Control Union's (CU) assessment of Alliance One Tobacco (Malawi) Limited's (AOTM) implementation of the Agricultural Labor Practice (ALP) program, in 2016 was Malawi's first assessment of the program. Progress on the implementation of the action plan on addressing findings of the CU report continued as the report underwent adjustments required on the reporting methodology and format, which subsequently impacted the release of the report.

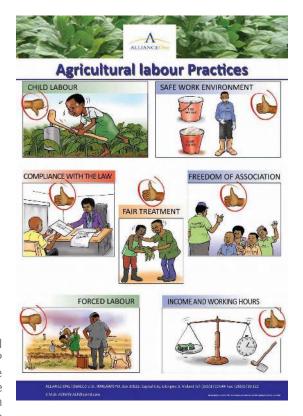
## Program management and internal processes

AOTM appreciated CU's acknowledgement of the positive changes that have occurred in its contracted farmer base since the beginning of ALP program implementation. Findings from the CU assessment allowed AOTM to prioritize and develop a focused action plan starting with the 2016 crop year to address the identified issues. AOTM understands that this will require allocation of sufficient resources to meet the ALP commitments and an increased level of engagement with contracted farmers, their families, and workers.

AOTM is committed to achieving long-term sustainability of tobacco production in Malawi while ensuring that all contracted farmers make continuous improvement towards the implementation of the ALP program.

In 2016, AOTM monitored all contracted farms for compliance with the Child Labor and Safe Work Environment principles. While these two principles continued to be a high priority for in-depth monitoring in the 2017 crop year, AOTM monitored contracted farmers for compliance with all seven principles through our Growers Management System™ (GMS) tool.

A risk assessment was conducted based on all the information gathered at the end of 2016 crop year to identify risk areas that do not meet ALP standards across the seven ALP principles which need attention. The findings of the risk assessment enabled AOTM to develop Sustainable Tobacco Production initiatives with robust, concrete, measurable action plans addressing the risk areas in crop year 2017. AOTM developed three STP initiatives addressing identified ALP risk areas and all contracted farmers were monitored for compliance with the associated measurable standards.



# Addressing complex systemic issues

The main focus areas identified by AOTM during the first phase of the ALP program rollout were related to child labor, safe work environment and potential forced labor (tenants). Child labor focus areas reflect issues faced within the entire agricultural sector in Malawi, where the rural population accounts for 84% of the total population, with about 11 million people engaged in smallholder subsistence farming (18,570,321 total population est. 2017). At the beginning of 2017, according to latest estimates, Malawi's population by age distribution was as follows:

**0-14 years:** 46.53% (male 4,299,076/female 4,341,129) **15-24 years:** 20.49% (male 1,889,240/female 1,915,843) **25-54 years:** 27.26% (male 2,512,247/female 2,549,766) **55-64 years:** 3.03% (male 268,691/female 294,713)

**65 years and over:** 2.69% (male 220,608/female 279,008) (2016 est.)

As noted by CU, the tenancy system in Malawi creates risk of forced labor. Tenancy labor is defined as a social relation in which tenants and their family members are employed to produce crops on a plot allocated by the leaseholder or estate owner. The tenancy labor force largely comprises internal (local) migrants mostly originating from the southern regions of the country, due to the lack of arable land, to the tobacco-growing districts in the Central and Northern regions.

### Child Labor

AOTM does not allow the use of child labor in its supply chain and continues to make efforts to develop initiatives that address child labor. Primary focus areas for 2016 included monitoring (1) the employment of children on farms, (2) involvement of family children in tobacco production and (2) exposure of children below the age of 18 to hazardous work on farms.

In order to mitigate the occurrence of child labor, AOTM trained all of its contracted farmers and workers about its standards and how to remain in compliance with the seven ALP principles and measurable standards, through various mediums of communication such as regular Leaf Technicians farm visits, drama groups, group meetings and ALP Committees.

Through farm monitoring, AOTM is able to identify contracted farmers with children and/or orphans living on the farm so that tailored action plans can be developed. These action plans include = additional monitoring by field staff and training to improve contracted farmers and workers knowledge of types of hazardous work.

The Malawi Employment Act CAP 55:02 Prohibition of Hazardous work for children Section 6/(1)/2 does not restrict children 16-18 from working in hazardous work, however, as per ALP program requirements, AOTM has

opted to restrict this age group from engaging in hazardous tasks. AOTM continues to engage with relevant stakeholders to help them understand the need for greater protection for individuals under the age of 18 and the protection provided by the ALP program

While feedback to date indicates a positive impact on the mitigation of child labor risks, AOTM continues to monitor, train and create awareness of the negative impact of child labor.

## Mother Groups

Recognizing that women are the catalyst of change due to their child-rearing and care taking role in the communities, AOTM involve women, and mothers in its child labor elimination programs.

AOTM started providing ALP training to contracted farmer's spouses in the 2017 crop year and is continuing with the program. Encouraging farmer's spouses to take up community ALP training will help to ensure sustainability of the ALP program, not only on AOTM-contracted farms but also within communities.

AOTM have initiated the establishment of pilot Mother Groups where the mothers in farming families are encouraged to work together with other women in the community to address child labor issues and gain a deeper understanding of child labor laws. The participation of women is essential as they take a major role in defining the greatest needs of families, including education and wellbeing, and therefore are an influential demographic group that could greatly influence ALP awareness and adherence in the communities.

