



EXTERNAL ASSESSMENT MOZAMBIQUE LEAF TOBACCO LDA.

Flue Cured Virginia farmers in Lichinga and Molocue –
Mozambique.



Agricultural Labor Practices Program

February, 2018

Table of Content

Executive summary	3
Market and company background	6
1. Implementation of the ALP Program.	8
1.1. Commitment to the ALP Program	9
1.2. Strategy and objectives	9
1.3. Internal capacity	11
1.4. Communication of the ALP Code requirements to farmers	14
1.5. Internal monitoring: data collection, accuracy, and addressing issues	17
1.6. Address systemic and/or widespread issues.....	20
2. Farm-level assessment of working conditions regarding the ALP Code Standards	21
2.1. ALP Code Principle 1: Child labor.....	22
2.2. ALP Code Principle 2: Income and work hours	23
2.3. ALP Code Principle 3: Fair treatment	26
2.4. ALP Code Principle 4: Forced labor	27
2.5. ALP Code Principle 5: Safe work environment	28
2.6. ALP Code Principle 6: Freedom of association	30
2.7. ALP Code Principle 7: Compliance with the law	31
3. ALP Program: feedback from farmers, workers, and other stakeholders	32
Appendices	34
Appendix I – MLT Action Plan	35
Appendix II – Scope and methodology	71
Appendix III – Legal information.....	75
Appendix IV – Communication materials	123
Appendix V – Reporting form	125
Appendix VI – Glossary	126

EXECUTIVE SUMMARY



EXTERNAL ASSESSMENT

Flue Cured Virginia farmers in Lichinga and Molocue –
Mozambique.

In February 2018, Philip Morris International (PMI) requested Control Union to conduct an external assessment of the Flue-Cured Virginia (FCV) tobacco growing operations of its supplier Mozambique Leaf Tobacco LDA (MLT) in the Lichinga (North-Niassa) and Molocue (North-Zambézia) regions, Mozambique. The assessment evaluated the labor practices at MLT-contracted tobacco farms, and whether these were meeting the standards of the Agricultural Labor Practices (ALP) Code¹. Control Union (CU) also evaluated MLT's internal structure and capacity to implement the ALP Program, the understanding of farm practices, and how issues were being identified, recorded and addressed.

As part of this assessment CU interviewed ten MLT management employees, 21 MLT field employees and one PMI Regional employee. Over a three-week period, CU visited 80 farms² throughout the Lichinga and Molocue regions, and interviewed 80 farmers, 51 family members and 41 workers. At 76 farms (95%) these visits were unannounced; at four farms the field technician announced the visits the day before, yet it was an isolated case.

Information triangulation was adopted 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 used to analyze MLT's management approach.

MLT began implementing the ALP Program in 2012 with field staff trainings, and had included all contracted farmers in the scope. The contracted farms were mainly small-scale, with a tobacco area of one hectare or less. Based on the findings of a CU assessment in a different region of Mozambique in 2015 and the associated action plan and internal risk assessment, MLT was monitoring all seven ALP Principles but focused its actions and programs on Child Labor, Income and Working Hours, and Safe Work Environment.

MLT had incorporated the ALP Program in its processes and procedures. Job descriptions included clearly defined ALP responsibilities. Employees involved in ALP were committed to the program. Field technicians were trained regularly; nevertheless, CU identified significant gaps in their understanding of the ALP Code, particularly with regard to Principle 7 (Compliance with the Law). In general, CU observed that the field technicians' understanding of the ALP Code was limited by their low literacy level (a common problem in Mozambique). The definition of Prompt Actions was not well understood; the field team considered all situations not meeting the standard to be Prompt Actions.

Monitoring and Prompt Action (PA) procedures were clear. However, MLT had not defined specific guidelines for follow-up visits or timelines for resolving Prompt Actions situations. In addition, improvement plans for individual farms were made only in case of Prompt Action situations, not for situations not meeting the standard. Furthermore, the improvement plans – and MLT's ALP Program in general – lacked in-depth root-cause analysis, resulting in a challenge to effectively address issues at the farm level. The methodology used by the ALP team emphasized acting on Prompt Action issues, rather than taking corrective actions to prevent issues from happening in the future.

MLT communicated ALP-related topics to farmers mainly via group meetings and regular farm visits by the field team. Printed communication materials contained clear information and were available in the official national language – Portuguese – as well as in local languages. As of 2017, workers and family members were also involved in the trainings.

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 79 farms, which is the square root of the total number of farms within the scope (6184 at the time of the assessment).

Awareness of the ALP program was high: 99% of farmers, 61% of family members and 73% of workers knew at least one of the principles of the ALP Code. The level of awareness was highest for MLT's focus areas of Child Labor and Safe Work Environment, but significant knowledge gaps were identified regarding the other ALP Code Principles. In particular, farmers and workers were generally unaware of the farmers' obligation to inform workers about their legal rights.

MLT's field technicians collected monitoring data and socio-economic farm information for Farm Profiles, and identified Prompt Actions during regular farm visits. Prompt Actions were reported both on paper forms and in MLT's electronic system (called Mobileaf). CU identified that the farm-by-farm monitoring and Prompt Action reporting procedures had not captured all the issues observed by CU in the field, particularly with regard to Principle 2 (Income and Working Hours). Farm Profiles were found to be accurate in most cases.

The main findings from CU's farm visits were related to four ALP code Principles: Child Labor, Income and Work Hours, Compliance with the Law, and Safe Work Environment. The number of child labor cases was found to be relatively low, indicating that MLT's efforts to reduce child labor were paying off. With regard to workers' payment, CU found that most workers were underpaid (often far below the legal minimum wage), and that many workers were paid only at the end of the season, which is not only against Mozambican law but also involves

a risk of forced labor. Furthermore, CU observed a lack of awareness among farmers and workers about legal overtime rates and workers' benefits, which corresponds with the limited awareness on these topics among field technicians. Finally, with regard to Safe Work Environment, CU identified a high number of practices not meeting the standard. MLT's initiative to distribute PPE for harvesting and CPA application had not yet resulted in the desired change of behavior, and many farmers still had limited awareness and understanding of the need for safety measures.

Feedback received by CU from farmers, workers and family members showed that fewer children were involved in tobacco production since the start of the ALP Program. Several interviewees also reported an improvement in safety conditions at the farms, and that fewer pregnant and/or breastfeeding women were involved in tobacco-related activities. Field staff received feedback from farmers during the farm visits and group meetings, but there was no formal channel for farmers and workers to provide feedback to the ALP team (other than communication through field technicians), nor was there a structured process in place to collect and report this information.

The outcome of this assessment can be used as a tool to facilitate management with continuous improvement. CU acknowledges MLT'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 Lichinga and Molocue –
Mozambique.

Flue Cured Virginia tobacco growing in Mozambique is concentrated in the provinces of North Niassa (Lichinga region) and North Zambézia (Molocue region). In general, tobacco farms in Mozambique are small-scale family farms. From 2013 to 2017 Mozambique experienced a rapid growth in FCV tobacco production. As a result, MLT had a relatively large number of new farmers who had not worked with the company the years before. At the time of the assessment (2018 crop), MLT had contracts with 6,184 FCV tobacco farmers in the Molocue and Lichinga regions, with a contracted production of 3,130 tons of FCV in North Niassa and 1,975 tons in Zambézia (5,105 tons in total).

In 2003 MLT began to build the factory in Tete City and in 2017 MLT had eight agronomy centers and 33 buying/administrative centers across the country. In 2012 MLT had the first FCV contracted crop. In 2013 to 2014 they performed a upgrade in the processing facility, in line with crop growth. In the 2017 crop year MLT had contracted a total of 97,568 farmers in Mozambique, across Burley, FCV and Dark Fire-Cured crops and a contracted production of 5,355 tons of FCV tobacco and 69,500 tons of Burley tobacco across Tete, Niassa, Zambézia and Manica provinces. The tobacco farmers contracted by MLT were independent farmers; their production contract with MLT ensured a guaranteed crop sale, technical and financial assistance, and transport of their tobacco to the buying centers.

Chapter 1

IMPLEMENTATION OF THE ALP PROGRAM



EXTERNAL ASSESSMENT

Flue Cured Virginia farmers in Lichinga and Molocue –
Mozambique.

1.1. Commitment to the ALP Program

MLT's field and management personnel showed commitment to the ALP Program and acknowledged, during the interviews, the relevance of the ALP Code requirements in terms of the importance to maintain good working conditions at the contracted farms.

All those interviewed considered the ALP Program an important step forward in achieving economic and environmental sustainability at the farms and good labor conditions for tobacco workers. In addition, field technicians felt that the program was creating a cultural change in the market, especially in relation to children working or helping in the tobacco crop.

1.2. Strategy and objectives

MLT's objectives and strategies for implementation of the ALP Program were defined by the Steering Committee based on the Prompt Actions situations found at farm level. The Steering Committee held three to four meetings each year to discuss ALP strategies.

MLT had conducted a risk assessment to rate the probability and severity of risks for each ALP Code measurable standard, distinguishing four categories: acceptable, adequate, tolerable, and unacceptable. Based on the experience of MLT staff and information on past crop years, the conclusion of this risk assessment was that none of the criteria for the STP people pillar (which encompass ALP Principles) were considered 'unacceptable'. However, CU found that MLT's risk assessment did not fully agree with the situation observed at the farms visited by CU, as several serious issues were identified, particularly with regard to ALP Code Principle 2 – Income and Work Hours (see Chapter 2.1). Additionally, it was found that MLT's risk assessment did not include a root cause analysis.

MLT's risk assessment identified the following measurable standards as involving a relatively high risk of non-compliance:

- No person below 18 is involved in any type of hazardous work;
- Wages or income from crops and work done are not withheld beyond the legal and agreed payment conditions;
- 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;
- Wages of all workers (including for temporary, piece rate, seasonal, and migrant workers) meet, at a minimum, the requirements of the country's laws or agricultural benchmark standards;
- Wages of all workers are paid regularly, at minimum in accordance with the country's laws.

Based on this risk assessment, the company's ALP strategy and objectives were focused on three principles, namely Child Labor, Income and Work Hour and Safe Work Environment. Initiatives for the STP 'people pillar' were used to address some of the risks identified in the ALP risk assessment. In 2017 MLT was implementing the following initiatives in the Lichinga and Molocue regions:

1. Employment contract template:

The target set for this initiative was for 2017 crop year 25% and in 2018 50% of farmers with labor would provide their workers with a written employment contract as required by national law. According to MLT 84% of these farmers received the template in the assessed region.

2. Seedbed PPE Kit:

The target set for this initiative was that all contracted farmers would receive a kit with seeds, Crop Protection Agents (CPA) and Personal Protection Equipment (PPE), including one pair of harvesting gloves, one pair of CPA application gloves and one mask per farmer. During the management interviews it was mentioned that the target was to reach 100% of contracted farmers, but MLT had no data available whether it was achieved.

Furthermore, in line with its focus on the elimination of child labor, MLT was considering to start a school meal project in the Lichinga and Molocue regions. This initiative (known as the Kukula Project) was already being implemented in the Mandimba district of the Niassa province (outside the assessment area), providing school children breakfast and lunch to fight child labour and promote school attendance.

In addition to implementing these initiatives, MLT's strategy to reduce ALP-related risks was to address their communication activities, training sessions and communication materials not only to farmers, but also to farmers' family members and workers (see Chapter 1.4). Further details on the initiatives are presented in Chapter 1.6.

MLT response:

"MLT will concentrate its efforts on the four key focus areas identified which fall within three broader ALP principles - elimination of child labour, income and work hours and safe work environment. MLT will continue to focus efforts on these three principles, with particular emphasis on farmers with labour and labour (approximately 10% of all contracted farmers). MLT's strategy to reduce ALP-related risks also included, and will continue to include, expanding our communication activities beyond the farmer and providing training sessions and materials to farmers' family members and workers so as to fully train and engage all people on the farm."

