



EXTERNAL ASSESSMENT

ALLIANCE ONE TOBACCO CANADA, INC.
Flue Cured Virginia farmers in Ontario



Agricultural Labor Practices Program

August, 2017

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EXECUTIVE SUMMARY



EXTERNAL ASSESSMENT
Flue Cured Virginia farmers in Ontario

In August 2017, Philip Morris International (PMI) requested Control Union (CU) to conduct an external assessment of the Flue Cured Virginia tobacco growing operations of its supplier Alliance One Tobacco Canada, Inc. (AOTCI) in the province of Ontario, Canada. The assessment evaluated the labor practices at AOTCI-contracted farms, and whether these were meeting the standards of PMI's Agricultural Labor Practices (ALP) Code.¹ CU also evaluated AOTCI's internal capacity to implement the ALP Program and their understanding of farm practices, and how issues were being identified, recorded and addressed.

As part of this assessment CU interviewed six AOTCI employees, one employee from PMI Regional, and two stakeholders (an external Health and Safety trainer, and a representative of the government-run F.A.R.M.S program, which facilitates employment of migrant workers in agriculture). Over a two-week period CU visited 20 farms in Ontario² and interviewed a total of 20 farmers, ten family members and 56 external workers. All of the farm visits were unannounced and all farmers were present at the time of the visit.

An information triangulation methodology was used to evaluate farm practices. The three sources included interviews, documentation, and observation, together with a "Five Whys Analysis" problem analysis. The "Plan, Do, Check, Act" cycle was adopted for analyzing AOTCI's management approach.

AOTCI began implementing the ALP Program in 2012, and had included all contracted farmers in the scope. The contracted farms were mainly large-scale, highly mechanized commercial operations. Although labor demand was lower due to the level of mechanization, farmers still employed twelve workers on average, many of whom were migrant workers living on the farms. As the total number

of contracted farmers was relatively low (less than 100),² AOTCI's management team was relatively small, consisting of six members, all of whom were involved in ALP implementation.

Alliance One International (AOTCI's parent company) had global policies on ALP, and AOTCI had also signed local ALP policies. At AOTCI the ALP Program was considered to be relevant, however, it was also perceived that most elements of the program were already covered by Canadian law. Job descriptions were assigned, although only included few ALP responsibilities. Prompt Action protocols and monitoring procedures were clear, however, during the last few years they had not resulted in any issues captured in the field, even though CU found some issues during the farm visits. The definition of Prompt Actions was not well understood; the field team considered all situations not meeting the standard to be Prompt Actions. None referred to the list of Prompt Actions that was included in AOTCI's Prompt Action protocol³.

AOTCI's annual risk assessment concluded all ALP-related risks in the Canadian market were sufficiently low. Although CU's observation was also that many practices at the farms were meeting the ALP Code, several risks were identified in the field that were not captured in the risk assessment. In addition to the annual assessment of risks, AOTCI had conducted interviews with workers to gain more insight into risks related to farm practices in the 2017 season; at the time of CU's assessment the interview data was still being analyzed. As AOTCI's risk assessment judged all ALP-related risks being sufficiently low, AOTCI did not have a clear long-term strategy for its ALP Program.

AOTCI communicated ALP-related topics to farmers mainly via email, phone and regular farm visits by the field team. AOTCI's field team knowledge on ALP was found to be adequate with minor gaps for

1. The main goal of the ALP Code is to eliminate child labor and other labor abuses progressively where they are found, and to achieve safe and fair working conditions on all farms from which PMI sources tobacco (see link). For more information on the background of the ALP Program see link.
2. The minimum sample size was 20 farms in Ontario, 20 being the minimum sample size per homogeneous region when the total number of farms within a population is less than 400.
3. The AOTCI Prompt Action protocol was based on PMI's global Prompt Action protocol.

topics such as maximum working hours and farmers' obligation to inform workers about their legal rights. The communication materials distributed by AOTCI to inform farm workers about Green Tobacco Sickness (GTS) and re-entry intervals after CPA application were clear and to the point. However, local policies were not exactly the same as those included in AOI's global pamphlet, particularly on child labor. As farmers were both provided with global AOI and local AOTCI's policies and these were not fully in line, this might lead to confusion about what was required. Awareness about ALP-related topics was low among workers, but high among farmers.

AOTCI's field technicians collected socio-economic farm information for Farm Profiles, monitoring data, and identified Prompt Actions during regular farm visits, recorded on paper forms. This data was transferred to an electronic data system (GMS) afterwards for corporate reporting purposes. CU identified that the farm-by-farm monitoring and Prompt Action reporting procedures had not captured the issues observed by CU in the field. Farm Profiles, however, were found to be accurate.

As part of their STP Program, AOTCI had formulated two ALP-related initiatives for 2017, focusing on re-entry periods after CPA spraying, and documentation of worker trainings. Results showed that most workers were aware on when it was safe to re-enter the fields after spraying and that most farmers kept records of the trainings provided to their workers. However, the latter result did not measure whether knowledge and awareness among workers had actually improved. Although the initiative on CPA re-entry was aimed at actual behavioral change, the target for this initiative (no work time loss due to illness caused by exposure to CPA) was not measured.

In general, CU found that the level of AOTCI contracted farms meeting with ALP requirements was high. This included payment practices in line with legal requirements, no child labor and no forced labor risks identified during the farm visits. Nevertheless, CU's assessment also identified some practices that did not meet the ALP Code and Measurable Standards. These included improper CPA storage and disposal practices, cases of verbal harassment, long working hours, farmers not informing workers about their legal rights, and lack of an independent support mechanism. These issues require further attention from AOTCI.

Feedback received by the CU team from farmers, family members and external workers included observations of positive effects of the ALP Program (for example, that health and safety had improved), but the general view was that not much had changed on the farms since the introduction of the ALP Program. This was mainly due to many farmers perceiving most elements of ALP were already covered by law. AOTCI's field team also received feedback from the farmers but had no structured process in place to collect and report this information.

The outcome of this assessment can be used as a tool to facilitate AOTCI management to develop a strategy of continuous improvement. CU acknowledges AOTCI's commitment to addressing the issues identified and defining areas of improvement through the implementation of an action plan (see Appendix I).

MARKET AND COMPANY BACKGROUND



EXTERNAL ASSESSMENT
Flue Cured Virginia farmers in Ontario

Flue Cured Virginia tobacco growing in Canada is concentrated in the province of Ontario. In general, tobacco farms in Canada are highly mechanized, large-scale commercial operations. Although labor demand is relatively low, the supply of local agricultural labor is too low to meet demands. Therefore the Canadian government, together with the agricultural sector, has set up a program⁴ to enable farmers to source labor from other countries. Through this program (known as F.A.R.M.S. – Foreign Agricultural Resource Management System), tobacco farmers hire migrant workers mainly originating from Mexico, Jamaica, Trinidad and Tobago, Saint Vincent and Barbados.

In 2017, Alliance One Tobacco Canada, Inc. (AOTCI) had contracted less than 100 farmers. The average tobacco growing area was 44 hectares. These farmers employed twelve workers on average, the majority of whom were migrant workers living on the farms. AOTCI's estimated market share of Flue Cured tobacco in Ontario was 49% in 2017.

Before 2009, Canada had a quota system in place to control the volume of tobacco produced in Ontario. In 2009 this quota system was replaced by a new licensing system, with farmers directly selling to tobacco companies. Farmers who took a buyout (compensation payment from the government) could not get a license to grow tobacco under this new system. However, in practice, their land could be used for tobacco production when licensed under a different name.

AOTCI had direct contracts with all of its farmers, most of whom had been engaged with AOTCI for many years. In addition to growing tobacco, the contracted farmers grew a broad variety of other crops, among which ginseng and fruits were the most common.

4. This program was launched in 1987. See <http://farmsontario.ca/>

Chapter 1

IMPLEMENTATION OF THE ALP PROGRAM



EXTERNAL ASSESSMENT
Flue Cured Virginia farmers in Ontario

1.1. Commitment to the ALP Program

The global website of Alliance One International (AOI), the parent company of AOTCI, clearly stated the company's commitment to the ALP Program⁵ and its social responsibility policy⁶, including the elimination of child labor. An explicit definition of child labor was provided, along with examples of AOI's child labor prevention efforts. The AOI website also included a list of hazardous tobacco-related activities.

In addition to the global policies of its parent company, AOTCI had local policy documents addressing ALP-related topics such as equal opportunities policy, farm safety awareness strategy, health and safety policy, workplace violence and harassment policy, Crop Protection Agents (CPA) farm safety policy, and the ALP Code itself. These local policy documents were reviewed and signed⁷ annually by AOTCI's Managing Director. Furthermore, AOTCI had broadcasted a radio commercial in Ontario to promote health and safety enforcement among its farmers.

AOTCI's staff acknowledged the relevance of the ALP Code requirements in terms of the importance to maintain good working conditions at the farms contracted by AOTCI. The general perception was that most elements were already covered by Canadian law, but that the ALP Program gave added focus to preventing child labor and Green Tobacco Sickness (GTS).

1.2. Strategy and objectives

In order to identify the risks related to tobacco production practices on the contracted farms, AOTCI conducted a basic risk assessment to rate the probability and severity of risks for each ALP Code measurable standard. The conclusion of this assessment, which was based on the experience of AOTCI staff, was that risk levels were 'adequate' (i.e. that risks were small), in accordance with the information captured through AOTCI's internal

monitoring systems (see Chapter 1.5). However, CU found that the risk assessment did not fully agree with the situation at the farms visited by CU, as some issues were identified regarding fair treatment, access to an independent support mechanism, and safe use of CPA and Personal Protective Equipment (PPE) (see Chapter 2). Furthermore, it was found that AOTCI's risk assessment did not include a root cause analysis.

AOTCI response:

"AOTCI will identify the prime areas of concern and initiate a root cause analysis structure along with the development of corresponding mitigating actions in 2017 as preparation for the annual Risk Assessment review in Q1 2018. The target for formalizing an effective root cause analysis and mitigating actions for all aspects of the risk assessment will progress over the next 3 years from 75% to 85% and then to 90% by 2020. Worker interview and unannounced farm visit data will be compiled annually to follow through with a root cause analysis for all areas included on the risk assessment."

Each year, AOTCI developed six initiatives within their Sustainable Tobacco Production (STP) program, two for each STP pillar (environment, people, crop). Initiatives for the 'people pillar' were used to address some of the risks identified in the ALP risk assessment. In 2017 these initiatives focused on (1) documenting training records for all farm workers, and (2) improving knowledge of CPA re-entry intervals and notifying workers when CPA was applied :

1. **Worker training records:** The target set for this initiative was that all contracted farmers would keep training records of the workers currently employed by them. Farmers had to ensure that their workers had been trained on health and safety risks, including GTS, operation of motorized and mechanical equipment, and PPE usage.

5. <http://www.aointl.com/sustainability/one-vision/agricultural-labor-policy/>

6. <http://www.aointl.com/sustainability/one-vision/corporate-social-responsibility-policy/>

7. Internal documents not publicly available.

2. Notifying workers about CPA use and CPA re-entry intervals: The target set for this initiative was that all contracted farmers would inform their workers about CPA re-entry intervals and notify them when CPA had been used. An additional target was “no loss of work time due to sickness caused by applied CPA”. In order to reach these targets farmers had to post information for their workers showing when CPA was sprayed and when fields could be re-entered after spraying.

The target for the initiative on documenting worker trainings was measurable (number of farms) but did not cover whether knowledge and awareness among workers was actually improved. In this respect the initiative on CPA re-entry intervals was better defined, as it included a target measuring behavioral change (“no loss of work time due to sickness caused by applied CPA”). However, it was difficult to assess whether sick leave was due to CPA, and hence this target was not measured. Further details on the various initiatives are presented in Chapter 1.6.

with the grower base to determine how to improve the stakeholders’ understanding of the ALP Program and efficiently focus on identified risk areas. The target is to increase stakeholder adoption of the program over the next 3 years reaching full adoption of the ALP Code and its measurable standards by 2020 which will be measured by farm by farm monitoring and ALP reviews.”

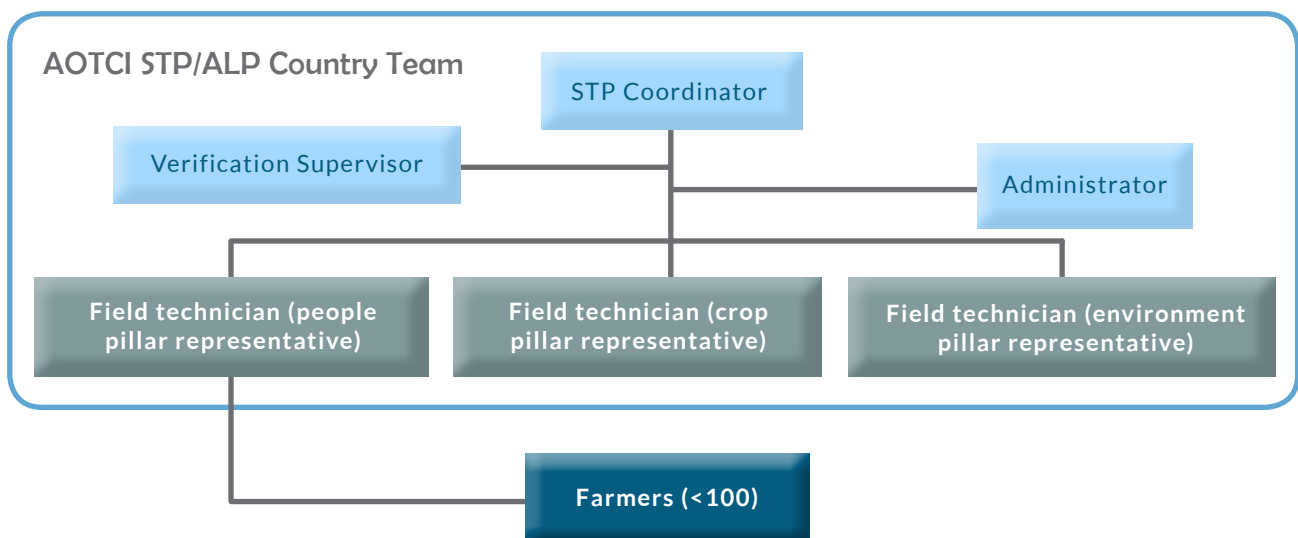
1.3. Internal capacity

1.3.1. Dedicated organizational structure

AOTCI had a dedicated organizational structure to implement the ALP program, with an STP/ALP country team consisting of six members: an STP Coordinator, STP Administrator, and Verification Supervisor, and three Field Technicians. The latter also served as ‘Pillar Representative’, each representing one of the three pillars of the STP Program (crop, people, and environment) (see Figure). The STP/ALP team was relatively small, but the number of contracted farms was also relatively small (less than 100 in total). AOTCI worked closely together with PMI Regional and received regular guidance on the implementation of the ALP Program.

