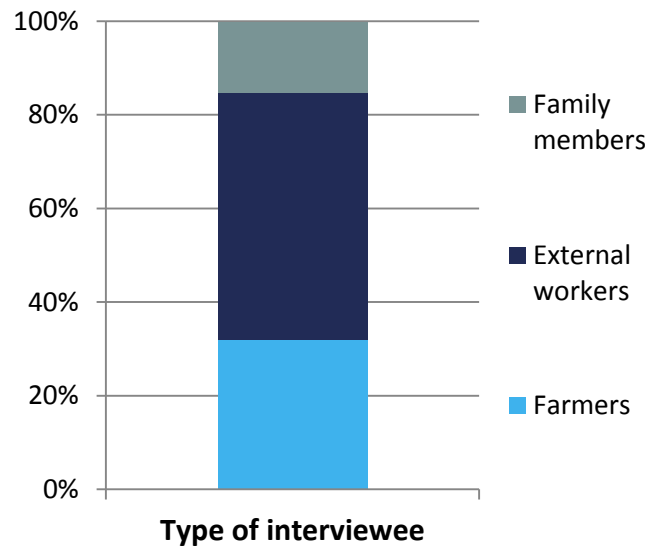
2.4 Farm visits

CU used a variety of methods to collect information on each farm's practices implementing the ALP Code's Measurable Standards. These included interviews with farmers, family members and workers, verification of documentation 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 all information would be kept completely confidential. On each farm, CU conducted an individual interview with the farmer to assess the effectiveness of MLT's communication efforts, verifying:

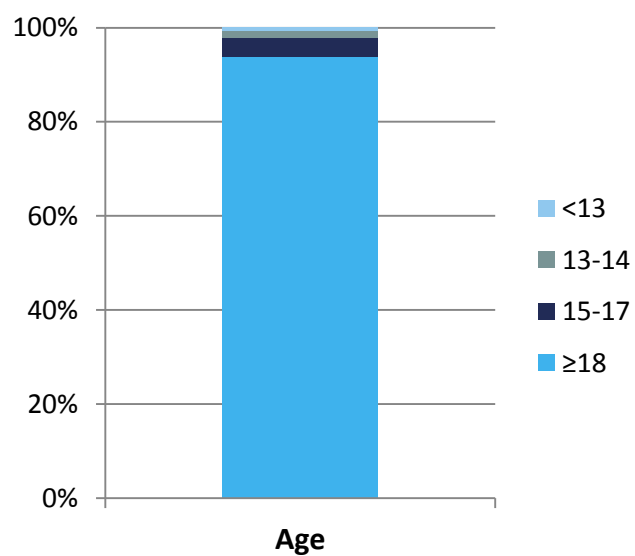
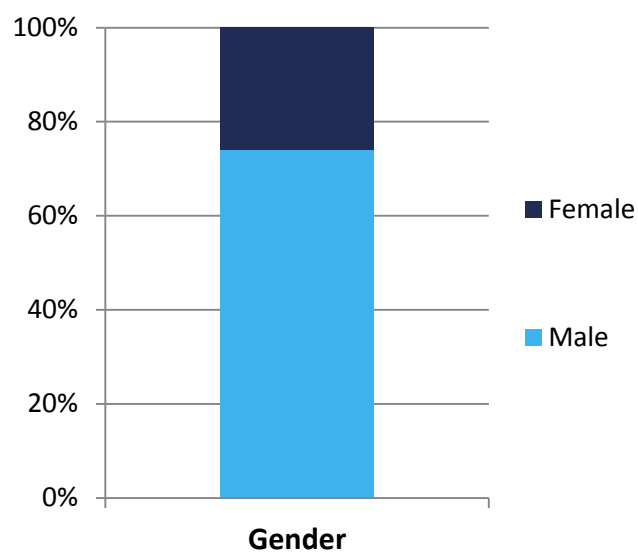
- The farmer's awareness of the ALP Code;
- The farmer's level of understanding the ALP Code;
- The key messages received from MLT;
- The farmer's willingness and ability to meet the standards of the ALP Code.

2.5 Persons interviewed

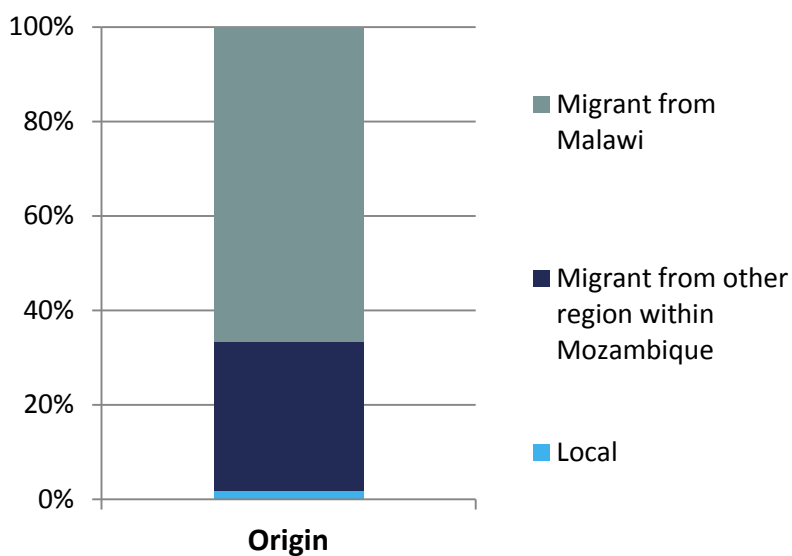
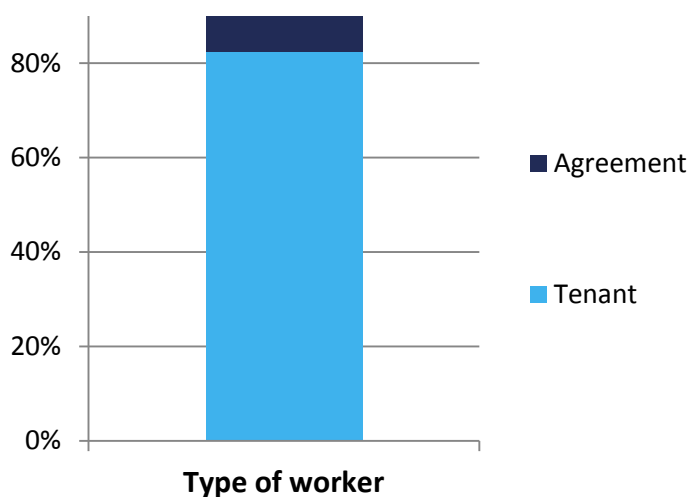
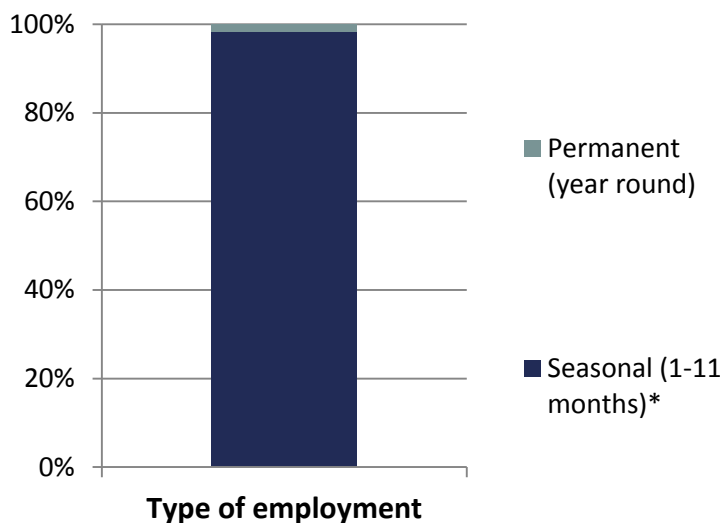
To avoid undue interference or influence, CU endeavored to conduct all interviews with workers without the presence of the farmer. On each farm, CU interviewed different "types" of workers i.e. both local and migrant workers as well as both men and women. In total, CU interviewed 216 persons. The graphs below provide demographical information of this sample.



The following two graphs provide demographic information on the 147 external workers and family members of the farmers interviewed.



The following graphs provide specific demographic information on the 114 external workers interviewed.



2.6 Closing meeting

On Wednesday, 8 April 2015, the closing meeting was held in Tete, Mozambique. During this meeting, CU presented its initial findings. The closing meeting was attended by several management personnel (including those persons involved in the ALP implementation on national level and in the Nkhame area), two representatives of the PMI regional Africa team, and a representative of Verité.

2.7 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 Mozambique. 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 supplier may request clarification on specific findings. After both PMI and the local PMI entity or supplier feel findings have been clarified and understood, a market action plan is prepared or they revise the existing GAP/ALP Program plan 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.

3. Assessment implementation of Phase 1 of the ALP Program



THIRD PARTY ASSESSMENT

Mozambique Leaf Tobacco, Limitada (MLT)
Nkhame area (part of sector B & entire sector D)
AGRICULTURAL LABOR PRACTICES PROGRAM

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

- 1) MLT'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 communication and how to build a Farm Profile;
- 5) Identifying problems when visiting farmers.

3.1 Conduct of the assessment

CU was satisfied with the cooperation and access to information provided by MLT. All persons interviewed demonstrated a willingness to explain internal processes and provide their professional feedback. Management personnel were fully transparent during the assessment and provided all support requested by CU.

58 (84%) farm visits were considered unannounced and without interference of the assessment procedure, meaning that CU arrived at the farm without prior announcement and the leaf technician did not influence the visit. Having said that, all farmers had been informed of CU's assessment by the leaf technician one or two weeks before the start of the assessment.

From the remaining farm visits, 10 (14%) had been announced by the leaf technician on the day of the assessment or the day prior to the assessment. CU was informed about this directly by the farmer or workers and/or could conclude this based on the fact that farmers were expecting CU's visit. At one (2%) farm, the leaf technician coached the farmer and a worker during the visit. CU reported these incidents and MLT management immediately took action to prevent additional interference.

3.2 People and processes to manage the ALP Program

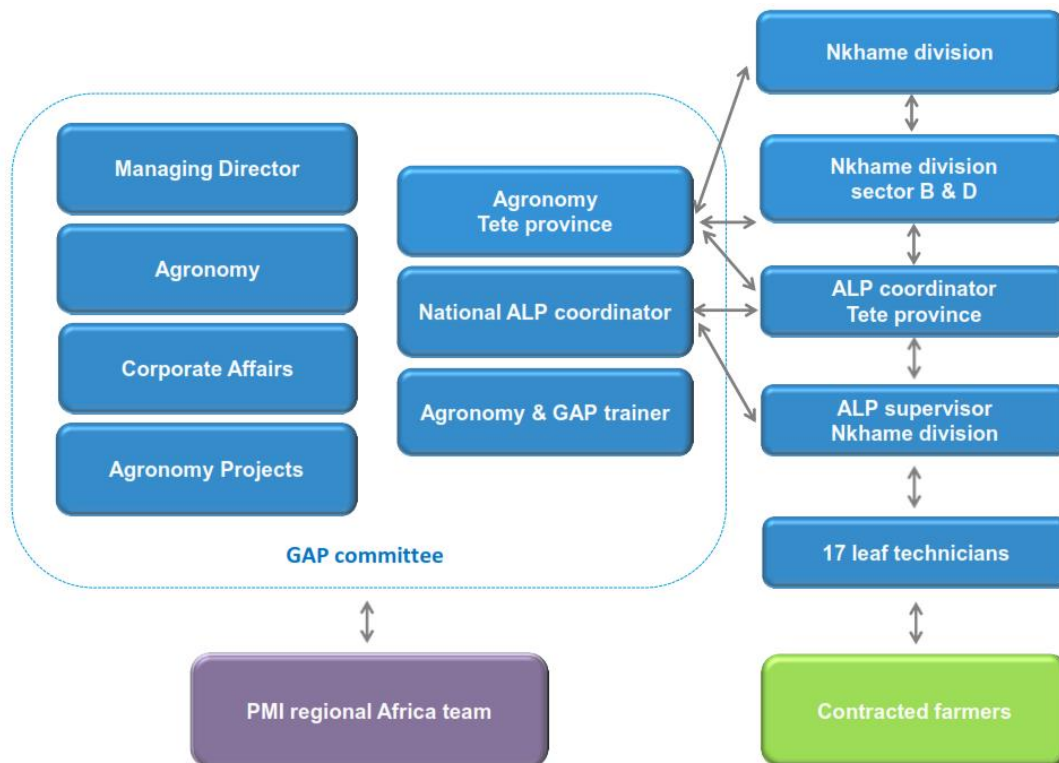
3.2.1 Internal structure for ALP implementation

On a national level, MLT had appointed 18 staff to be fully dedicated to the implementation of the ALP Program; one national ALP coordinator, three provincial ALP coordinators, and 14 ALP supervisors. This assessment of part of sector B and all of sector D included input from the national ALP coordinator, the provincial coordinator for the Tete province, and the ALP supervisor for the Nkhame division (see organizational chart below).

As one of the pillars of the GAP program, CU found that MLT had created a national GAP committee with representation of all required departments. This committee was also responsible for the ALP implementation - ALP is part of overall GAP. The senior management had been actively involved in the ALP implementation and had allocated a specific budget for these activities. All layers of the agronomy division were represented.

Because of the turnover of leaf technicians and small pool of quality candidates, MLT decided to provide all leaf technicians with permanent instead of temporary contracts in June 2014.

Organizational chart for ALP implementation Nkhame area sectors B & D



3.2.2 Internal communication and reporting

Leaf technicians, ALP supervisors and sector/division managers held weekly meetings on GAP, during which they discussed ALP related items such as Farm Profiles, Prompt Actions, and communication to the farmers. Twice a year the national ALP coordinator met with ALP provincial coordinators and ALP supervisors. After April 2015, the GAP committee was planning to hold quarterly meetings.

The developments in the field had been reported on a monthly basis to the management team. Detailed reports were created including progress with Farm Profiles, all Prompt Actions reported that month, the number of group meetings held with farmers and the topics discussed. These monthly ALP reports were also sent to the PMI regional Africa team with relevant notes included in the quarterly GAP report.

3.2.3 ALP training, roles and responsibilities

All personnel involved in the implementation of the ALP had been trained. The head agronomy manager for the Tete province and the agronomy & GAP trainer had been trained in the USA in October 2011. In January 2012, PMI provided training to MLT for directors, managers and other staff such as the provincial ALP coordinator

for the Tete province. Continuous training had been provided for management personnel by the agronomy & GAP trainer and for field staff by the provincial ALP coordinator and ALP supervisor. Leaf technicians had received annual refresher training and their knowledge had been tested at least twice per season (both verbally and in written form).