Internal capacity

1.3.1. Dedicated organizational structure

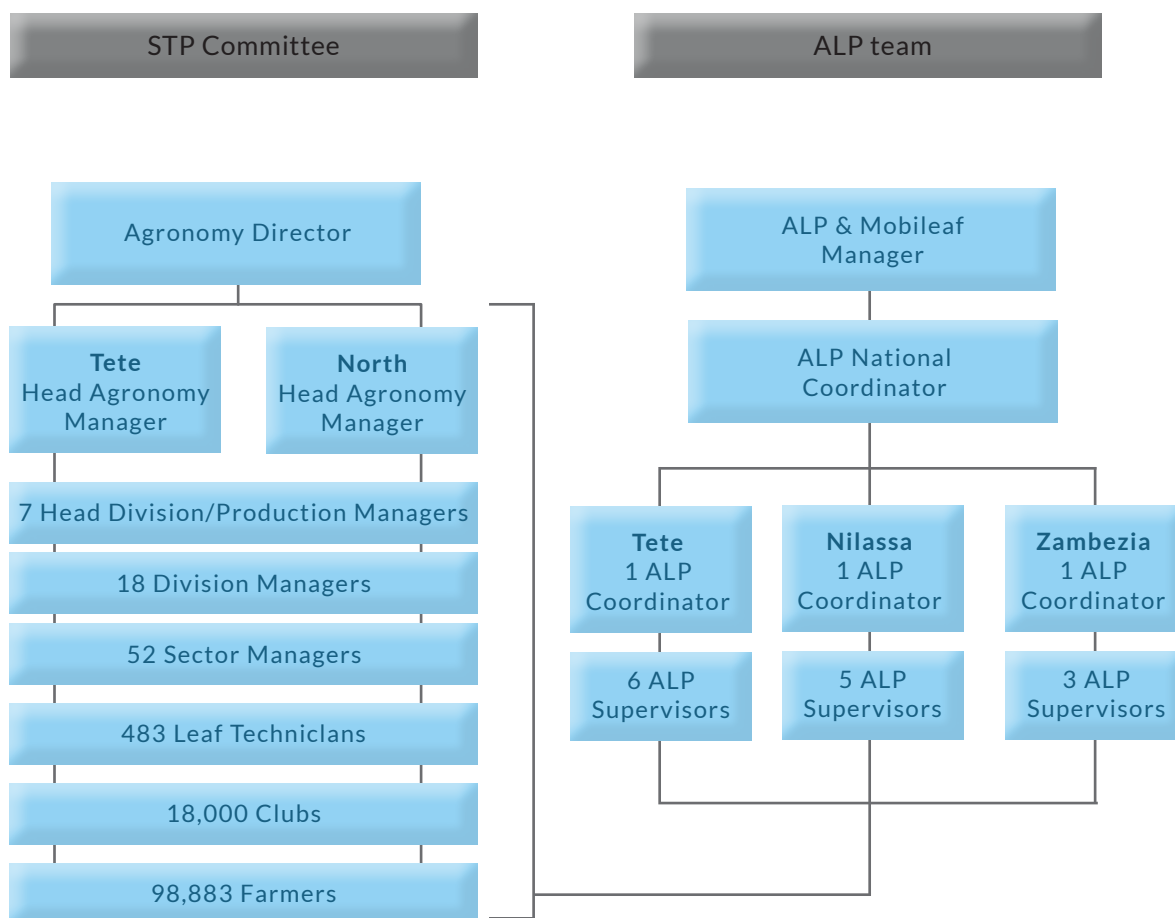
MLT’s dedicated organizational structure for ALP program implementation consisted of an STP Steering Committee and ALP Team (see chart below). The ALP Team included an Agronomy Team with staff dedicated full-time to ALP-related activities. MLT worked closely together with PMI Regional and received regular guidance on the implementation of the ALP Program.

Field technicians were also part of the internal structure to implement the ALP Program; they provided the link between the management and the farmers. To keep track of ALP implementation at the farm level, MLT’s field technicians conducted regular farm visits. Furthermore, 10% of these farms were

additionally visited by other ALP Team personnel to validate the data collected by the field technicians and to interview farmers and workers about the ALP principles.

According to the data provided by MLT, each field technician in the assessment area had on average 110 FCV farmers under their supervision. Some field technicians said they were overloaded and did not always have enough time to perform their activities, and CU noted that some farms had not been visited as often as they should have been. According to MLT each farmer should receive four visits during the season.

Internal structure for ALP implementation



MLT response:

" MLT will be reviewing the ALP establishment to ensure a better coverage, assistance and monitoring in the field. Taking into consideration the ongoing consolidation process of its farmers, MLT will endeavor all efforts to restructure its ALP team and lower the current ALP Team Member:Farmer ratio to encourage closer and more regular interaction. A full review of the establishment is expected to be concluded by the end of December 2018.

To further improve the skills and knowledge of Leaf Technicians and ALP supervisors, the main interlocutors with farmers in the field, MLT will promote the following actions:

- (i)Procure and engage with a third party organization for specific leaf technician training (identification of gaps in skills/capacities and provision of training to address them) - the main focus of this training to be an improvement in the systematic collection of accurate data to ensure a true reflection of the reality in the field;
- (ii)Provide specific trainings on child labour and income and working hours in Leaf Technicians' weekly meetings and conduct monthly written tests."

1.3.2. Roles and responsibilities

All members of the Steering Committee and ALP Country Team had defined ALP-related roles and responsibilities, which were included in their job descriptions. The ALP team was responsible for managing the ALP Program in general, drafting quarterly reports for the PMI Regional Office, planning and training field staff, performing unannounced farm visits, and analyzing farm data collected by the field technicians.

At the time of CU's assessment, MLT was going through a transition where the ALP & Mobileaf Manager was succeeded by a new 'ALP National Manager'. Both persons were present at the assessment's Opening Meeting and farm assessments in Molocue. The new ALP National Manager, who was still in training at the time of the assessment, was responsible for setting the objectives and strategies per crop together with the Head of Agronomy and field team, and for updating the team regarding any ALP changes. The ALP Regional Coordinators were responsible for compiling Prompt Action and training reports for the region under their responsibility, as well as for training ALP Supervisors, evaluating the performance of field technicians in the trainings, and creating the training plan for their region.

1.3.3. Training and knowledge of the ALP Program

MLT's management had received an ALP training from PMI in 2012, when the company started implementing the program. Since then no formal refresher trainings had been organized for higher management staff. However, the ALP Regional Coordinators had been receiving regular ALP trainings (two to three times a year) addressing all seven ALP Principles, with special focus on the Principles with higher violation risk (Child Labor, Income and Work Hours, and Safe Work Environment). In general, all management staff had a good understanding of the ALP Code.

Since 2012 the field technicians had been receiving ALP trainings twice a year from the ALP Regional Coordinators, who defined the training plan at the beginning of each crop season. Furthermore, ALP topics were addressed at the weekly meetings between the field technicians and Agronomy Team. The field technicians found the trainings useful for obtaining knowledge and staying updated on the ALP Program. Written tests and witness visits were in place to assess their knowledge and the results were used to determine areas of improvement.

In general, CU found that the level of ALP knowledge among field technicians was low, which was partly due to their low literacy level and limited education (a common problem in Mozambique). Especially for the principles “Income and working hours” and “Compliance with the law”. ALP knowledge was relatively better among the technicians who had been involved in the program longer. CU’s assessment of the field technicians’ knowledge of the ALP Code Principles showed the following results:

1. **Child labor:** To facilitate communication with field technicians and farmers, MLT had defined the minimum age to be involved in any tobacco-related activity as 18 years old (see Appendix III section one). Three (14%) of the 21 field technicians interviewed by CU mentioned the minimum working age as 15 years old as defined per local law, the others (86%) mentioned the minimum age as defined by MLT – 18 years old.
2. **Income and work hours:** All field technicians mentioned the correct legal minimum wage, but one (5%) field technician said that farmers and workers could negotiate the wage at the end of the season. None mentioned overtime limits and three (14%) said that overtime payment should be agreed between farmers and workers. Only four (19%) were able to state all the benefits required by law (see Appendix III section two).
3. **Fair treatment:** All field technicians understood that workers must be treated fairly. However, five (24%) did not specifically mention that fair treatment also meant that there should be no sexual, verbal or physical abuse or harassment, and 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 (see Appendix III section three).
4. **Forced labor:** All field technicians were able to explain this ALP Code Principle, mentioning that workers should be free to leave their employment and that farmers are not allowed to withhold workers’ identity documents or delay payments (see Appendix III section four).
5. **Safe work environment:** All had a good understanding of the required safety measures at tobacco farms, such as the use of Personal Protective Equipment (PPE) and safe storage of Crop Protection Agents (CPA). However, when asked to identify “hazardous activities”, ten field technicians (48%) did not mention “harvesting” as a hazardous activity (see Appendix III section five).
6. **Freedom of association:** All field technicians had an adequate understanding of this ALP Code Principle (see Appendix III section six).
7. **Compliance with the law:** None of the field technicians explained this principle completely. Thirteen field technicians (62%) defined it as general compliance with national laws and ALP principles. Twelve field technicians (57%) mentioned that farmers should provide their workers with an employment contract, but were not able to mention the terms and conditions of the contract and the need to inform workers of their legal rights and conditions when they start employment (see Appendix III section seven).

MLT response:

“To address the relatively low literacy levels of Leaf Technicians, as mentioned above, MLT will continue to focus on:

(i) Improving Leaf Technicians’ weekly training and providing specific teachings on the few aspects identified by Control Union as less known, such as the minimum working age as defined by MLT and hazardous activities;

(ii) Testing their knowledge by conducting monthly written tests; and

(iii) Engaging with a third party to promote specific farm monitoring and data collection training.

In addition, MLT will also review existing trainings materials and explore alternative ways of training and testing.”

1.3.4. Internal communication

The STP Steering Committee held quarterly meetings, in which they discussed and documented topics such as Prompt Actions, trainings for field technicians and farmers, and general market and company developments. In addition, they held annual meetings to discuss the present crop results and the objectives for the next crop based on the Prompt Actions reported.

The STP Steering Committee produced quarterly reports including progress on ALP implementation, and sent these to the PMI Regional Office. The ALP National Manager was responsible for producing monthly reports on trainings and Prompt Actions, as well as overall MLT progress reports.

The Agronomy Team and field technicians held weekly meetings, in which they discussed the ALP Code Principles, Prompt Actions, reporting procedures, field data and other topics. Apart from these formal weekly meetings, the Agronomy Team

also held informal meetings, kept in touch via phone, and accompanied field technicians (unannounced) during farm visits. For 2018 crop year the target would be that Sector Manager have to audit 10% of the farmers per field technician and Division managers audit 10% of the sample of the Sector managers. This scheme would include all personnel up to the Head Agronomy Manager.

1.4. Communication of the ALP Code requirements to farmers

1.4.1. Communication strategy and tactics

MLT started communicating the ALP Code to farmers in 2012. At that time, communication efforts focused on the principles of Child Labor, Income and Work Hours, Fair Treatment, Forced Labor, and Safe Work Environment, and this information was shared mainly through drama groups, radio programs and group meetings. For the 2017 crop year MLT focused its communication on Child Labor, Income and Work Hours, and Safe Work Environment, through trainings which addressed farmers as well as family members and workers.

MLT had several communication channels with farmers (see also Appendix V):

- **Field technician visits:**

MLT’s field technicians conducted regular visits to the farms. The target was to visit each farm four times during the tobacco season.

- **Unannounced visits by the Agronomy Team:**

Each year, during the harvest period, the Agronomy Team paid unannounced visits to 10% of tobacco farmers (randomly selected).

- **Drama groups:**

MLT had organized several drama groups in the villages/farmers' meetings/buying centers to address ALP topics.

- **Group meetings:**

About twice a month, field technicians held group meetings with farmers and workers to address ALP principles.

- **Purchase/sale contracts:**

MLT's contracts with farmers clearly stated some of the ALP principles and the required commitment of farmers to comply with these principles.

- **Communications materials:**

see below.

MLT had developed ALP-related communication materials (see Appendix IV) and distributed these among their tobacco farmers:

- **ALP Principles leaflet:**

This leaflet provided written information about the seven ALP Principles and the measurable standards. During CU's field visits this material was found at the farms in Portuguese and local languages.

- **Child Labor leaflet:**

This leaflet presented written information and illustrations on child labor in the tobacco crop. During CU's field visits this material was found at the farms in Portuguese and local languages.

- **GTS leaflet:**

This leaflet provided written information and illustrations to explain green tobacco sickness (GTS), including symptoms, causes, and how to prevent and treat the sickness. During CU's field visits this material was found at the farms in Portuguese and local languages.

- **Tenants leaflet:**

This leaflet (in Portuguese only) provided general information about tenant farmers, their rights and minimum payment standards. Note that the tenant system was not common in the assessment area; none of the farms visited by CU had tenants.

All except one of the 80 farmers interviewed by CU (99%) were familiar with the term ALP and could recall several ALP Code Principles. Awareness was also relatively high among family members and workers, with 31 (61%) and 30 (73%), respectively, of the interviewees being aware of the ALP Code.

Among the farmers, workers and family members who were aware of the ALP Code, the highest levels of awareness were found for the topics of Child Labor and Safe Work Environment, but awareness was low with regard to some of the other Principles – Compliance with the Law and Freedom of Association, in particular (see table below).