AOTCI response:
“AOTCI’s long term strategy is to develop a root cause analysis to determine areas for improvement and respective mitigation. Communication will occur

Internal structure for ALP implementation



1.3.2. Roles and responsibilities

Roles and responsibilities were included in the job descriptions, however, the responsibilities related to being a Pillar Representative were not documented and were not clear to the Representatives themselves. According to them, the function meant that they had to pay specific attention to issues related to their topic (people, crop or environment), but none mentioned specific activities or targets linked to this responsibility. Since the management team was small, all work related to ALP was considered a group effort. Within this team the three field technicians were more focused on data collection and monitoring, while the coordinator, verification supervisor and administrator focused on data validation and development of new methods and materials for the ALP program.

AOTCI conducted job evaluations on an annual basis, evaluating general performance and skills (not ALP or STP specific). In the case of the STP coordinator, the job evaluation included performance on targets set for ALP implementation.

AOTCI response:

“Roles are assigned annually within AOTCI’s STP Committee. Responsibilities of the individuals in the assigned roles will be clearly defined and documented for each position in Q1 2018. This document will be referenced in the regular STP Committee Meeting Minutes.”

1.3.3. Training and knowledge of the ALP Program

In 2012, AOTCI management received their first ALP training in a workshop organized by PMI and Verité. Furthermore, in 2016 the STP Coordinator and STP Administrator of the country team followed a training on ALP by ABSustain. AOTCI also received regular guidance on ALP by PMI Regional.

No formal internal trainings had been organized thus far, however, each year the management staff conducted the annual farmer meeting, which included a refreshment training on the full ALP Code. Furthermore, in 2017 AOTCI had evaluated the knowledge of its management staff through a written test on ALP.

CU’s assessment of the knowledge of the field team⁸ with regard to the ALP Code Principles showed the following results:

1. **Child labor:** All three interviewees were aware of AOTCI’s policy to not allow employment of children below the age of 18. Two (67%) also knew that family children aged 16-17 were allowed to help on the farm with non-hazardous tasks. The definition of hazardous work was clearly understood by two (67%), while one (33%) mainly referred to working with machinery and CPA, failing to mention working with green tobacco.
2. **Income and work hours:** All mentioned the correct legal minimum wage of 11.40 Canadian Dollar (CAD) per hour, and two (67%) were aware of the legal benefits that should be provided. All were aware that Canadian law does not stipulate a maximum number of working hours per week for tobacco workers, but none were aware of the 48-hour maximum recommended by the ALP program. All mentioned that workers should be paid at least once every two weeks.
3. **Fair treatment:** All understood that workers must be treated fairly. Two (67%) also mentioned that there should be no harassment, and one (33%) also mentioned that there should be no discrimination. However, none of them mentioned that farmers must be available to their workers to discuss potential grievances, or that workers should have access to an independent support mechanism.

8. The field team consisted of three field technicians and the verification supervisor. For the assessment CU interviewed the verification officer and two field technicians (one field technician was on sick leave)

4. **Forced labor:** All understood that workers should be free to leave their employment. Two (67%) also mentioned that withholding identity documents was not allowed. One (33%) also referred to the risks involved when workers were paid indirectly (via crew leader), and that prison labor was not allowed.
5. **Safe work environment:** All had a good understanding of the required safety measures for tobacco farms, such as the use of PPE, CPA storage, provision of adequate accommodation, and keeping the environment clean.
6. **Freedom of association:** All had an adequate understanding of this ALP Code Principle and mentioned that workers should be free to join unions if they wanted to.
7. **Compliance with the law:** All mentioned that farmers should comply with the law, and considered this an umbrella principle. In addition, all were aware that Canadian law allowed verbal employment contracts. However, none mentioned that farmers should inform workers about their legal rights.

Although all members of the field team understood the concept of Prompt Actions and were aware of AOTCI's reporting protocol, they did not know that the protocol included a list of situations that should be considered Prompt Actions. As a result, they considered all situations not meeting the standard to be Prompt Actions (see Chapter 1.5.3).

AOTCI response:

"A formal ALP training presentation will be provided to all AOTCI STP Committee Members by Philip Morris International (PMI) in Q2 2018. All individuals receiving the training will sign an acknowledgement indicating that they have been trained on ALP and have knowledge of the program."

1.3.4. Internal communication

Since AOTCI operated with a small field team (see Chapter 1.3.1), internal communication was mainly informal, via email, phone and conversations in the office during the coffee break each morning. Communication was reported to take place on a daily basis. Minutes of the monthly STP meetings, which included discussion of ALP-related topics, were documented. PMI Regional visited AOTCI regularly, and received quarterly reports including ALP updates with statistics on ALP communication to farmers, Prompt Action summaries, and planned tasks.

In addition, the STP Administrator participated in meetings of AOI's North America STP Support Team (established in 2017), where insights and experiences with regard to ALP implementation were shared.

1.4. Communication of the ALP Code requirements to farmers

1.4.1. Communication strategy and tactics

AOTCI informed farmers on ALP topics mainly during farm visits, and through regular communication by email and phone. Furthermore, each year AOTCI organized a farmer meeting to inform farmers on tobacco-related topics including a training on ALP. In previous years these annual meetings had been held in a single session for all farmers together, but the most recent one (2017) was held in smaller groups of five to ten farmers. AOTCI mentioned that farmers would speak up more easily in smaller groups.

AOTCI's field technicians visited the contracted farmers on a regular basis, paying at least three visits per year. Farmers who were located close to AOTCI's office were visited much more frequently; some reported to receive a visit every two weeks. During the visits field technicians focused mainly on agronomy-related topics, but ALP topics were also discussed.

AOTCI had distributed several communication materials among its farmers (see also Appendix V):

- **GTS poster:** This poster clearly described the symptoms of GTS and how to avoid this disease. The poster was distributed among farmers in English as well as Spanish, in order to reach Mexican workers.
- **ALP poster and pamphlet:** These materials, produced by Alliance One International (AOI), described the principles and measurable standards of the ALP program in general. However, they had not been adapted to the local policy and included information that was not fully in line with AOTCI's policies. For example, information on the legal minimum wage and working hours was not adapted for Ontario, and information on child labor referred to the global ALP policy, while AOTCI had adopted a stricter policy (see Chapter 2.1). As farmers were both provided with global AOI and local AOTCI's policies and these were not fully in line, this might lead to confusion about what was required.
- **Re-entry interval poster:** This poster presented a table including information on re-entry intervals specified for each CPA used in tobacco cultivation.
- **STP booklet:** This booklet, in the form of a binder, contained information regarding the three pillars of the STP program (Crop, Environment, People). The binder included forms to be filled out by the farmers, such as for collection of Farm Profile information (see Chapter 1.5.1). Each year farmers received an annual update of this booklet.

A toolbox containing all communication materials mentioned above was provided to the field technicians, to bring along during farm visits and use in discussions with farmers and workers, when necessary.



Field technician toolbox

All farmers interviewed by CU were familiar with the term ALP and could recall several ALP Code Principles. However, when asked what topics were related to ALP, some principles were better known than others (see table below).

Topics that farmers mentioned most often included safe work environment and child labor. These topics were also best known among farmer family members, who in most cases were involved in farm office tasks. However, most external workers were not aware of any of the ALP Code Principles. This finding reflects the fact that AOTCI's communication strategy on ALP was mainly focused on farmers and not on external workers. Awareness among external worker on topics such as GTS and legal minimum wage was higher (see Chapter 2).

Level of awareness of ALP Code Principles			
	Farmers (T=20)	Family members (T=10)	External workers (T=56)
Child labor	16 (80%)	7 (70%)	1 (2%)
Income and work hours	9 (45%)	3 (30%)	-
Fair treatment	7 (35%)	4 (40%)	-
Forced labor	9 (45%)	5 (50%)	1 (2%)
Safe work environment	19 (95%)	7 (70%)	1 (2%)
Freedom of association	3 (15%)	-	-
Compliance with the law	2 (10%)	1 (10%)	-

Farmers reported to be informed about ALP-related topics mainly during the annual farmer meetings and regular visits by the field technicians (see table below). AOTCI also ran an initiative to encourage farmers to keep records of the trainings provided to their workers (see Chapter 1.6). While these worker trainings were not about the ALP program itself, they covered several ALP-related topics (see Chapter 1.6). Workers' awareness levels regarding these topics are discussed in Chapter 2.

Means of communication through which ALP-related information was received*	
	Farmers (T=20)
Annual farmer meetings	17 (85%)
During regular visits by the field technician	12 (60%)
STP Booklet	4 (20%)

*Farmers could be informed in multiple ways.

Means of communication through which ALP-related information was received*		
	Family members (T=10)	External workers (T=56)
Verbally from the farmer	5 (50%)	1 (2%)
Verbally from the field technician	4 (40%)	-
Annual farmer meeting	2 (20%)	-
Flyer/poster	1 (10%)	-
Radio	1 (10%)	-

*External workers and family members could be informed in multiple ways.

Ten (20%) of the foreign migrant workers interviewed by CU mentioned that communication with the farmer was a challenge because of language barriers. In all cases these were Mexican workers speaking Spanish only. Most farms had one or more workers who spoke both English and Spanish and could act as an interpreter, but this was not always the case. On some farms the language barrier influenced how workers felt they were treated by the farmers (see Chapter 2.3.1).

AOTCI response:

“AOTCI will review and modify the local ALP Code Policy where necessary to align it with the AOI ALP Code pamphlet. This will take place in Q2 2018 and will subsequently be distributed to AOTCI contracted farmers and their workers. The distribution will include a signed record of receipt.”

1.4.2. Farmers’ responsibilities

AOTCI’s growing contract with its farmers included a statement on ALP, stating the farmers’ responsibility to meet the ALP Code requirements regarding all seven ALP Code Principles. AOTCI declared that in case farmers repeatedly did not comply with the ALP Code, dependent upon the severity of the situation, would search for solutions and if none could be arrived at, ultimately would stop contracting that farmer. However this had not happened to date.

1.5. Internal monitoring: data collection, accuracy, and addressing issues

For internal monitoring, AOTCI was collecting three types of ALP-related data about their farms: socio-economic information (Farm Profiles; see Chapter 1.5.1); situations not meeting the standard (1.5.2); and Prompt Action reports (1.5.3). This data was collected in line with PMI’s guidelines and compiled in quarterly reports shared with PMI’s Regional Team. However, this system had not captured any situations not meeting the standard in recent years, while CU identified several cases during its farm

visits (see Chapter 2). Furthermore, the formats for internal monitoring did not include root cause analysis. Although the Farm Profile information was found to be accurate, the monitoring seemed unreliable for capturing issues and implementing effective initiatives to address risks.

Information for the monitoring and Prompt Action system was collected by the field technicians during regular farm visits, using paper forms. Information for the Farm Profiles was provided by the farmers, who filled out the paper forms provided in the STP booklet and sent these to AOTCI. At the end of the season, all information was transferred to AOI’s digital platform GMS (Grower Management System), for corporate reporting purposes (see Chapter 1.5.4.).

1.5.1. Socio-economic data: Farm Profiles

Socio-economic information for Farm Profiles was collected based on the forms filled out by the farmers. The Farm Profile forms in the STP booklet included guidance on what information was needed with regard to the farm labor force, including both family members and external workers. This information was provided by the farmers at the beginning of the season and updated at the end of the season. This update was important, because farmers often did not have full overview of their labor needs early in the season.

Information collected in the Farm Profiles included school attendance of children, whether workers lived on-farm or off-farm, contract type (verbal or written), employment scheme (full-time, temporary), salary payment frequency, origin of migrant labor, and tobacco-related activities performed by the workers.

CU verified whether the information in the Farm Profiles matched with the observations during the farm visits. Profiles were complete for all of the visited farms, and only minor discrepancies were identified at four of the farms (20%). In three of these cases the number of workers was found to be slightly different compared to the Farm Profile

information, which was understandable given that the end-of-season update had not yet taken place. In the fourth case, there was a slight difference between the contracted tobacco area according to AOTCI and the area reported by the farmer. In summary, the Farm Profile information was found to be highly accurate, providing AOTCI with a reliable overview of the labor force on their contracted farms.

1.5.2. Systematic monitoring: situations not meeting the ALP Code standards

Field technicians were tasked with farm-by-farm monitoring, using paper forms to collect information on whether farmers were meeting the ALP Code requirements. Each season, field technicians had to complete one monitoring form per farm, and they usually divided the questions over several visits. Each question only required a ‘yes’ or ‘no’ answer; no additional, qualitative information was recorded. Furthermore, answers were mainly based on what the farmers declared; they were generally not checked.

CU verified the completeness and accuracy of the monitoring information, and found that for all farms a monitoring form was available and “in progress” of being filled out. For three farms (15%), many questions on the form were still unanswered, while the remaining forms were nearly completed. For 11 farms (55%), CU found that the information on the form did not match with the situation on the farm (see Appendix VI).

In addition to the regular farm monitoring, AOTCI conducted interviews with farm workers in the 2017 season. However, the results of these interviews were still being analyzed at the time of CU’s assessment. The questionnaire covered several topics including payment practices, work hours, housing, training and safety, child labor, and the F.A.R.M.S. program through which migrant workers were hired.

AOTCI response:

“AOTCI will review the farm monitoring process to ensure effectiveness in data collection and supervisory verification and implement mitigation actions where necessary. All monitoring elements will be reviewed to enable optimal timeliness of data collection in relation to the crop labour activity cycles. This review process will commence in Q2 2018 with a target of improving data collection and supervisory verification by 80%. The data collection review process will be reviewed annually in Q4 reaching an improvement target of 90% in 2019 and 95% in 2020.”

1.5.3. Prompt Actions

Since 2014 AOTCI had a protocol in place for reporting Prompt Actions, consisting of two paper forms to be filled out by the field technician. The first form, known as the incident log had to be completed at the time when the Prompt Action was first identified. The second form, known as the non-compliance report, was more formal and had to be filled out when the initially reported Prompt Action was not solved. The latter form had to be signed by the farmer, and included sections for the field technician to describe the issue, formulate the initial actions taken, and formulate an action plan to correct the Prompt Action.

In 2014, the year when AOTCI introduced its new child labor policy, AOTCI’s field team identified several Prompt Actions with regard to child labor. In the following years (2015 to 2017) no Prompt Actions were reported. Thus, there were no recent Prompt Actions for CU to verify at this time. Nevertheless, at some of the farms visited CU identified several practices that should be considered Prompt Actions according to AOTCI’s policy (see Chapter 2). According to the field technicians interviewed, Prompt Actions were generally not recorded if the issue in question could be solved immediately. However, this was not in line with the Prompt Action protocol.