The roles and responsibilities related to the ALP implementation were clear to all employees involved; from the managing director to the leaf technicians. The national ALP coordinator, provincial ALP coordinators, sector managers, ALP supervisors, and leaf technicians had specific and detailed ALP responsibilities included in their annual job objectives. Other personnel had more general responsibilities related to GAP and/or the MLT social responsibility program.⁵ Only two persons had no responsibilities related to ALP in their annual job objectives.

MLT response: *"As of season 2016, all field personnel will have ALP related objectives included in their performance evaluations, a key tool to both motivate staff and ensure regular discussion on the principles, expectations and results."*

3.2.4 Engagement with the ALP Program

Both management and field personnel were found to be engaged with implementing the ALP Program. Initially, MLT viewed the implementation of the ALP Program as a big challenge in the Mozambique market. The low level of education among both farmers and leaf technicians, limited buy-in from personnel, hindered economic development from the country's history of civil war, and the high number of farms were considered barriers to implementation. However, since the start of the ALP Program, MLT had identified positive trends including increased school attendance and better living conditions for workers, changing their perception and increasing commitment to the program.

At the time of the assessment, MLT management considered the ALP a necessary step to ensure sustainable tobacco production; issues like child labor and forced labor result in inefficient and unsustainable farm practices. MLT also acknowledged the negative impact these issues create on the image of the tobacco industry.

3.3 Communicating the ALP Code requirements to all farmers

3.3.1 The ALP communication strategy

MLT aimed to include all contracted farmers in the communication on all seven ALP Code Principles. In October 2011, the first pilot was conducted for 3,000 farmers to test how the ALP Code would be received. Since 2012, all farmers⁶ had been targeted. For the 2015 crop season, MLT declared that all farmers in the Nkhame area had been trained by the leaf technicians from August to November 2014.

⁵ MLT had had a social responsibility program for 18 years, which had been implemented in cooperation with the Mozambique government and included building of schools, boreholes, health clinics, and bridges.

⁶ 106,023 farmers on a national level.

Communication on the ALP Code had been provided during different stages of the production process and the messages were being adapted to each stage; e.g. when farmers start applying CPA, leaf technicians explain the need to use PPE. Since September 2013, MLT also started targeting vulnerable groups which they identified internally. These were women (wives of farmers and workers) living and/or working at the farms, children (of both farmers and workers), and all workers. MLT also identified and involved local government agencies, community leaders and teachers in their communication efforts about the ALP Code.

Due to MLT's intensive communication efforts, 68 farmers (99%) were aware of the ALP Code. Many farmers knew the exact term "ALP," an extraordinary achievement given that an estimated 80% of farmers are illiterate.⁷ Farmers were most familiar with child labor (100% or 68 farmers) and safe work environment (72% or 49 farmers). Income and work hours (51% or 35 farmers), fair treatment (41% or 28 farmers), and forced labor (39% or 27 farmers) were also noted as ALP related topics. Freedom of association and compliance with the law were not remembered by the farmers.

Generally, farmers located in more remote locations were less aware than farmers located closer to a main road or a baling center. Leaf technicians had a questionnaire to test the knowledge of the farmers, a good tool to verify if they remember the ALP Code Principles. However, it does not measure their understanding and commitment to changing behavior.

All farmers who were aware of the ALP Code, considered it important. They realized the importance of sending children to school and ensuring their health and wellbeing, reducing conflicts with workers, and/or considered the ALP Code Principles MLT's rules which should be followed.

Finally, 68 farmers (99%) considered the relationship with the leaf technician good and were satisfied with the service provided and the frequency of field visits.

MLT response: *"As a future initiative, MLT will strengthen the efforts on Safe Work Environment, where additional training on GTS, safe CPA storage, and provision of markers for the tobacco fields to indicate the safe re-entry period after application of CPAs."*

3.3.2 ALP communication methods

Six different methods were used to communicate the ALP Code. First, leaf technicians visited farmers four to eight times per season speaking with the farmers, their family members and workers. Together with the ALP supervisor, leaf technicians prioritized discussion topics based on the issues found and analysis of Farm Profiles (see chapter 3.4.3). Conversely, 11 leaf technicians (69%) declared that they did not have sufficient time to properly communicate the ALP Code due to the high number of farmers and their other tasks. At the time of assessment, the leaf technician : farmer ratio was 1:278.⁸

⁷ Estimated by MLT.

⁸ 17 leaf technicians for 4,727 farmers.

MLT response: *“MLT plans to allocate sufficient resources to meet the commitment to allow Field technicians to increase the number of visits to each farm, and importantly, spend more time on farms to increase the level of engagement with the farmer, their families and workers during each visit.*

This requires significant additions to existing resources given the distances and the adverse conditions the LT’s face on a daily basis allowing the number of on farm visits to increase to 5 by 2020 for each farmer during the growing season. MLT believes this investment, together with other initiatives reflected in this action plan, will significantly improve communication and interaction with contracted farmers. Also, with the plans of reducing the footprint for tobacco production, the LT : Farmer ratio will be decreasing. All the visits will be supplemented by Managers’ visits throughout the season.”

Second, several group meetings had been held each season. These meetings had generally lasted for a maximum of 45 minutes ensuring group focus and participation. During meetings, leaf technicians usually discussed only two or three ALP Code Principles at the time to keep the message simple. According to leaf technicians, it was difficult to convince some farmers to attend these meetings.


Third, MLT distributed three types of written communication materials; the ALP Code leaflet, GTS folder and child labor posters. The ALP Code leaflet and GTS folder were produced in both Portuguese and Chichewa;⁹ the child labor poster only in Chichewa. As mentioned earlier, an estimated 80% of the farmers were illiterate but their children or community members helped knowledge transfer from the written materials. CU only identified two written communication materials on display at the farms. Most farmers kept them at home or in their pockets, limiting worker access to these materials. The GTS folder was elaborate and informative with pictures and explanation about the symptoms of GTS clarifying any potential confusion with other common illnesses including malaria and heatstroke. The child labor poster was meant to be displayed in schools.

Specific content in the ALP Code leaflet was incomplete and/or inaccurate. Its precision and scope could be corrected with the following amendments:

- The title stated “7 principles that should be taken into account when contracting labor” while the principles on child labor and safe work environment also apply to all who live and work on family farms.
- The legal minimum working age of 15 years was communicated while leaf technicians informed farmers that no one under 18 can work in tobacco (see chapter 5.1). This could cause confusion among farmers.
- The Portuguese version stated that children from 13-16 can do light work while this should be children from 13-15 (the Chichewa version was correct) and no reference was made to family farms.
- The Chichewa version did not include the legal work hours per day (the Portuguese version did).
- Both translations of Measurable Standard 3.1 differed from the original text; they referred to hazardous work rather than physical abuse or harassment.
- Both translations of Measurable Standard 3.4 were incomplete; they only referred to discrimination based on race, color or tribe, but not on the other items included in this topic.

⁹ The local language used in the Nkhame area.

- Both translations of Measurable Standard 4.4 did not refer to the legal payment period, suggesting that end of the harvest payments are permitted while they are not allowed in local legislation.
- Measurable Standard 5.4 was missing from both translations.
- Both translations of Measurable Standard 5.1 were incomplete; no reference was made to sanitary facilities and prevention of accidents.
- Both translations of Measurable Standard 5.2 did not state what topic workers should be trained (GTS).
- Both translations of Measurable Standard 5.3 were incomplete; no reference was made to CPA training and PPE usage.



Moçambique Leaf Tobacco Limited

ALP - Práticas Laborais Agrícolas

7 PRINCÍPIOS A SEREM OBSERVADOS NA CONTRATAÇÃO DE TRABALHADORES AGRÍCOLAS

1. Trabalho Infantil
Este hábito deverá ser eliminado

a. Todo aquele que é menor de 18 anos não deve fazer trabalhos perigosos, trabalhos que prejudiquem a sua saúde e que não são próprios para a sua idade.

b. Devemos verificar que crianças menores de 15 anos ou que estejam a estudar não são contratadas.

c. Crianças de 13 a 16 anos podem ajudar os pais com trabalhos domésticos mas desde que sejam trabalhos leves.

2. Rendimentos e Horas de Trabalho

a. Os salários dos trabalhadores devem ser de acordo com o salário mínimo estipulado por lei.

b. Os pagamentos devem ser efectuados segundo o acordo e de acordo com a Lei do Trabalho.

c. O tempo de trabalho não deve ultrapassar as 8 horas por dia e 48 horas por semana.

d. As horas extras são livres e os trabalhadores não devem ser forçados a trabalhar.

e. O pagamento de horas extras deve ser com um extra Segundo a lei do Trabalho.

f. Os trabalhadores devem ter todos os seus benefícios incluindo férias.

3. Tratamento Justo
O produtor deve tratar bem os trabalhadores, não deve discriminá-los nem sujeitos a qualquer tipo de castigo físico.

a. Os trabalhadores não devem fazer trabalhos que possam resultar em ferimentos ou perigosos para a sua saúde.

b. Não deve haver assédio ou violação de mulheres e crianças.

c. Os trabalhadores não devem ser desprezados ou sujeitos a zangas do empregador.

d. Não deve haver discriminação com base na raça, cor ou tribo.

e. Os trabalhadores devem sentir-se livres de apresentar os seus problemas sem medo de retaliações.

4. Trabalho Forçado
Os trabalhadores não devem ser forçados a trabalhar.

a. Os trabalhadores devem sentir-se livres de trabalhar, não devem ser forçados nem ameaçados para trabalhar.

b. Os trabalhadores são livres de deixar o seu trabalho a qualquer momento que desejem fazê-lo.

c. Os trabalhadores não devem ser forçados a dar dinheiro ao responsável/dono da machamba.

d. O produtor não deve atrasar com os pagamentos para além do período acordado.

e. O produtor não deve guardar os documentos pessoais de identificação dos trabalhadores.

f. Não deverá ser usado trabalho de prisioneiros ou forçado

5. Ambiente Seguro de Trabalho
Os produtores devem criar condições de segurança dos seus trabalhadores.

a. O local de trabalho deve ter condições mínimas de segurança

b. Somente trabalhadores treinados é que podem fazer trabalhos de colheita, preparar e pendurar o tabaco no secador/estufa, curar e enfiar.

c. Trabalhadores menores de 18 anos e mulheres grávidas não são permitidos manusear pesticidas para o tabaco.

d. Os trabalhadores devem ter alojamento e água limpa.

6. Liberdade de Associação

a. Os produtores não devem impedir a liberdade dos trabalhadores de fazerem parte de associações da sua escolha.

b. Os representantes dos trabalhadores nos sindicatos não devem ser discriminados ou ameaçados.

7. Conformidade com a Lei
Os produtores devem obedecer a Lei do Trabalho.

a. Os trabalhadores devem conhecer os seus direitos consagrados na Lei do Trabalho.

b. Os produtores e trabalhadores devem assinar contrato de trabalho de acordo com a Lei do Trabalho.

c. O contrato deve estar de acordo com a Lei do Trabalho.

ALP Code leaflet (Portuguese)

Sintomas do GTC e Condições Médicas Locais

Mau-Estar do Tabaco Verde (GTC)	Malária	Gastrites	Cansaço por Calor
Sintomas comuns	Sintomas comuns	Sintomas comuns	Sintomas comuns
Náuseas	Dores gerais do corpo	Náuseas	Suor intenso
Vômitos	Dores musculares e articulações	Vômitos	Descoloração
Dores de Cabeça	Dores de Cabeça	Diarreia	Fraqueza
Vertigens	Febres altas	Meu-estar geral	Vertigens
Fraqueza	Fraqueza	Desidratação	Náuseas / Vômitos
Desidratação	Outros sintomas	Outros sintomas	Dores de cabeça
Outros sintomas	Náuseas	Febres moderadas	Dores musculares
Dores abdominais	Vômitos		Pulsação rápida e fraca
Corte na respiração	Desconforto abdominal		Desfalecimento
Palidez			A pele pode estar fresca e molhada
Frio			
Flutuação na pressão do sangue e pulsação			
Aumento na transpiração e salivação			



Universal Leaf Africa

INFORMAÇÃO SOBRE OS CUIDADOS A TER COM O TABACO VERDE


PREVENINDO O MAU-ESTAR DO TABACO VERDE

GTC

Moçambique Leaf Tobacco Ltda
Estrada Nacional nº 7,
C.P. 633, Tete 50100
Tel. +258 2522 7000; Fax +258 2522 4052
Email: MLTC@moztlc.com

 **Moçambique Leaf Tobacco Limited**

GTS folder (Portuguese)




Não ao trabalho infantil!

O lugar das crianças é na Escola!

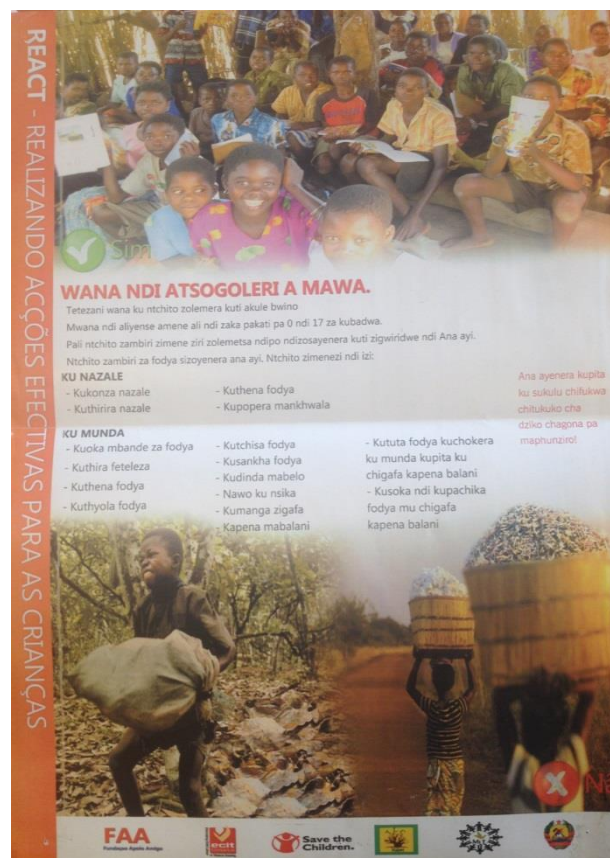
Osagwiritsa wana ntchito zolemera!
Malo wa ana ndi ku Sukulu!

Hoye, muteko wanamwane!
Nipuro na anamwane oxcola!