Level of awareness of ALP Code Principles*

	Farmers (T=80)	Family members (T=31)	External workers (T=30)
Child labor	77 (97%)	30 (97%)	27 (90%)
Income and work hours	45 (57%)	5 (16%)	10 (33%)
Fair treatment	41 (52%)	3 (10%)	11 (37%)
Forced labor	21 (27%)	1 (3%)	1 (3%)
Safe work environment	73 (92%)	21 (68%)	21 (70%)
Freedom of association	3 (4%)	0	0
Compliance with the law	4 (5%)	0	2 (7%)

*Note that this data only shows whether the interviewees remembered the principles, and not whether they fully understood their meaning.

Farmers reported to have learned about ALP-related topics mainly during the regular visits by the field technicians and group meetings in the villages (see table below).

Means of communication through which ALP-related information

	Farmers (T=80)
During regular visits by the field technician	75 (94%)
Group meetings	72 (90%)
Drama group	36 (45%)
Radio	2 (3%)
Communication materials	2 (3%)

*Farmers could be informed in multiple ways.

Means of communication through which the ALP-related information was received by family members and external workers*

	Family members (T=31)	External workers (T=30)
Verbally from the farmer	28 (90%)	27 (90%)
Verbally from the field technician	14 (45%)	25 (83%)
Radio	4 (13%)	1 (3%)
Flyer/poster	-	1 (3%)
Other	-	8 (25%)

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

1.4.2. Farmers' responsibilities

MLT included ALP Principles in the growing contract, clearly stating the farmers' responsibility to comply with the ALP Program standards and their duty to accommodate MLT's visits and external audits. The following Principles were explicitly stated in the growing contract: Child Labor, Income and Working Hours (referring to compliance with national law), Fair Treatment, and Forced Labor.

MLT declared that in case a farmer repeatedly breached the ALP Code and the situation could not be solved, they ultimately would stop contracting the farmer in question. However, the company had no defined procedure for contract termination in these cases. There had been only one case where a farmer's contract had not been renewed, because there was a case of physical abuse at the farm.

MLT response:

"MLT will (i) design a Farmer Categorization policy to guide its consolidation process in the upcoming seasons and (ii) include the repeated breach of ALP Code as criteria in such policy. MLT's categorization policy is a grading scheme that evaluates farmers' overall performance ranking them accordingly - this naturally considers several ALP aspects, which are some of the most relevant criteria in line with the mentioned Support & Enforcement. In addition to ALP, farmers are also assessed based on yield, credit recovery and forestry, among others. Farmers with low grading will not have contracts renewed as MLT consolidates a compliant contracted farmer base."

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

At the time of the assessment MLT was collecting two types of ALP-related data from the farms: socio-economic information (Farm Profiles) and Prompt Action reports. This data was collected and compiled in quarterly reports shared with PMI's Regional Team.

Farm Profile data was collected by the field technicians at the beginning of the season using the Mobileaf system (computer tablets), updated throughout the season and analyzed and compiled by the ALP National Manager for the monthly and quarterly reports. The field technicians were responsible for updating the socio-economic data during each of their regular visits (See Chapter 1.5.1), which was not occurring in all visited farms.

Data related to Prompt Actions was gathered in the paper document *Folha de Registro de Incidências* (see Appendix V), and entered into the digital Mobileaf system to generate the document ALP Prompt Action Issue Reports. When a Prompt Action situation had been reported, field technicians had to agree on an action plan with the farmer and return to the farm later to verify if the situation had been corrected, no time frame was defined for follow up. If the field technician and farmer could not agree on an action plan, higher-level staff would be involved in the case and accompany the field technician during the next visit (see Chapter 1.5.3).

1.5.1. Socio-economic data: Farm Profiles

In 2017 socio-economic data for Farm Profiles had been collected by field technicians, based on farmer's declaration and visits on the farms, using the Mobileaf system and had been compiled by the ALP National Manager. Information collected in the Farm Profiles included the number of people living at the farm, number of children, school attendance of children, number of workers, whether workers lived on-farm or off-farm, contract type (verbal or written), employment scheme (full-time, temporary), and the tobacco-related activities performed by the workers and others.

CU verified whether the information in the Farm Profiles matched with the situation observed during the farm visits. Profiles were complete for 77 (96%) of the farms visited by CU. For the remaining three farms (4%) Farm Profiles were not available because the field technician for these farms apparently had difficulties with the computer tablet (Mobileaf system). In 15 (19%) of the available Farm Profiles CU identified minor discrepancies. In nine of these cases the number of workers was found to be different compared to the Farm Profile information. In three cases information on people on the farm (number and gender) was slightly different compared to the situation found during CU visits. Furthermore, there was one case where farmer information was not available, one case where the farmer gender was not correct, and one case where information on the workers' contract was not correct. Slight inaccuracies are acceptable given that some of this information varies across the cropping season, but field technicians are expected to update the Profiles at every farm visit.

MLT response:

"MLT wants to improve its Leaf Technicians' awareness, full comprehension and application of all Mobileaf sections/screens and will therefore re-train all of them on its usage at the beginning of the season and provide continuous training throughout. Training on Mobileaf system has been included in the curriculum taught at the Instituto Agrário de Chimoio, an agricultural institute many MLT Leaf Technicians attend."

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

MLT was not monitoring situations not meeting the standard. During the interviews seventeen field technicians (81%) claimed that any situation not meeting the ALP Code standard was treated as a Prompt Action situation.

MLT response:

"Although MLT has been providing training on all ALP principles it has prioritized monitoring prompt actions, which are related to five of the seven principles and refer to more pressing and relevant issues. Given the size of our operation and a few other challenges encountered, MLT believes it is beneficial to the implementation of ALP to concentrate on certain aspects at the time, as opposed to treating all ALP aspects indiscriminately and risking inefficiencies. No areas of the ALP Program are neglected, as training is global, but there is a clear focus on certain aspects, which is aligned with the ALP implementation stage in each moment and the rationale behind Step Change as well."

1.5.3 Prompt Actions

Prompt Actions were reported using the paper form *Folha de Registro de Incidências* and then transferring the data to the digital Mobileaf system (see Appendix V). The paper form was filled out in triplicate, with one copy for the farmer, one copy for the office and one copy for the field technician to keep in the Registro de Incidências book.

During the assessment CU auditors visited 12 farms (15%) with reported Prompt Actions, in eight cases (67%) farmers were not aware of any raised Prompt Action at the farm. In seven cases the same Prompt Action was happening again during the visit by CU, four cases where people below 18 years old were involved in tobacco related activities; two cases of PPEs not being used for harvesting and stringing tobacco and one case of PPEs not being used for harvesting tobacco, with one of them (farmer's son) being below 18 years old.

When a Prompt Action situation was observed by the field technician, the reporting procedure was as follows:

1. Stop the risk activity;
2. Agree with the farmer on an action plan. If the farmer is not willing to address the issue, the field technician should contact a superior and plan a new visit with them to the farmer in question (see 4);
3. If the farmer does agree on an action plan, record the Prompt Action and the agreed action plan in the Registro de Incidências book and Mobileaf;
4. If the farmer does not immediately agree to an action plan, plan a new visit together with a superior to ensure that an agreement is reached. The situation will be escalated within company until solved;
5. Conduct a follow-up visit to check if the Prompt Action situation is solved.
6. Prompt Action reports will be analyzed by the ALP National Manager.

CU noted that this procedure did not include specific guidelines for follow-up visits or specific timelines for resolving Prompt Actions situations dependent on the severity of the issue. Furthermore, MLT was not using the latest version of the Prompt Actions list provided by PMI. According to the company, the reason was that the change would be difficult for the field technicians to manage, due to their low literacy and education level and the inability to change it on Mobileaf, furthermore it was agreed between MLT and PMI to keep the earlier version (see also Chapter 1.3.3).

All field technicians interviewed by CU knew the Prompt Action reporting procedure. However, as mentioned in Chapter 1.3.3, the meaning of Prompt Actions was not well understood by all members of the field team:

- Seventeen field technicians (81%) explained it as any situation not meeting ALP standard.
- One field technician (5%) explained it was only a situation where a child performed hazardous work.
- One field technician (5%) explained it was only a situation where pregnant or breastfeeding women worked in the tobacco field.

MLT's field technicians had reported 1066 Prompt Actions in the 2017 crop year and 114 Prompt Actions in the 2018 crop year until the time of the assessment. These Prompt Actions were related to the Principles of Child Labor, Forced Labor, and Safe Work Environment, most of these related to Child Labor (86% Of the PA's raised in 2017 and 97% in 2018). On three farms, CU found cases of child labor that had not been reported as a Prompt Action situation.

MLT response:

- "(i) Re-train all Leaf Technicians on Prompt Action recording (both on Mobileaf and paper form), particularly on the timings of follow up visits/ timelines for resolving these incidents, including directing farmers to income generating initiatives, and ensure compliance by monthly monitoring;*
- (ii) Continue to ensure farmers sign off and receive a copy of the Prompt Action Paper Form."*

1.5.4. Improvement plans for individual farms

MLT only made improvement plans for individual farms in case of Prompt Action situations, but not for situations not meeting the standard. Furthermore, because root cause analysis was lacking, the action plans only addressed the issues of the moment, treating symptoms rather than addressing or solving the underlying causes.

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 CU's assessment, MLT had implemented the following operational initiatives:

- **Distribution of PPE for CPA application and harvesting:** MLT provided kits with seeds, CPA and PPE, including one pair of harvesting gloves, one pair of CPA application gloves and one mask per farm, regardless the size of the farm nor number of workers. The majority of farmers found the PPE very useful as this equipment provided more protection, and stated that they would not have access to PPE otherwise. However, CU found two farmers (3%) who claimed they had not received any PPE, and 19 farmers (24%) who said they had not received the harvesting gloves.
- **Distribution of Employment contract templates:** MLT provided contracted farmers with written employment contract templates for their workers. In the template, farmer could insert information about worker's remuneration but there was nothing stated regarding the timeframe the amount was related to. All farmers found this initiative helpful. Among the farmers with hired labor, CU found ten (13%) who claimed they had not received the template.

Chapter 2

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



EXTERNAL ASSESSMENT

Flue Cured Virginia farmers in Lichinga and Molocue –
Mozambique.

This chapter describes CU's assessment of the working conditions on MLT contracted tobacco farms 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 CU identified nine children involved in tobacco-related activities – six child family members and three minors employed at the farm. At one farm (1%) a child aged 14 was employed as a piece worker and was found stringing tobacco. At nine farms (11%) there was evidence of family members and workers below 18 years old involved in hazardous activities. At two farms (3%) there was

evidence of child family members below 13 helping with tobacco (on one farm, stringing tobacco; on the other farm, harvesting and carrying tobacco). In addition, CU found two workers who looked like minors but whose age could not be verified because these workers did not know their own age.

Nine farmers (11%) and 15 workers (37%) interviewed by CU were not aware of the minimum working age defined by MLT (18 years) and did not know that minors were not allowed to work in any tobacco-related activity. Although the minimum employment age defined by Mozambican law was 15 years, MLT had defined and communicated 18 years as the minimum age for being involved in any tobacco-related activity on the farms contracted by MLT.

Analysis and priorities

This ALP Code Principle was one of the focus areas of MLT, and had been monitored (by field technicians and Prompt Action procedures) and addressed since the company started implementing the ALP Program in 2012. For the crop years 2017 and 2018, MLT aimed to train 95% of contracted farmers each season on Child Labor. For the 2017 crop year this target had been achieved with 99% of farmers trained, according to the data presented by MLT.

MLT response:

"To further address the issues identified, MLTC has planned the following actions:

- (i) *Review current position on minimum age thresholds:*
- (ii) *Continue with the training of Vulnerable Groups (Children, Women, Labour) focusing on priority areas, including minimum working age requirements reviewed as mentioned in (i) and hazardous tasks:*
- (iii) *Re-train all farmers and field teams (DMs, SMs and LTs) on minimum age requirements and hazardous tasks in the terms mentioned above in points (i) and (ii):*
- (iv) *KUKULA PROJECT – Fighting Child Labour and Promoting School Attendance and Performance in Tobacco-Growing Areas:*
- (v) *CLAP – Community Leaders Accountability Program*
- (vi) *The Little Story Club*
- (vii) *Distribution of Treadle Pumps to Facilitate Watering of Seedbeds*
- (viii) *Income Generating Initiatives*
- (ix) *Support & Enforcement"*

Please check appendix I for more information.

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

At the time of the assessment, the minimum wage in Mozambique for the agricultural sector was 3,642.00 Meticais (Mzn) per month, to be paid at least monthly. Furthermore, according to Mozambican law at least 75% of the total salary had to be paid in cash; in other words, a maximum of 25% of the salary could be paid in kind such as food and accommodation (see Appendix III section two).