Furthermore, as mentioned in Chapter 1.3.3, the meaning of Prompt Actions was not well understood by the members of the field team. They defined Prompt Actions as all situations not meeting the standard where the situation was considered to be urgent. None of them were aware that the Prompt Action protocol included a list of situations that should be considered Prompt Actions. The protocol, however, did not include guidelines on follow-up or timelines for resolving these situations.

AOTCI response:

“The Prompt Action Protocol will be redeveloped with greater clarity through the establishment of risk levels for prompt action issues. Procedures to be followed in each situation will be outlined based on the risk level and a supervisory verification methodology will be determined within all regions. The process will commence in Q2 of 2018 and in-house training of field and supervisory personnel will be performed thereby enabling the staff to implement the protocol accordingly.”

1.5.4. Data management and analysis

Data from the paper forms was entered into Microsoft Excel for analysis, and, at the end of the season, was copied to AOI’s global digital platform GMS (Growers Management System) for corporate reporting purposes. AOTCI had run some pilots to collect farm information directly into GMS, but determined that data collection by the Field Technicians was more time efficient through a paper process at the time of the CU’s assessment. Hence, AOTCI still preferred to collect farm information via paper forms.

1.5.5. Improvement plans for individual farms

AOTCI did not have a procedure or form for establishing improvement plans for individual farms. Since AOTCI’s monitoring and Prompt Action system had not identified any issues in recent years (see Chapters 1.5.2 and 1.5.3), they considered all risks to be low and hence deemed improvement plans to

be unnecessary. Nevertheless, CU identified several situations not meeting the standard (see Chapter 2), which were overlooked by AOTCI’s systems.

As mentioned in Chapter 1.5.3, the non-compliance report to be filed after re-occurrence of a Prompt Action included the formulation of an Action Plan, which could be considered as a basis for an individual farm improvement plan. However, since no Prompt Actions had been reported over 2015-2017 no actions plans were in place at the time of the assessment; furthermore, the action plans for the Prompt Actions reported in 2014 did not include a root cause analysis.

AOTCI response:

“Farm monitoring and worker interview data pertaining to prompt action issues will be compiled at the end of the 2018 Crop. This assessment information will be utilized to establish individual grower improvement plans in Q2 2019, where applicable. The individual improvement plans will be reviewed annually and adjusted where necessary.”

1.6. Address systemic and/or widespread issues

Based on the risks and issues identified (see Chapter 1.2), leaf tobacco suppliers are expected to address systemic and/or widespread issues through operational (STP) initiatives, community programs (possibly supported by PMI’s Contributions) and engagement with key stakeholders.

At the time of the assessment, AOTCI had implemented the following operational initiatives for 2017:

- **Worker training records:** Contracted farmers were requested to keep training records for all workers at their farms, using a format provided by AOTCI. For each worker, farmers had to record the trainings provided, in the following categories: (1) handling machinery, (2) existence and avoidance of GTS, (3) handling CPA, and (4) general farm safety. On 19 (95%) of the farms

visited by CU, training records were available and showed that the farmer had provided the workers with the required trainings. However, despite these trainings, workers' awareness levels were still found to be low for several issues (see Chapter 2).

AOTCI response:

"AOTCI will reinforce, to the growers, the importance of training their workers and retaining training records for each worker. Education will continue with growers to ensure their workers sign off on any training they have received for the jobs they will be doing on the farm. Growers will be informed that they must provide AOTCI with copies of each worker's individual training records. This will be communicated to the grower base in Q2 2018 at the annual grower STP meeting."

- **External trainer for health and safety:** At the 2016 annual farmer meeting AOTCI presented the option to farmers to hire an external trainer for health and safety. CU found that four farmers (20%) had had their workers trained by the optional trainer presented by AOTCI. Three of these farmers mentioned that the training was relevant, but one farmer doubted whether his workers had picked up all the information. The farmers who had not made use of the external trainer mentioned that they considered it unnecessary, since they were able to give the training themselves. The external trainer focused on general health and safety issues, such as handling machinery and the right to refuse dangerous working circumstances. The training was not tailored to tobacco production; for example, risks of GTS were not addressed.
- The above mentioned initiatives were implemented by AOTCI to address several farm-level and systemic and/or widespread issues. However, no concrete actions had been taken (yet) to address the following issues:
- Verbal harassment of workers
 - Unsafe CPA storage and disposal practices
 - Lack of a grievance support mechanism that was fully independent. The current grievance support mechanism, by means of the services of the F.A.R.M.S program liaison officers, was accepted by AOTCI, PMI and Verité. CU however identified this mechanism as not fully independent (see Chapter 2.3.2).
- **Notifying workers on CPA use and CPA re-entry intervals:** Contracted farmers were requested to notify their workers when CPA was being sprayed and inform them about the re-entry intervals for the CPA used. As described in Chapter 2.5.2, CU found one farm (5%) where the farmer did not notify his workers. All other farmers said to inform their workers to stay out of the field for at least 48 hours after a recent CPA application. They shared this information either verbally, or would post it on their health and safety board at the farm. In addition, seven farmers reported to use a warning sign in the field to notify their workers.

Chapter 2

FARM-LEVEL ASSESSMENT OF WORKING CONDITIONS REGARDING THE ALP CODE STANDARDS



EXTERNAL ASSESSMENT
Flue Cured Virginia farmers in Ontario

This chapter describes CU's assessment of the working conditions on farms contracted by AOTCI, with regard to the ALP Code Principles and 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.

2.1. ALP Code Principle 1: Child labor

There shall be no child labor.

Main findings and challenges

2.1.1. Children working and activities performed

At the farms visited by CU, no evidence was found of children younger than 18 years being employed⁹ nor of child family members younger than 16 helping with tobacco. Furthermore, no children younger than 18 were found to be involved in hazardous activities.

All farmers were aware that it was not allowed to hire children younger than 18, but eight farmers (40%) were not aware of AOTCI's policies regarding involvement of child family members on the farm (e.g., that children younger than 16 were not allowed to do any tobacco related activities at all).

Analysis and priorities

In 2014, AOTCI had launched a new, stricter policy on child labor (see footnote). At the time of CU's assessment all farmers complied with this new policy, but there had been some resistance initially. This resistance was mainly due to the fact that the

new policy no longer allowed employment of high-school students for harvesting activities during summer holidays. Furthermore, farmers felt it was no longer possible to teach their children about farm practices if they were not allowed to be involved.

AOTCI reported several cases of Prompt Actions with regard to child labor in 2014, but in the years thereafter no cases were reported. Continued efforts remain to be important to keep farmers aware of AOTCI's child labor policies, particularly with regard to involvement of child family members. Furthermore, the ALP communication materials developed by AOI were not in line with AOTCI's policy on child labor (see Chapter 1.4.1).

AOTCI response:

"AOTCI will review the local ALP Code Policy in Q4 2017 to ensure the age categories are consistent with the ALP Farm Profile."

2.2. 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.

Main findings and challenges

2.2.1. Payment of workers

No evidence was found of workers being paid below the legal minimum wage.¹⁰ Salaries were calculated either on an hourly basis or piece rate basis. Piece

9. AOTCI policy on child labor states that no children under 18 shall be employed to work in tobacco. Family children aged 16 and above are allowed to help on the farm with non-hazardous tasks. Family children aged 13-15 are only allowed to be help with light (domestic) tasks. Note that the legal minimum working age in Canada is 14 years (see Appendix III for more detailed legal information)

10. At the time of the assessment, the legal minimum wage for Ontario was 11.40 CAD per hour (see Appendix III for more detailed legal information).

rate payments were calculated based on the number of kilns (curing barns) filled with tobacco. On some farms, migrant workers who had to be paid on an hourly basis according to the F.A.R.M.S. program, were paid a fixed amount of hours per kiln (piece rate). In all cases the resulting pay rate was higher than the hourly payment.

The breakdown of the salaries is shown in the table below.

Type of workers	Breakdown of calculated salaries		Salary range	
	Salaries 11.40 to 12.00 CAD/hour	Salaries 12.00 CAD/hour or higher	Lowest salary (CAD)	Highest salary (CAD)
Local (hourly)	2	3	11.43	15
Local (piece rate)	-	3	15.70	21
Migrant (hourly)	16	2	11.43	13
Migrant (piece rate)	-	2	18	20

Farmer awareness of the minimum wage was high, with 18 farmers (90%) knowing the legal requirements. Worker awareness was slightly lower: only at 14 farms (70%) all workers were aware of the legal minimum wage.

2.2.2. Payment schedule

All farmers paid their workers regularly in accordance with the law.¹¹ In general, wages were paid every week. Only two farmers paid their workers every two weeks. Workers were paid either by check or direct money transfer to their bank accounts.

2.2.3. Work hours

Canadian law does not stipulate a maximum number of working hours per week for tobacco workers¹². However, the ALP Code recommends a maximum of 48 hours per week excluding overtime. At 16 farms (80%) it was found that workers worked for more than 48 hours per week during the peak of

the harvest season. In many cases workers reported that they wanted to make as many hours as possible to earn more money. Daily work hours ranged from four to 13 hours per day, depending on the time of the season and the farm activities of that day. In Canadian law the legal overtime rate for working extra hours does not apply to tobacco farm workers; hence none of the farmers paid overtime rate, paying the regular rate for all work hours instead.

Another finding was that workers at twelve farms (60%) did not always receive at least one resting day per week. Although this was allowed by local law, and workers had signed a contract to waive their right to this benefit, the ALP Code recommends to provide workers with at least one day off per week. Farmers declared that farm dynamics during the harvesting season not always allowed workers to take a day off. Workers reported that during harvesting season it was common to work about two weeks in a row without a day off.

11. Wages should be paid at least once every two weeks (see Appendix III for more detailed legal information).

12. Canadian law does not stipulate a maximum number of work hours per week for tobacco workers (see Appendix III for more detailed legal information).

2.2.4. Legal benefits

No evidence was found of farmers not providing their workers with legal benefits. All workers were covered for the pension fund and employment insurance, for which deductions were made from their gross salaries. However, since tobacco farm workers in Canada are not legally entitled to overtime pay, holiday leave and annual leave, farmers did not provide the latter benefits. Several of the workers interviewed mentioned that they did not know how to access the Canada pension and did not know anyone who had. However, this issue was outside the scope of the present assessment.

AOTCI response:

“AOTCI will prepare the ALP pamphlet in Q2 2018 to include contact information to assist workers on accessing their Canadian pension fund through Service Canada. All farmers and workers will provide a signature record indicating that they have received this information.”

Analysis and priorities

Income and work hours was not a priority area for AOTCI. The general perception was that this principle was covered by the F.A.R.M.S program, which ensured inspection of wage payment records to check compliance with Canadian law. CU findings confirmed that payments and work hours were meeting the legal requirements in Canada. However, in the case of work hours the ALP standard is stricter than the Canadian law, stating that regular working hours should not exceed 48 hours per week on a regular basis, and that workers should be provided with at least one day off per week. As described

above, CU identified workers not receiving this weekly day off at several farms. While workers reported a limited period of working two weeks in a row, AOTCI needs to monitoring these practices to gain insight in this practice.

2.3. 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.

Main findings and challenges

2.3.1. Treatment of workers

No evidence was found of physical or sexual abuse on any of the farms visited.¹³ However, on two farms (10%) workers reported that they had been verbally harassed by the farmer. Both these cases related to Mexican workers not able to speak English, with their bosses not able to communicate in Spanish. These workers felt threatened by the way the farmers approached them, while the farmers reported to have difficulties explaining tasks to the workers.

In addition, on two farms (10%) the farmer was not available for workers in case they wanted to discuss problems. This included one of the farmers reported to verbally harass his Mexican workers. In the other case, workers mentioned that they did not feel free to talk to the farmer and would rather contact their liaison officer¹⁴.

13. The Ontario Human Rights Code states that every person has a right to equal treatment with respect to employment without discrimination because of race, ancestry, place of origin, color, ethnic origin, citizenship, creed, sexual orientation, gender identity, gender expression, age, record of offences, marital status, family status or disability (s. 5(1)). In addition, s. 5 (2) protects employees from harassment in the workplace by the employer, agent of the employer or another employee because of race, ancestry, place of origin, color, ethnic origin, citizenship, creed, sexual orientation, gender identity, gender expression, age, record of offences, marital status, family status or disability (see Appendix III for more detailed legal information).
14. Each resident country of migrant workers had a liaison officer representing the workers within the F.A.R.M.S program. Liaison officers were employees of the embassy of their country in Canada.

AOTCI response:

“AOTCI will ensure that there is a means of comprehensive communication between the farmers and their workers. A discussion with the director of the F.A.R.M.S. program will be arranged to ensure that non-Spanish speaking farmers have at least one worker that speaks both Spanish and English who will be able to translate the instructions provided by the farmer and questions that the worker may have. This will commence in Q1 of 2018 and be finalized in 2020. Worker interviews will be conducted to validate that all parties are able to communicate and understand each other. AOTCI targets that 90% of the applicable farms will have this arrangement in place during the 2018 Crop season and increase over the next 3 years.”

2.3.2. Support mechanism

Support mechanisms facilitate workers’ access to information, assist workers in difficult situations, and mediate disputes between farmers and workers. Leaf tobacco suppliers to PMI are expected to ensure that farmers and workers have access to such a mechanism.

AOTCI did not provide an independent support mechanism, relying instead on the services of the F.A.R.M.S. program. If migrant workers had questions or complaints they could contact their liaison officer for support. However, as these officers were part of the F.A.R.M.S. program, they were not entirely independent, and therefore workers could be hesitant to seek support. For example, CU identified a case in which a worker who experienced some issues wanted to know about his rights and options to move to another farm. However, this worker was afraid of discussing these issues with his liaison officer as he perceived this as a risk to lose his job. However in other cases workers were satisfied with the support they received from the liaison officer. As there was only one liaison officer for workers to contact, the quality of the support depended on their individual officer. CU found indications that the

satisfaction of migrant workers with the services of their liaison officer indeed varied between officers.

For local workers, no support mechanism was available; they were expected to contact the local government in case they needed support, which was the common procedure in Ontario.

AOTCI response:

“There currently is a robust support mechanism for migrant labourers through their liaison officer, an independent from the consulate, and for local labourers through the provincial government. AOTCI will determine if further enhancement of the existing support lines is required by gauging how workers feel about the current support mechanisms in place. A question will be posed during Q2 & Q3 2018 worker interviews and the responses will be compiled to determine the outcome. AOTCI will also investigate suggested resources provided by Verite.”

Analysis and priorities

Tobacco workers at farms contracted by AOTCI did not have access to an independent grievance support mechanism. Although several workers reported to have benefitted from the support of the F.A.R.M.S program, for other workers the need for an independent support mechanism system was identified. In some cases verbal harassment was found and cases where farmers were not available for their workers to discuss problems. Although many workers reported to be satisfied with their work and had worked for many years on the same farm, an independent service should be available for workers – both migrant and local – to discuss issues at their workplace.