Ngagakurachikwa masengo ga wanache!
Malo ga wanache kuli kusukulu!


Estrada Nacional n.º 7, Cidade de Tete
Telefone: + 258 2522 7000
Fax: + 258 2522 4052
Email: MLTC@moztlc.com

Child labor poster (Chichewa)



Child labor poster (Chichewa)

MLT response: *“An action plan was immediately put into place, which included the revision of the ALP Code Principles’ leaflets, and new posters more appropriate to the local literacy levels have been developed to better communicate with the farmers. These documents were incorporated onto Mobileleaf making them available to LTs at all times to train individual farmers during the field visits. This allowed MLT to reduce the number of printed brochures LT’s have to carry around and allows the LT to have a wide range of training materials readily available at all times.”*

“A new leaflet in local languages has been printed for the 2016 season for distribution to all farmers. It incorporates all the corrections suggested by CU, including the use of other languages as many of the farmers don’t speak the country’s official language (Portuguese).”

“New A2 canvas GTS Posters have been developed in the local language using cartoons. In other countries, cartoons have proven to be a successful way of passing messages in a simple and effective manner, particularly in communities where illiteracy levels are high. These posters will be placed in baling centers and distributed to farmers identified by LTs as influential in their community.”

Fourth, MLT started to conduct drama presentations in January 2014. Specialized drama groups had been contracted and trained on ALP. All presentations were conducted in Chichewa and included both ALP and GAP topics. CU watched a drama presentation and found it an interactive way to communicate with farmers. From the start of the crop season in August 2014 until February 2015, MLT reported that 5,829 farmers had participated in drama presentations. 26 farmers (38%) declared having participated in one or more drama presentations. They all found it very

interesting as they learned how to maintain a good relationship with the workers, the importance of sending children to school, and they could network with other farmers.

The drama group was well informed about the ALP. At the end of the show, the division manager, sector manager and ALP supervisor also made a short summary to verify if all farmers understood the messages. Two recommendations for improvement:

- The drama group did not refer to the legal minimum wage, only the wage that is agreed upon with the worker.
- The drama group said that end of the harvest payments are permitted while they are not.

Besides farmers, MLT also conducted drama presentations for the identified vulnerable groups. From August 2014 to February 2015 in total 83 drama presentations had been conducted in the Nkhame area. These performances usually included more than one target group as people gather to watch. In addition to farmers, the following groups were targeted:

- Children: these focused on child labor and were adapted according to the different production stages. MLT informed that 1,313 children and 10 teachers had participated in drama presentations in the period August 2014 to February 2015 in the Nkhame area. However, none of the children of the farmers and workers had participated.
- Women: these focused on child labor and safety (in particular for pregnant and breastfeeding women). For cultural reasons, the husbands usually stayed present during these presentations. MLT reported that 81 women had participated in drama presentations in the period August 2014 to February 2015 in the Nkhame area. At five farms (7%), women had participated and they all found it very useful as they learned about the need to send children to school, about GTS and PPE, good working conditions and labor rights.
- Workers: these focused on fair treatment, forced labor, and safe work environment. Farmers were initially concerned about increasing workers' knowledge so MLT decided to invite farmers to participate in these presentations. According to MLT, 205 workers in the Nkhame area had participated in the period August 2014 to February 2015. At 10 farms (14%) workers had participated and all found it very useful as they learned about using PPE, the hazards involved with women and children working in tobacco, and about fair treatment.

Fifth, since early 2013, three times a week radio broadcasts had been produced and aired with messages on GAP and ALP. These were written by the provincial ALP coordinator and ALP supervisors. CU listened to a radio broadcast and can confirm that all ALP Code Principles were discussed together with current tobacco production practices (harvesting, topping, and curing at the time of the assessment).

Finally, since the 2012/2013 crop season, the growing contract had included a clause stating that MLT has the right to refuse the purchase of tobacco if the farmer does not respect the seven ALP Code Principles with a specific focus on child labor. No annex with the ALP Code was included. The contract was available in both

Portuguese and Chichewa and leaf technicians read the entire contract to all farmers at the start of the season to ensure that illiterate farmers also understand the content.

When asking the farmers who were aware of the ALP Code about how they were informed the results showed:

- Regular visits by the leaf technician (88% or 60 farmers)
- Group meetings (78% or 53 farmers)
- Written communication materials (56% or 38 farmers)
- Drama presentations (38% or 26 farmers)
- Radio (22% or 15 farmers)
- Growing contract (1% or one farmer)

MLT response: *"MLT will continue to use meetings, trainings as well as radio broadcasts, drama groups and other communication tactics to spread the message on all ALP Principles as well as other GAP related topics."*

3.3.3 Understanding and perception of the ALP Program

Both management and field personnel had a good understanding of the ALP Program. As leaf technicians were the main contact for farmers, their understanding of the ALP was critical. Overall, their knowledge on the seven ALP Code Principles was substantial but several points for improvement were identified:

- Child labor: all leaf technicians considered the minimum working age for tobacco to be 18 years, while the legal minimum working age is 15 years. MLT explained that the decision to communicate 18 years as the minimum working age was made to prevent any misunderstanding among farmers because – due to their low level of education and illiteracy – they might not understand the more nuanced rules set by the ALP Code (and in line with local law) that states that children between 13 and 15 can do light work on the family farm and children between 15 and 17 can be contracted for non-hazardous activities. Additionally, farmers often do not know the exact ages of their children. Also, MLT concluded that most children who work at the farm are expected to participate in all activities. Although this strategy is understandable, it can have negative consequences as farmers can no longer depend on their children to help them after school hours and children cannot learn to work on the farm and earn a living. Farmers are also likely more inclined to hide their children from MLT or have them do hazardous activities on other crops.

Regarding hazardous activities, the majority of the leaf technicians had a good understanding of this concept and described it as "activities that can harm a worker either physically or mentally". Three leaf technicians (19%), however, considered an activity hazardous when it is not performed correctly (eg. applying CPA without PPE, harvesting without protective clothing, or children working in tobacco) rather than the activity being hazardous by nature for anyone involved.

- Income and work hours: leaf technicians were aware of the legal minimum wage, the legal maximum work hours per day and per week, the concept of overtime and that it should be voluntary. Four leaf technicians (25%) also mentioned the frequency of payment. However, none of the leaf technicians was aware of the legal overtime rate and legal benefits to which workers are entitled by local law.
- Fair treatment: leaf technicians understood the basic concept of this principle as they knew that workers should be treated equally (no discrimination) and fairly (provide good working conditions / “treat them as friends”). One leaf technician mentioned that verbal abuse is not permitted; none of them specifically mentioned sexual or physical abuse or harassment.
- Forced labor: leaf technicians understood the basic concept of this principle as they said workers must be free to work and cannot be forced. Five leaf technicians (31%) mentioned that workers must be paid on time so they considered lack of payment a risk of forced labor. Two leaf technicians (13%) said that workers should not be forced to work when they are ill and two (13%) mentioned that prison labor is not permitted. None of the leaf technicians mentioned risks associated to maintaining original identity documents, working under debt, and end of the harvest payment. The latter was a major issue among the farmers (see chapter 5.2.3).
- Safe work environment: leaf technicians knew that workers should have safe working conditions, need to use PPE for CPA application and protective clothing for harvesting and need sanitary facilities and adequate housing. Three leaf technicians (19%) mentioned that workers should have clean drinking water and two (13%) mentioned that people who apply CPA must be trained. None of them mentioned the re-entry period after CPA application.
- Freedom of association: leaf technicians understood the basic concept of this principle as they knew that workers should be free to talk with other workers. As there were no labor unions or worker associations active in the Nkhame area, this understanding is considered sufficient.
- Compliance with the law: 14 leaf technicians (81%) understood that this principle only referred to the requirement of providing workers with a written employment contract. Three leaf technicians (19%) thought that this principle meant that farmers must comply with the other six principles.¹⁰ None of the leaf technicians mentioned that workers should be informed of their legal rights and they did not understand the term “legal rights”.

MLT response: “After the CU closing meeting, an immediate action plan was put in place which included re-fresher training to all LTs on the topics in need of improvement identified by CU, including: the clarification of the legal working age for children, definition of hazardous tasks, legal overtime rates

¹⁰ Two of these leaf technicians were the same ones who did not understand the meaning of “hazardous work”.

and benefits, and specific topics related to fair treatment of workers. Continuous training is part of ALP and LTs are trained at least eight times per season and formally assessed through a GAP test designed by the GAP committee to strengthen the capability to communicate and monitor the ALP Code and the knowledge of all pillars of GAP.”

3.4 Building Farm Profiles for all contracted farms

As a requirement of Phase 1, MLT was expected to build Farm Profiles for every farm. PMI developed a global template to support 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, migrants), the pay period for workers and living conditions.

3.4.1 Data gathering system for Farm Profiles

MLT had adapted the global template in order to include additional information relevant for the Mozambique market including the farmer’s literacy rate, specific living conditions for farmers and workers (fumigation against mosquitos, closest water source, presence and means of transportation and solar panels), and whether any orphans lived at the farm. In addition to the number of orphans, MLT also wanted to profile their relationship with the farmer or workers, and their work activities to ensure that these children were treated well. Therefore, a survey was conducted in 2013 and this data was being collected on a yearly basis to keep monitoring this group of children.

99% of the farms had a Farm Profile for the 2014/2015 crop season. The only farmer without a Farm Profile was a non-registered grower. This farmer declared that he sold his tobacco at the MLT baling center at the end of the harvest. He had been registered in the past but did not want to participate in the credit scheme this year as did not agree with the price for fertilizers. According to a leaf technician and a sector manager, there were many non-registered growers who either did not want to participate in the credit scheme or could not because they had an existing debt with MLT. They often sold their tobacco through a registered farmer. MLT had no Farm Profiles of these farmers so was unaware of their practices in relation to the ALP.

The March deadline set for completing Farm Profiles for the 2014/2015 crop season was achieved. Given the large number of contracted farmers, this is an impressive achievement. During group meetings with farmers, leaf technicians filled in the physical forms between August and December 2014. They hand in the Farm Profile to the ALP supervisor and the data was copied into an excel spreadsheet. Only one Farm Profile was not entirely completed, lacking information on the employment conditions of the workers.

MLT response: “As of season 2016, with the implementation of Mobileaf, data will be updated on each individual farm visit as per need. As a result, updates on the information collected by the LT, such as those related to labor, family members, children, and new school enrollments, can be followed-up closely and regularly.”

3.4.2 Accuracy Farm Profiles

By comparing the Farm Profiles with the situation found at the farms, CU identified several inaccuracies:

- Employment conditions: three Farm Profiles (4%) stated that workers had a verbal agreement with the farmer while they actually had a written employment contracts. Most likely, these contracts were issued after the Farm Profile was filled in.
- Number of hectares: on 27 Farm Profiles (40%), the number of hectares of tobacco did not match with the answer from the farmer. These differences were likely due to the fact that MLT made a fertilizer distribution plan in the beginning of the harvest, which was later adjusted based on the farmer's performance, and the number of hectares could be adjusted up or down.
- People at the farm:
 - On six farms (9%), the wives of workers were not included in the Farm Profile while they were also living and working on the farm. As women were considered a vulnerable group by MLT, it is important that all women are recorded to properly report the number of women involved in the tobacco production.
 - On 23 farms (34%), the number of workers and/or family members did not match with the situation at the farm during CU's visit. This was likely due to changes between the beginning of the season and the harvest period.
 - On 24 farms (35%), workers were registered as Agreement workers while in fact they were Tenants. CU noted that 11 leaf technicians filled in this topic of the Farm Profiles incorrectly, most likely due to a (69%) lack of understanding of the concept of "Tenants." It is important that leaf technicians understand and register the correct type of worker or persons present on the farm as each type relates to different risks (see chapter 4). The latest analysis of Farm Profiles demonstrated an improvement on this topic as the number of farms with Tenants increased from 22 to 223.

CU identified two potential reasons for the above-mentioned inaccuracies. First, leaf technicians based the information on the declarations from farmers. Due to the large number of farmers and low leaf technician : farmer ratio, verification at the farms was minimal. Also, the specific age of workers and family members was difficult to verify as many people had no identity documents and farmers often did not know the ages of their family members and/or workers. Sometimes the community leader could help confirm the age. Second, all information for the Farm Profiles was obtained at the beginning of the harvest which meant that changes in the number of people or employment conditions during the different stages of tobacco production were not being recorded.

At the time of the assessment, MLT was implementing a digital system for obtaining data for Farm Profiles called "Mobileaf". All leaf technicians had a tablet and were registering farmers into the system. They reported that the system worked well. As it was not fully implemented yet, CU did not verify any information obtained through this system nor did CU test the functionality of the system. MLT expected increase in accuracy and data analysis.

Farmer communication and Prompt Actions were also being recorded in the same system. In addition, MLT was planning to use the tablets to flag farms with potential risk situations so that ALP supervisors could visit and monitor them. To work properly, MLT identified two challenges: internet connectivity as many remote places did not have a good connection and battery power as many leaf technicians had no place to charge the tablet.

MLT response: *"Mobileaf was developed by Universal Leaf Tobacco Company, Incorporated and launched in Mozambique in August 2015. Each LT will carry a handheld device (tablet) to monitor each farmer, record relevant data regarding tobacco production and the standards of ALP and forestry programs, as well as to better ensure appropriate and effective follow-up. Mobileaf includes a key feature to record the action plans agreed with individual farmers to improve conditions on their farms. This allows the LT to follow-up on the agreed improvement plan and the recommendations given to address issues or mitigate risks previously identified. Mobileaf will allow the LT not only to better record but also to monitor and follow-up more efficiently on each individual farmer, as the LT will have actionable information on the handheld device prior to each farm visit."*

3.4.3 Analysis on information Farm Profiles

From the information obtained through the Farm Profiles, MLT conducted annual analyses. The national ALP coordinator finalized the analysis and then sent the results to the ALP supervisors and leaf technicians so that they could adapt their communication efforts accordingly.

In addition, analyses highlighted the areas in most need of schools, boreholes, health clinic, and bridges, which had been provided through MLT's social responsibility program. From June to September 2014, MLT conducted a special survey to map schools in the tobacco growing regions to identify community needs.

3.5 Prompt Actions

Another Phase 1 requirement is to address Prompt Actions found on farms contracted to supply tobacco to MLT. Any Prompt Action should be reported immediately to the ALP coordinator, who should then provide guidance on how to address the issue or escalate it within the organization.