Specific objectives of these groups include: (1) training mothers in peer training skills; (2) training mothers in child labor regulations; (3) training mothers in child labor monitoring; and (4) enforcing and monitoring compliance with child labor law.

#### **FARMER SPOUSE TRAINING**



### Community ALP Committees

AOTM began involving community members in the ALP program in 2015, through the introduction of ALP Committees which aim to strengthen ALP implementation at the farm and community level. The development of this community committee framework presented the community with an opportunity to contribute to the evolution and implementation of good Agricultural Labor Practices.

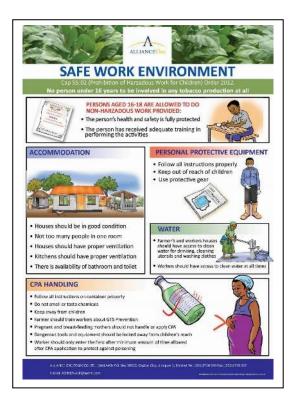
ALP Community Committees facilitate the dialogue about ALP by providing direct training and technical assistance to the identified growing area sites, serving as a repository for community information, and acting as a resource for tobacco farmers, workers and the community at large interested in learning more about ALP and its implementation. The sharing of successes, failures, and frustrations now forms an integral part of this process.

Without strong ties to the community, AOTM did not have access to pertinent information from community members that could help early identification and remedial actions and/or deter incidents. Community members have been more forthcoming with helpful information where AOTM has established a relationship of trust within the community.

Establishing trust with communities has taken time, but has been achieved once community members understood that AOTM is genuinely interested in community perspectives and problems. They have started to view the ALP program as a part of community enhancement.



## Safe Working Conditions

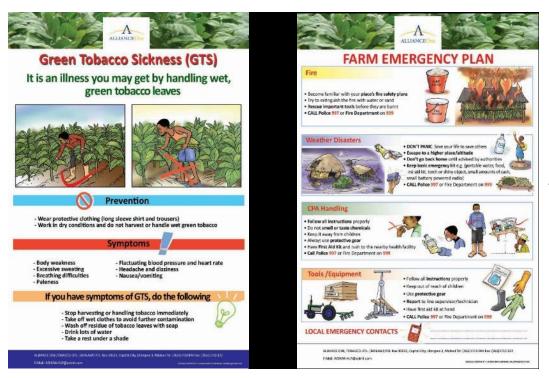


In the 2017 crop year, AOTM improved its visualizations to show what constitutes adequate Personal Protective Equipment (PPE), according to the Malawi Occupational Safety, Health and Welfare Act CH 55:07 section 58. The visual display demonstrates how farmers are intended to correctly use PPE.

It is the farmers' responsibility to enforce the proper use of PPE on the farm and maintain PPE in a clean, sanitary and reliable condition. Worn or defective PPE should be replaced. This responsibility is included in the farmer contract and explained by the leaf technicians during contract signing. Contracted farmers are required to train his/her workers on proper PPE usage and storage.

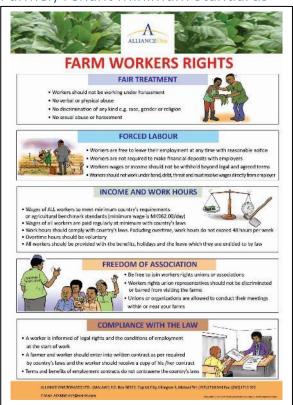
Leaf Technicians use the farm visits to monitor effective enforcement of safe work environment which includes worker accommodation, PPE, Green Tobacco Sickness (GTS) prevention and Crop Protection Agent (CPA) handling. Contracted farmers are expected to train their workers at each relevant crop stage (seedbed, land, crop stages). Training records are monitored through inspection of the farmer book, a record-keeping and educational tool provided by AOTM. Training records should have worker signature/thumbprint. In 2017 and going forward, AOTM intensified monitoring of worker training by farmers to ensure greater awareness and encourage adherence to the standards set forth in purchase agreements.

Safe CPA storage was also addressed and AOTM will continue to provide contracted farmers with tins/buckets to safely store CPA containers on the farms.



ALP posters all updated to communicate a clearer and consistent message.

### Farmer/Tenant Minimum Standards



In August 2015, AOTM actively participated in industry stakeholder meetings with the Malawi Ministry of Labor that led to government approval of Industry Minimum Standards relating to Farmer/Tenant agreements. The minimum standards are intended to protect not only the worker/tenant only but also the farmer through written contractual agreements.

In the 2016 season both the seven ALP Principles as well as the minimum standards were incorporated in the AOTM/Farmer written contract agreement.

#### Final remarks

AOTM's ongoing efforts to strengthen and sustain ALP program implementation encompass significant engagement with various stakeholders, including relevant government ministries, farmers, workers and the surrounding communities.

All AOTM's contracted growers are sensitized on ALP issues and are required to attend training by the Leaf Technicians (LT) and the Area Field Administrators (AFA). All are contractually obligated to comply with all the seven ALP principles. Through the IPS system and its ALP programs, AOTM is better able to reach and educate its contracted growers on the importance of ALP compliance.