2.4. ALP Code Principle 4: Forced labor

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

Main findings and challenges

2.4.1. No evidence of involuntary labor

No evidence was found of workers unable to leave their employment or being employed against their will, or of contracted prison labor. Furthermore, no evidence was found of workers being obliged to hand over their original identity documents or pay a financial deposit.¹⁵

Analysis and priorities

CU did not find evidence for issues regarding the ALP Code Principle on forced labor.

2.5. 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.

Main findings and challenges

2.5.1. Training and awareness of GTS

At two farms (10%) workers responsible for handling green tobacco were not trained on the avoidance of Green Tobacco Sickness (GTS). All farmers were aware of the existence of GTS and how to avoid it,

but at four farms (20%) this was not the case for all workers handling green tobacco. Two of these farms were among the four farms (20%) where persons handling green tobacco were found to not all wear the complete set of required harvesting clothes. The use of protective harvesting clothes is shown in the table below:

Type of protective clothing used	Number of farms (T=20)
Long-sleeves	19
Gloves	16
Long pants	20
Shoes/boots	20
Rain gear	18

AOTCI response:

“As workers start working at various times throughout the season, AOTCI will develop a GTS training medium in both English and Spanish languages that can be provided to growers to train their workers on the awareness of GTS in a prompt efficient manner. This process will commence in Q2 2018 with completion planned for 2019.”

2.5.2. Training and handling of CPA

No evidence was found of persons handling CPA without proper training. In most cases the farmers applied the CPAs themselves, for which they all had a spraying license. Only at one farm CPAs were also applied by a worker. The worker in question had been trained by the farmer.

On all farms visited by CU the equipment for CPA application was found to be in good condition.

15. Canadian law states that any impositions of forced labor are contrary to the Canadian Charter of Rights and Freedoms which states that “everyone has the right to life, liberty and security of the person and right not to be deprived thereof...” (see Appendix III for more detailed legal information).

However, at ten farms (56%) CPA containers were not stored in a safe and locked storage. The following storage practices were found to be inadequate:

Inadequate CPA storage	Number of farms (T=20)
CPA storage not locked*	6
No ventilation	2
CPA storage not lockable*	1
No separate storage	1
CPA containers outside storage area	1

*AOTCI monitored whether CPA storages were lockable, but not whether the locks were actually used

At four farms (22%) persons responsible for CPA application did not use the complete set of PPE. In all these cases they did not use masks and goggles while applying CPA with an open-cabin tractor.

One farmer (5%) did not ensure that no one entered the field after a recent CPA application. All other farmers reported that they informed their workers to stay out of the field for at least 48 hours after CPA application. In addition, seven farmers said to post a warning sign in the field in addition to notifying their workers verbally.

Four farmers (22%) did not adequately dispose of empty CPA containers, as shown in the table below:

Disposal of empty CPA containers	Number of farms (T=20)
Empty containers lying around at the farm	1
Containers being burned	2
Containers not being triple washed	1

No evidence was found of pregnant and/or nursing women involved in CPA application.

AOTCI response:

"AOTCI will strengthen their education to growers on the importance of having a locked CPA storage area with ventilation and proper disposal of empty CPA containers. At the annual grower meetings commencing in Q2 2018, emphasis will be placed on adherence to the Pesticides Act for safe and secure storage of CPA and safe disposal of empty CPA containers. The target timeline is to progressively improve the storage of CPA and disposal of empty CPA containers with 100% of growers meeting these requirements by 2020.

During the annual grower meetings, commencing in Q2 2018, AOTCI will strengthen educating growers on the proper use of PPE by advising them to reference the Material Safety Data Sheets (MSDS) for the types of PPE that should be utilized for the mixing and application of the specific CPA's used. The target is to progressively improve the utilization of proper PPE's for appropriate CPA's being applied for 100% of growers/workers by 2020.

Growers will be informed at the annual grower meetings commencing in Q2 2018 to post signage on fields after CPA application. AOTCI will provide follow-up reminders to growers via email and it will be reinforced through farm monitoring by the Field Technicians. Improvements are expected annually with 100% of growers posting signage in their fields after CPA application by 2020."

2.5.3. Clean drinking and washing water, sanitary facilities

No evidence was found of workers having no access to clean drinking water, washing water and soap near the workplace. However, at one farm (5%), workers were not provided with sanitary facilities close to where they worked. In this case, sanitary facilities were not within walking distance and workers took a car to not lose too much time. However, also when sanitary facilities were within reasonable walking distance, many (male) workers reported to prefer using the bushes, because this took less time.

2.5.4. Accommodation

On one farm (5%) the workers' accommodations were reported to be inadequate; here, workers reported brownish water coming from the tap. Accommodations on all other farms met the basic requirements, although quality varied between farms. On some farms all workers had their own room, but on other farms workers had to share communal sleeping rooms and reported a lack of privacy.

Workers' accommodations at farms hiring migrant workers through the F.A.R.M.S. program were subject to inspection by officers of the program. If any shortcomings were found these had to be solved first, before arrival of the workers.

AOTCI response:

"AOTCI will ensure that each grower providing worker accommodation during the 2018 Crop season, has a valid dwelling certificate, issued by the local health authority and that it is available for inspection by the Field Technicians."

2.5.5. General safety measures

Most farmers had resources available on their farm to act in case of an emergency and had taken basic safety measures, including: (1) having transport available to go to hospital; (2) keeping a first-aid kit on the farm; (3) securing resources to act in case of fire; (4) ensuring safe storage of equipment and tools; and (5) providing first-aid training to workers. Most farmers (95%) had posted contact details of hospitals and other healthcare providers

AOTCI response:

"At the annual grower meetings, AOTCI will reinforce the importance of storing equipment and tools properly to eliminate the risk of injury on their farms. The target is to have close to 100% of farms properly storing equipment and tools."

Analysis and priorities

CU identified a relatively low number of practices not meeting the standard regarding this ALP

Code Principle. However, there is still room for improvement, particularly with regard to GTS awareness and CPA storage and disposal practices.

2.6. ALP Code Principle 6: Freedom of Association

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

Main findings and challenges

2.6.1. Workers' right to freedom of association

At one farm (5%) workers would not be free to join or form organizations of their own choosing. Although none of the workers requested to join, the farmer in question reported that he would not allow them to do so because he thought these workers would not do their job properly and cause trouble. Although there were various agricultural worker unions in Ontario, none were active for tobacco farm workers. None of the workers at the visited farms were unionized.

Analysis and priorities

This ALP Code Principle was not a focus area for AOTCI. This seems justified given the limited risk of violation of workers' right to freedom of association and the lack of active unions for tobacco workers in the region.

AOTCI response:

"AOTCI will emphasize the Country law which allows workers the freedom to join or form organizations and/or unions. This will be discussed at the annual grower meeting in Q2 2018 and will result in 100% of the farmers understanding the law. Worker interviews will be conducted to validate that workers are free to join or form organizations and/or unions of their own choosing."

2.7. ALP Code Principle 7: Compliance with the law

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

Main findings and challenges

2.7.1. Information on legal rights

None of the farmers fully informed their workers about their legal rights and employment conditions. The farmers mainly informed their workers about the work hours, wages, and tasks that had to be performed. At one farm (5%) a local worker was found having worked for five days without being informed about the wage and payment frequency.

Whereas migrant workers received information about their legal rights via their F.A.R.M.S. liaison officer, local workers did not receive any additional information and were expected to contact the local government in case they had any questions regarding their legal rights and working conditions.

Farmers were generally aware of the legal rights of workers but did not inform their workers about these rights. Some farmers were simply not aware of their responsibility to give this information, while others reported that they presumed that workers already knew their rights or that the F.A.R.M.S. liaison officers would provide this information to the workers.

AOTCI response:

"All growers will be educated on informing all workers of their legal rights. This will be reinforced at the annual grower meeting in Q2 2018. AOTCI will converse with the F.A.R.M.S. representative for tobacco on developing a means to provide migrant workers with information pertaining to their legal rights. In 2018 all farmers contracted with AOTCI

will inform their workers of their legal rights and this will be validated through worker interviews."

2.7.2. Formalization of employment

No evidence was found of farmers not entering into a written employment contract with migrant workers. All migrant workers had received a written employment contract via the F.A.R.M.S. program. Employment contracts with local workers were concluded verbally, which was allowed by Canadian law¹⁶.

Analysis and priorities

Many elements of this principle were covered by the F.A.R.M.S. program for migrant workers, all of whom had written employment contracts. However, most farmers were not aware of their obligation to inform workers about their legal rights. While migrant workers were informed by their F.A.R.M.S. liaison officer, local workers not covered by this program did not receive any explanation of their legal rights. This finding is consistent with the knowledge gap identified in the field team, who, when asked about the requirements of this ALP Code principle, did not refer to the farmers' obligation to inform workers about legal rights and employment conditions (see Chapter 1.3.3). This topic should be given more attention.

AOTCI response:

"Growers will be encouraged to provide written contracts to local labourers. AOTCI will identify and communicate to the growers, the reasons why it is recommended to provide local workers with a document outlining the terms of their employment. This will commence in Q2 2018 with a progressive target where 85% of the growers will have a written contract with their local labour by 2020. Field technicians will validate this through documentation on the farm as well as worker interviews."

16. Canadian law states that a written contract for workers is not required in Ontario (see Appendix III for more detailed legal information).

Chapter 3

ALP PROGRAM: FEEDBACK FROM FARMERS, WORKERS, AND OTHER STAKEHOLDERS



EXTERNAL ASSESSMENT
Flue Cured Virginia farmers in Ontario

CU asked farmers, family members, and external workers what had changed on their farms since the start of the ALP Program. Farmers provided the following feedback: Three farmers (15%) mentioned that health and safety practices had improved; two (10%) mentioned that they had better documentation now; one (5%) mentioned that child labor had been reduced; one (5%) mentioned that housing and living conditions for migrant workers had improved; and one (5%) mentioned that workers received more information. However, some farmers were less positive and provided the following feedback: one farmer (5%) mentioned that it had become more difficult to teach children about farm work as children were no longer allowed to work on the farm; three farmers (5%) complained about the extra paperwork; and ten farmers (50%) mentioned that nothing had changed as they had always complied with the Canadian law.

Of the ten family members interviewed, seven (70%) had heard of the ALP Code. Among this group, one (10%) mentioned that introduction of the ALP Program had improved safety; one (10%) mentioned that children were no longer involved in tobacco production; and one (10%) mentioned that knowledge in general had improved. However, there were also three (30%) who said that nothing much had changed; and one (10%) who thought that ALP had increased paperwork .

Of the 56 external workers interviewed, one (2%) had heard of the ALP Code. This worker replied that nothing much had changed in the recent years on the farm.

Chapter 4

APPENDICES



EXTERNAL ASSESSMENT Flue Cured Virginia farmers in Ontario

Appendix I – AOTCI’s Action Plan

Strategies & Objectives

AOTCI’s long term strategy is to develop a root cause analysis to determine areas for improvement and respective mitigation. Communication will occur with the grower base to determine how to improve the stakeholders’ understanding of the ALP Program and efficiently focus on identified risk areas. The target is to increase stakeholder adoption of the program over the next 3 years reaching full adoption of the ALP Code and its measurable standards by 2020 which will be measured by farm by farm monitoring and ALP reviews.

Code 1.2 - Risk Assessment

AOTCI will identify the prime areas of concern and initiate a root cause analysis structure along with the development of corresponding mitigating actions in 2017 as preparation for the annual Risk Assessment review in Q1 2018. The target for formalizing an effective root cause analysis and mitigating actions for all aspects of the risk assessment will progress over the next 3 years from 75% to 85% and then to 90% by 2020. Worker interview and unannounced farm visit data will be compiled annually to follow through with a root cause analysis for all areas included on the risk assessment.

Internal Capacity

Code 1.3.2 - Roles and Responsibilities

Roles are assigned annually within AOTCI’s STP Committee. Responsibilities of the individuals in the assigned roles will be clearly defined and documented for each position in Q1 2018. This document will be referenced in the regular STP Committee Meeting Minutes.

Code 1.3.3 - Training and Knowledge of the ALP Program

A formal ALP training presentation will be provided to all AOTCI STP Committee Members by Philip Morris International (PMI) in Q2 2018. All individuals receiving the training will sign an acknowledgement indicating that they have been trained on ALP and have knowledge of the program.

Communication of the ALP Code Requirement to Farmers

Code 1.4.1 - Communication Strategy and Tactics

AOTCI will review and modify the local ALP Code Policy where necessary to align it with the AOI ALP Code pamphlet. This will take place in Q2 2018 and will subsequently be distributed to AOTCI contracted farmers and their workers. The distribution will include a signed record of receipt.

Internal Monitoring: Data Collection, Accuracy and Addressing Issues

Code 1.5.2 - Systematic Monitoring: Situations Not Meeting the ALP Code Standards

AOTCI will review the farm monitoring process to ensure effectiveness in data collection and supervisory verification and implement mitigation actions where necessary. All monitoring elements will be reviewed to enable optimal timeliness of data collection in relation to the crop labour activity cycles. This review process will commence in Q2 2018 with a target of improving data collection and supervisory verification by 80%. The data collection review process will be reviewed annually in Q4 reaching an improvement target of 90% in 2019 and 95% in 2020.

Code 1.5.3 - Prompt Actions

The Prompt Action Protocol will be redeveloped with greater clarity through the establishment of risk levels for prompt action issues. Procedures to be followed in each situation will be outlined based on the risk level and a supervisory verification methodology will be determined within all regions. The process will commence in Q2 of 2018 and in-house training of field and supervisory personnel will be performed thereby enabling the staff to implement the protocol accordingly.

Code 1.5.5 - Improvement Plans for Individual Farms

Farm monitoring and worker interview data pertaining to prompt action issues will be compiled at the end of the 2018 Crop. This assessment information will be utilized to establish individual grower improvement plans in Q2 2019, where applicable. The individual improvement plans will be reviewed annually and adjusted where necessary.

Address Systemic and/or Widespread Issues

Code 1.6

AOTCI will reinforce, to the growers, the importance of training their workers and retaining training records for each worker. Education will continue with growers to ensure their workers sign off on any training they have received for the jobs they will be doing on the farm. Growers will be informed that they must provide AOTCI with copies of each worker's individual training records. This will be communicated to the grower base in Q2 2018 at the annual grower STP meeting.

Child Labour

Code 2.1.1 - Other

AOTCI will review the local ALP Code Policy in Q4 2017 to ensure the age categories are consistent with the ALP Farm Profile.