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)

3.5.1 Prompt Action reporting mechanism

All persons involved in reporting Prompt Actions were aware of the reporting procedure. When observing a Prompt Action situation, leaf technicians were expected to explain the danger involved to the farmer, family members and/or workers. They should then complete a form and submit it to the ALP supervisor during their weekly meeting. All Prompt Actions were included in the monthly report

escalated to the national ALP coordinator, in turn, forwarded it to the other members of the GAP committee.

The Prompt Action reporting form had been improved by MLT; the new form had three layers with one copy for the farmer, requested detailed information about the situation, was clearer than the previous one, requested leaf technicians to ask several question to better investigate the root cause and required a signature from the farmer to ensure acknowledgement of the situation.

From the 11 Prompt Actions that were verified at the farm by CU, six farmers (55%) were aware of the Prompt Action being reported. Of the farmers who were unaware, four Prompt Actions (80%) were reported in the previous crop season and one (20%) was reported in the 2014/2015 crop season. One of the Prompt Actions verified by CU had been reported during the assessment, demonstrating a streamlined process.

MLT response: *"For season 2016, with the introduction of Mobileaf, the paper forms will remain as the signature was a feature that Control Union recognized as very useful and is currently not possible to implement on the tablet. For season 2017, the aim is every time LTs identify a situation that doesn't comply with ALP and warrants a prompt action, the LT reports the situation on the appropriate prompt action registration form (guaranteeing the signature of the farmer) but also records it on Mobileaf so that data reports can be easily generated."*

3.5.2 Understanding Prompt Actions

MLT conducted detailed analyses on the reported Prompt Actions to better understand the situation at the farms. The majority (88%) of Prompt Actions reported in the previous crop season were related to child labor, followed by safe work environment (8%), forced labor (2%), fair treatment (1%), and income and work hours (1%). MLT was aware that the number of Prompt Actions would further increase in Phase 1 as leaf technicians become more skilled in reporting and reports were expected (gradually) to decrease in Phase 2.

Specific training materials had been produced for field personnel to ensure correct reporting of Prompt Actions. A handout with Prompt Actions issues provided an extensive list of all situations that should be reported and also explained what actions to undertake. Also, a booklet was distributed with all Prompt Action situations listed and required action. Distributed in September 2014, the booklet was clearly based on the PMI definition of Prompt Actions, while the handout was structured in line with the ALP Code Principles and gave more concrete examples of Prompt Actions relating to farms in Mozambique.

According to MLT, leaf technicians primarily follow the handout to identify Prompt Actions situations; not the booklet. This explains why leaf technicians did not report several items that had been included in the booklet such as breastfeeding women working in (green) tobacco with a baby on their back, workers with salaries below

the legal minimum wage,¹¹ and workers being paid at the end of the harvest. Also, it explains the contradiction between the leaf technicians' explanation of what a Prompt Action is and their reports. When being asked to define a Prompt Action, all field personnel said "any situation that does not meet the ALP Code" while the situations reported by leaf technicians were actual Prompt Actions.

3.5.3 Addressing Prompt Actions

After registering a Prompt Action, leaf technicians were required to conduct one to three unannounced follow up visits to verify whether the situation had been resolved. The first follow up visit had to be conducted within one week. Only after follow-up, the leaf technician could report the Prompt Action to the ALP supervisor. Two leaf technicians (33%) declared that they did not have sufficient time to conduct more frequent visits on farms with reported Prompt Actions.

If leaf technicians could not resolve a Prompt Action, the ALP supervisor, sector manager or provincial ALP coordinator accompanied them to the farm to speak with the farmer. Whenever necessary, the community leader joined as well. From the 11 Prompt Actions verified by CU, only two situations had yet to be resolved. Both cases involved child family members of the farmer helping with tobacco related activities. Both Prompt Actions had the status "solved" in the MLT database, which was inaccurate as the situation was still taking place during CU's visit. In the remaining nine cases, CU could not find any evidence of the Prompt Action still occurring at the farm, implying that the actions taken by the leaf technicians had resulted in positive behavior change at these farms.

For the large number of farmers, the number of Prompt Actions reported was considered relatively low; in the previous crop season, only 26 Prompt Actions had been reported in a community of 4,096 farms. This could be explained by a statement provided by the ALP supervisor who said that the field staff considered there to be two types of Prompt Actions; "immediate" and "not so bad" situations. If an "immediate" Prompt Action was found, leaf technicians would follow the abovementioned instructions (stop activity, speak with the farmer, report and follow-up). If a "not so bad" Prompt Action was identified, leaf technicians would stop the activity, speak with the farmer and come back a few days later to see if the situation had improved. In case of improvement, no report was filed. In case the situation was not improved, the same procedure was followed as the "immediate" Prompt Actions. This informal process is not in line with MLT's and PMI's instructions.

MLT response: *"Depending on the level of risk and timing of the crop season, LTs are required to follow-up on the prompt action issues with an unannounced visit to validate if the farmer has successfully implemented the agreed action, typically a few days later but no longer than one month after. When an unannounced visit is conducted, the LT speaks with the farmer to understand if the action taken was understood and whether the farmer addressed it or it remained unresolved. In serious cases of re-occurrence, a management team member is involved in the follow-up."*

¹¹ This is not considered a Prompt Action according to the definition of PMI, but it was included in the MLT booklet and thus should have been reported by leaf technicians.

In the case of recurring situations, ALP Supervisors, Community Leaders, Sector Managers or Division Managers will accompany the LT for a second visit with the objective of supporting the efforts to get the farmer to change the problematic practice. If still persistent after the senior management involvement, the farmer will not be eligible to be contracted for the following season."

4. Farm level assessment of ALP Code standards



THIRD PARTY ASSESSMENT

Mozambique Leaf Tobacco, Limitada (MLT)
Nkhame area (part of sector B & entire sector D)
AGRICULTURAL LABOR PRACTICES PROGRAM

Chapter 5 describes the findings of the field assessment and the current status of ALP implementation at the farm level. At the time of assessment, MLT was in the third year of implementing Phase 1 of the ALP Program. With the important exception of reporting Prompt Actions, MLT was not yet expected to engage with farmers for addressing situations on farms that do not meet the ALP Code standards. Consequently, these findings should be viewed as a baseline to support future 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 (Appendix 2) 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. They also discuss risks, which are situations that may lead to problems in the future or about which a conclusion cannot be reached due to lack of evidence.

4.1 ALP Code Principle 1: Child labor

Background

Minimum age regulations: According to the *Labor Law (Article 26.2)*, children between 15 and 17 can work only with (1) authorization of their legal representative and (2) if they have a health certificate by an official medical center confirming that the child is physically and mentally fit for work. Persons below 18 cannot do hazardous activities, which are described as work in unhealthy, dangerous or physically taxing occupations. School is mandatory until 12 years.

ALP Code Principle 1

Child labor

'There shall be no child labor.'

Child labor: Overall findings and challenges

4.1.1 Prevalence of children working

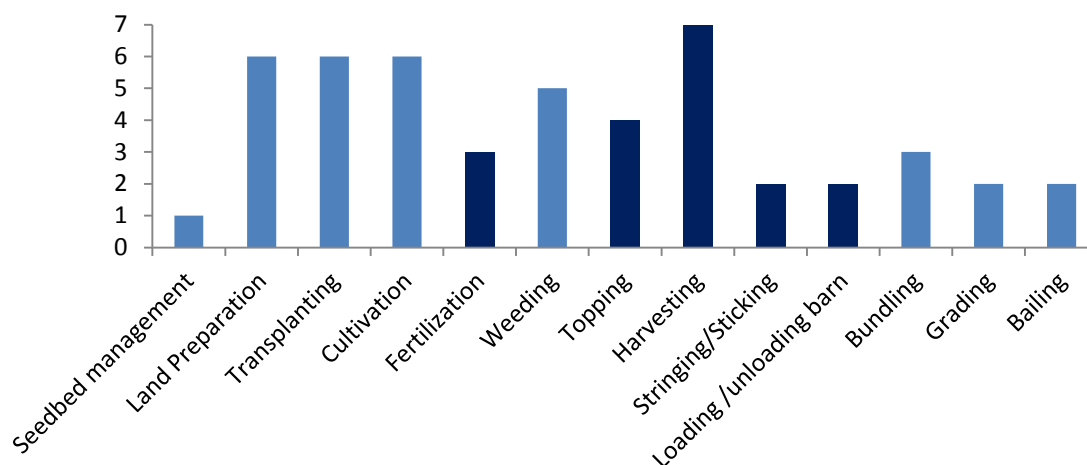
At seven farms (10%) CU identified nine children below 18 years working in tobacco.¹² From these children, eight were family members (one orphan) and one was a contracted migrant worker. All of them were male. Three child family members helping at the farm were between 11 and 13 years old and the rest were between 15 and 17. No evidence was found of children below 15 years being formally employed for tobacco related activities.

¹² Six children were interviewed, two were observed and one was based on the declaration of the father who was a farmer.

At two farms (3%), child family members below 13 were found helping. At one farm, an 11 years old boy was helping his parents with harvesting and bundling. At another farm, two children (12 and 13 years old) were found transporting green tobacco leaves on a cart. Both children in mandatory schooling age (11 and 12) were attending to school.

The majority (five children), worked only in the afternoons. One child worked only in the weekends and three children worked a full workweek. The contracted migrant worker worked a full workweek for six to nine consecutive months. This was an Agreement worker who worked together with his older cousin.

None of the children were involved in CPA application but all of them were involved in one or more hazardous activities (distinguished in dark blue in the graph below). Seven children were involved in harvesting (one child can be involved in one or more activities):¹³



Child labor: Risks

4.1.2 Awareness of legal minimum working age

None of the farmers and workers was aware of the legal minimum working age of 15 years. However, all farmers were aware of the minimum working age communicated by MLT (18 years old).

4.1.3 Awareness of hazardous work

None of farmers and workers fully understood the meaning of “hazardous work.” Most interviewees associated activities like harvesting and CPA application with hazardous work; however, they considered these activities only hazardous when they were performed incorrectly, for example, harvesting without protective clothing, CPA application without the required PPE or children working in tobacco.

¹³ The activities are listed in accordance with the chronological order of the tobacco production season.

They did not understand that these activities are hazardous by nature for everyone, even with the required safety measures.

4.1.4 Children below 15 contracted for other crop

On one remote farm, CU found 15 to 20 children (majority below 15) contracted to peel off beans. These children had been directly contracted by the farmer and working together with six women with small babies on their backs. They declared not to have worked in tobacco but said they would do so if the farmer asked them to. When arriving at the field, the farmer was present and was giving instructions to the women and children before CU arrived. The farmer had gathered these workers on a field while CU was interviewing a worker. When CU arrived, workers were afraid to speak freely. This case is considered a huge risk as these children most likely also worked on tobacco related activities. This was a farm with Tenants.

4.1.5 Age verification

13 farmers (29%) declared they verified the identity documents of their workers. However, CU could not see evidence of this check as there were no records. In addition, as 99% of the written employment contracts verified by CU did not have the data of the worker's identity document (see chapter 5.7.3), it is unlikely that these farmers had verified a worker's identity documents. The remaining 32 farmers (71%) declared that they estimated the age of workers based on their appearance or the information from the community leader. The latter seems to be a more realistic way to verify a worker's age and demonstrates that these farmers were aware of the requirement to verify age.

4.1.6 Lack of (access to) schools

Because of the limited roads and long distances, there was both a lack of schools and difficulties in accessing them, barriers for children to attend school. Also, language was an issue. A migrant family from Malawi declared that their children could not go to school because they do not speak Portuguese. According to MLT, even if migrant children go to school in Mozambique, it is difficult to take classes as they arrive in August and leave after the end of the season in May, only half a school year. As schools fees are for free, the financial burden seems to be limited. But there may still be expenses associated to the required books and uniforms.

Child labor: Analysis and Priorities

The relatively low number of children found was most likely due to MLT's intensive communication efforts on this topic and their strategy to communicate a minimum working age of 18 years. As mentioned earlier, this strategy had been adopted to simplify the message to farmers. The reporting of Prompt Actions appears to have resulted in behavior change among the nine farmers whose children were not found working at the farm after reporting. In addition, MLT declared that the drama presentations at schools – with the involvement of teachers and community leaders – resulted in increased school attendance and less children working at the farms. MLT's efforts to map schools in the tobacco growing regions had also been important to better understand the underlying root causes for children on farms.

However, the combination of limited understanding of “hazardous work” among both farmers and workers – in line with the limited understanding of this concept among three leaf technicians – and the prohibition of children doing any tobacco related activities, could result in farmers hiding their children from MLT or having them perform hazardous activities on other crops. Simultaneously increasing awareness among farmers and workers on the accurate legal minimum working age and hazardous work will, therefore, be crucial.

MLT response: *“Objective of the initiative: to eliminate hazardous child labor in tobacco fields in the next 5 years, in line with the ALP Code Standards and the Mozambican Law which state that “no child below the age of 18 can perform any type of hazardous work”. To achieve this objective MLT will:*

- *Every season train all new farmers at least once.*
- *Maintain training sessions for existing farmer base and monitor farmers’ implementation of ALP Code in all tobacco farms.*
- *During the 2017 season, ALP Supervisors will assess training currently done in schools and its effectiveness. If proven to be effective, training in all schools with the highest attendance of children will be conducted over the next 5 years. Where school feeding programs are in place, training will also be done by APOIAR, the NGO implementing the school feeding pilot (Kukula Project) in primary schools in the district of Mandimba, Niassa province.*
- *Engage with schools in communities where tobacco is grown to explore opportunities to train all children and teachers with different approaches (drama groups, storytelling, etc...).*
- *Concerted campaign to train women involved in growing tobacco over the next 5 years. Drama groups, LTs, and ALP supervisors will all be involved in this training.*
- *Train women on the farm and other women as a community approach. The training will focus on Child Labor since they are the ones taking care of the children, and Safe Work Environment to prevent exposure to hazardous environments for everyone on the farm, including hazardous work in particular circumstances, such as when pregnant or nursing.*
- *During season 2017 and 2018 further explore MLT’s ongoing mapping process of areas most in need of schools, clinics, bridges, other infrastructure, in order to further tailor MLT’s Social Responsibility Program (SRP) accordingly. Low school attendance is also impacted by the lack of infrastructure in poor communities. Upgrading a school or building a new one where none is available, or building a bridge where children have to walk 10km to go to school can reduce walking distance and have a significant impact on school enrollment and attendance. Given all projects within MLT’s SRP program regarding public infrastructures (schools, clinics, bridges, etc.) require prior government approval, MLT will engage with the government and all relevant stakeholders.*
- *MLT will also liaise with local authorities in order to help them allocate their own resources and infrastructure to deprived areas. When consulted, MLT will raise awareness by providing information on areas in need of infrastructure.*
- *Leverage on the positive results of “Kukula Project”, APOIAR’s School Feeding pilot program, and further assess resources to expand it beyond the current three schools. Train all children, teachers and parents, tobacco and non-tobacco farmers. Children will be trained on child labor and how this can be harmful to them. The training encourages farmers not to let children work on tobacco farms and the “one meal a day” program will encourage children to go to school.*
- *Expansion of the school feeding program will depend on three fundamental factors: 1) funding availability from other donors within the industry; 2) Government approval, and 3) community buy-in. To achieve all, MLT will promote and present the project widely with the aim of raising funds and demonstrating the advantages and attributes of the project to the industry, the government and key stakeholders in the local community.*

- *An assessment of the impact of the school feeding project will be conducted against two control groups' schools in the same areas, as well as two schools in each division where MLT operates. The assessment will be analyzed after a complete school year of the project (November 2016)."*

4.2 ALP Code Principle 2: Income and work hours

Background

Minimum salary regulations: According to the local statutory provisions, the gross minimum wage for agricultural workers is 3,010 MZN per month. Children below 18 must earn at least the minimum wage. According to the *Labor Law*, in-kind payments are allowed in line with the following rules: (1) in-kind payment cannot be more than 25% of the total salary, (2) in-kind payments must meet the personal interest and use of the employee or his/her family, (3) written agreement on the amount to be paid in-kind must be set between the employer and employee.