Among the visited farms with hired labor (43 farms), CU identified different labor arrangements between farmers and workers: 37 farms (86%) with seasonal workers³, one farm (2%) with monthly workers, three farms (7%) with daily workers, and four farms (9%) with piece-rate workers (note that more than one type of labor arrangement could be present at the same farm). Labor agreements included workers who worked full shifts in a full work week (at 90% of farms), full shifts for less than 5 days a week (5%), or only working on mornings or afternoons (5%).

To assess the workers' wages on the visited farms, CU calculated the payment per hour for each worker using an equation of Decree No. 62/2009⁴ and compared this to the legal minimum hourly rate defined in the Mozambique law for permanent workers. The latter was calculated using the legal monthly wage and the legal weekly working hours resulting in a minimum hourly wage of 17,50 Mzn (excluding legal benefits), of which at least 13,13 Mzn/hour (75%) should be paid out in cash and not in-kind payments. The workers' wages found during CU's assessment were benchmarked against this hourly rate (see table below).

Type of wages	Breakdown of calculated cash salaries					Salary range	
	0>3 Mzn/hour	3>6 Mzn/hour	6>13,12 Mzn/hour	13,13>17,49 Mzn/hour	17,50- more Mzn/hour	Minimum (Mzn/hour)	Maximum (Mzn/hour)
Piece-rate wages	-	-	-	1 (33%)	2 (67%)	17,19	33,3
Daily wages	-	1 (33%)	1 (33%)	-	1 (33%)	5,56	40
Montly wages	1 (100%)	-	-	-	-	-	-
End of season wages (3-12 months)*	10 (29%)	14 (40%)	11 (31%)	-	-	1,46	12,36

*season varies from three to 12 months.

³ At two of the farms with seasonal workers, the workers did not know/had no agreements with the farmer on how much they would be paid. So for these to farms no information on payment is included in the rest of this chapter. This finding is further discussed in section 2.7.1.

⁴ Employees' hourly base pay is calculated in accordance with the following formula: $(VM \times 12) / (52 \times N)$, where "VM" is the employee's monthly base pay and "N" is the number of hours worked each week.

To summarize, 35 farmers (95%) did not pay at least the legal minimum wage to all their workers. Some farms had more than one type of worker, whose hourly rates were not the same, with some been paid more than others as shown in the table above.

In addition to salary, at 18 farms (42%) workers received in-kind payment in the form of food and accommodation. However, currently there was no methodology universally accepted by various stakeholders in Mozambique to calculate both cost of living, but also the “value” or particular types of in-kind payments. While basic costs were established by CU during the assessment, a purposeful review of these costs was not conducted within MLT’s tobacco supply chain (or in the diverse tobacco growing regions). Furthermore, it should be noted that food prices were subject to fluctuations, including within the regions visited in Mozambique. With this in mind, CU interviewed several persons (two farmers, three field technicians and a community member) during the assessment to get an indication of the in-kind value. Their declarations provided indications for the value of accommodation in the range of 200 to 500 Mzn and for food in the range of 110 to 580 Mzn per month.

Two important conclusions remain. Firstly, MLT did not have a system to evaluate the value of in-kind payments themselves, or did not create systems/plans/risk assessments to understand the degree of the problem or otherwise shed more light on the situation. Secondly, it was clear that workers were underpaid against the legal minimum wage. Independently of the value of the in-kind payments, the law described that workers should at least receive 75% (13,13 Mzn) of their salary in cash. In all cases, except for one, workers received cash payments below this threshold.

Furthermore, evaluating the payments for seasonal workers, it can be concluded that wages were found to be far below the minimum, considering that at 24 farms (69%) these workers were paid less than half (6 Mzn) of the legal minimum. In addition, CU found that farmers did not have any mechanism in place to record working hours or any other benchmark available. Hence, the hours used in the calculation

of the hourly wages were the hours performed at the time of CU’s farm visits, which was the peak time for the tobacco season.

2.2.2. Payment schedule

According to Mozambique law, payments should be done at least on a monthly basis (see Appendix III section two), CU found that the workers’ salaries were either paid daily, monthly, or at the end of the season (more than one payment schedule was found to be present at the same farm). At 37 farms (95%) workers were not paid according to the law as the payments were at the end of the season and the season varied between three to 12 months, and payments should be done on a monthly basis. Workers that received in-kind payment (food and accommodation) received this provision regularly, but their wages in cash were not paid until the end of the season, which is against the law.

2.2.3. Work hours

Among the farms with hired labor there were eight farms (21%) where the daily work hours were not in accordance with Mozambican law (which limits the working week to 48 hours and work days to 8 hours, see Appendix III section two). On these farms, workers worked more than eight hours per day, up to eleven hours per day during the peak season (harvesting and curing). According to the interviewees on the eight farms, this was considered common practice in the area.

At nine farms (25%) workers did not receive at least one resting day per week.

At 20 of the farms (95%) where workers worked overtime hours, these hours were not paid at the legal overtime rate. Furthermore farmers and workers were found to be unaware of the correct legal requirements for the overtime rates. Most workers were paid a fixed sum at the end of the season regardless of the number of hours worked.

The table below shows the breakdown of work hours the farms:

	Breakdown of work hours		
	0>8 hours	8 hours	8> more hours
Farms	10 (27%)	19 (51%)	8 (22%)

2.2.4 Legal benefits

None of the farmers provided workers with all the benefits required by law (see Appendix section two)⁵. The reason for this was that farmers and workers lacked awareness about workers' legal benefits.

Analysis and priorities

The ALP Code Principle of Income and Work Hours was one of MLT's focus areas. Their 2017 risk assessment had identified various issues related to this principle, and had classified all of these as tolerable risks (look to improve within specified timescale) – i.e. none as unacceptable risks (the highest classification). However, CU found that payment (far) below the minimum wage was widespread, and that many workers were paid only at the end of the season (which is not only against Mozambican law but also involves a risk of forced labor). Furthermore, CU observed a lack of awareness among farmers and workers about legal overtime rates and workers' benefits, which is in line with the limited awareness on these topics among field technicians (see Chapter 1.3.3).

MLT had set targets to raise awareness on payment frequency through trainings sessions for workers

and farmers with hired labor. According to MLT, in 2016 they had trained 980 workers and reached the number of training planned on Income and Working Hours with farmers across Mozambique. The target for the 2017 crop year was to train 50% of all workers and farmers with hired labor on payment frequency; according to MLT they had achieved 85% of all workers and farmers with hired labor.

MLT response:

"MLT has been approaching this in a systematic way, prioritizing certain aspects deemed as essential and basic, such as minimum wage timely payment, and leaving other topics for a later stage when the first concepts are fully comprehended and engaged with. MLT distributed, and will continue to distribute, employment contract templates to all farmers with seasonal labour (estimated 10%), which work both as a training tool for farmers and workers and as a way of avoiding disputes at the end of the season."

"To ensure all the actions lead to effective change in behaviour, there will also be external verifications of amounts actually paid to workers vs. payments agreed in the contract. These verifications, initially towards the cost of production hours and secondly towards minimum wage (including in-kind payments), will be conducted by a third party. For CY19 verifications, this assessment will be done in August/September 2019 in relation to returning workers (upon return to the farm, the third party organization will be able to assess whether the amount agreed in the previous season was effectively paid)."

⁵ According to Mozambican law these benefits are: one mandatory rest day per week (Sunday), social security benefits, and annual leave.

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 sexual or physical abuse on the assessed farms. However, at one farm (3%) CU identified a case of verbal abuse where the farmer was threatening workers to deduct 100 Mzn from their payment each time they did something wrong or something he did not approve of. Although no evidence that the farmer realized the deductions was found, this was considered a case of verbal abuse since it was a threat to the workers (see Appendix III section three).

In addition, one farm (3%) was identified where one worker earned a lower salary than the other workers, for the same tasks. The worker in question received 4000 Mzn while the other workers were paid 7500 Mzn per season for performing the same work. The worker who earned less was aware about the difference in payment and found it normal as he was a relative of the farmer.

Furthermore, at one farm (3%) a cultural practice where the farmer had two wives led to a risk of unfair treatment. The wife reported that the farmer spend money only on the other spouse and not on her. She didn't have the money to pay for school for the children for example. Although this case was not considered a labor relation, it is important to verify because potentially this is a situation in which the farmer had engaged with more women to have them contribute to the work at the farm.

2.3.2 Support mechanism

Support mechanisms facilitate workers' access to information, assist workers in difficult situations, and mediate disputes between farmers and workers. PMI's leaf tobacco suppliers are expected to ensure that farmers and workers have access to such a mechanism. There are clubs where farmers work together with MLT to implement training or other communication, but these clubs are not used as a support mechanism (see Appendix III section three).

At the time of CU's assessment MLT had no independent and anonymous support mechanism in place. In addition to a formal support mechanism, farmers should make themselves available to their workers, to discuss potential grievances so that these do not need to be escalated. At all but one (1%) of the farms visited by CU, farmers were found to be available to their workers. In one case the worker mentioned that he did not feel free to talk to the farmer about issues.

Analysis and priorities

Workers did not have access to an independent and anonymous grievance support mechanism. Cases of verbal abuse and where farmers were not available for their workers to discuss problems were found. Although many workers reported to be satisfied with their work, an independent service should be available for workers – both migrant and local – to discuss issues at their workplace.

MLT response:

"In general, the findings under this ALP principle are considered either acceptable or adequate and no situation that requires immediate action was identified. However, MLT will reinforce certain aspects of its operation to ensure workers continue to be treated fairly. These actions, of course, complement the ones described above on income and work hours, as payment of minimum wage, for instance, can also reflect the fair treatment principle.

In past seasons, MLT has mediated several disputes between farmers and workers, most of which led to successful outcomes. Whenever situations exceed MLT's authority or mandate, they are escalated to the appropriate authorities. MLT now intends to further promote this interim informal mediation system while a more independent mechanism is sought. This will be done by conveying to farmers and workers its availability to mediate employment related disputes both by disclosing and publicizing the escalation process in trainings (group meetings and on-farm visits) and by posting this information in baling centres and buying centres."

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 Involuntary labor

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

2.4.2 Direct payment

At one farm (2%) evidence was found of indirect payment; here, the worker's salary was paid to the worker's parents, not directly to them.

2.4.3 End of harvest payment

At 33 farms (92%) workers were unlikely to leave their employment at any time because they were paid at the end of season and farmer had no other source of income to pay workers in case of contract termination.

Furthermore, during CU's visit a situation was identified that potentially put this ALP Principle at risk: one farmer was found who did not allow his workers to make weekend visits to their home villages for two months, because during a previous visit the workers had stayed away more days than agreed with the farmer.

Analysis and priorities

In MLT's risk assessment, the measurable standard 4.4 (Wages or income from crops and work done are not withheld beyond the legal and agreed payment conditions) was considered a tolerable risk, which is confirmed by CU's assessment. As mentioned in Chapter 2.2, MLT had set the objective to raise awareness on payment frequency among farmers and workers through trainings sessions. According to the company, in 2016 they had trained 980 workers and held over 170.000 trainings on Income and Working Hours with farmers across Mozambique. The target for the 2017 crop year was to train 50% of all workers and farmers with hired labor on payment frequency; according to MLT they had achieved 85% of this target.

MLT response:

“To address both direct and end of harvest payments, MLT will focus its efforts in promoting income generating activities and improved management skills by the farmer (particularly on actual hiring needs), which are expected to enable the farmers to pay workers more frequently throughout the season. Please refer to all income and work hours for additional details.”

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 20 farms (25%) not all persons handling green tobacco were trained, and at 15 (19%) farms not all persons handling green tobacco were aware of the existence and avoidance of GTS. At 12 farms (15%) farmers did not fully understand what GTS was and/or how to avoid it (see Appendix III section five). Consequently, the use of protective clothing was limited at the majority of the farms.

Furthermore, CU found that at 75 farms (94%) not all persons handling green tobacco were wearing the full set of required harvesting clothes (see table below). The main reason, according to workers and family members, was that PPE sets (gloves and/or mask) were not available at the farm or not available in sufficient quantities for everybody to use PPE.

Protective clothing used	Number of farms
Long sleeves	69 (86%)
Gloves	22 (28%)
Long pants	56 (70%)
Shoes	17 (21%)
Rain gear	1 (1%)

The various reasons given for not using the complete set of PPE are shown in the table below:

Reasons for not wearing PPE	Number of farms
Farmer does not provide	21 (26%)
Unware	7 (9%)
Uncomfortable	2 (3%)
None available	55 (69%)

According to the interviewees, at 34 farms (43%) not all persons applying fertilizer were wearing gloves.