Income and Work Hours

Code 2.2.4 - Legal Benefits

AOTCI will prepare the ALP pamphlet in Q2 2018 to include contact information to assist workers on accessing their Canadian pension fund through Service Canada. All farmers and workers will provide a signature record indicating that they have received this information.

Fair Treatment

Code 2.3.1 - Treatment of Workers

AOTCI will ensure that there is a means of comprehensive communication between the farmers and their workers. A discussion with the director of the F.A.R.M.S. program will be arranged to ensure that non-Spanish speaking farmers have at least one worker that speaks both Spanish and English who will be able to translate the instructions provided by the farmer and questions that the worker may have. This will commence in Q1 of 2018 and be finalized in 2020. Worker interviews will be conducted to validate that all parties are able to communicate and understand each other. AOTCI targets that 90% of the applicable farms will have this arrangement in place during the 2018 Crop season and increase over the next 3 years.

Code 2.3.2 - Support Mechanism

There currently is a robust support mechanism for migrant labourers through their liaison officer, an independent from the consulate, and for local labourers through the provincial government. AOTCI will determine if further enhancement of the existing support lines is required by gauging how workers feel about the current support mechanisms in place. A question will be posed during Q2 & Q3 2018 worker interviews and the responses will be compiled to determine the outcome. AOTCI will also investigate suggested resources provided by Verite.

Safe Work Environment

Code 2.5.1 - Training and Awareness of GTS

As workers start working at various times throughout the season, AOTCI will develop a GTS training medium in both English and Spanish languages that can be provided to growers to train their workers on the awareness of GTS in a prompt efficient manner. This process will commence in Q2 2018 with completion planned for 2019.

Code 2.5.2 - Training and Handling of CPA

AOTCI will strengthen their education to growers on the importance of having a locked CPA storage area with ventilation and proper disposal of empty CPA containers. At the annual grower meetings commencing in Q2 2018, emphasis will be placed on adherence to the Pesticides Act for safe and secure storage of CPA and safe disposal of empty CPA containers. The target timeline is to progressively improve the storage of CPA and disposal of empty CPA containers with 100% of growers meeting these requirements by 2020.

During the annual grower meetings, commencing in Q2 2018, AOTCI will strengthen educating growers on the proper use of PPE by advising them to reference the Material Safety Data Sheets (MSDS) for the types of PPE that should be utilized for the mixing and application of the specific CPA's used. The target is to progressively improve the utilization of proper PPE's for appropriate CPA's being applied for 100% of growers/workers by 2020.

Growers will be informed at the annual grower meetings commencing in Q2 2018 to post signage on fields after CPA application. AOTCI will provide follow-up reminders to growers via email and it will be reinforced through farm monitoring by the Field Technicians. Improvements are expected annually with 100% of growers posting signage in their fields after CPA application by 2020.

Code 2.5.4 - Worker Accommodation

AOTCI will ensure that each grower providing worker accommodation during the 2018 Crop season, has a valid dwelling certificate, issued by the local health authority and that it is available for inspection by the Field Technicians.

Other

At the annual grower meetings, AOTCI will reinforce the importance of storing equipment and tools properly to eliminate the risk of injury on their farms. The target is to have close to 100% of farms properly storing equipment and tools.

Compliance with the Law

Code 2.7.1 - Information on Legal Rights

All growers will be educated on informing all workers of their legal rights. This will be reinforced at the annual grower meeting in Q2 2018. AOTCI will converse with the F.A.R.M.S. representative for tobacco on developing a means to provide migrant workers with information pertaining to their legal rights. In 2018 all farmers contracted with AOTCI will inform their workers of their legal rights and this will be validated through worker interviews.

Code 2.7.2 - Formalization of Employment

Growers will be encouraged to provide written contracts to local labourers. AOTCI will identify and communicate to the growers, the reasons why it is recommended to provide local workers with a document outlining the terms of their employment. This will commence in Q2 2018 with a progressive target where 85% of the growers will have a written contract with their local labour by 2020. Field technicians will validate this through documentation on the farm as well as worker interviews.

Appendix II – Scope and methodology

Assessment team

The team responsible for conducting this assessment consisted of one Peruvian auditor, one German auditor and one coordinator from the Netherlands. The auditors conducted farm assessments and interviewed the field team, whereby the German auditor was assisted by an English-Spanish translator. AOTCI management interviews were conducted by the German auditor and Dutch coordinator. The team was trained by Verité and CU and the qualification process consisted of the following stages:

- Selection of candidates by CU;
- Webinars organized by CU to verify suitability of candidates;
- Completion of online training provided by Verité;
- Full week classroom training conducted by Verité with CU; and
- Shadowing during farm visits by the coordinator.

Desk review

Prior to this assessment, AOTCI was requested to send documentation to the CU team to give them a better idea about the market characteristics and the management systems. AOTCI provided the legal information that was relevant to the ALP Code (see Appendix III for more detailed legal information). This was important to ensure a thorough preparation for the assessment.

Opening meeting

On 8 August 2017 CU started the assessment with a meeting at the AOTCI head office in Delhi, Ontario, attended by AOTCI's management (Managing Director, STP Coordinator, Administrator, Verification Supervisor and two field technicians),

and representatives from Alliance One Regional and PMI Regional. CU presented the objectives and approach of the assessment, while AOTCI provided a brief overview of the market and company background.

Methodology for ALP implementation system review

The methodology used for evaluating AOTCI's implementation of the ALP Program was based on the widely used PDCA¹⁷ cycle. This cycle is a management method for the continuous improvement of processes and products. CU spent two days (8 and 9 August 2017) at the AOTCI head office to interview management staff, analyze documentation, and evaluate AOTCI's systems to better understand how the implementation of the ALP Program was organized. In total, CU interviewed six management personnel¹⁸ (including the field personnel) and one representative of PMI Regional. Additionally, CU interviewed two stakeholders: a member of the Board of Directors of the F.A.R.M.S program (tobacco representative) and a external health and safety trainer (see Chapter 1.6). All interviews were conducted individually, so that interviewees felt comfortable to speak freely and raise any issues.

Scope and farm sampling

Flue Cured Virginia (FCV) tobacco production in Canada is concentrated in the southern tip of Ontario (yellow area in map below). In addition, Ontario has a small production area of dark fire cured tobacco (brown area in map below), but this market was outside of the scope of this assessment.

17. Plan, Do, Check, Act

18. One field technician was on sick leave at the time of the assessment



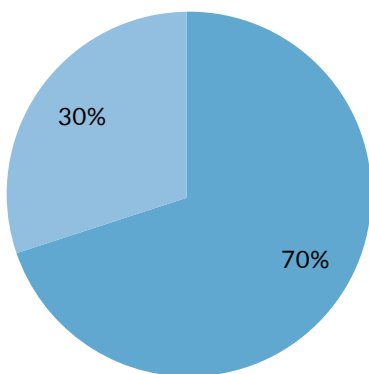
Tobacco production in Canada

In Ontario, the majority (68%) of FCV tobacco farmers contracted by AOTCI grew 10-50 hectares of tobacco; 1% grew less than 10 hectares, 26% grew 50-100 hectares, and 5% grew more than 100 hectares. Many farmers had additional land to grow other crops, such as ginseng and fruits.

In 2017, AOTCI had contracted less than 100 FCV farmers in Ontario. To constitute a meaningful sample, CU needed to visit at least 20 farms, which was calculated by the square root of the total number of farms per homogenous region with a minimum sample of 20. In total, CU visited 20 farms, which were sampled randomly, taking into account the geographic spread.

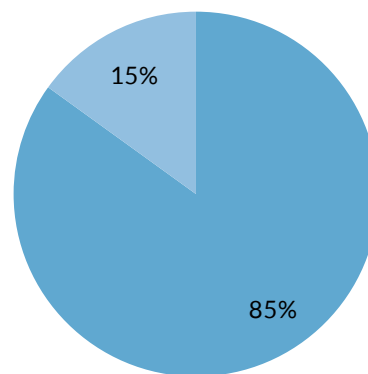
Over a period of two weeks, CU visited three farms per day, with a reporting day after each field day. The graphs below provide demographic information about the farms visited.

**Farm size (T=20)
(ha contracted by AOTCI)**



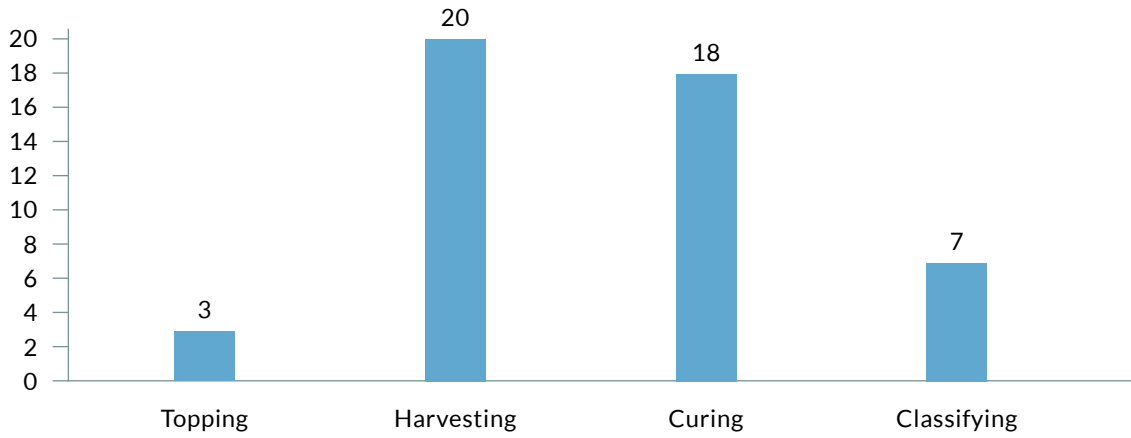
■ 10<-50
■ 50<-100

**Farmers previously
contracted by AOTCI (T=20)**

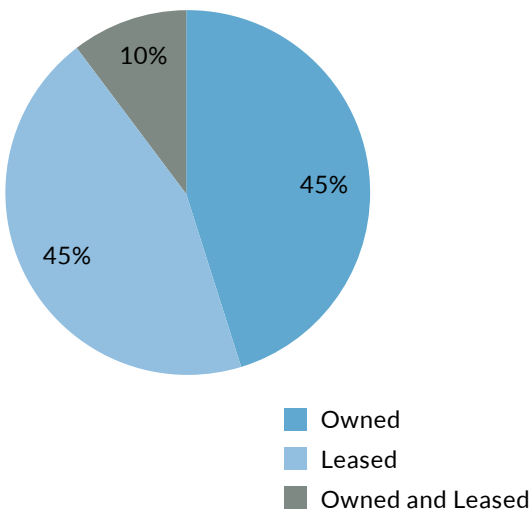


■ Yes
■ No

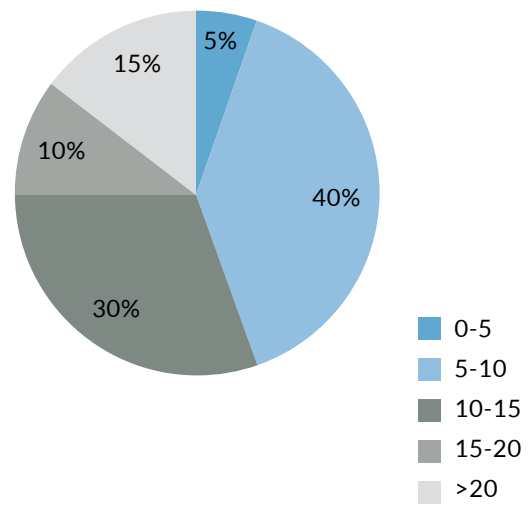
Stage of tobacco production (T=20)



Land ownership (T=20)

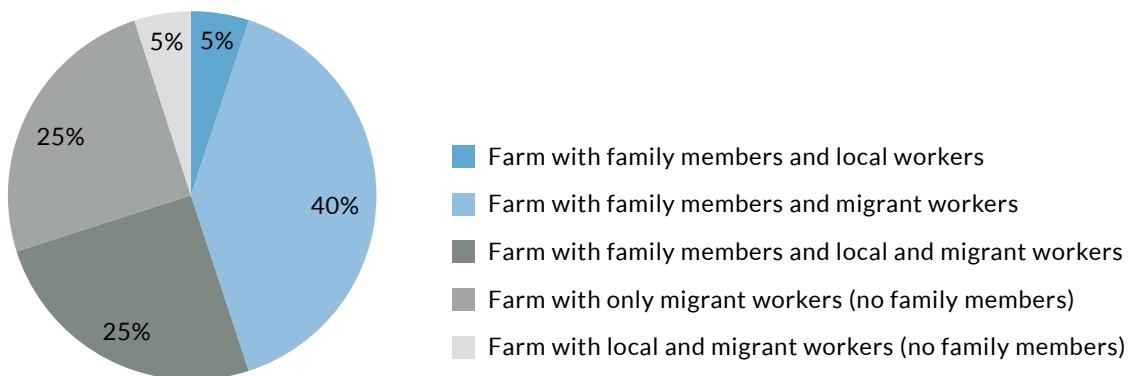


Number of workers on the farms (T=20)*



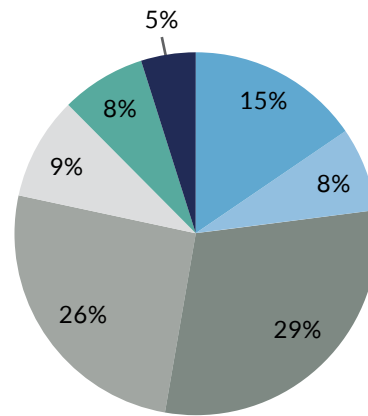
*Based on AOTCI farm data

Type of farm (T=20)



Thanks to the openness and collaboration of AOTCI, CU managed to conduct all visits unannounced. This meant that the farmers had not been informed about the visit and its objectives prior to CU’s arrival. AOTCI did inform farmers several weeks prior to the start of the assessment period that a visit could take place within a certain period, but said nothing in the days prior to the visits. CU informed AOTCI about the names of the selected farmers only on the day of the visit. The reason for this was that CU wanted to obtain a realistic picture of the farm practices, which was most likely to be seen when arriving unannounced. All of the selected farmers were present when the CU assessment team arrived.

the field technician. In addition to 20 farmers, CU interviewed 10 family members and 56 external workers.