Wages can be paid on a daily, weekly or monthly basis. The payment shall be made on a pre-determined date and must be included in the employment contract. End of the season payments and piece rate are not permitted.

Work hours regulations: According to the *Labor Law*, maximum work hours are 48 hours per week or eight hours per day. Two exceptions: (1) the worker and employer agree to nine hours of work per day with a complementary (paid) half-day rest per week, (2) the worker and employer enter into a collective labor regulation that sets the maximum daily work hours at 12 hours with a limit of 56 hours per week. Children under 18 cannot work more seven hours per day or 38 hours per week and they cannot work at night (after 8pm).

The employer must keep records of overtime providing justification. This type of payment can be classified in two categories;

- 1) Exceptional work: work performed on the weekly rest day, on the weekly complementary rest day or on public holidays (*Labor Law Article 89.1 of Law No. 23/2007, of 1 August 2007*). The worker should receive an additional of 100% of employee's normal remuneration rate (*Labor Law Article 115.2*) and a compensatory period of rest to be enjoyed in one of the following three days, which shall have a duration equal to a half day of work if employee rendered up to five (consecutive or interpolated) hours of exceptional work or a full day of work if employee rendered more than five hours of exceptional work (*Labor Law Article 89.4*).

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.'

- 2) Extraordinary work: work performed beyond the daily normal work period (*Labor Law Article 90.1*). The worker should receive an additional of 50% of employee's normal remuneration rate for the extraordinary work rendered until 8pm and an additional of 100% of employee's normal remuneration rate for extraordinary work rendered beyond 8pm until the beginning of the normal daily work period of the following day (*Labor Law Article 115.1*).

Benefits regulations: the following benefits apply to all workers:

- 1) Social security (employers pay 4% and employees 3%): health, injuries, maternity, disability / invalidity and death pension. This applies to both nationals and foreigners. Employers should apply for this within 15 days after the start of employment.
- 2) Health care insurance: the employer shall attain workmen's compensation to provide cover for work related incidents.
- 3) Pregnancy: women are exempt from exceptional, extraordinary and night work during pregnancy.
- 4) Maternity leave: 60 consecutive days paid by INSS.¹⁴
- 5) Annual paid leave: the duration of the holiday period is (i) one working day for each month of work during the first year, (ii) two working days for each month of work during the second year, (iii) thirty calendar days for each year of work from the third year onwards (not including national holidays or sick leave). From the third year onwards, employees may substitute vacation days for additional salary, however, he/she must receive at least six days off.
- 6) Employees are entitled to a day of rest per week (usually Sundays).

Income and work hours: Overall findings and challenges

4.2.1 Minimum salary

Based on the cash payments provided, none of the farmers paid their workers the legal minimum wage. As all salaries were paid in MKW, the salaries demonstrated in the table below are based on a conversion from MKW into MZN.¹⁵ In addition, all salaries were paid at the end of the harvest so these monthly wages are based on the number of months workers informed to work at the farm.

Type of worker	Breakdown of salaries				Salary range	
	Salaries 500 – 1.000 (MZN)	Salaries 1.000 – 2.000 (MZN)	Salaries 2.000 – 3.009 (MZN)	Salaries above legal minimum wage	Lowest monthly salary (MZN)	Highest monthly salary (MZN)
Tenant	18%	76%	6%	-	513.33	2,566.67
Agreement	69%	31%	-	-	513.33	1,772.67

¹⁴ Instituto Nacional do Seguro Social (translation: National institute for social security)

¹⁵ Conversion rate at the time of the assessment: 1 MZN = 0.077 MKW

Besides a cash payment, all workers received a monthly in-kind payment that typically consisted of one bag of maize, a piece of soap, money for milling the maize, housing and cooking oil. The estimated value of this in-kind payment was 691 MZN.¹⁶ When adding this in-kind payment to the cash payment, only one farmer (3% of the farms with Tenants) paid his workers more than the legal minimum wage; the remaining 46 farmers (97% of the farms with Tenants) still paid below the legal minimum wage. The total salaries are estimated as follows:

	Breakdown of salaries				Salary range	
Type of worker	Salaries 500 – 1.000 (MZN)	Salaries 1.000 – 2.000 (MZN)	Salaries 2.000 – 3.009 (MZN)	Salaries above legal minimum wage	Lowest monthly salary (MZN)	Highest monthly salary (MZN)
Tenant	-	53%	44%	3%	1,204.33	3,257.67
Agreement	-	85%	15%	-	1,204.33	2,463.67

As the in-kind payment cannot be more than 25% of the total salary, the abovementioned salaries are not in accordance with the local law. The reason for this is that the cash payments are too low. The second legal requirement is that the amount of the in-kind payment should be agreed in writing, which was also not the case at any of the farms. Some farmers had included the type of in-kind payment in the contract (eg. accommodation or food) but never the exact value. The third legal requirement (the in-kind payment must meet the personal interest and use of the employee and his/her family) was met in all cases.

Demonstrated in the table above, Agreement workers generally earned a lower salary than Tenants. Conversely, Tenants faced the risk of not being paid at all if they left before the end of the harvest or if the harvest failed due to poor weather conditions. They had typically entered into an agreement with the farmer through the community leaders and if they left prematurely, would be considered the party not fulfilling their agreement. However, the Tenant system also posed risks for the farmer if the contracted amount of tobacco could not be delivered to MLT. In addition, if the Tenant left before the end of the harvest, the farmer would also lose the investment of inputs and food.

Another factor further reduced the salary of Agreement workers. The wives of workers often worked just as much as the husband. In reality, the salary was paying for two workers; one unrecognized. Conversely, as Tenants were paid based on the amount of tobacco produced, the work of their wives was rewarded.

¹⁶ Amount is based on estimation of costs for the following items: 50kg. of maize (231 MZN), salt (15 MZN), piece of soap (20 MZN), costs for milling maize (50 MZN), housing (300 MZN), 1 liter of cooking oil (75 MZN). Not all workers received the same amount of in-kind payment, but for the purpose of providing a picture of the situation CU standardized the amount of in-kind payment for all workers.

4.2.2 Piece rate

24 farmers – all hiring Tenants – (71% of the total number of farmers who hired Tenants) paid against piece rate¹⁷ while all Agreement workers received a fixed amount. Piece rate is not in accordance with local law and leads to uncertainty for the workers. If the harvest goes badly or they cannot produce the expected amount of tobacco, they earn less. Farmers preferred paying against piece rate because payment is incentivized against actual production.

4.2.3 End of harvest payments

All salaries were paid at the end of the harvest, which is not in accordance with the local law that requires salaries should be paid at least monthly. Two farmers (4%) provided monthly cash advances of 800 MKW (the equivalent of 62 MZN). One of these farmers hired Tenants and one Agreement workers. The remaining 45 farmers (96%) did not provide any cash advances during the season. As mentioned earlier, all workers did receive in-kind payment on a monthly basis.

4.2.4 Regular and overtime hours

40 farmers (87%) and workers at 31 farms (70%) were aware of the legal requirements regarding work hours. Despite this high level of awareness, at 28 farms (69%) work hours exceeded the legal maximum stated by the law as it oscillated between 9 and 10 hours per day. 22 of these farmers hired Tenants and six Agreement workers. This excess of work hours usually occurred during weeding and harvesting seasons.

At 35 farms (78%) workers declared to have at least one resting day per week. At the remaining 10 farms (22%) workers worked seven days a week. The latter were all Tenants, solely responsible for managing their own plot of land and only paid for the tobacco produced so they could not always take one day per week off.

CU did not find evidence of involuntary overtime hours. However, at none of the farms on which workers worked more than 8 hours per day overtime hours were paid against the legal overtime rate. 40 farmers (98%) and all workers were unaware of the legal requirements regarding overtime payment. Typically, farmers paid a fixed amount for the entire season or based on the amount of tobacco produced, regardless of the amount of hours worked.

4.2.5 Legal benefits

None of the workers received benefits, holidays or leave to which they are entitled by law. As the majority of workers came from Malawi, they needed a work permit. Without one, they could not be registered at the required government institutions as they did not have a formal work permit. However, local workers also did not receive the legal benefits to which they were entitled by law.

¹⁷ Workers received between 100 and 150 MKW per kg. of tobacco produced. A standard yield of 1,200 kg. per hectare was used to calculate the salary of piece workers.

Income and work hours: Risks

4.2.6 Awareness of legal minimum wage

19 farmers (41%) and all workers were unaware of the minimum legal wage. This could explain that their salaries were typically half or even less than half the legal minimum wage. Also, at the time of the assessment, the legal minimum wage in Malawi was the equivalent of 1,161 MZN¹⁸ per month. Of the farmers who were unaware, five hired Agreement workers and 14 hired Tenants.

4.2.7 Record keeping

None of the farmers kept records of the time worked or quantity of work produced. In one case, a Tenant had joined during the harvest period while another Tenant had been managing the land since the beginning of the season. There was disagreement on what they should be paid. Two farmers (4%) did keep records of payments to workers but none of the farmers provided pays slips.

Income and work hours: Analysis and Priorities

CU's findings demonstrate that this ALP Code Principle requires more attention and investigation by MLT. Future action plans should differentiate between Agreement workers and Tenants as they clearly face different challenges; although Tenants deal with more pressure to produce tobacco and longer work hours, their salary is based on the amount of tobacco produced and they typically earn a higher salary than Agreement workers. Also, the work performed by the wives of Tenants is rewarded, whereas Agreement workers receive a fixed amount regardless of the contributed labor. Increasing understanding of the concept of "Tenants" among leaf technicians is crucial to better understand these differences.

The findings also match with the gaps found in MLT's communication efforts; limited awareness on the legal minimum wage and end of the harvest payments are considered acceptable. Although it is important that workers earn at least the legal minimum wage, even more important is to address practices like piece rate and end of the harvest payments as these also violate the local law. The lack of record keeping is most likely due to high illiteracy but increases the vulnerability of workers. Finally, in combination with end of season payments, migrant workers do not receive any benefits, increasing their vulnerability as they fully depend on the farmer for their food, income, housing, and medical needs during the production. The latter finding is in line with the lack of awareness among leaf technicians on legal benefits and CU's finding on overtime payment. Additional communication strategies and training for leaf technicians on these topics is required so that they can inform farmers on finding the best solution for these situations. However, with the low leaf technician : farmer ratio, their impact may be limited.

¹⁸ 15,000 MKW.

MLT response: *“Objective of the initiative: all farmers and workers are aware of the legal minimum wage within 5 years and have written contracts in place. To achieve these objectives, MLT will:*

- Re-train current farm base and train new farmers who hire workers every season on all 7 ALP Code principles. Different communication methods will be used, included but not limited to drama groups, radio programs, training of vulnerable groups.*
- Make the template of farmer–worker contract developed by MLT for the 2015 season available to all farmers in 2016. LTs will inform all farmers about the template and distribute it to farmers. This will further allow the LTs to explain Mozambican Law to both farmer and worker building on the opportunity for one-on-one training.*
- Train farmers having larger operations, with drama groups with the participation of the ALP supervisors, and farmers who hire labor as a focus group (based on information from the 2015 farm profiles). The training will focus on Labor Law and specifically on topics related to income & work hours.*
- Assess if there are any farmers having yields below the cost of production assumptions in order to understand the root causes and identify corrective measures for each farmer. Studying the yields of farmers that hire labor and comparing farmers with big and small areas of cultivation will also help focusing the training.*
- Inform farmers and raise awareness that monthly payments are best practice and the risks associated with end of season payments. This includes informing workers that nobody should be forced to stay on farm if wishing to leave voluntarily.*
- Conduct a baseline study during the 2016 crop season to assess what workers are earning in relation to the minimum wage and further understand the circumstances in which farmers pay workers below the minimum wage. In 2017, and based on the conclusions of the baseline study, MLT will put in place an action to address the issue and support farmers improving their payment to workers.*

4.3 ALP Code Principle 3: Fair treatment

Background

Regulations: The *Labor Law* does not contemplate any specific provisions regarding punishment (or threat) or verbal abuse of workers. This is a matter of *Criminal Law*: physical or verbal abuses or threats of workers are a crime and the perpetrator will be subject to criminal sanctions.

According to the *Labor Law 23/2007*, the employer must ensure the worker equality of treatment at the workplace regardless of his ethnic background, language, race, sex, marital status, age, social status, religious, political or union affiliations. It shall not be considered discriminatory treatment if certain rules are adopted in favor of minority groups, namely in terms of sex, reduced work capacity, handicap or medical condition, seen as these measures are destined to correct such inequalities. Furthermore, the worker has the right to a job position fit for his capacities and technical-professional experience, to be treated in a polite and respectful manner, good name, public

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.’

image, private life and dignity. Remuneration shall be payable in accordance with the quality and quantity of the work rendered.

Fair treatment: Overall findings and challenges

4.3.1 Treatment of workers

CU did not find any evidence of sexual or physical abuse or harassment. Only a single case of verbal abuse was identified which involved a young migrant worker who worked at the farm by himself and declared that the farmer often insulted him. This was an Agreement worker.

4.3.2 Potential grievances

At 41 farms (89%) workers declared that the farmer was available to discuss grievances. At the remaining five farms (11%) workers declared that they could not talk directly with the farmer about potential problems. Four of these farmers contracted Tenants and one Agreement workers.