MLT response:

- o *“Re-train all farmers on safe work environment focusing on hazardous tasks using the new training materials and promoting specific training sessions as mentioned above in the child labour section.*
- o *Promote PPE availability to ensure harvesting is done in a safe manner: distribution of sufficient GTS gloves for all people on farm (CY19 = 8 pairs/ha) and inclusion of GTS gloves as part of input package from CY20.*
- o *Under the abovementioned Support & Enforcement, farmers will be informed on the consequential action of non-complying with ALP and there will be consequential actions in case of prompt action incidents related to harvesting/GTS.”*

2.5.2 Training and handling of CPA

Handling CPA proved to be a challenge at most of the farms visited. At eight farms (10%) not all persons handling and/or applying CPA were trained. Although farmers were generally trained in CPA use, their family members and external workers, who also applied CPA occasionally, were often not trained.

Furthermore, at 79 farms (99%) people responsible for CPA application did not use the complete set of PPE. The main reason, according to workers and family members, was that PPE sets were not available at the farm. No evidence was found of pregnant and/or nursing women involved in CPA application.

The following table shows which PPE was used for CPA application on these farms:

Protective clothing used	Number of farms
Overall/Apron	1 (1%)
Mask	67 (84%)
Boots	14 (18%)
Gloves	64 (80%)
Goggles	2 (3%)
Long sleeve and long pants	15 (19%)
None of the above	6 (8%)

Regarding CPA re-entry periods, CU found that at 73 farms (91%), farmers were not aware of the specific re-entry period for each CPA – they all mentioned different periods. Among this group, 63 farmers (79%) did not use a warning sign to ensure no one entered the field after recent CPA application.

In terms of CPA storage, CU identified 45 farms (56%) where CPA were not stored in a safe and locked storage: at 42 of these farms (93%) farmers buried CPA in the crop area, and at 3 farms (7%) they stored the CPA inside their house and the CPA was easily accessible.

Regarding the disposal of empty CPA containers, CU identified 63 farms (79%) where empty containers were not disposed of properly, as shown in the table below. The remaining 17 farms (21%) returned the

empty containers to field technicians, as defined by MLT.

Disposal of empty CPA containers	Number of farms
Containers being buried	50 (79%)
Containers being burned and buried	6 (10%)
Containers being burned	5 (8%)
Containers kept and reused	2 (3%)

* In one case the container was reused for household purposes including for water storage.

MLT response:

- o "Re-train all LTs and farmers on safe work environment focusing on accommodation;
- o Under the Early Flagging System described above, monitor general status of accommodation provided since the beginning of the season and closely follow-up with farmers if improvements needed.
- o Update current minimum standards for labour accommodation (which, in the absence of statutory guidelines were settled by MLT and should follow the farmer's accommodation) with materials that may be used;
- o Engage with a third party for validation of such requirements;
- o Benchmark with international standards and, in case of a significant gap, revisit minimum standards to align.
- o Following the diligence on labour accommodation minimum requirements, conduct assessment to create baseline on accommodation currently provided;
- o Sensitise farmers to improvements needed and monitor to ensure completion.
- o In case of systemic problem, resort to contingency fund and assist farmers with materials and potentially builders to upgrade labour accommodation to meet standards. In case of persistent non-compliance, reduce farmer's area to 0.5 ha."

2.5.3 Workers accommodation

Among the farms where workers lived on-farm, eight farms (10%) had inadequate worker's accommodation, as shown in the table below:

Reason for being inadequate	Number of farms
Lack of toilet facilities	5 (50%)
Unsafe	2 (20%)
Lack of personal space	2 (20%)
Open shelter	3 (30%)

MLT response:

- o *“Re-train all farmers on safe work environment focusing on hazardous tasks using the new training materials and promoting specific training sessions as mentioned above in the child labour section.*
- o *Promote PPE availability to ensure CPA application is done in a safe manner by distributing PPE with seedbed kits, focusing particularly on farmers with labour to ensure it is sufficient for all people on farm applying CPAs.*
- o *Under the abovementioned Support & Enforcement, farmers will be informed on the consequential action of non-compliance with ALP and there will be consequential actions in case of prompt action incidents related to CPA application.*
- o *Review current PPE suitability to assess whether more PPE items are needed and whether the specifications of the current ones are compliant with international guidelines. Assess potential alternatives to strengthen farmers and workers protection when applying CPAs and/or harvesting”*

2.5.4 Clean drinking and washing water

No evidence was found of farmers not providing clean drinking water to family members and external workers. Twenty-three farms (37%) did not have sanitary facilities close to where they worked.

2.5.5 Basic safety measures

Most farmers contracted by MLT had taken basic safety measures, including: (1) having a means of transport available to go to the hospital in case of an accident (80%); and (2) ensuring that their equipment and tools were stored safely (76%). However, only 12 farmers (15%) had materials to give first-aid on the farm, while none had taken first-aid training, and none had resources to act in case of fire.

Analysis and priorities

CU identified a high number of practices not meeting the standard regarding this ALP Code Principle. MLT had distributed PPE for harvesting and CPA application, to ensure that all farmers would be able to take the required safety measures. However, CU's findings demonstrate that these initiatives had not yet resulted in the desired change of behavior and also, that not all farmers had actually received the PPE kits or received it incomplete. As unsafe practices have been in place for a long time, it is unlikely that they will change quickly. Therefore, it is important to understand the reasons behind these practices and set targets referring to actual change of behavior. CU's findings indicate that many farmers still have limited awareness and understanding of the need for safety measures.

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

No evidence was found of farmers disrespecting the workers' right to freedom of association. Labor unions were not active in the region (see Appendix III section six).

Analysis and priorities

This ALP Code Principle was not a focus area for MLT, which is justified, as there seemed to be no risk of violation of the workers' right to freedom of association.

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 and working conditions

None of the farmers informed their workers fully about their legal rights (see Appendix III section seven). Workers typically were only informed about their basic employment conditions, such as the wage they would receive, the hours they needed to work, their tasks, and payment conditions. However, at two (5%) of the farms workers were not aware of how much they would be paid for the work performed (in both cases these were farms where payment was end-of-season, see Chapter 2.2).

At 16 farms (39%) not all workers had written contracts as required by national law. Some cases were found where, at the same farm, some workers had contracts and others did not.

The main reason identified was that farmers

lacked the legal knowledge to inform their workers properly, and did not know that it was their duty to inform their workers about legal rights

Analysis and priorities

In line with the limited understanding among field technicians of this topic (see Chapter 1.3.3), farmers were generally unaware of the legal rights of workers. MLT was implementing an initiative to provide farmers with contract templates to promote the use of written contracts. However, CU found that this template was not always used, perhaps because it was available in Portuguese only (and not in the local languages). Low literacy levels among farmers, workers and field technicians may have also played a role.

MLT response:

- o "Improve awareness of basic Mozambique labour laws amongst workers;
- o In areas with high number of farmers with labour, promote the participation of workers in group meetings/trainings, preceded by a sensitization campaign with farmers who are often the main challenge to labour being informed;
- o Conduct meetings closer to the farms so distance is not a barrier for workers' participation.
- o In addition, always ensure the workers presence at on-farm trainings;
- o Labour training also centred on key focus areas;
- o Distribution of written employment contract templates and labour law flyers."

Chapter 3

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



EXTERNAL ASSESSMENT

Flue Cured Virginia farmers in Lichinga and Molocue – Mozambique.

3. ALP Program: feedback from farmers, workers, and other stakeholders

As part of the assessment, CU asked farmers, family members and external workers what had changed at the farms since the start of the ALP Program. Sixteen farmers (20%) declared that the safety on the farms had improved and/or that people were sick less frequently. Twenty-six farmers (33%) reported that involvement of children in tobacco growing had been reduced since the beginning of the ALP program, and six farmers (8%) stated that, similarly, involvement of pregnant and nursing women had been reduced.

Twenty-eight farmers (35%) declared they had provided feedback to their field technicians; however, 12 of them (43%) felt that MLT had not listened to or acted upon this feedback. Among them were seven farmers who said they had requested PPE but still had not received this; according to these farmers, their field technicians claimed there was none available.

Of the 51 family members interviewed, 31 (61%) had heard of the ALP Code. Among this group, nine (29%) mentioned that the ALP Program had reduced the involvement of children in tobacco growing; eight (25%) mentioned a general improvement in health; and five (16%) mentioned an improvement in safety when handling CPAs.

Of the 51 external workers interviewed, 30 (59%) had heard of the ALP Code. Among this group, six workers (20%) mentioned that the ALP Program had reduced the involvement of children in tobacco growing; seven (23%) mentioned that PPE usage had increased; and two (7%) mentioned that now they had written contracts.

During their farm visits field technicians communicated with several people on the farms, i.e. not only with farmers, but also with workers and family members. The field technicians discussed the received feedback during meetings with the Agronomy Team. However, there was no formal procedure and channel for farmers and workers to provide feedback to the ALP team.

MLT response:

- o "Improve awareness of basic Mozambique labour laws amongst workers;*
- o In areas with high number of farmers with labour, promote the participation of workers in group meetings/trainings, preceded by a sensitization campaign with farmers who are often the main challenge to labour being informed;*
- o Conduct meetings closer to the farms so distance is not a barrier for workers' participation.*
- o In addition, always ensure the workers presence at on-farm trainings;*
- o Labour training also centred on key focus areas;*
- o Distribution of written employment contract templates and labour law flyers."*

Chapter 4

APPENDICES



EXTERNAL ASSESSMENT

Flue Cured Virginia farmers in Lichinga and Molocue –
Mozambique.

Appendix I – MLT Action Plan

1. INTRODUCTION

Mozambique Leaf Tobacco Limitada (“MLT”) has been implementing the ALP Program since 2012 and believes significant progress has been made in the past years, particularly regarding the fight against child labour. Until now, the implementation of ALP has been based on a continuous improvement model, which enabled for systematic training/awareness-raising and progressive accomplishment of the targets. In spite of all that has been achieved, MLT acknowledges there is still room for improvement, as effective and long-lasting behaviour change requires time.

To lead ALP to the next level, the new Step Change approach will require that PMI and its suppliers, such as MLT, “will focus on the most recurring and serious issues and develop bolder plans that address their root causes”. This new approach aims to promote effective behaviour change and will require ongoing commitment and increased effort from MLT to achieve the targets set under this program.

MLT also intends to progress to the next ALP level, taking this program even further. Given the ambitious targets and tight deadlines established, MLT will concentrate its efforts on the four key focus areas identified which fall within three broader ALP principles – elimination of child labour, income and work hours and safe work environment. The latter two are linked with the use of labour which divides itself between seasonal and temporary (“ganho-ganho”) – labour is considered seasonal if work at the farm exceeds 90 days. As with several other topics, MLT will approach this systematically, i.e. prioritizing the living and working conditions of permanent labour.

The table below summarizes the targets and timescales for each of the mentioned key focus areas:

ALP PRINCIPLE	KEY FOCUS AREA	TARGET
CHILD LABOUR	Hazardous work performed by children	No children performing hazardous tasks in tobacco by 2022
INCOME AND WORK HOURS	Payment of, at least, the legal minimum wage for workers	100% of workers paid, at least, the minimum wage by 2022
SAFE WORK ENVIRONMENT	Personal Protective Equipment (PPE) for Crop Protection Agents (CPA) and Green Tobacco Sickness (GTS) prevention – usage and availability	100% of PPE for CPA & GTS availability and usage by for workers/farmers by 2020
	Appropriate accommodation for workers (where provided)	100% of workers with safe and clean accommodation (where provided) by 2020

As part of its four-year plan, MLT will be conducting a series of actions to achieve the set targets and ensure actual change in the Mozambican context which will be outlined in this document.

Given its very ambitious nature, MLT will concentrate efforts on a controlled and manageable number of initiatives/actions in order to achieve the best possible results.

In reference to Child Labour and Income and Work Hours targets, MLT would propose further engagement with PMI and third parties as there are serious challenges, such as farmer cash flow, and elements that are cross sectional and may exceed our influence and resources.

2. IMPLEMENTATION OF THE AGRICULTURAL LABOUR PRACTICES PROGRAM (“ALP”)

2.1. Commitment to the ALP Program

During its assessment, Control Union found that “MLT’s field and management personnel showed commitment to the ALP Program and acknowledged, during the interviews, the relevance of the ALP Code requirements in terms of the importance to maintain good working conditions”.

Building on these efforts from previous years, MLT reiterates its full commitment and dedication to the ALP Program and will continue to endeavour to improve the living and working conditions of its farmers, their families and workers.