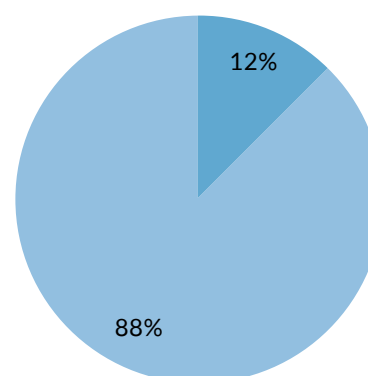
Methodology for ALP farm practices review

The methodology used during the farm visits was based on triangulation of information. Auditors were instructed to seek at least two, preferably three, sources of information. They used their findings to draw conclusions about whether farm practices were meeting the standard of the ALP Code. These sources could be interviews with farmers, family members and workers. Sources could also include documentation and visual observation of the farm area, field, storage facility, and curing barns. This methodology was also used to investigate the underlying factors that increase the risk of not meeting the standard. In addition to information triangulation CU also used the “Five Whys” methodology, a commonly used technique to obtain an understanding of problems, to investigate the reasons behind certain issues. Before every interview CU explained the objective of the assessment and assured interviewees that all information would be kept completely anonymous. Next to assessing labor practices, CU also verified the impact of AOTCI’s management systems on the farms, to assess how these were perceived by the field team, farmers, family members, and workers.

- Family members
- External workers (local)
- External workers (Jamaica)
- External workers (Mexico)
- External workers (Trinidad)
- External workers (Saint Vincent)
- External workers (Barbados)

Demographic information on the family members and external workers interviewed:

Gender interviewees (T=66)

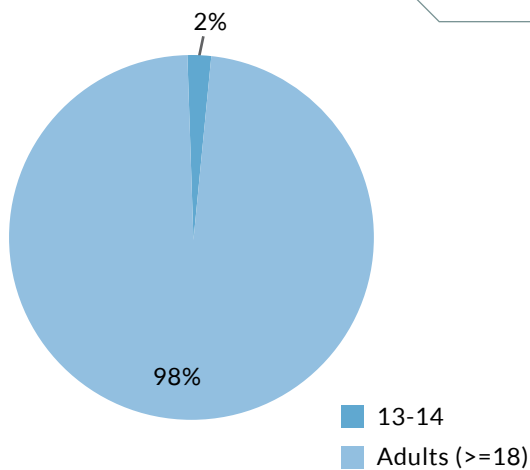


- Female
- Male

People interviewed

Where possible, interviews with workers and family members were conducted individually and without the farmer, to avoid undue bias. For the same reason, all interviews with farmers were conducted without

Age of interviewees (T=66)

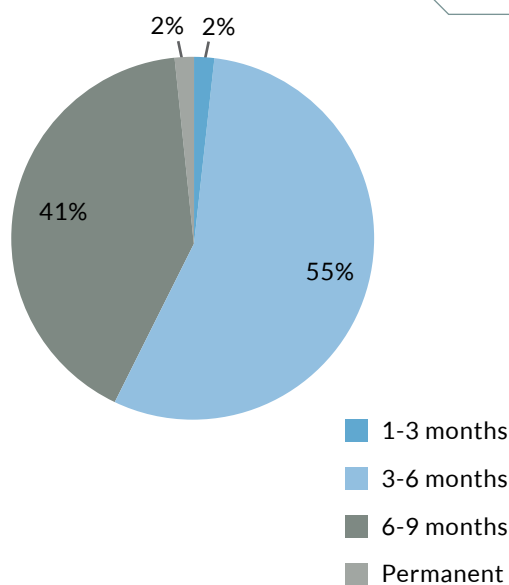


place on several topics. Overall, CU's findings were considered a useful base for taking action to improve the implementation of the ALP Program.

Reporting procedure

During the assessment, auditors reported after each field day to the coordinator. This person monitored the auditors' findings, and provided feedback whenever necessary. The coordinator compiled all findings and combined these with the findings from the management assessment. Public release of CU's assessment report demonstrates PMI's commitment to transparency, which is an important component of the ALP Program. CU authored the final report, which was evaluated by Verité. PMI reviewed the report to ensure consistency of the presentation of CU's findings worldwide. Finally, AOTCI reviewed the report to verify that all the information was correct, and to finalize their action plan that was based on this report.¹⁹

Duration of employment (External workers only: T=56)



Closing meeting

On 13 September 2017 a closing meeting was held at AOTCI's head office in Delhi, Ontario. This meeting was attended by AOTCI's Managing Director, STP Coordinator and Administrator, two representatives of PMI Regional, and the Verité consultant for Canada. CU presented the initial findings and AOTCI requested clarification of certain items. A constructive discussion took

19. Leaf tobacco suppliers can start drafting their action plans after the closing meeting, as initial findings usually do not differ much from the final report.

Appendix III – Legal information

AGRICULTURAL LABOR PRACTICES LEGAL INFORMATION QUESTIONNAIRE CANADA

General

Author: Jason Sonshine

Reviewed by:

Date of analysis: March 24, 2017

1. Principle 1 – Child Labor

1.1 Items to be covered by your answer

- Minimum age for employment (in tobacco)
- Requirements applying to farmers' own children or other family members such as nieces and nephews helping on the farm
- Age (or ages) limit for compulsory schooling
- Definitions of hazardous work (incl. agricultural activities that constitute hazardous work) as well as any tasks that workers under 18 are specifically prohibited from participating in by law
- Other restrictions or requirements on the employment of workers under 18 years (e.g. limit on work hours, work permits, etc.)

1.2 Applicable laws

Education Act, Employment Standards Act

1.3 Your answer

Minimum Working Age:

The minimum working age in Ontario is 14. However, the minimum working age may depend on the workplace. Though there is no specific age limit for tobacco related work, there are examples of work that a youth cannot do (most of which raise the minimum age - for example, a youth under 16 years of age cannot be employed in a logging operation, at a construction project, cannot work at a working mine plant or surface mine; a youth under 15 years

of age can't be employed in a factory; a youth under 18 years of age cannot work in an underground mine, cannot do work offshore on or from oil or gas rigs, cannot be engaged in window cleaning, cannot be employed to sell or serve liquor on licensed premises).

The law does not regulate children helping their parents on the farm. Generally, youth in Canada under 18 years of age may work, as long as it does not hurt their health, welfare or safety or interfere with school attendance. In Ontario, youth are required to attend school until the age of 18 (Education Act, s. 21), and youth under 18 cannot work during school hours without a permit (Education Act). Youth under 18 may obtain a permit to be excused from mandatory school attendance if they are participating in equivalent learning and if such program, activity and the group/organization providing it is approved under section 3.0.1 ss. 8(1) of the Education Act. A hearing made by a Supervised Alternative Learning Committee would determine the approval of the alternate learning plan, expiry date etc. for the purposes of obtaining a permit. Subject to subsection 3.1 (equivalent learning), anyone who employs a person required to attend school during school hours is guilty of an offence and may be fined up to \$1,000.

The separate requirements relate to not working during school hours and, as outlined above, sometimes there are limits in terms of the types of industries that a youth may be employed in until a certain age.

2. Principle 2 – Income and Work Hours

2.1 Items to be covered by your answer

- Laws on regular and overtime hours (e.g. maximum work hours)

- Requirements that employers must meet to request overtime from workers
- Laws on regular and overtime wages (e.g. minimum wages, minimum wages agreed with unions)
- Laws on basic entitlements to be paid to workers (e.g. social security, health care, holidays, other leave entitlements etc.)
- Wage and hours law specific to piece rate workers, seasonal workers, and migrant workers
- Laws on payment of wages relevant to the frequency of payment in agriculture, for example, laws on whether end-of-season one-time payments are permissible
- Laws on in-kind payment
- Legal requirements for migrant workers to ensure they are legally permitted to work
- Other specific rules applicable to migrant workers

2.2 Applicable laws

Employment Standards Act, Regulation 285/01

2.3 Your answer

Maximum Work Hours:

The Employment Standards Act (the “Act”) states that no employer shall require or permit an employee to work more than 8 hours in a day and 48 hours in a work week. However, an employer may establish a regular work day of more than 8 hours for the employee if they have a specific agreement. In this case, the number of hours worked in a day cannot exceed the number prescribed in their agreement (s. 17 (2)).

According to the Regulation 285/01 (the “Regulation”), part VII of the Act relating to hours of work and eating periods do not apply to tobacco farm workers and tobacco harvesters (s. 2(2)). As such maximum work hours as provided by the Act do not apply to farm workers.

Minimum Wage:

The Regulation sets the minimum gross wage generally at \$11.40/hour (s. 5 ss. 1(5)). When an employee is a student under 18 years of age, if the weekly hours of the student are not in excess of 28 hours or if the student is employed during a school holiday, the minimum gross wage is \$10.70/hour (s. 5 ss. 1(1)). There are instances where students below 18 may be allowed to work more than 28 hours per week during the school year. In this case, student employees that are harvesters must be paid the general minimum gross wage of \$11.40 per hour.

The minimum hourly rule does not apply to farm workers that are not harvesters. Generally, you can pay them below the minimum wage. However, harvesters and student harvesters are entitled to at least the prescribed minimum wage per hour for each category (s. 25(1) of the Regulation).

Piece rate workers:

Section 25(2) of the Regulations states that the employer shall be deemed to comply with subsection 1 if harvester employees are paid a piece work rate (defined as a rate of pay calculated on the basis of a unit of work performed) that is customarily and generally recognized in the area as having been set so that an employee exercising reasonable effort would, if paid at such a rate, earn at least the amount set out in section 5(1.3). Note that subsection (2) regarding the piece work rate does not apply to the minimum wage set for students under 18.

Piece rate workers who are general farm employees are not entitled to minimum wage pay. They are not protected under the daily and weekly limits on hours of work, daily rest period rule, mandatory eating period, overtime pay, public holidays or holiday pay or vacation with pay. They are only entitled to notice of termination and severance pay.

For tobacco harvesters paid on piece work basis, the employer is considered to be in compliance with the minimum wage requirement, as long as piece work rate is customarily and generally recognized in the area where work is being done as being high enough, even if the worker earns less than

the minimum wage. However, piece rate harvester employees under the age of 18 who work not more than 28 hours a week or who only work during school holidays should be paid the minimum wage. If piece rate harvester workers work on a public holiday and have been employed for at least 13 consecutive weeks, the employer may either pay the employee regular rate and provide a substitute day off work with holiday pay or pay holiday pay plus premium pay for each hour worked on the holiday. Moreover, they are entitled to vacation with pay if they worked for the same employer for 13 weeks or more (doesn't have to be consecutive); should receive notice of termination and severance pay. Generally, piece rate harvester employees are exempted from hours of work rule; daily rest period rule; time off between shifts rule; mandatory eating period rule and not entitled to overtime pay. (ON Ministry of Labor; Industries with exemptions and special rules)

Basic Entitlements:

There are a number of basic entitlements under Ontario law such as public holiday pay, right to vacation with pay and various leaves (pregnancy leave, parental leave, family medical leave, organ donor leave, personal emergency leave, emergency leave, reservist leave).

However, the Regulation states that Parts X and XI of the Employment Standards Act dealing with Public Holidays and Vacation with Pay do not apply to a person employed on a farm whose employment is directly related to the primary production of tobacco (s. 2(2)). However, harvesters of tobacco are entitled to holiday pay if they have been employed for 13 consecutive weeks. In this case, an employer may choose to either pay the employee his/her regular rate for the hours worked on the holiday and provide a day off with holiday pay OR pay the employee holiday pay plus premium pay for each hour worked on the holiday. Tobacco harvesters are also entitled to vacation with pay if they have been employed by the same employer for 13 weeks.

Additionally, farm employees and tobacco harvesters are entitled to leaves of absence, termination notice and/or severance pay and equal pay for equal work under the Employment Standards Act.

Payment in Kind:

"Payment in kind" would be permitted, though it is unusual and would require the employee to explicitly agree to receive payment in-kind instead of money.

Section s. 5 (4) of the Regulations provide that if an employer provides room or board to an employee, the following amounts shall be deemed to have been paid as wages in determining whether minimum wage has been paid:

1. For room, \$31.70 a week if the room is private and \$15.85 a week if the room is not private.
2. For board, \$2.55 a meal and not more than \$53.55 a week.
3. For both room and board, \$85.25 a week if the room is private and \$69.40 a week if the room is not private.

The room must be reasonably furnished and fit for human habitation, supplied with clean bed linen and towels and reasonably accessible to proper toilet facilities (s. 5 (5)). S. 5 (6) of the Regulations provides that room or board shall not be deemed to have been paid as wages unless employee has received the meals or occupied the room. Compliance is determined on a pay period basis.

Overtime Wages and Rules:

Overtime wages are set at least 1.5 times the regular rate for each hour of work in excess of 44 hours per week (unless different thresholds have been prescribed) (s. 22).

However, the Regulation states that Part VIII of the Act dealing with Overtime Pay does not apply to a person employed on a farm whose employment is directly related to the primary production of tobacco (s. 2(2)).

There are certain requirements that need to be met in order to have someone work overtime. Section 17 ss. 2 of the Act states that if you want someone to work more than 8 hours per day, you need to have an agreement with the employee to work up to a specified number of hours in a day. Additionally, if you want someone to work more than 48 hours per week, you must make an agreement with the employee, employer must receive approval from the Director, and employee's weekly hours cannot exceed the lesser of the number of hours in the employer-employee agreement or number of hours specified in the approval. Generally, once you submit an application pending approval, you can allow someone to work up to 60 hours per week (S. 5 (4) (i), Regulation). This is also subject to s. 18 (1) of the Regulations that provides that an employee must be given free 11 consecutive hours away from work.

End of Season Payments:

End of season payments are not permitted. The Act requires an employer to establish a recurring pay period and a recurring pay date (s. 11). The law does not provide a minimum pay period. This is up to the employer. Generally, employees are paid weekly, bi-weekly or semi-monthly.

Migrant Workers:

Migrant workers in Ontario hired through the Seasonal Agricultural Worker Program (SAWP) must have arrangement between their employer, home country and Canada for the specific work they are going to perform. They have many of the same rights as non-migrant workers (e.g. human rights protections, occupational health and safety protections), however, have fewer rights when it comes to mobility and switching jobs. In addition, migrant workers pay income tax and other government fees, but only get limited entitlements under government benefits programs (e.g. sickness benefits).

Generally, temporary/migrant workers that are hired through SAWP do not need different permits to work for different employers. They can work for

any SAWP employer. Other agricultural migrant workers will have an employer-specific work permit. This means that they cannot leave their current job until they get a new permit. To get a new permit, they have to have a new offer letter from an employer who wants to hire them, and their new employer must get a positive Labor Market Impact Assessment (LMIA). Non-migrant workers/general workers in Ontario are usually required to give two weeks' notice if they want to quit their current job.