In one case, the worker and farmer declared to have a bad relationship. The worker said the farmer is rude and the farmer did not trust the worker as he was worried that the worker would steal the CPA. In two other cases, workers were unhappy with their salaries, but the farmer was not willing to address their complaints. Finally, at two other farms workers declared that they only communicated with the crew leader and not directly with the farmer.

Fair treatment: Analysis and Priorities

Despite the low number of cases of unfair treatment identified, it is important that MLT sets up an independent support mechanism so that workers can file potential grievances anonymously. As the majority of the workforce was migrant and more vulnerable than local workers, they need a mechanism that bridges communication barriers. As this is a requirement for Phase 2 and it is still uncertain when MLT will take this next step, the plan to use Mobileaf for flagging potential risk areas could be a useful first step towards identifying risk situations and possibly addressing situations of unfair treatment. MLT's communication efforts to workers also proved to be an important tool to raise awareness on fair treatment and could be increased to include all workers.

4.4 ALP Code Principle 4: Forced labor

Background

Regulations: forced labor is a matter of *Constitutional Law* and *Criminal Law*. Anyone who forces a person to work against his will, will be subject to criminal sanctions. According to the general principle of contractual freedom, the parties may negotiate and agree on the payable recruitment fees.

Employers can only use third parties that comply with the private employment agencies regulations set forth in *Decree No. 6/2001, of 20 February 2001*. The employer cannot terminate an employment contract without a just cause, only in exceptional circumstances. In that case, the employee receives 30 paid salary days when the salary is in between one and seven minimum salaries. The employer needs to give 30 days' notice in case of termination of contract.

ALP Code Principle 4

Forced labor

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

Forced labor: Overall findings and challenges

4.4.1 No evidence of workers being forced to work

CU did not find any evidence of workers making financial deposits, farmers retaining original identity documents or farmers employing prison labor.

4.4.2 Indirect payment

At 36 farms (77%) one or more workers were paid indirectly. In two cases, a Tenant subcontracted another worker. The former received the payment from the farmer while the subcontracted worker had no employment contract and was paid by the Tenant. In another case, the farmer paid a migrant worker through his parents even though the worker was 20 years old. This was an Agreement worker. Finally, at 35 farms (24 hired Tenants and 11 Agreement workers) wives of workers also worked (often fulltime) at the farm but did not get paid directly. In fact, CU could not find any evidence of whether these women received any payment as only their husbands had an employment contract with the farmers and received money for both. CU identified 175 women in this situation. These women were not recognized as workers and therefore were also not included in training sessions on safety.

4.4.3 Agreements between farmers and workers

Two farmers had disrespected their agreement with workers. One farmer started charging for food halfway the season resulting in Tenants earning a substantially reduced salary. Their salary was the equivalent of 5,390 MZN for the entire harvest

with an expected deduction of 3,250 MZN¹⁹ resulting in 2,140 MZN for the entire harvest for two fulltime workers. Upon hiring, this farmer had agreed with the workers that food would be provided at no cost during the entire season.

Another farmer had obliged workers to request loans which they needed to pay back with 100% interest. This farmer had agreed with the workers to provide them with food and housing at no costs, which had also been included in the contract. However, halfway through the season, he had stopped giving this in-kind payment and provided loans to the workers for their expenses on food. As the farm was in a remote location, these Tenants had no other choice but to ask loans from the farmer. The workers also had to sign a paper when they received the loan to confirm that they will pay back double the amount.

Forced labor: Risks

4.4.4 End of the harvest payment

Besides not being in accordance with local law and discouraged by the ALP Code, end of harvest payments can create both a feeling and practical situation of not being free to leave employment among workers. Some farmers declared that workers could go home if they wanted; while others said they needed to stay to finish their jobs. Some farmers declared that workers could pick up their proportional salary at the end of the harvest if they would leave before the end, but the majority said that if they left they would not get paid as it will be difficult for the farmer to produce the tobacco, harvest and subsequently pay them for their previous labor. Pressure from community leaders could also be part of the feeling of not being free to leave.

Forced labor: Analysis and Priorities

The high number of women not being recognized as workers and therefore not being paid (directly) and not receiving any training, shows that MLT's decision to consider women as a vulnerable group was sound. Also, MLT's efforts to provide special training sessions to women on child labor and safety are crucial to ensure that these women will receive the required information to work safely at the farm. However, not all women at the farm had been registered by MLT and not all women had the chance to and/or were aware that they could participate in training sessions. MLT's communication efforts to both farmers and workers on forced labor were important to address issues such as disrespecting agreements with workers and indirect payment. End of the harvest payments had not been included in the communication efforts at the time of the assessment.

¹⁹ 5 x 650 MZN – from February to June.

4.5 ALP Code Principle 5: Safe work environment

Background

ALP Code vs local regulations: As no specific safety requirements are set forth by local law regarding tobacco farms, the ALP Code is stricter on the matter of safe work environment. Therefore, the Measurable Standards of the ALP Code prevail for CU's assessment of this ALP Code Principle.

Safe work environment: Overall findings and challenges

4.5.1 Training and awareness of Green Tobacco Sickness (GTS)

At 29 farms (43%), persons in charge of handling green tobacco had not been trained on the avoidance of GTS. 19 of these farmers hired Tenants, five hired Agreement workers, and five were family farms. Among the persons that had not been trained were six breastfeeding women.

Nevertheless, most persons in charge of handling green tobacco used one or more types of protective clothing for handling green tobacco, but none of them used full protection (long sleeves, long pants, gloves, and plastic cover). At six farms, (9%) persons declared not using any type of protective clothing (see graph below).²⁰ Three of these were farms with Tenants, one farm hired Agreement workers, and two were family farms.

In most cases the gloves used for harvesting were brand new and it was clear that farmers and workers were not used to wearing them. These gloves were too big for their hands and, therefore, inadequate for handling tobacco leaves. People were seen wearing gloves even when they were resting and walking through the village which demonstrates that they did not necessarily understand the purpose.

ALP Code Principle 5

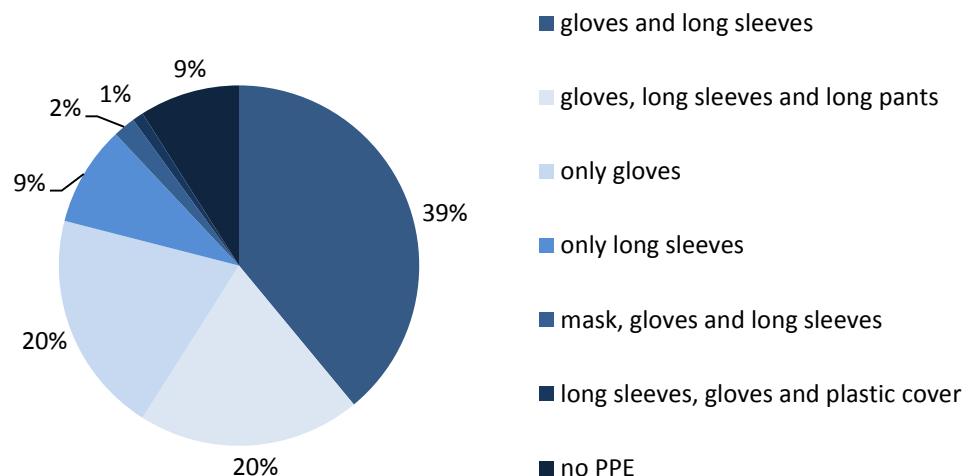
Safe work environment

'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.'

²⁰ As CU could not always observe topping, harvesting, or loading of curing barns during the visit, the majority of these percentages are based on declarations of the persons in charge in combination with the presence of the require protective clothing.

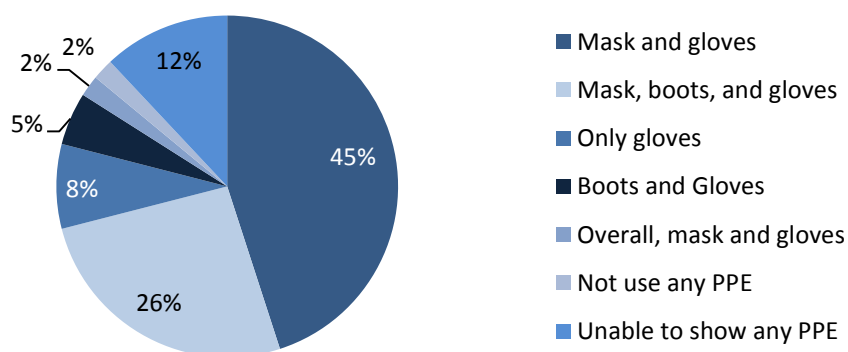
Protective clothing for handling green tobacco



4.5.2 CPA handling and training

At 59 farms (87%) the persons responsible for applying CPA had been trained. At the remaining nine farms (13%) workers and the wife of a farmer had been involved in CPA application without being trained. These were seven farms with Tenants, one farm with Agreement workers, and one family farm. At only one farm – with Tenants – the persons in charge of CPA application declared not to use any kind of PPE. Two farmers, one with Tenants and one with Agreement workers, declared using a complete set of PPE (overall, mask, boots, gloves) and the rest used one or more items (see graph below).²¹ In many cases, farmers had only one pair of gloves while several people applied CPA.

PPE used for CPA applying



²¹ As CU could not observe any CPA application during the visit because that activity was no longer taking place, these percentages are based on declarations of the persons in charge in combination with the presence of the require PPE.

None of the farms had a completely locked and closed area for CPA storage. These farmers either did not have a storage facility at all, stored their CPA in their house, together with food or in the room in which they slept. Despite the limited use of CPA (they only applied suckercide during the growing phase), farmers still needed a safe storage, especially if they had children walking around freely which was the case on 50% of the farms. The 22 farmers (41%) who stored their CPA in their house were clearly unaware of the safety hazards involved with this. However, the remaining 32 farmers (59%) were aware of the safety hazards but had insufficient resources to store CPA adequately.

At 64 farms (96%) the farmer could not guarantee that the re-entry period after CPA application had been respected.²² CU received answers ranging from 24 hours to 14 days, which demonstrates that farmers were unaware. Some farmers said that they waited until the smell of the CPA was gone. Most farmers declared that they had advised family members and workers verbally, but this does not prevent external persons from walking through the field. The remaining three farmers (4%) were aware of the correct re-entry period and had used warning signs after CPA application. Farmers with several Tenants generally had limited control over the re-entry period as the Tenants were responsible for managing their plot of land. As they often lived at the farm with children, the risk of someone entering a field after recent application was high.

44 farmers (64%) declared to discard empty CPA containers by means of burning them which is considered the best possible way.²³ The remaining 25 farmers (36%) – 12 with Tenants, three with Agreement workers, and 10 family farms – had established no clear procedure, throwing them in a toilet pit or burying the containers, posing a risk for contaminated soil and water. CU found no evidence of CPA containers being used for other purposes like storing drinking water.

In line with the label of the suckercide used, MLT had instructed farmers to use the “jug method” for application of the product. The equipment provided for this activity was a dosage cup. Although this is considered a safe method for applying suckercide, it must be done in combination with the use of a complete set of PPE. As mentioned above, only two farmers used a complete set of PPE. Therefore, this method posed a risk of spilling suckercide from the dosage cup or the bucket in which the suckercide is mixed on unprotected skin.

None of the farmers had their own records of CPA applications. MLT did provide a document to all farmers on which all agronomy related activities were recorded. However, only one of the 10 records checked by CU (10%) had completed information on CPA application. Farmers seemed to be unaware of the information that was recorded on this document, most likely due to the high level of illiteracy among farmers.

²² The re-entry period is 12 hours (Prime+®EC Syngenta Safety Sheet)

²³ Ideally, the CPA containers should be triple washed before burning to prevent toxic smoke but due to the limited access to water and potential pollution through washing in rivers, CU considered just burning to be the best option.

4.5.3 Clean drinking and washing water

Washing and drinking water were available at all farms and 62 farms (90%) had soap. The standard used here was that the workers had access to water from a well, which was the same water used by the farmer and had not caused any illnesses. Workers usually lived close to the field so they did not need to carry any water to the field.

4.5.4 Worker accommodation

43 of the 47 worker accommodations (91%) were adequate according to local standards. The four accommodations that had been found inadequate had no sanitary facility and were too small for the number of people living there. In all four cases, the farmer was hiring Tenants.

Safe work environment: Risks

4.5.5 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. CU identified two main issues that could result in unsafe situations. First, 38 farmers (57%) and workers at 37 farms (79%) could not associate the GTS symptoms with the condition itself. In some cases they understood that working with green tobacco without protective clothing leads to stickiness of the skin, but they did not associate this with the symptoms they felt afterwards. Some thought this was malaria. Of these farmers, 23 hired Tenants, three hired Agreement workers, and 12 were family farms. Second, none of the farms had a first aid kit for potential injuries.

Safe work environment: Analysis and Priorities

These findings demonstrate the reason for MLT's decision to focus on safety in its communication efforts to farmers, workers and women. MLT's communication efforts seem to have had an impact as farmers followed instructions on the use of PPE and protective equipment, the application of CPA, the way to discard empty CPA containers, and the provision of water and housing. However, additional efforts are needed as many farmers and workers were still unable to associate the symptoms of GTS with handling green tobacco and many people handling green tobacco had not been trained. As mentioned earlier, women were often excluded from training sessions on safety, which explains why six breastfeeding women had been involved in handling green tobacco. In addition, farmers lacked resources to ensure safe storage of CPA, sufficient PPE and protective equipment for all persons working at the farm and basic medical attention in case of injuries. Also, there was a general lack of awareness on the re-entry period after CPA application, which is in line with the lack of awareness on this topic among leaf technicians and the exclusion of this Measurable Standard in the ALP Code leaflet. As farmers had limited control over the practices of Tenants, future action plans on safety should differentiate on how best to communicate between the two types of workers.

4.6 ALP Code Principle 6: Freedom of association

Background

Regulations: a specific provision in the *Labor Law* addresses the worker's right to freedom of association, in labor unions or professional organizations for protection of their rights.

ALP Code versus local law: while freedom of association is a right for all workers included in the constitution, there is no specific enunciation in the law regarding collective bargaining or negotiation methodologies. However, the ALP Code does recognize this right so the ALP Code prevails.

ALP Code Principle 6

Freedom of association

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

Freedom of association: Overall findings and challenges

4.6.1 Workers' right to freedom of association

CU found no evidence of farmers disrespecting workers' right to freedom of association. At the time of the assessment, no labor unions or worker associations were active in the Nkhame area.