This commitment will be particularly visible in MLT’s proposed Support & Enforcement, both by informing all farmers that non-compliance with ALP will not be accepted and may lead to contract termination or non-renewal of their contract meanwhile providing them with the necessary training and relevant support, and by taking effective measures in case of non-compliance. The latter will be done within the categorization policy MLT has designed, which grades farmers according to several criteria, among which is ALP. Further details on this policy will be provided below.

2.2. Strategy and Objectives

Before the Control Union audit, and based on the risk assessment previously conducted, MLT’s ALP strategy and objectives were mainly focused on the Child Labour, Income and Work Hours and Safe Work Environment principles. Given the new approach and targets abovementioned, MLT will continue to focus efforts on these three principles, with particular emphasis on farmers with labour and labour (approximately 10% of all contracted farmers).

In light of the above, MLT is seeking to outline longer-term plans, with specific objectives and strategies for each focus area and timeline.

Thus far, in the ALP implementation process, MLT’s focus was to raise awareness through training. This approach will now be complemented and strengthened by the abovementioned Support & Enforcement which will, as anticipated by its name, bring enforcement and promote effective behaviour change amongst farmers with consequences if not adhered to.

MLT’s strategy to reduce ALP-related risks also included, and will continue to include, expanding our communication activities beyond the farmer and providing training sessions and materials to farmers’ family members and workers so as to fully train and engage all people on the farm.

2.3. Internal Capacity

2.3.1. Dedicated Organizational Structure

MLT has an organizational structure dedicated to the implementation of ALP both at field and managerial levels. As part of its Agronomy department, MLT has a field team dedicated full-time to ALP-related activities.

This is complemented by Leaf Technicians who, of course, are also a part of the internal structure responsible for implementing ALP – their regular presence in the field means they are one of the best vehicles to promote ALP. There is also a Steering Committee at a senior managerial level who is responsible for strategy and high-level decisions.

MLT's ALP structure in the field is a mature and practiced team that has been promoting and implementing the code for several years now. Their effort over these past years had very positive results and ensures that all MLT's contracted farmers are acquainted with ALP. This is fully supported by Control Union's analysis that concluded that "Awareness of the ALP program was high".

Acknowledging the importance of ALP, and to promote its full compliance in the field, MLT will be reviewing the ALP establishment to ensure a better coverage, assistance and monitoring in the field. Taking into consideration the ongoing consolidation process of its farmers, MLT will endeavor all efforts to restructure its ALP team and lower the current ALP Team Member:Farmer ratio to encourage closer and more regular interaction. A full review of the establishment is expected to be concluded by the end of December 2018.

To further improve the skills and knowledge of Leaf Technicians and ALP supervisors, the main interlocutors with farmers in the field, MLT will promote the following actions:

- (i) Procure and engage with a third party organization for specific leaf technician training (identification of gaps in skills/capacities and provision of training to address them) – the main focus of this training to be an improvement in the systematic collection of accurate data to ensure a true reflection of the reality in the field;
- (ii) Provide specific trainings on child labour and income and working hours in Leaf Technicians' weekly meetings and conduct monthly written tests.

2.3.2. Roles and Responsibilities

As mentioned above, there are various teams engaged in implementing ALP in Mozambique, both at managerial and field levels, as verified by Control Union – "All members of the Steering Committee and ALP Country Team had defined ALP-related roles and responsibilities, which were included in their job descriptions".

The liaison between MLT and PMI is carried out by the ALP National Manager with regular interaction with PMI Regional to inform on the progress of the action plan and to align future actions. The ALP National Manager is supported by an Assistant ALP Manager who also assists in coordinating the field teams via the three provincial coordinators. The ALP Coordinators are responsible for coordinating and supervising the ALP Supervisors and the Drama Groups present in each Division.

The ALP Supervisors and Drama Groups assist the Leaf Technicians in training the farmers and monitoring ALP-related situations. In addition to training the Leaf Technicians, ALP Supervisors also participate in farmers' group meetings and are key in the training of Vulnerable Groups (Women, Children and Workers).

As mentioned above, the ALP establishment will be reviewed and strengthened by the end of December 2018 with the hiring of new ALP Supervisors to shorten distances and allow for better coverage and assistance, training and monitoring of farmers.

2.3.3. Training and Knowledge of the ALP Program

In general, Control Union found "that despite low literacy levels and limited education in Mozambique (a common problem in Mozambique) the level of theoretical ALP knowledge on most of the ALP Principles" had improved among MLT's Leaf Technicians. In its 2017 Human Development Index report, UNDP ranked Mozambique 180 out of 189 countries, which puts the country in the lowest levels of human development

worldwide. According to the same report, on average, Mozambicans only study for 3.5 (opposed to the 9.7 expected years of schooling), which explains the low literacy levels found nationwide, particularly in more rural areas where MLT operates.

However, Control Union also considered that Leaf Technicians “still lacked the ability to effectively apply their knowledge practically to field situations”, particularly for the income and work hours and compliance with the law principles. This is, of course, also related to the (even lower) literacy levels of farmers – even when systematically trained on a certain subject the change in behaviour may take some time or not happen at all. The existing cultural traits, such as teaching agriculture being seen as providing life skills to their children, are very often barriers to a full and timely ALP implementation in the field, as the farmers’ active collaboration is vital for success. Building on training and awareness to date, the new focus on consequences for non-compliance is intended to lead to behaviour change.

Control Union also noted that “ALP knowledge was relatively better among the technicians who had been involved in the program longer”. In fact, Leaf Technicians mostly come from the same background and, although slightly higher than those of farmers, also have low literacy levels and limited education, which, in turn, explains the importance of systematic and continuous training of both farmers and Leaf Technicians. Since the beginning of its implementation in Mozambique, MLT has provided regular ALP trainings to all Leaf Technicians who, in addition to a global training at the beginning of the season, receive regular refreshments on the most pressing issues. During the 2017/2018 season, Leaf Technicians received, on average, 11 ALP trainings. In addition, many Leaf Technicians attend the IAC (Instituto Agrário de Chimoio), completing a six-month agricultural course, which now includes ALP and Mobileaf training (please refer to Annex I). To date, over 200 Leaf Technicians have attended.

To address the relatively low literacy levels of Leaf Technicians, as mentioned above, MLT will continue to focus on:

- (i) Improving Leaf Technicians’ weekly training and providing specific teachings on the few aspects identified by Control Union as less known, such as the minimum working age as defined by MLT and hazardous activities;
- (ii) Testing their knowledge by conducting monthly written tests; and
- (iii) Engaging with a third party to promote specific farm monitoring and data collection training.

In addition, MLT will also review existing trainings materials and explore alternative ways of training and testing. Further details on this are provided below.

2.4. Communication of the ALP Code Requirements to Farmers

2.4.1. Communication Strategy and Tactics

Following several years of training and communication, MLT believes all of its contracted farmers are now acquainted with the ALP Program, which is supported by Control Union’s finding that 99% of all farmers interviewed “were familiar with the term ALP and could recall several ALP Code Principles”.

It should also be noted that, according to Control Union, “awareness was also relatively high among family members and workers”.

This is also confirmed by CY18 data:

- (i) All farmers received a minimum of 4 (four) field visits by their Leaf Technicians;
- (ii) 99.57% of all farmers trained on child labour;

- (iii) 93.88% of all farmers trained in income and work hours;
 - 90.87% of farmers with labour trained in minimum wage;
- (iv) 83.26% of all farmers trained in fair treatment;
- (v) 81.74% of all farmers trained in forced labour;
- (vi) 82.65% of all farmers trained in safe work environment;
 - 89.75% of farmers with labour trained in safe work environment;
- (vii) 79.65% of all farmers trained in compliance with the Law.

This was accomplished through several communication best practices, means and materials that MLT has in place since the inception of ALP and which have proven very effective in transmitting the ALP code to farmers:

- (i) **Field Visits Best Practice** – a minimum of four field visits per season by the Leaf Technicians who, as mentioned above, are responsible for any key elements in training and monitoring farmers on ALP;
- (ii) **Farmers Group Meetings** – in these meetings, which are held every two weeks, Leaf Technicians and ALP supervisors (often joined by sector managers and ALP coordinators) address ALP principles and share experiences and situations detected in farm-by-farm monitoring so all farmers gain from others' examples and there is a single understanding of what is intended under the ALP program;
- (iii) **Drama Groups** – these groups are present in every MLT division and work under and closely with the ALP supervisors. MLT drama groups have proven to be a very popular training method with farmers;
- (iv) **Communication Materials** – throughout the years, MLT has developed various leaflets with ALP-related themes, most of which are illustrations (cartoons), given the low literacy level of its farmers and the more appealing/effective nature of visual materials. These were translated into local languages and have been distributed to farmers for several years now, which was confirmed by Control Union during their field visits – “During CU’s field visits this material was found at the farms in Portuguese and local languages”.

Actions described in points (i) to (iii) above are all recorded and documented on Mobileaf and/or paper.

MLT fully encourages farmers to convey their ALP knowledge to all people on farm (family members and workers, if any). Farmers are ultimately responsible for everything that happens in their farm and therefore are treated as leaders of a team, in charge of compliance by everyone.

At this advanced stage of ALP implementation in Mozambique, MLT believes all its farmers are fully acquainted with the program. However, acknowledging there is always room for improvement, in the next few years, MLT will evaluate and review its current training methods and materials, including a review of the ALP Guide & Farmer Handbook, as a refresher on all ALP principles and main guidelines.

As mentioned before, MLT realizes that the awareness may not have translated fully into behavioural change. For this reason, all the training given so far will now be complemented by the Support & Enforcement referred to above and detailed below. MLT is confident that supplementing all the training that has been given to its farmers with a strong consequential impact in case of non-compliance will lead to the desired change in behaviour.

2.4.2. Farmers' Responsibilities

Although MLT included the ALP Principles in the growing contract, clearly stating the farmers' responsibility to comply with the ALP Program standards and their duty to accommodate MLT's visits and external audits, Control Union found that there was no defined procedure for contract termination in these cases.

To address this issue, MLT will (i) design a Farmer Categorization policy to guide its consolidation process in the upcoming seasons and (ii) include the repeated breach of ALP Code as criteria in such policy. MLT's categorization policy is a grading scheme that evaluates farmers' overall performance ranking them accordingly – this naturally considers several ALP aspects, which are some of the most relevant criteria in line with the mentioned Support & Enforcement. In addition to ALP, farmers are also assessed based on yield, credit recovery and forestry, among others. Farmers with low grading will not have contracts renewed as MLT consolidates a compliant contracted farmer base.

Once again, the Support & Enforcement and its consequences will be clearly communicated to all farmers from the beginning and throughout each season. Following this communication, at the beginning of each season, MLT will reinforce its message by carrying out a Pre-Season Due Diligence where farmers who did hire labour the previous season are strongly discouraged to hire labour if they have 0.5 ha or less as being unnecessary and reminded of all the labour related requirements, with emphasis on the importance of paying the minimum wage and providing adequate accommodation.

2.5. Internal Monitoring: Data Collection, Accuracy and Addressing Issues

As mentioned by the report, MLT collects two types of ALP-related data from the farms: socio-economic information (Farm Profile) and Prompt Action incidents. Thus far, MLT was mainly focused on monitoring prompt action incidents.

Farm Profile data is collected by Leaf Technicians using a mobile app, specifically developed for this purpose, called Mobileaf and data is uploaded to a central database once the leaf technician synchronizes the tablet. This data is provided by the farmer and, if necessary, should be updated by Leaf Technicians throughout the season. Prompt Action incidents are recorded both on the tablet and on paper (please see below).

All the data collected through Mobileaf is then available to be analysed using an analytics tool, Power BI, which enables the managerial teams to get a better insight of the operation, particularly at field level, and address any issues that may arise.

Making good use of Power BI, the ALP National Manager will implement a series of control reports, which will enable a more regular analysis and understanding of the reality in the field and facilitate faster responses to any non-compliances that may occur.

2.5.1. Socio-economic Data: Farm Profiles

Upon verification, Control Union confirmed that in 96% of cases Farm Profiles were complete and accurate, matching the situation observed during the farm visits. There were, however, minor inaccuracies which, as mentioned by Control Union, are acceptable.

Although most profiles were precise and reflected the farm reality, one of the Leaf Technicians included in the assessment "apparently had difficulties with the computer tablet (Mobileaf system)". Therefore, in order to further promote data accuracy, MLT wants to improve its Leaf Technicians' awareness, full

comprehension and application of all Mobileaf sections/screens and will therefore re-train all of them on its usage at the beginning of the season and provide continuous training throughout.

As mentioned above, training on Mobileaf system has been included in the curriculum taught at the Instituto Agrário de Chimoio, an agricultural institute many MLT Leaf Technicians attend.

2.5.2. Systematic Monitoring: Situations not meeting the ALP Code Standards

According to Control Union, when interviewed, many Leaf Technicians stated “any situation not meeting the ALP Code standard was treated as a Prompt Action situation” and “MLT was not monitoring situations not meeting the standard”.