3. Principle 3 – Fair Treatment

3.1 Items to be covered by your answer

- Laws defining and prohibiting verbal, psychological, physical punishment, and sexual harassment and abuse
- Laws defining and prohibiting discrimination
- Protection of workers from discrimination (workers' rights and employers' obligations)
- Laws on resource for victimized workers, if applicable

3.2 Applicable laws

Ontario Human Rights Code, Occupational Health and Safety Act (OHSA)

3.3 Your answer

Human rights protections:

The Ontario Human Rights Code states that every person has a right to equal treatment with respect to employment without discrimination because of race, ancestry, place of origin, color, ethnic origin, citizenship, creed, sexual orientation, gender identity, gender expression, age, record of offences, marital status, family status or disability (s. 5(1)). In addition, s. 5 (2) protects employees from harassment in the workplace by the employer, agent of the employer or another employee because of race, ancestry, place of origin, color, ethnic origin, citizenship, creed, sexual orientation, gender identity, gender expression, age, record of offences, marital status, family status or disability.

Harassment and violence in the workplace:

OHSA governs rules and regulations relating to violence and harassment in the workplace. Generally, this Act applies to almost all employees in farming operations including seasonal/temporary/migrant workers. However, the Act does not apply to family operated farms, self-employed farmers and their family members/children performing unpaid work. Part III.0.i of the Act defines harassment as “unreasonable action taken by employer relating to management and direction of workers”. In general, workplace harassment includes patterns of behaviors that humiliate, degrade, threaten, intimidate and/or offend the victim. Workplace violence means the exercise, or attempted exercise, of physical force by a person against a worker, in a workplace, that causes or could cause physical injury to the worker. Additionally, the Criminal code deals with issues relating to violence acts, threats and behaviors such as stalking.

In general, workers should report incidents to the employer/supervisor and employer should investigate incidents and complaints. Employers must prepare policies with respect to workplace violence and harassment, review policies at least once a year, maintain programs to implement the policies, and provide information to workers of the policies (section 32.0.1 (1)). The policies must be written and posted if there are 6 or more employees (section 32.0.1 (2)). Workplace harassment and violence program must include measures and procedures for controlling risks, summoning immediate assistance, reporting incidents, investigating and dealing with complaints and incidents (section 32.0.2 (2)).

The Ministry of Labor may conduct inspections to ensure employers comply with these requirements. The Ministry may also prosecute any person for not complying with the Act, and if convicted a court may impose a fine and/or jail term. The maximum fine per charge for a defendant is \$25,000 and/or imprisonment for up to 1 year. The maximum fine for a corporation is \$500,000 per charge. It should be noted that the Ministry does not resolve allegations of harassment in the workplace, do not investigate whether behavior constitutes harassment nor do

they have the authority to order individual remedies. The police should be contacted immediately when someone is threatened with violence or harassment.

If an employer is not complying with the workplace violence and workplace harassment requirements in the OHSA, workers should call the ministry’s province-wide Health and Safety Contact Centre toll-free at 1-877-202-0008 to file a complaint. Individuals who wish to remain anonymous may do so. Moreover, if an employee believes that his/her rights under the Code relating to discrimination and harassment were not properly dealt with by the employer, then they can also apply to the Human Rights Legal Support Centre for help or to the ON Human Rights Tribunal to file an application.

4. Principle 4 – Forced Labor

4.1 Items to be covered by your answer

- Legislation on forced labor
- Laws on prison labor
- Legislation regulating the operation of labour brokers and other third party recruiters
- Laws relating to limits or prohibitions on recruitment fees and deposits workers may be required to pay

4.2 Applicable laws

Canadian Charter of Rights and Freedoms, Criminal code, Employer and Employee Act, Anti-Human Trafficking Act, Employment Standards Act

4.3 Your answer

Laws that govern forced labor in Canada:

Canada is committed to fundamental human rights, in particular the principles and rights set out by the ILO in its Declaration on Fundamental Principles and Rights at Work. These fundamental principles include: freedom of association and the right to collective bargaining, the abolition of forced labor and child labor, and the elimination of discrimination in employment. Any impositions of forced labor are also contrary to the Canadian Charter of Rights and

Freedoms which states that “everyone has the right to life, liberty and security of the person and right not to be deprived thereof...” (s. 7). In addition, section 8 also protects persons from arbitrary detention or imprisonment. Moreover, the Canadian Criminal Code also governs crimes relating to trafficking in persons (children included) and withholding or destroying documents that establish their identity or status (s. 279.01 (1)). These are indictable offences that carry lengthy prison terms (max 10 years for destroying documents; life imprisonment for trafficking). The Ontario legislation, Employer and Employee Act further prohibits voluntary contracts of employment of more than 9 years. In addition, Ontario enacted the Anti-Human Trafficking Act (Bill 96) on May 30, 2017 that governs matters relating to applications for restraining orders and procedures for bringing a civil action for human trafficking where no proof of damage is required. The Act empowers courts to award damages, order a defendant to account for profits to his/her victims, order an injunction where necessary, and make any other reasonable order.

Wage Deductions:

Employment Standards Act provides that an employer shall not withhold wages payable to an employee, make a deduction or cause the employee to return his/her wages unless ordered by a statute, a court order or employer has employee’s written authorization with a specific amount to be deducted or a set formula to determine deductions. (s. 13 (1)-(3)). Statutory deductions in Ontario are for income taxes, employment insurance and pension plan contributions. Employers cannot deduct wages for faulty work or cash shortages. There are no restrictions on employer-worker loans as loans with little or no interest have taxable benefit in income.

Prison Labor:

Prison labor is permitted in Canada subject to the following rules. The ILO Forced Labor Convention No. 29 excludes labor done by prisoners from the definition of forced labor, provided that prisoners were convicted by a court of law and work carried out is under supervision and control of a public

authority. Abolition of Forced Labor Convention No. 105 prohibits the use of forced prison labor for purposes of economic development. Regulations of Corrections and Conditional Release Act provide that institutional head should ensure that a correctional plan which includes work for an inmate is developed as soon as practicable to prepare inmate for reintegration (s. 102 (1)). Inmates are exempted from labor if they have a doctor’s note saying inmate is not physically fit to perform (s. 103). If an inmate refuses to work, their participation is suspended for a specified period and pay is terminated (s. 104). Section 104.1 allows for wage deductions to reimburse Her Majesty for costs of food, accommodation, work-related clothing, telephone services and any moneys prisoner owes to her Majesty. In addition, the Commissioner can fix an amount to be deducted. CORCAN is an agency operating within Correctional Services of Canada that uses on-the-job training for technical/trade jobs, and National Employability Skills Program to help ensure reintegration of former convicts (s. 105-108).

Temporary Agricultural Workers in Ontario:

The Seasonal Agricultural Worker Program (SAWP), a program under the Temporary Foreign Worker Program allows employers to hire temporary foreign workers when Canadians and permanent residents are not available for maximum of 8 months. The agreements between Canada and participating foreign countries (Mexico and Caribbean nations) allow the foreign government to recruit and select the workers. Tobacco is one of the approved commodities. Here, employers cannot use recruiters as the recruitment and selection is the foreign government’s responsibility. Secondly, The Agricultural Stream allows employers to hire workers for a maximum period of 24 months when Canadians and permanent residents are no available. Employers do not need to use recruiters but if they choose to use one in exchange for compensation, they must be authorized under s. 91 of the Immigration and Refugee Protection Act and complete necessary applications. Employers cannot deduct or recover recruitment fees from

the workers' wages. The prescribed hourly pay rate for both of these programs for tobacco in Ontario is \$ 11.43. Employers that abuse or misuse the TFWP may face criminal sanctions including fines or imprisonment, or administrative consequences such as a suspension, revocation or a ban from access to the Program. Generally, foreign temporary workers are entitled to wages, safe working environment, proper breaks and rest periods, and to keep their passports/work permits in their possession.

5. Principle 5 – Safe Work Environment

5.1 Items to be covered by your answer

- Requirements for provision of medical protection, such as availability of first aid kit, health & safety training, etc.
- Requirements to report accidents and injuries
- Requirements for personal protective equipment needed for using, handling, storing, or disposing of crop protection agents (CPA). This might vary depending on the CPA in question
- Restrictions on CPA use, handling, storing, or disposing. Most countries will have restrictions on vulnerable populations interacting with CPA (or prohibit this outright), such as persons under 18, pregnant women, nursing mothers, etc.
- Restrictions on farm equipment (such as maintenance and licensing for operators)
- Other legislation related to CPA, such as how and where they may be stored or transported; more explicit restrictions for specific CPA; weather conditions under which CPA may or may not be applied; and any other restrictions limiting contact or exposure with CPA
- Requirements related to providing drinking water and safe housing for workers
- Specific requirements if worker accommodation is provided

5.2 Applicable laws

Ontario Occupational Health and Safety Act, Ontario Human Rights Code, Workplace safety and Insurance Act, Ontario Pesticides Act

5.3 Your answer

Occupational Health and Safety on tobacco farms:

The Ontario Occupational Health and Safety Act (the "OHS"), states that, except as prescribed and subject to the conditions and limitations prescribed, the OHS or any part thereof does not apply to farming operations. However, there are some general provisions that apply to farming operations, such as when a health and safety representative is required, the duties of an employer, supervisor and worker, the right to refuse work where health or safety are in danger.

The regulation entitled "Occupational health and safety awareness and training" in the Ontario Occupational Health and Safety Act requires employers to provide basic occupational health and safety awareness training programs as soon as practicable (s. 1 (1)). Generally, the program should cover duties and rights of workers under the Act, duties of employers and supervisors, roles of health and safety representatives and joint health and safety committees, Workplace Safety and Insurance Board, common workplace hazards, WHMIS requirements and occupational illnesses (s. 1 (3)). Employers have an overall responsibility for their employee's health and safety at work, and to inform their employees of any potential hazards (note that hazards are not defined). OHS requires farm equipment to be maintained in good condition, safety devices to be operational and maintenance records to be kept. Employer shall provide instruction and supervision to employees operating equipment, equipment should only be used for intended purposes in accordance with manufacturers' and operators' manuals. Operators of farm equipment should be competent to do so, and employer must ensure they apply receive

necessary training and practice before handling complex job tasks. Any potential hazards or unsafe conditions must be recognized and controlled prior to use and training.

Hazardous work is not defined in Ontario law. Regulations respecting workers' right to a safe and healthy workplace address only certain workplace hazards. There is no general description of hazardous work and not all workplace hazards are regulated (for example, Ontario regulates noise exposure limits in Ontario workplaces, and working in confined spaces). Furthermore, there is a regulation under the OSHA which deals with "hazardous materials" - this regulation is entitled "Workplace Hazardous Materials Information System (WHMIS)". WHMIS states there are certain exemptions from the requirements of WHMIS, for example, there is no requirement to conduct the various assessments set out in the regulation for tobacco or products made of tobacco (assessments relating to biological and chemical elements), there is no requirement to provide worker education on the hazardous materials, the labeling of hazardous materials is not required, etc. - this is likely because these requirements are already set out in the Tobacco Act and Regulations thereunder.

There is a farm safety association that is a designated entity under the Workplace Safety and Insurance Act, and is one of Ontario's health and safety associations. The association has a website "farmsafety.ca" which suggests tasks that are appropriate for youth working on farms. For example, for youth aged 6-11, it states that hand tools are appropriate (NOT power tools), feeding animals under supervision, weeding, watering and picking, lawn mowing with a push mower on a flat surface, hand raking and digging; for youth aged 12-14 it states that they can perform tasks involving limited power tools under supervision; for youth aged 15-18, it states that they can start doing adult jobs under supervision. It is important to note that this is not a legal requirement. Please note that the minimum legal working age is 14, however, the law does not regulate children helping their parents on farms subject to exceptions such as non-interference with school, safety and overall well-being etc.

When there is a critical injury at a farming operation, the employer must notify the Ministry and the joint health and safety committee. OSHA requires employer to ensure injured workers get immediate medical help, this could range from first aid from a trained employee to transportation and treatment at a hospital.

If housing is provided, the regulations under the Employment Standards Act provide that the room must be reasonably furnished and fit for human habitation, supplied with clean bed linen and towels and reasonably accessible to proper toilet facilities.

Personal Protective Equipment (PPE) on farms:

OSHA and its regulations require employers to ensure PPE is used where appropriate. Employers must provide information, instruction and supervision on the proper use, cleaning, disposal and maintenance of PPE. Employers have a general obligation to assess each function on the farm and determine appropriate PPE which should be used as a last resort of the hazard cannot be controlled by engineering controls, redesign of work processes or using less toxic/hazardous substances. Where a chemicals such as CPAs are used that may endanger the health or safety of a worker, PPE should be worn according to the product manufacturer's instructions or MSDS (Material safety data sheet that contains information on safe handling). Under respiratory protection, OSHA regulation guidelines provide that powered air purifying respirators should be used for excessive pesticides.

Legislations on Crop management agents on tobacco farms (pesticides):

Ontario Pesticides Act provides that it is illegal to store or transport CPAs under unsafe and improper conditions. All CPAs must be stored in original containers and if damaged, a secondary container made of similar materials. It is suggested to use a separate, free-standing structure for all storing purposes. Employers can purchase prefabricated storages or modular units and requirements under regulations 63/09 must be incorporated into these units. Storage areas must be well maintained and kept in clean and orderly condition. All classified

CPAs must be stored so they will not impair health or safety of workers, come into contact with food or drink and placement of warning signs at all entrances. Storage area must be locked to control access. Weather conditions should be monitored and recorded using a combination of weather forecasts, standard compass or windsock, and a fixed or handheld weather station. The Ontario Ministry of Agriculture, Food and Rural affairs provides guidance on spraying practices for various wind/precipitation conditions (link can be accessed here: <http://www.omafra.gov.on.ca/english/crops/facts/09-037w.htm>)

Punishments:

Employers have an overall responsibility for their employee's health and safety at work, and to inform their employees of any potential hazards (note that hazards are not defined). Their wide range of duties includes providing training and to have information on machinery, equipment, working conditions, processes and hazardous substances. There is also a duty on an employee to report to their supervisor/ employer if he/she knows there is a problem or hazard with the work he or she is assigned or if he or she notices something wrong that could hurt someone else. If nothing is done, it can be taken to the worker's health and safety representative or JHSC. If the situation is not corrected, it can be reported to the nearest office of Ministry of Labor. Workers also have a right to refuse unsafe work. Section 43 of OHS Act outlines the procedure to be followed when refusing work. The Ministry may initiate a prosecution for contravening the Act, and if convicted, a court may impose a fine and/or jail term against an individual defendant.

The maximum fine per charge for an individual is \$25,000 and/or imprisonment for up to 12 months. The maximum fine, which can be imposed on a corporation convicted of an offence, is \$500,000 per charge.

Duty to Accommodate:

The Ontario Human Rights Code requires an employer to accommodate the needs of every person under the Act to the point of undue hardship.

An accommodation is appropriate if it results in equal opportunity to attain the same level of performance or to enjoy the same level of benefits and privileges experienced by others. Employers must accept request for accommodations in good faith, take an active role in finding solutions, keep a record of action taken, and pay the costs of any required medical information. Undue hardship must be proved as a defense by the employer when a requested accommodation cannot be carried out, otherwise a finding of discrimination may be made. Examples of undue hardship are cost and health and safety risks to others.