Freedom of association: Risks

4.6.2 Awareness of freedom of association

40 farmers (89%) and workers at 32 farms (73%) were aware of the basic concept of freedom of association. These farmers and workers understood that workers should be allowed to talk with each other about their rights and conditions.

Freedom of association: Analysis and Priorities

In line with the understanding of leaf technicians, the majority of the farmers and workers were aware of the basic concept of freedom of association and generally workers felt free to talk with other workers. Even though this topic was not directly associated with the ALP Code by farmers, they seem to have received and understood the message provided by MLT.

4.7 ALP Code Principle 7: Compliance with the law

Background

Regulations: the *Labor Law* states that employers shall provide a written employment contract before the start of the employment to their employees for employment longer than 90 days. Written employment contracts shall be signed by both parties and include the following provisions: (i) clear identification of employee

ALP Code Principle 7

Compliance with the law

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

and employer, (ii) job classification, duties or activities agreed upon, (iii) workplace, (iv) contract duration and conditions for renewal, (v) remuneration amount, form and payment scheme, (vi) date of entry into force, (vii) if the contract in question is entered with a fixed-term, clear indication of the motives and term.

Compliance with the law: Overall findings and challenges

4.7.1 Information on legal rights

None of the workers had been fully informed about their legal rights and working conditions before they started to work on the farm. Farmers typically only informed them of the salary they would earn.

4.7.2 Written employment contracts

At 40 farms (85%) all workers had a written employment contract. At the remaining seven farms (15%) one or more workers only had a verbal agreement. Of these farmers, five hired Tenants and two Agreement workers.

MLT had provided a contract template which was widely used by the farmers; 90% of the farmers who provided a written employment contract used the MLT template. Three main reasons were provided for the use of this template; saving time preparing contracts, preventing misunderstandings with workers, and because these are considered the rules of MLT.

37 farmers (92% of the farmers that provided a written employment contract) had given a copy to the workers. However, only at six farms (15% of the farmers that provided a written employment contract) workers were able to understand the content of the contract as the remaining 34 farmers had used the standard template of MLT which was in Portuguese while their workers only spoke Chichewa. This resulted in workers signing a contract without understanding the content which could be worse than having no contract at all because the farmer could have the worker sign something with which he or she does not agree. Of the six farmers who did provide a contract in the language of the workers, four farmers provided a contract in Chichewa, two in Portuguese and one in both languages.

CU noticed that most contracts were signed only (a few days or one week) before the assessment. Workers confirmed this fact. It was also notable that the contracts were all brand new paper.

4.7.3 Terms and conditions

Despite the abovementioned issues, the MLT template was a good step towards formalizing the relation between farmers and workers. However, it lacked several terms and conditions that are – according to local laws – required for an employment contract such as the activities to be performed, the workplace, contract duration and conditions for renewal, and payment form and scheme. Besides these legally required items, work hours could also be included to prevent misunderstanding.

In addition, several items of the MLT template had not been filled in (correctly) by the farmers and leaf technicians who often assisted farmers in this process:

- General data of workers' identity: of the 79 contracts assessed by CU, 78 (99%) did not have the required information about the identity document of the worker. This is due to the fact that the majority of the workers did not carry or possess identity documents.
- In-kind payment: in 43 contracts (57%), the in-kind payment had not been filled in (correctly) which – as mentioned earlier – was an important part of the employees' salaries:
 - 17 contracts (22%) had no in-kind payment while the worker was receiving in-kind payment;
 - In 17 contracts (22%), the in-kind payment was confirmed but without specifying what items would be provided (only a "yes" or "normal" was written). This included the farmer who started charging for food halfway the season;
 - In eight cases (10%), the concept of in-kind payment was misunderstood as either the salary was repeated or the frequency of payment was filled in.
- Start date: on nine contracts (11%) the start date was missing.
- Salary: in six cases (8%) the salary was missing and in three cases (4%) the salary was lower than the amount expected by the workers. One of these cases had resulted in a conflict between the worker and the farmer (see chapter 5.3.2) and in the other two cases the workers were unaware of the difference.
- Signature: five contracts (5%) did not have the signature of the farmer and five contracts (5%) did not have the signature of the worker.

Compliance with the law: Analysis and Priorities

The abovementioned findings demonstrate the need for additional strategy and support from MLT to the farmers. As the understanding among leaf technicians on this topic was limited, additional training is the first step. Leaf technicians should be aware of the meaning of the term "legal rights" and know which legal rights workers have. Leaf technicians also need training to improve their assistance to farmers on how to fill in the MLT template as the understanding among both farmers and leaf technicians proved to be limited, resulting in errors and lack of information in the contracts. Second, farmers must be provided with means to inform workers about their legal rights. Finally, an improved template is required that can be linguistically understood by both local and migrant workers and that includes the legally required terms and conditions. When further developing the template, it is important to take into account the relationship between Tenants and farmers, which differed from the relationship between Agreement workers and farmers. The latter were clearly in a traditional employment relationship whereas the former should be considered a commercial relationship. Having said that, at the time of the assessment, Tenants did not have the means to be commercial partners of the farmers so additional efforts will be required to empower this model of engagement.

5. Concluding remarks



THIRD PARTY ASSESSMENT

Mozambique Leaf Tobacco, Limitada (MLT)
Nkhame area (part of sector B & entire sector D)
AGRICULTURAL LABOR PRACTICES PROGRAM

Since the start of the implementation of the ALP Program in 2011, MLT has made extensive progress. Given the large farmer network and complexity of the market, MLT has decided not to rush into Phase 2 of the ALP Program but first achieve all targets for Phase 1, which is understandable. And the results of this strategy are remarkable. A diverse group of employees from different layers of the organization works effectively together and is engaged with the program. Most notable is that MLT has direct contact with all farmers, who are aware of the ALP Code and the majority of the ALP Code Principles due to intensive communication efforts. MLT has also identified several vulnerable groups and conducts special meetings adapted to the needs of each group. Farm Profiles have been built and are yearly updated for all farms. And the reporting of Prompt Actions already seems to have led to change of behavior among farmers.

However, five challenges remain. First, farmers in remote locations are less aware of the ALP Code than farmers closer access to roads and bailing centers. Second, the communication messages should provide a more detailed and accurate picture of the ALP Code and local legislation to both the farmers and vulnerable groups. Most important is to explain that children below 18 can do certain activities in tobacco as long as these are not hazardous. Third, while the general understanding of the ALP Code among leaf technicians is good, knowledge on several aspects (legal minimum age, overtime rate, benefits, re-entry period, legal rights) should be improved. Fourth, due to limited verification at the farms and completion of Farm Profiles at the beginning of the season, the information collected does not always match with the reality at the farms. This is also due to the limited understanding of leaf technicians on the role of "Tenants". Finally, although all staff involved is aware of the reporting mechanism for Prompt Actions and a detailed form is developed, the number of Prompt Actions reported is still low and the understanding of Prompt Actions among field personnel could be improved.

Future action plans should consider the differences between the two types of workers; Tenants and Agreement workers. While Agreement workers are clearly in an employment relation with the farmer, Tenants should be far more independent as they are responsible for managing a plot of land (including taking the required safety measures). Tenants typically earn a higher salary than Agreement workers as they are paid for the amount of tobacco they produce and share responsibility for production with the farmer. These differences require different solutions in terms of payment, safety and contracts with farmers.

As the implantation of the ALP Code is expanded, CU identified two important issues. First, is the prevalence of migrant workers who are in a vulnerable position as they do not receive any cash payment until the end of the harvest and fully depend on the farmer for food, income, housing, and medical needs. Second, women (wives of farmers and workers) are often not recognized as workers and therefore not paid (directly) and not included in training sessions on safety or the importance of education for children. MLT has already identified these groups as vulnerable but additional attention for both is required.

MLT's action plan includes promising efforts to address the risks and issues identified in CU's report. CU is convinced that MLT has the organizational capacity to implement these efforts. Future assessments will have to determine the impact of these action plans.

Appendices



THIRD PARTY ASSESSMENT

Mozambique Leaf Tobacco, Limitada (MLT)
Nkhame area (part of sector B & entire sector D)
AGRICULTURAL LABOR PRACTICES PROGRAM

Appendix 1. MLT response and ALP Program action plan

1. MLT's overall comment

The ALP Program is being implemented in Mozambique since 2012. When looking at a universe of nearly 130,000 farmers and the MLT Leaf Technician support, almost all of whom were born and raised in conditions where children working in agriculture was culturally accepted and considered a norm for child development, the implementation of the ALP Code Standards is a significant undertaking. The prevailing generation of farmers has come through a history of bitter civil war that meant few opportunities for schooling and financial literacy. Behavior change takes time and requires a continuous improvement and progressive approach over the medium to long term. MLT believes that significant progress has been made over the past 3 years in the behavior of our Leaf Technicians (LTs) and contracted farmers which is encouraging for the future implementation of ALP.

Having auditors like Control Union (CU) visiting farms directly contracted by MLT and assessing our efforts to improve living and working conditions on farms is welcomed and an important measure for further strengthening the implementation of the ALP Program. All CU's findings and areas in need of improvement will be taken into consideration and although MLT has been primarily focused on Sustainable Tobacco Production (STP) Initiatives to address Child Labor and Income and Working Hours practices, MLT remains committed to address other risks and issues related to the other ALP Code Standards.

2. People and processes to manage ALP

a. Organization

CU's encouraging evaluation of MLT's efforts to create a dedicated structure for the implementation of the ALP Program was very positive, and also highlighted the level of commitment of the team involved with the program, from the senior management to the ALP Supervisors and Leaf Technicians (LT). The creation of the GAP Committee in 2014, involving some directors of the company as well as management and the staff living in the tobacco growing areas, which meets quarterly to discuss all issues related to the three pillars of GAP (Crop, Environment, and People/ALP), has been key for continuous improvement.

MLT plans to allocate sufficient resources to meet the commitment to allow Field technicians to increase the number of visits to each farm, and importantly, spend more time on farms to increase the level of engagement with the farmer, their families and workers during each visit.

This requires significant additions to existing resources given the distances and the adverse conditions the LT's face on a daily basis allowing the number of on farm visits to increase to 5 by 2020 for each farmer during the

growing season. MLT believes this investment, together with other initiatives reflected in this action plan, will significantly improve communication and interaction with contracted farmers. Also, with the plans of reducing the footprint for tobacco production, the LT : Farmer ratio will be decreasing. All the visits will be supplemented by Managers' visits throughout the season.

This effort to improve communication to farmers, the recording and analysis of data and the response thereto will be significantly more efficient and effective with the introduction of 'Mobileaf', our electronic data collection system to enable LTs gathering production and socio-economic information on farms. Mobileaf was developed by Universal Leaf Tobacco Company, Incorporated and launched in Mozambique in August 2015. Each LT will carry a handheld device (tablet) to monitor each farmer, record relevant data regarding tobacco production and the standards of ALP and forestry programs, as well as to better ensure appropriate and effective follow-up. Mobileaf includes a key feature to record the action plans agreed with individual farmers to improve conditions on their farms. This allows the LT to follow-up on the agreed improvement plan and the recommendations given to address issues or mitigate risks previously identified. Mobileaf will allow the LT not only to better record but also to monitor and follow-up more efficiently on each individual farmer, as the LT will have actionable information on the handheld device prior to each farm visit.

b. Roles and responsibilities

With a specific structure dedicated to ALP implementation, MLT is encouraged with the progress made so far in embedding ALP in its day-to-day operations. Starting from the 541 LTs that have the annual objective to train all the contracted farmers they are responsible for on all ALP principles, as well as for monitoring the compliance with the ALP Code. In addition 14 ALP Supervisors provide support to the LT to ensure consistency in their approach, and guarantee the successful communication to farmers ranging between 2,000 and 15,000 per division (there are four regions and each have between two and six divisions). The ALP Supervisors are responsible for training and guiding LTs at weekly meetings, as well as to assess the implementation of the ALP Code at farm level. They also collect training attendance sheets signed by farmers and compile reports, and support LTs to monitor the prompt action issues reported.

There are three provincial coordinators whose role is to monitor the supervisors. These provincial coordinators report to the ALP National Coordinator, who reports to the Agronomy Director.

As of season 2016, all field personnel will have ALP related objectives included in their performance evaluations, a key tool to both motivate staff and ensure regular discussion on the principles, expectations and results.

Furthermore, expecting a rapid and successful implementation of Mobileaf, MLT will be able to adapt the job descriptions of ALP and Forestry teams during the period when manual data capture on farmers is phased out. The field teams will then be responsible for assuring the integrity of the data captured by the LT, which should improve as they will have more time available when visiting the farmer. Auditing will be part of the job description as of season 2016.

c. Leaf Technicians

As stated in CU's report, there is always room for further improvement and LTs need to improve their understanding of the ALP Code and its communication to farmers. After the CU closing meeting, an immediate action plan was put in place which included re-fresher training to all LTs on the topics in need of improvement identified by CU, including: the clarification of the legal working age for children, definition of hazardous tasks, legal overtime rates and benefits, and specific topics related to fair treatment of workers. Continuous training is part of ALP and LTs are trained at least eight times per season and formally assessed through a GAP test designed by the GAP committee to strengthen the capability to communicate and monitor the ALP Code and the knowledge of all pillars of GAP.

d. Farm profiles, Prompt Action Issues and Live data capturing

In the first three crop seasons, the manual collection of farm profiles was included in the LT annual objectives. Each LT had to fill in a form for each farmer under their remit that was then captured in a database and analyzed annually. The manual form represented a snapshot of the farm status at a given time of the season (at MLT between September and December). Although CU acknowledged the collection of farm profiles for 99% of the farms as "an impressive achievement" due to the large number of contracted farms, MLT is mindful that collecting data manually made it virtually impossible to continuously update it. As of season 2016, with the implementation of Mobileaf, data will be updated on each individual farm visit as per need. As a result, updates on the information collected by the LT, such as those related to labor, family members, children, and new school enrollments, can be followed-up closely and regularly.

The identification, reporting and follow-up of prompt action issues has also been part of the LT's responsibilities, as reflected in their job objectives. All field staff are involved in reporting prompt action issues and are aware of the process for doing so. Prior to the 2013-2014 season, MLT developed an ALP handout explaining how to identify Prompt Actions situations to supplement the booklet produced by MLT during the 2012-13 season. The development of an additional reference material and the respective transition period resulted in some initial inconsistencies and contradictions on the understanding of a prompt action by LT's. This explains the

contradiction between the leaf technicians' explanation of what a Prompt Action is versus what was being reported. In addition, LT's did not report some items that had been included in the booklet as prompt action issues, such as workers with salaries below the legal minimum wage, and workers being paid at the end of the season.