Although MLT has been providing training on all ALP principles it has prioritized monitoring prompt actions, which are related to five of the seven principles and refer to more pressing and relevant issues. Given the size of our operation and a few other challenges encountered, MLT believes it is beneficial to the implementation of ALP to concentrate on certain aspects at the time, as opposed to treating all ALP aspects indiscriminately and risking inefficiencies. No areas of the ALP Program are neglected, as training is global, but there is a clear focus on certain aspects, which is aligned with the ALP implementation stage in each moment and the rationale behind Step Change as well.

2.5.3. Prompt Actions

Prompt action incidents are currently recorded both on Mobileaf and paper. In their paper form, these incidents are recorded in triplicate (one copy for the farmer, one for ALP records and the last kept in the book for reference), to ensure the farmer is fully informed and aware of the situation.

In this section, there were two main findings by Control Union:

- (i) In eight cases, farmers were not aware of any raised Prompt Action at the farm;
- (ii) MLT was not using the latest version of the Prompt Actions list provided by PMI.

However, it should be noted that MLT continues to record prompt actions on paper precisely to ensure the farmer is informed of the violation and action is to be taken (these records are done in triplicate and a copy stays with the farmer).

As for the list of Prompt Actions, it was agreed by PMI and MLT that the previous list would remain the same for field purposes and MLT would then match it with the new one for reporting purposes.

To address these issues, MLT will complete the following actions:

- (i) Re-train all Leaf Technicians on Prompt Action recording (both on Mobileaf and paper form), particularly on the timings of follow up visits/timelines for resolving these incidents, including directing farmers to income generating initiatives, and ensure compliance by monthly monitoring;
- (ii) Continue to ensure farmers sign off and receive a copy of the Prompt Action Paper Form.

2.5.4. Improvement Plans for Individual Farms

According to Control Union, “MLT only made improvement plans for individual farms in case of Prompt Action situations, but not for situations not meeting the standard. Furthermore, because root cause analysis

was lacking, the action plans only addressed the issues of the moment, treating symptoms rather than addressing or solving the underlying causes.”.

MLT has identified several root causes, in particular for child labour and minimum wage related issues and, following a more generic analysis, will now promote several initiatives to address this situation. As detailed further below, poverty is undoubtedly one of the main root causes for child labour both due to the lack of resources for hiring necessary labour and to the struggles faced to send children to school. Bearing that in mind MLT aims to link child labour and income generating activities to promote an integrated approach to both problems.

Once farmers are segmented into categories with their main challenges identified, MLT will direct these initiatives prioritizing more critical areas (e.g. setting up a savings group in a community that is facing challenges with paying minimum wage).

2.6. Address Systemic and/or Widespread Issues

In its report, Control Union states that “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”.

Aligned with the key focus areas identified and mentioned above, currently there are several STP/operational initiatives scheduled and approved:

- (i) Expansion of KUKULA – School Meals Program that aims to eliminate child labour and promote school attendance in tobacco-growing communities;
- (ii) Distribution of written employment contracts together with a labour law leaflet;
- (iii) Distribution of GTS gloves to all people on the farm, with the objective of distributing 4 pairs of gloves/0.5 contracted ha (8 pairs/contracted ha);
- (iv) Contingency fund for labour accommodation;
- (v) Installation of 40 boreholes in 2019 to promote basic access to water by all farmers.

To date, MLT has carried out many actions to achieve the targets set within ALP (these will be further explained below under each principle).

Early Flagging System

In addition to this, MLT will be working on an Early Flagging System (EFS), which focuses on farmers with labour, given most of the key focus areas are connected with the use of labour in the field.

Although this is still in its inception phase, the objective of EFS is to closely monitor farmers with labour to ensure they fully comply with ALP on three main levels: employment contract, PPE usage and labour accommodation.

EFS Phases:

- Phase 1 – Identification of farmers with labour in CY18 and confirmation of CY19 status;

- Phase 2 – Close monitoring of identified subset of farmers regarding execution of written employment contracts, payment of minimum wage, usage of Personal Protective Equipment (PPE) and accommodation provided to workers.

Please refer to Section 3.2. ALP Code Principle: Income and Work Hours below for further details on this initiative.

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

3.1. ALP Code Principle 1: Child Labour

Main findings and challenges identified during the 2018 Control Union Assessment

During its assessment, CU identified the following child labour situations:

- At 1 farm (2%), CU found evidence of employment below 15 years of age;
- At 9 farms (11%), CU found evidence of people under 18 involved in Hazardous Tasks;
- At 2 farms (3%), CU found evidence of child family members below 13 helping with tobacco.

In addition, CU found two workers who looked like minors but whose age could not be verified because these workers did not know their own age.

9 farmers (11%) and 15 workers (37%) interviewed were not aware of the minimum working age defined by MLT and did not know minors were not allowed to work in any tobacco-related activity.

Although the minimum employment age defined by Mozambican law was 15 years, MLT had defined and communicated 18 years as the minimum age for being involved in any tobacco-related activity on the farms contracted by MLT. This decision was initially taken by MLT for the sake of simplicity and clarity when conveying the message to farmers (as a first training approach, it was decided that setting a single threshold would help farmers better understand the limitations).

Root Causes

From its experience in the field and in implementing the ALP Program, as well as cross-pollinating at a regional level, MLT has identified several root causes, which may lead to child labour in tobacco-growing areas:

- (i) Lack of classrooms / teachers;
- (ii) Low involvement by Government and/or Community Leaders (No enforcement);
- (iii) Lack of integration and awareness;
- (iv) Succession Planning (parents teaching children to farm is providing life skills);
- (v) Demotivated teachers;
- (vi) Long distance to schools;
- (vii) Poor profitability (resorting to children instead of workers);
- (viii) No enforcement measures;
- (ix) LTs come from/live in the communities and at times “see no wrong”;
- (x) Lack of caregivers;
- (xi) No kids activities;
- (xii) Inadequate financial resources to hire workers;
- (xiii) Lack of money for school items;
- (xiv) Excessive work at peak season;
- (xv) Poor accessibility to schools (e.g. during heavy rains);
- (xvi) Parents sick/ attending funeral during peak season;
- (xvii) Hired workers using children to cover more work when paid in piece rate;
- (xviii) Children of workers not attending school (particularly Malawi migrants);
- (xix) Children are low cost labour.

Although it may not be possible to address all root causes, by identifying the main underlying root causes, MLT is able to better outline the initiatives it will promote to eliminate or improve each finding.

Actions developed prior to the 2018 Control Union Assessment

According to the Control Union report, of the 80 farms visited and assessed:

- (i) 89% (71 farms) did not have children performing hazardous tasks; and
- (ii) 97% (78 farms) did not have children under 13 working in tobacco.

These very positive results were achieved because MLT has focused on the elimination of child labour since the beginning of ALP in Mozambique, not only by training all of its farmers on the subject, but by also carrying out several initiatives to address the issue in a more proactive manner:

- MLT annually trains over 95% of its farmers on the risks and negative impacts of using children in tobacco productions and has focused on training vulnerable groups (children, women and workers) on the same subject by promoting specific trainings and performances by the drama groups at schools and group meetings;
- In 2015, MLT implemented KUKULA, a school meals program that aims to fight child labour and promote school attendance and performance while overall improving the children's general health. KUKULA is currently operating in five schools (one of which is funded by PMI) in Mandimba district and benefits over 1,500 children every day. In 2017 school year, when compared to neighbouring control schools, KUKULA schools recorded a 76% higher attendance rate. In addition, KUKULA has also seen a few secondary positive effects such as higher teacher discipline and attendance and increased awareness by the community on the hazardous effects of children working in tobacco;
- MLT Drama Groups regularly visit schools for performances that train both children and teachers on the importance of education and the hazardous effects of working in tobacco under 18 years old. MLT also resorted to local community radios to convey the ALP teachings;
- To facilitate the learning process by farmers, MLT created various cartoons illustrating the ALP principles and has been distributing them to farmers and hanging them at schools and buying centres ever since.

Action Plan & Expected Outcomes following 2018 Control Union Assessment

To further address the issues identified, MLTC has planned the following actions:

(i) Review current position on minimum age thresholds:

- **FINDING ADDRESSED:**

- 9 farmers (11%) interviewed were not aware of the minimum working age defined by MLT and did not know minors were not allowed to work in any tobacco-related activity.

- **ACTIONS:**

- As mentioned, for clarity and simplification purposes, MLT had initially set 18 years of age as a minimum threshold to work in tobacco. However, at this stage, MLT will revisit its position, aligning with the ILO, Mozambican law and the ALP Code.
- Training materials will have to be adapted to reflect this new position and will include several age ranges and tasks acceptable for each. Firstly, MLT will prepare training materials that reflect the legal employment age ranges and tasks that can be performed within each

category. The ALP field team will then be trained accordingly to then train all field teams who, in turn, will convey the message to farmers and their households. Training materials will be posted at baling and buying centres to further publicize this new position.

- **EXPECTED OUTCOMES:** By reviewing its current position, MLT aims to get further buy-in from growers by showing alignment with certain cultural aspects, such as teaching agriculture to your children, which is seen by Mozambican growers as ensuring life skills to your children. In any case, MLT will never permit hazardous tasks to be performed by persons under the age of 18.
- **TIMELINES:** Training materials to be reviewed and distributed by the end of March 2019 and message conveyed from there on until the end of CY19. Materials to be posted at baling and buying centres before the buying process starts. For following seasons, training will continue to rely on the new materials.
- **TARGETS:** 100% of field teams informed and trained on age ranges and tasks acceptable for each by the end of CY19 followed by yearly refreshments. Training materials displayed at all buying centres in CY19 and all baling centres in CY20.

(ii) Continue with the training of Vulnerable Groups (Children, Women, Labour) focusing on priority areas, including minimum working age requirements reviewed as mentioned in (i) and hazardous tasks:

- **FINDINGS ADDRESSED:**
 - At 1 farm (2%), CU found evidence of employment below 15 years of age;
 - At 9 farms (11%), CU found evidence of people under 18 involved in Hazardous Tasks;
 - At 2 farms (3%), CU found evidence of child family members below 13 helping with tobacco.
- **ACTIONS:**
 - Naturally, the more people at the farm involved and acquainted with ALP, the better results will be. Therefore, MLT will continue to invest in the training of children, women and labour so they too can act as ALP enforcement agents (e.g. if labour is informed it will less likely accept unlawful working conditions);
 - The specific trainings given on hazardous tasks will focus and address the prevailing hazardous tasks in each crop stage. MLT will be revisiting its training materials and will prepare new ones specific to the initiatives described and always focusing on more visual teaching materials which facilitate learnings, particularly areas where farmers are illiterate;
 - Given the scope and target audiences of this training, priority will be given to areas with higher levels of child labour and higher numbers of farmers with labour.
- **EXPECTED OUTCOMES:**
 - Vulnerable Groups trained and informed on various age ranges and tasks each can carry out and fully acquainted with hazardous tasks in each crop stage;
 - Informed members of Vulnerable Groups are able to act as enforcement agents and promote further ALP compliance at farms (e.g. woman informed of hazardous effects of child working in tobacco is herself motivated to terminate such practice and can persuade the farmer in not resorting to child labour).
- **TIMELINES:** The training of Vulnerable Groups continue to be carried out every season in a continuous effort to strengthen their members as ALP enforcement agents. Training materials to be reviewed and distributed by the end of March 2019 and message conveyed from there on until the end of CY19.
- **TARGETS:**

- Under this initiative, Vulnerable Groups will be trained according to the following targets on all women, children and labour recorded on Mobileleaf:
 - CY19 - 70%;
 - CY20 - 80%;
 - CY21 - 90%;
 - CY22 - >95%.

(iii) Re-train all farmers and field teams (DMs, SMs and LTs) on minimum age requirements and hazardous tasks in the terms mentioned above in points (i) and (ii):

- **FINDINGS ADDRESSED:**

- At 1 farm (2%), CU found evidence of employment below 15 years of age;
- At 9 farms (11%), CU found evidence of people under 18 involved in Hazardous Tasks;
- At 2 farms (3%), CU found evidence of child family members below 13 helping with tobacco;
- 9 farmers (11%) interviewed were not aware of the minimum working age defined by MLT and did not know minors were not allowed to work in any tobacco-related activity.

- **ACTIONS:** The new approach and Support & Enforcement MLT aims to adopt requires, as an initial step, that all farmers and field teams are fully aware of the requirements to be able to apply and enforce them properly in the field. Therefore, once the materials are reviewed as described above, all farmers and MLT field staff will receive two specific training sessions on the minimum age requirements and hazardous tasks. As mentioned before, training materials will also be posted at baling and buying centres.