6. Principle 6 – Freedom of Association

6.1 Items to be covered by your answer

- Laws on organizing unions and their operation (workers' rights and employers' obligations)
- Requirements for collective bargaining
- Prohibitions on union discrimination and employer interference in their operations
- Requirements that worker representatives be in place

6.2 Applicable laws

Agricultural Employees Protection Act, International Labour Organization (ILO) in its Declaration on Fundamental Principles and Rights at Work, Criminal Code, Ontario Human Rights Code

6.3 Your answer

Freedom of Association:

The Agricultural Employees Protection Act (Ontario) protects agricultural workers' basic right to freedom of association by protecting:

- the right to join and form an employee association;
- the right to participate in the lawful activities of an employee association;
- the right to assemble;
- the right to make representation to their employers, through an employees' association,

respecting the terms and conditions of their employment; and

- against interference, coercion and discrimination in the exercise of these rights.

Canada is committed to fundamental human rights, in particular the principles and rights set out by the ILO in its Declaration on Fundamental Principles and Rights at Work. These fundamental principles include: freedom of association and the right to collective bargaining, the abolition of forced labour and child labour, and the elimination of discrimination in employment.

7. Principle 7 – Compliance with the law

7.1 Items to be covered by your answer

- Legal requirements to constitute a labor/employment relation
- Laws and regulations on employment contracts (incl. necessity for written employment contracts, and if is not what are the grounds to consider the existence of a verbal employment agreement)
- Required content for written employment contracts
- Deadline for conclusion of the contract (e.g. on the date of hire or within 30 days of hire)
- Requirements for various types of contracts (indefinite term, definite term, temporary workers, probationary workers)
- Requirements for termination of employment (termination with or without cause, wrongful dismissal, notice periods required to end employment)
- Options for farmers to obtain legal assistance about their obligations (e.g. government department, local labor office, farmers association etc.)
- Specific requirements for leaf growing contracts (government imposed templates, government approval of contract, freedom to choose the terms of the contract)

7.2 Applicable laws

Employment Standards Act

7.3 Your answer

Employment Law Basics:

A written contract for workers is not required in Ontario. A verbal employment contract is valid and legally binding if the employee can prove an offer, acceptance and valid consideration. A written contract is not required, however, it is suggested to have one in order to protect both parties.

An employer can terminate an employee without cause, however, there are certain requirements with respect to how much notice must be given (or pay in lieu of notice).

In most cases, when an employer ends the employment of an employee who has been continuously employed for three months, the employer must provide the employee with either written notice of termination, termination pay or a combination (as long as the notice and the termination pay together equal the length of notice the employee is entitled to receive) (ss. 54, 57, 61).

The following specifies the minimum periods of statutory notice required:

Length of Employment	Notice Required
Less than 3 months	None
3 months but less than 1 year	1 week
1 year but less than 3 years	2 weeks
3 years but less than 4 years	3 weeks
4 years but less than 5 years	4 weeks
5 years but less than 6 years	5 weeks
6 years but less than 7 years	6 weeks
7 years but less than 8 years	7 weeks
8 years or more	8 weeks

There are also certain requirements that an employer must meet during the statutory notice period (for example, cannot decrease the employee's wage, must continue to contribute to the employee's benefit plan, etc.) (s. 60).

Note that these statutory periods are minimum amounts only. The common law determines what is "reasonable notice" on a case by case basis, with regard to age, length of service, salary, the likelihood of job replacement, employer recruitment etc.

Additionally, there are no specific requirements when employees want to quit their jobs and give notice to the employer. Generally, 2 weeks' notice is considered to be appropriate.

Appendix IV – Communication materials


ALLIANCEOne

Green Tobacco Sickness

Green Tobacco Sickness (GTS) is a form of nicotine poisoning that will make you feel weak, tired and uncomfortable. You can contract it by handling wet, fresh, green tobacco leaves.

Symptoms of GTS include:

- Nausea and/or vomiting
- Weakness
- Dizziness
- Stomach Cramps
- Difficulty Breathing
- Paleness
- Excessive Sweating
- Headache
- Changes in Blood Pressure
- Changes in Heart Rate

You may start to feel these symptoms in as little as one hour after starting work and they can last up to 48 hours. Contact a medical professional if you feel any of these symptoms.

How To Stay Safe

① Stay Covered



Wear protective clothing to reduce skin contact with wet tobacco. Wash hands and body with warm, soapy water after working with green tobacco.

② Stay Dry



Avoid wearing wet clothes and handling wet leaves without protective clothing. Periodically change clothing that becomes wet or soaked with tobacco sap.

③ Stay Cool



When possible, work during the cooler hours of the day and in drier conditions. Make sure you take breaks, increase fluid intake and avoid alcoholic beverages.

GTS Poster

Agricultural Labor Practices

Alliance One International, Inc. (AOI) is committed to eliminating child labor and other labor abuses where they are found and to achieving safe and fair working conditions on all farms from which AOI sources tobacco.

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.

Wages of all workers (including for temporary, piece rate, seasonal and migrant workers) meet, at a minimum, national legal standards or agricultural benchmark standards.

Wages of all workers are paid regularly, at a minimum, in accordance with the country's laws.

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.

Overtime work hours are voluntary.

Overtime wages are paid at a premium as required by the country's laws or by any applicable collective agreement.

All workers are provided with the benefits, holidays, and leave to which they are entitled by the country's laws.

Child Labor

There shall be no child labor.

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.

No person below 18 is involved in any type of hazardous work.

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 15 years or above the minimum age for light work as defined by the country's laws, whichever affords greater protection.

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.

There is no physical abuse, threat of physical abuse, or physical contact with the intent to injure or intimidate.

There is no sexual/verbal abuse or harassment.

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.

Workers have access to a fair, transparent and anonymous grievance mechanism.

Forced Labor

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

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

Workers are free to leave their employment at any time with reasonable notice.

Workers are not required to make financial deposits with employers.

Wages or income from crops and work done are not withheld beyond the legal and agreed payment conditions.

Farmers to not retain the original identity documents of any worker.

The farmer does not employ prison or compulsory labor.

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.

The farmer provides a safe and sanitary working environment, and takes all reasonable measures to prevent accidents, injury and exposure to health risks.

No worker is permitted to top or harvest tobacco, or to load barns unless they have been trained on avoidance of green tobacco sickness.

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.

Workers do not enter a field where CPA have been applied unless and until it is safe to do so.

Workers have access to clean drinking and washing water close to where they work and live.

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

Freedom of Association

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

The farmer does not interfere with worker's right to freedom of association.

Workers are free to join or form organizations and unions of their own choosing and to bargain collectively.

Worker representatives are not discriminated against and should have access to carry out their representative functions in the workplace.

Compliance with the Law

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

All workers are informed of their legal rights and the conditions of their employment when they start to work.

Farmers and workers have entered into written employment contracts when required by a country's laws and workers receive a copy of the contract.

Terms and conditions of employment contracts do not contravene the country's laws.

Farmers are expected to understand and apply the principles of this Code with regards to labor and to work with Alliance One to continuously improve agricultural labor practices.

ALP Poster

AOI recognizes that, in some cases, long-term solutions to systemic labor issues are best supported through regulatory action from the government or industry initiatives developed in collaboration with other stakeholders. We work closely with our entire supply chain to understand the root causes of any labor abuses and then collaboratively develop solutions that will have a long-lasting impact. Permanent change can only be achieved if all relevant parties are engaged in the development and implementation of solutions.

AOI is committed to helping our contracted growers remain in compliance with the ALP Code through training and technical support. For their part, farmers are expected to review their practices against the Code requirements and make changes accordingly to ensure compliance verifiable through independent audits. We will work together to continuously improve agricultural labor practices.

Agricultural Labor Practices

Understanding and Applying the Principles of the ALP Code

Alliance One International, Inc. (AOI) is committed to eliminating child labor and other labor abuses where they are found and to achieving safe and fair working conditions on all farms from which AOI sources tobacco.

Alliance One's Agricultural Labor Practice (ALP) Code defines the labor practices, principles and standards that the company expects to be met on all farms from which AOI sources tobacco. The Code is based on state and national labor laws in the areas where we operate, as well as the labor standards of the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work and other relevant ILO conventions. The principles and standards of AOI's ALP code must be interpreted and implemented in line with ILO conventions and regional law.

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 Farmville, North Carolina 27828-0166
 Tel: 252 753 8000 Fax: 252 753 8200
 www.aointl.com

ALP Phamplet (front)

FORCED LABOR
All farm labor must be voluntary. There will be no forced labor.
Measurable Standards
Workers do not work under bond, debt or trust and must receive wages directly from the employer.
Workers are free to leave their employment at any time with reasonable notice.
Workers are not required to make financial deposits with employers.
Wages or income from crops and work done are not withheld beyond the legal and agreed payment conditions.
Farmers do not retain the original identity documents of any worker.
The farmer does not employ prison or compulsory labor.

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
The farmer provides a safe and sanitary working environment, and takes all reasonable measures to prevent accidents, injury and exposure to health risks.
No worker is permitted to top or harvest tobacco, or to load barns unless they have been trained on avoidance of green tobacco sickness.
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.
Workers do not enter a field where CPA have been applied unless and until it is safe to do so.
Workers have access to clean drinking and washing water close to where they work and live.
Accommodation, where provided, is clean, safe, meets the basic needs of workers, and conforms to the country's laws.

CHILD LABOR
There will be no child labor.
Measurable Standards
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.
No person below 18 is involved in any type of hazardous work.
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 15 years or above the minimum age for light work as defined by the country's laws, whichever affords greater protection.

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
Wages of all workers (including for temporary, piece rate, seasonal and migrant workers) meet, at a minimum, national legal standards or agricultural benchmark standards.
Wages of all workers are paid regularly, at a minimum, in accordance with the country's laws.
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.
Overtime work hours are voluntary.
Overtime wages are paid at a premium as required by the country's laws or by any applicable collective agreement.
All workers are provided with the benefits, holidays, and leave to which they are entitled by the country's laws.

FREEDOM OF ASSOCIATION
Farmers shall recognize and respect workers' rights to freedom of association and to bargain collectively.
Measurable Standards
The farmer does not interfere with workers' right to freedom of association.
Workers are free to join or form organizations and unions of their own choosing and to bargain collectively.
Worker representatives are not discriminated against and should have access to carry out their representative functions in the workplace.
Farmers do not retain the original identity documents of any worker.
The farmer does not employ prison or compulsory labor.

COMPLIANCE WITH THE LAW
Farmers shall comply with all laws of their country relating to employment.
Measurable Standards
All workers are informed of their legal rights and the conditions of their employment when they start to work.
Farmers and workers have entered into written employment contracts when required by a country's laws and workers receive a copy of the contract.
Terms and conditions of employments contracts do not contravene the country's laws.

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
There is no physical abuse, threat of physical abuse, or physical contact with the intent to injure or intimidate.
There is no sexual/verbal abuse or harassment.
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.
Workers have access to a fair, transparent and anonymous grievance mechanism.

ALP Phamplet (back)



Field Pest Economic Thresholds			
Refer to Page 21, Publication 843 2016			
Pest	Economic Threshold		
Cutworm	After planting if cutworm damage appears, apply control when at least 5% of plants show signs of cutworm feeding.		
Aphids	Treat when 10% of Plants have 50 or more aphids on the upper leaves. Heavy parasitism of pest insects may delay the need to treat. * Immediate treatment, however, is recommended when aphids are detected in tobacco fields that are near potato, tomato and pepper fields, to help reduce the risk of PVY transmission. * Information from Pests and disorders Bulletins Updated, March 4, 2016 by CTRF		
Hornworms	Treat when the population averages 1 or more hornworms per 20 plants. Heavy parasitism of pest insects may delay the need to treat.		
Field Re-Entry Intervals			
Pest	CPA	Re-Entry Interval	Pre-Harvest Interval
Aphids & Hornworms	Orthene	24 hrs with PPE and 15 days without PPE	3 days
Aphids	Assail	12 hrs	1 day
	Fulfill 50 WG	12 hrs	14 days
Hornworms	DiPel WP	12 hrs	12 hrs
	Thuricide HPC	12 hrs	0
Suckers	Sucker Control	48 hrs	12 hrs

Re-entry interval poster

Appendix V – Analysis of farm data

Socio-economic information for Farm Profiles:

- For none of Farm Profiles information was missing
- For four Farm Profiles (20%) part of the information was not corresponding with the situation at the farm
 - For one Farm Profile the information on the number of hectares contracted by AOTCI was not matching with the information provided by the farm
 - For three Farm Profiles the number of external workers did not fully correspond with the information on the farm

Farm-by-farm monitoring information:

- For 11 farms (55%) the monitoring data did not fully match with the situation on the farm. The following discrepancies were identified:

Not matching with field observation	Number of farms
Evidence of employee training	2
Trained on the causes, symptoms, treatment & prevention of GTS?	2
Does farmer keep CPAs in a lockable & secure storage?	5
Evidence of verbal abuse	2
Are workers free to join or form organizations and bargain collectively?	1

Appendix VI – Glossary

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/her farm in seven focus areas
ALP Program	Agricultural Labor Practices Program
AOTCI	Alliance One Tobacco Canada, Inc.
Correction	Any action that is taken to eliminate a situation not meeting the standard
Corrective action	Steps taken to remove the causes of a situation not meeting the standard
CPA	Crop Protection Agents
Crew leader	Person responsible for managing a group of workers
CU	Control Union
Family farm	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 profile of the farms
F.A.R.M.S. program	Foreign Agricultural Resource Management System program, a program run by the Canadian government to facilitate employment of foreign migrant workers in agriculture
GAP	Good Agricultural Practices
GTS	Green Tobacco Sickness
Leaf tobacco supplier	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 determining to what extent the labor conditions and practices on a tobacco farm are in line with the ALP Code Principles
Migrant labor	Labor coming from outside the farm's immediate geographic area
NGO	Non-Governmental Organization
NTRM	Non-Tobacco-Related-Materials
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
Preventive action	Steps taken to remove the causes of potential situations not meeting the standard

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
Root cause	The underlying reason that caused a situation not meeting the standard
Root cause analysis	A set of analyzing and problem solving techniques targeted at identifying the underlying reason that caused a situation not meeting the standard
Sharecropping	A system of agriculture in which the farmer has a partner (“socio”) who either works together with the farmer or manages a plot of land. Costs of inputs and/or revenue are shared.
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.
UIF	Unemployment Insurance Fund, which provides compensation to insured workers that became unemployed.
ULT	Universal Leaf Tobacco
ULSA	Universal Leaf South Africa, a local subsidiary of Universal
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.