For the first 3 seasons, Prompt Action Issues were reported on a paper form that was enhanced in the latter two seasons to include the relevant farmer's signature evidencing that they were aware of and acknowledge the issue. For season 2016, with the introduction of Mobileaf, the paper forms will remain as the signature was a feature that Control Union recognized as very useful and is currently not possible to implement on the tablet. For season 2017, the aim is every time LTs identify a situation that doesn't comply with ALP and warrants a prompt action, the LT reports the situation on the appropriate prompt action registration form (guaranteeing the signature of the farmer) but also records it on Mobileaf so that data reports can be easily generated. During their visits, LTs are required to take appropriate action, explaining to the farmer why the situation is not compliant and suggesting the farmer alternatives to stop the practice identified and prevent it from happening in the future. Steps taken to remedy the prompt action are recorded on the form. The farmer then signs the prompt action reporting form together with the LT acknowledging that the situation is being reported and agreeing on the improvement plan to remedy the situation. Depending on the level of risk and timing of the crop season, LTs are required to follow-up on the prompt action issues with an unannounced visit to validate if the farmer has successfully implemented the agreed action, typically a few days later but no longer than one month after. When an unannounced visit is conducted, the LT speaks with the farmer to understand if the action taken was understood and whether the farmer addressed it or it remained unresolved. In serious cases of re-occurrence, a management team member is involved in the follow-up.

In the case of recurring situations, ALP Supervisors, Community Leaders, Sector Managers or Division Managers will accompany the LT for a second visit with the objective of supporting the efforts to get the farmer to change the problematic practice. If still persistent after the senior management involvement, the farmer will not be eligible to be contracted for the following season.

3. Communication to farmers

a. Trainings

Farmer training started in 2012 and each year MLT has been continuously improving its content and format. CU acknowledged "MLT's intensive communication efforts" throughout different stages of the production process, targeted efforts to reach vulnerable groups, involvement of local stakeholders, as well as the various approaches LTs use to train the group of farmers under their responsibility, including communication one on one, meetings, drama groups and the training material now incorporated onto

Mobileaf. MLT will continue to use meetings, trainings as well as radio broadcasts, drama groups and other communication tactics to spread the message on all ALP Principles as well as other GAP related topics.

In addition to farmer training, MLT has been focusing on the training of vulnerable groups. Children was one of the vulnerable groups identified by MLT as a priority for raising awareness on the ALP Program to mitigate risk of exposure to hazards on farms and also because MLT believes that the children of today may be tomorrow's farmers. Since September 2014, specific trainings have been delivered to teachers and children in schools and will continue to take place in 2016.

Other targeted groups for training include women in tobacco growing communities, particularly farmers' wives, farmers with workers and the workers themselves. The table below shows the number of people trained as per the various target groups from August 2014 to July 2015. Acknowledging the importance of these trainings, MLT will continue training the vulnerable groups for following seasons.

Meetings in schools	Children trained	34,417
	Teachers Trained	776
Meetings with women (wives of tobacco farmers)	Nº meetings	450
	Nº people present	8,011
Meetings with tobacco farmers that have workers	Nº meetings	1,110
	Nº people present	76,300
Meetings with tobacco farmers' workers	Nº meetings	115
	Nº people present	5,010

Meetings in schools and meetings with women focus particularly on Child Labor and Safe Work Environment. In addition to safety on farms with a strong emphasis on GTS prevention, training for workers is focused on income and working hours, fair treatment, and forced labor. Training is also provided to both workers and farmers on appropriate and safe ways to handle crop protection agents (CPA) and methods of how to protect themselves during the harvesting of tobacco. To reduce the prevalence of GTS, farmers are provided with rubber gloves for harvesting.

As a future initiative, MLT will strengthen the efforts on Safe Work Environment, where additional training on GTS, safe CPA storage, and provision of markers for the tobacco fields to indicate the safe re-entry period after application of CPAs.

CU recommended to MLT to improve its training materials. An action plan was immediately put into place, which included the revision of the ALP Code Principles' leaflets, and new posters more appropriate to the local literacy levels have been developed to better communicate with the farmers. These

The new documents developed are as follows:

A new leaflet in local languages has been printed for the 2016 season for distribution to all farmers. It incorporates all the corrections suggested by CU, including the use of other languages as many of the farmers don't speak the country's official language (Portuguese).

New A2 canvas GTS Posters have been developed in the local language using cartoons. In other countries, cartoons have proven to be a successful way of passing messages in a simple and effective manner, particularly in communities where illiteracy levels are high. These posters will be placed in baling centers and distributed to farmers identified by LTs as influential in their community.



63

focused on eliminating child labor in tobacco growing. The second will target Income and Work Hours, with a strong focus on ascertaining whether farmers understand the legal minimum wage and whether workers are paid the legal minimum wage. Below is a detailed description of the people pillar STP initiatives, including the action plans that will be put in place to achieve the key ALP goals and targets.

a. STP Initiative 1: Reducing Child Labor

Objective of the initiative: to eliminate hazardous child labor in tobacco fields in the next 5 years, in line with the ALP Code Standards and the Mozambican Law which state that “no child below the age of 18 can perform any type of hazardous work”.

To achieve this objective MLT will:

- Every season train all new farmers at least once.
- Maintain training sessions for existing farmer base and monitor farmers’ implementation of ALP Code in all tobacco farms.
- During the 2017 season, ALP Supervisors will assess training currently done in schools and its effectiveness. If proven to be effective, training in all schools with the highest attendance of children will be conducted over the next 5 years. Where school feeding programs are in place, training will also be done by APOIAR, the NGO implementing the school feeding pilot (Kukula Project) in primary schools in the district of Mandimba, Niassa province.
- Engage with schools in communities where tobacco is grown to explore opportunities to train all children and teachers with different approaches (drama groups, storytelling, etc...).
- Concerted campaign to train women involved in growing tobacco over the next 5 years. Drama groups, LTs, and ALP supervisors will all be involved in this training.
- Train women on the farm and other women as a community approach. The training will focus on Child Labor since they are the ones taking care of the children, and Safe Work Environment to prevent exposure to hazardous environments for everyone on the farm, including hazardous work in particular circumstances, such as when pregnant or nursing.
- During season 2017 and 2018 further explore MLT’s ongoing mapping process of areas most in need of schools, clinics, bridges, other infrastructure, in order to further tailor MLT’s Social Responsibility Program (SRP) accordingly. Low school attendance is also impacted by the lack of infrastructure in poor communities. Upgrading a school or building a new one where none is available, or building a bridge where children have to walk 10km to go to school can reduce walking distance and have a significant impact on school enrollment and attendance. Given all projects within MLT’s SRP program regarding public infrastructures (schools, clinics, bridges, etc.) require prior government approval, MLT will engage with the government and all relevant stakeholders.
- MLT will also liaise with local authorities in order to help them allocate their own resources and infrastructure to deprived areas. When consulted, MLT

will raise awareness by providing information on areas in need of infrastructure.

- Leverage on the positive results of “Kukula Project”, APOIAR’s School Feeding pilot program, and further assess resources to expand it beyond the current three schools. Train all children, teachers and parents, tobacco and non-tobacco farmers. Children will be trained on child labor and how this can be harmful to them. The training encourages farmers not to let children work on tobacco farms and the “one meal a day” program will encourage children to go to school.

Expansion of the school feeding program will depend on three fundamental factors: 1) funding availability from other donors within the industry; 2) Government approval, and 3) community buy-in. To achieve all, MLT will promote and present the project widely with the aim of raising funds and demonstrating the advantages and attributes of the project to the industry, the government and key stakeholders in the local community.

An assessment of the impact of the school feeding project will be conducted against two control groups’ schools in the same areas, as well as two schools in each division where MLT operates. The assessment will be analyzed after a complete school year of the project (November 2016).

Kukula – School Feeding Program

To support the implementation of the STP initiative on Child labor, a pilot school feeding program was launched on the 26th of August, 2015. This pilot was implemented in three schools in Mandimba district, Niassa province, the division with the lowest record of school attendance. This is a tobacco growing area and in 2015 only 9% of local children between 6 and 14 years old were enrolled in school.

This program, designed by MLT, implemented by APOIAR (Associação Portuguesa de Apoio a Africa) with the support of the Ministry of Health, Ministry of Education and Human Development, Youth and Technologies and the Ministry of Agriculture and Food Security in the Mozambican Government, has the aim of reducing child labor by increasing school attendance.

As a secondary outcome, the program is also expected to have a positive impact on the health and nutrition of the targeted communities, by increasing school attendance and reducing sick days. The first results of this program are encouraging. Although there were no written records on school attendance in the past, according to the teacher and school headmaster of one of the schools only around 10 children attended school before the program (from August to November, 2014) whilst the records for the same period in 2015 show an average of 114 children have attending school. For the three schools benefiting from the program, an increase in attendance was declared when compared to the same period in previous years. Since no new enrollments were permitted by the government in August, both MLT and APOIAR expect a significant increase with the new enrollment for the school year 2016, starting in February. APOIAR will measure both the number of children enrolled, and most importantly the number of children that remain in school after June 01st (International Children’s Day), after which most children abandon school.

By helping to maintain child attendance at school and engaging children off farm, the Kukula project will help to reduce Prompt Action Issues from which it is recorded that the biggest percentage of children performing tasks on the farms are between 8 and 14 years old.

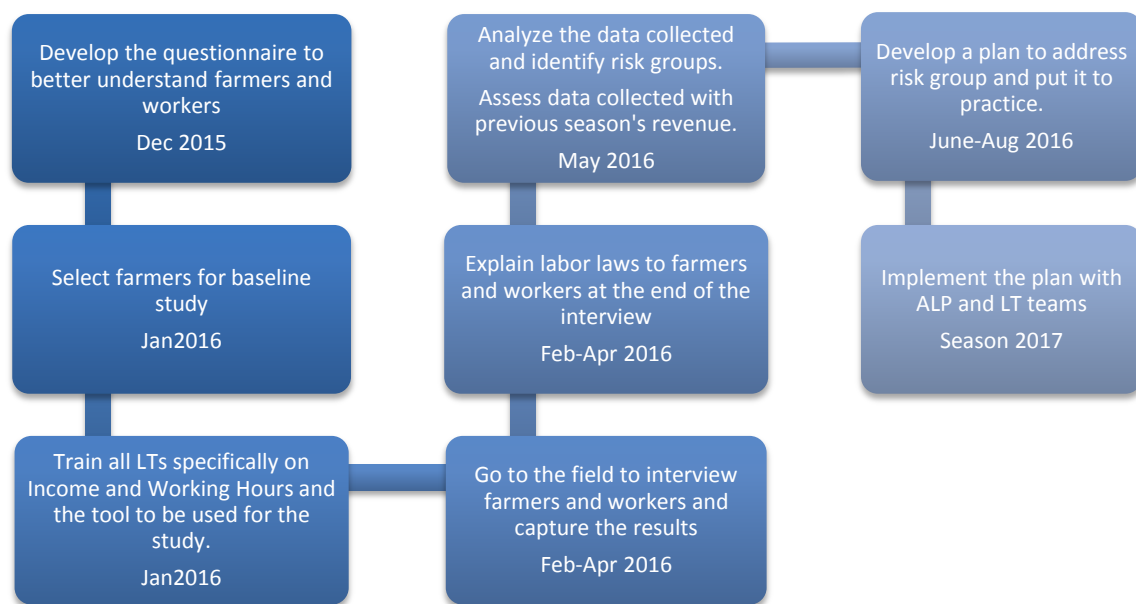
b. STP Initiative 2: Income and Work Hours

Objective of the initiative: all farmers and workers are aware of the legal minimum wage within 5 years and have written contracts in place.

To achieve these objectives, MLT will:

- Re-train current farm base and train new farmers who hire workers every season on all 7 ALP Code principles. Different communication methods will be used, included but not limited to drama groups, radio programs, training of vulnerable groups.
- Make the template of farmer-worker contract developed by MLT for the 2015 season available to all farmers in 2016. LTs will inform all farmers about the template and distribute it to farmers. This will further allow the LTs to explain Mozambican Law to both farmer and worker building on the opportunity for one-on-one training.
- Train farmers having larger operations, with drama groups with the participation of the ALP supervisors, and farmers who hire labor as a focus group (based on information from the 2015 farm profiles). The training will focus on Labor Law and specifically on topics related to income & work hours.
- Assess if there are any farmers having yields below the cost of production assumptions in order to understand the root causes and identify corrective measures for each farmer. Studying the yields of farmers that hire labor and comparing farmers with big and small areas of cultivation will also help focusing the training.
- Inform farmers and raise awareness that monthly payments are best practice and the risks associated with end of season payments. This includes informing workers that nobody should be forced to stay on farm if wishing to leave voluntarily.
- Conduct a baseline study during the 2016 crop season to assess what workers are earning in relation to the minimum wage and further understand the circumstances in which farmers pay workers below the minimum wage. In 2017, and based on the conclusions of the baseline study, MLT will put in place an action to address the issue and support farmers improving their payment to workers.

The baseline study will be conducted according to the following plan:



The CU findings, as well as MLT's Farm Profiles analysis for the past seasons, has allowed MLT to understand that the payment to permanent labor is generally done at the end of the season. This situation comes from an agreement between labor and farmer, with both parties acknowledging that tobacco is an annual crop and therefore income is generated annually. A small percentage (around 3%) of the better established farmers that have other businesses, are able to have a monthly income and therefore pay their labor on a monthly basis but most farmers have no financial literacy or income management. MLT will continue training on income management and be alert for any situation that is not in accordance with the law and the agreements between farmer and labor.

5. Concluding remarks

MLT's management as well as all Agronomy Staff, including ALP team, are fully committed to the elimination of child labor and other labor abuses in contracted tobacco farms. Even though CU's findings are very much in line with MLT's internal assessment and knowledge about the conditions in the tobacco fields, it enables MLT to further direct its STP Initiatives and focus the action plan for season 2016.

MLT is aware of the vast number of issues to be addressed and is focused on prioritization of worst cases in an effort to resolve principle problem areas. MLT is committed to developing appropriate action plans and implementing solutions to ensure we progressively eliminate worst cases so we can then move to address other outstanding situations. MLT recognizes that it is impossible to address all issues at the same time and believes that through prioritization and a focused approach will help in addressing all issues encountered.

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.²⁴
- 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 15²⁵ 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.

²⁴ As an exception, pursuant to ILO Convention 138, developing countries may under certain circumstances specify a minimum age of 14 years.

²⁵ 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.