- **EXPECTED OUTCOMES:** By the end of CY19, all farmers and field teams will have received specific training on minimum age requirements and hazardous tasks and will be able to identify tasks suitable for each age range and to differentiate between hazardous and non-hazardous tasks. Further buy-in from growers by showing alignment with certain cultural aspects, such as teaching agriculture to your children, which is seen by Mozambican growers as ensuring life skills to your children.

- **TIMELINES:** Training material reviewed by the end of January 2019 and two specific trainings to be provided between February and April 2019. For following seasons, training will continue to rely on the new materials.

- **TARGETS:**

- 100% of Field Teams (Leaf Technicians, Sector Managers, Division Managers) by end of CY19;
- 100% of Farmers by end of CY19.

(iv) KUKULA PROJECT – Fighting Child Labour and Promoting School Attendance and Performance in Tobacco-Growing Areas:

- **FINDING ADDRESSED:**

- At 1 farm (2%), CU found evidence of employment below 15 years of age;
- At 9 farms (11%), CU found evidence of people under 18 involved in Hazardous Tasks;
- At 2 farms (3%), CU found evidence of child family members below 13 helping with tobacco.

- **ACTIONS:**

- Continue supporting KUKULA in four schools in Mandimba district and conduct an external assessment to assess degree to which established strategic objectives are being achieved and explore the possibility of expanding KUKULA to other MLT operation areas;

- Expand KUKULA to two additional schools in tobacco growing areas and maintain the existing one at Naucheche school:
 - This expansion will target MLT operating areas with highest levels of child labour incidents and will also be a part of an integrated approach to address child labour root causes (connection with income generating initiatives so farmers are able to hire adult labour and not resort to children);
 - MLT will also discuss with the implementing NGO the possibility of trialling a more sustainable and community-owned model in one of these communities/schools. In this scenario, the setup and initial period of KUKULA would be conducted by the implementing NGO but, following a certain period, the community would assume full command for the project. The outline of this model will also include income generating activities and different community collaboration methods;
 - Conduct a third party assessment of KUKULA to:
 - Identify secondary outcomes and possible project improvements;
 - Recommend alternative or complementary activities that could be undertaken to fight child labour and to encourage school attendance;
 - Identify a more scalable community owned model, which would enable for a bigger coverage in less time and with lower costs;
 - **EXPECTED OUTCOMES:**
 - Lower child labour incidences and higher school attendance and better performance in areas covered by KUKULA (when compared to control schools);
 - Increased community awareness on adverse effects of child labour and importance of education;
 - External assessment report, which may serve as starting point for potential expansion plan;
 - Recommendations on KUKULA model, including suggestions on a more sustainable and scalable community owned version and other actions that may complement KUKULA on the objective of fighting child labour and promoting school attendance.
 - **TIMELINES:**
 - Existing KUKULA kitchens operating since the beginning of the school year (February 2019) and expansion to three new ones by the end of June 2019;
 - External assessment to be concluded by June 2019;
 - **TARGETS:**
 - 7 KUKULA kitchens functioning by the end of 2019 school year;
 - Approximately 2,800 children benefited by KUKULA every day.
- (v) CLAP – Community Leaders Accountability Program**
- **FINDING ADDRESSED:**
 - At 1 farm (2%), CU found evidence of employment below 15 years of age;
 - At 9 farms (11%), CU found evidence of people under 18 involved in Hazardous Tasks;
 - At 2 farms (3%), CU found evidence of child family members below 13 helping with tobacco.
 - **ACTIONS:**
 - As mentioned before, MLT believes the full engagement of all stakeholders will lead to a better understanding of ALP and higher compliance levels. Therefore, MLT has designed CLAP, a program that aims to engage a broad range of stakeholders at various authority levels to strengthen its message and enforcement levels. Under CLAP, accountability levels will be increased, which in turn will lead to more compliance. This engagement will first

include a refreshment on the ALP Program and secondly a clear explanation on MLT's Support & Enforcement, i.e. the need for the entire tobacco-growing community to comply with ALP, otherwise farmers may see their contracts terminated or not renewed. This initiative will cover all MLT operating areas, prioritizing the zones with higher incidences of child labour and will be linked with our SRP Program (i.e. cooperating and compliant communities will be preferred beneficiaries for MLT's social responsibility investments);

- Phase 1 – Engage with community leaders and school councils to reinforce message of zero tolerance towards child labour and accountability for community behaviour. Although both structures will be expected to collaborate and work together, community leaders will be mainly responsible for reinforcing the ALP message with farmers and workers and the school councils for promoting and monitoring school attendance within the community;
- Phase 2 – Engage with Government at all levels to jointly promote awareness on the negative effects of child labour and importance of education.

- **EXPECTED OUTCOMES:**

- Phase 1 – Full community engagement in addressing child labour problems and peer to peer enforcement sponsored and promoted by local leaders (with a particular focus on farmers) and school councils (with a particular focus on school attendance);
- Phase 2 – Authority levels engaged and cooperative in the fight against child labour, sponsoring MLT's position and Support & Enforcement. Community will be made aware of Government's support at all levels and even more committed to eliminating child labour at grass root level.

- **TIMELINES:**

- Phase 1 – Initial meetings from February 2019. For following seasons, there will be at least one refreshment meeting per year;
- Phase 2 – Meetings under phase 2 will take place in parallel with those of phase 1 but will have to take in to consideration the presidential elections scheduled for October 2019.

- **TARGETS:**

- Under CLAP, MLT aims to engage with all abovementioned stakeholders in all its operating zones, prioritizing areas with higher levels of child labour and lower levels of school attendance.

(vi) The Little Story Club

- **FINDING ADDRESSED:**

- At 2 farms (3%), CU found evidence of child family members below 13 helping with tobacco.

- **ACTIONS:**

- Educating school-aged children on the importance of education and the negative effects of working in tobacco;
- Implement extra-curricular activities to both entertain children and reduce free time to avoid them going in to the tobacco fields.

- **EXPECTED OUTCOMES:**

- Children that participate have less free time and are less idle and therefore less prone to child labour.
- Community more aware on the importance of education and adverse effects of child labour and working in tobacco.

- **TIMELINES:**

- Timelines on this initiative are still being internally discussed.
- **TARGETS:**
 - Targets on this initiative are still being internally discussed but its setup would prioritise schools/communities where KUKULA is already operating.

(vii) Distribution of Treadle Pumps to Facilitate Watering of Seedbeds

- **FINDINGS ADDRESSED:**
 - At 9 farms (11%), CU found evidence of people under 18 involved in Hazardous Tasks;
 - Many of child labour prompt actions are related to children watering seedbeds.
- **ACTIONS:**
 - One of the highest child labour incidents recorded is the watering of seedbeds often representing more than 20% of all prompt actions recorded. Therefore, by providing treadle pumps to farmers, which aim to facilitate watering, MLT will be addressing one of the most prevailing issues within child labour. These treadle pumps have already been trialled and can also be used as a diversification tool, particularly by promoting winter crops. Initially this distribution will cover 4,000 farmers in areas with higher levels of watering seedbeds incidents and zones where labour is mostly hired for irrigation purposes.
- **EXPECTED OUTCOMES:**
 - By providing treadle pumps to the farmers, MLT aims to facilitate the seedbed watering process, which will not only reduce time employed by farmers (and/or workers) in this task, but also eliminate situations where children carry heavy watering cans to assist them, particularly during the seedbed period.
 - Given the possibility of farmers using these treadle pumps for other crops, this action may also lead to positive diversification outcomes (linkage between this action and diversification initiatives to be discussed).
- **TIMELINES:**
 - Meetings with NGOs and proposal requests to be completed by the end of December 2018;
 - Pending availability of NGOS, distribution will occur between April and June 2019 in preparation for the new season;
 - Discussions with Diversifications teams to be held during the first semester of 2019.
- **TARGETS:**
 - For CY19 the target will be 4,000 farmers distributed between Tete and Niassa Provinces, prioritising areas with highest levels of children watering seedbeds recorded. Should this initiative prove successful, MLT will explore the possibility of rolling it out, particularly in areas with high levels of farmers with labour or watering seedbeds incidents recorded.

(viii) Income Generating Initiatives – Poverty is undoubtedly one of the main root causes for child labour both due to the lack of financial resources for hiring necessary labour and to the struggles faced to send children to school. Bearing that in mind MLT aims to link child labour and income generating activities to promote an integrated approach to both problems:

- **ACTION 1 – Village Savings and Loans Associations:**
- **FINDING ADDRESSED:**
 - At 2 farms (3%), CU found evidence of child family members below 13 helping with tobacco.
- **ACTIONS:**

- Village Savings and Loans Associations (VSLA) – In a partnership with an expert NGO, MLT will promote the setup of, at least, 50 VSLAs, prioritizing areas with the highest levels of child labour and with farmers with labour.
- **EXPECTED OUTCOMES:**
 - By participating in a VSLA, farmers or their spouses will be able to access small loans to cover both school supplies and labour if necessary.
- **TIMELINES:**
 - Meetings with NGOs and proposal requests to be completed by the end of November 2018;
 - Pending availability of NGOs, initial setup of 20 VSLAs to be concluded by March 2019 and the setup of the remaining 30 VSLAs to be concluded by May 2019.
- **TARGETS:**
 - The implementation of the VSLAs will begin with a trial of 50 groups covering between 750 and 1,250 farmer households in total (each group has approximately 15-25 members). This aims to measure results and analyse its potential rollout to all operating zones, prioritizing areas with predominance of workers and child labour concerns.
- **ACTION 2 – Business Planning and Financial Literacy Trainings:**
- **FINDING ADDRESSED:**
 - At 2 farms (3%), CU found evidence of child family members below 13 helping with tobacco.
- **ACTIONS:**
 - Combined with the previous point, MLT will also provide farmers with specific training on business planning and financial literacy in an attempt to improve farmers’ management skills. This action will also have a connection with the Diversification initiatives that MLT is currently planning and, therefore, will have to be discussed and aligned with the respective team.
 - ALP field teams will also be trained as future trainers to expand the training to all farmers during group meetings.
- **EXPECTED OUTCOMES:**
 - By providing this training to farmers, it is expected that their planning skills and overall results improve (e.g. by properly assessing all inputs and labour he will actually need, the farmer can better plan his agricultural activity). Better managed farm resources will improve farmers’ profitability, thus enhancing their ability to hire labour and eliminating resorting to children.
- **TIMELINES:**
 - Timelines on this action depend on outcomes of trials and development of supply chains.
- **TARGETS:**
 - Timelines on this action depend on outcomes of trials and development of supply chains. Initially this action will target areas with farmers that are hiring workers and areas with the highest child labour levels.
- **ACTION 3 – Liaison with Microfinance Institutions:**
- **FINDING ADDRESSED:**
 - At 2 farms (3%), CU found evidence of child family members below 13 helping with tobacco.
- **ACTIONS:**
 - MLT will procure and identify reliable microfinance institutions and convey their contacts to farmers as a possibility for them to access small credit to address their labour needs.

- **EXPECTED OUTCOMES:**
 - The linkage of farmers to reliable microfinance institutions aims to facilitate their access to small credit to address day-to-day needs, such as school supplies, but also to assist with their agricultural activity (e.g. access to labour during peak periods) or help them start a new business. If farmers resort to these microfinance institutions, they will also be protected from “loan sharks” who often take advantage of the lack of formal banking mechanisms to charge exorbitant interest rates.
- **TIMELINES:**
 - Procurement of reliable microfinance institutions to be completed by February 2019;
 - Once procured, contacts will be conveyed to farmers by publicizing at baling centres which will be done in March 2019 at the beginning of baling period.
- **TARGETS:**
 - Identification of three reliable microfinance institutions and display of contacts at baling and buying centres.
 - Farmers informed of microfinance institutions and, should they wish to, able to resort to small credit, able to address money needs during lean period whilst waiting for their revenue from tobacco.

(ix) Support & Enforcement

- **FINDINGS ADDRESSED:**
 - At 1 farm (2%), CU found evidence of employment below 15 years of age;
 - At 9 farms (11%), CU found evidence of people under 18 involved in Hazardous Tasks;
 - At 2 farms (3%), CU found evidence of child family members below 13 helping with tobacco;
 - 9 farmers (11%) interviewed were not aware of the minimum working age defined by MLT and did not know minors were not allowed to work in any tobacco-related activity.
- **ACTIONS:**
 - As mentioned above, MLT is now adopting a strong enforcement message whereby all farmers, vulnerable groups and field teams are fully aware of the consequential impact of ALP breaches. The second part of this strategy comes with MLT’s categorization policy. Within its consolidation efforts, MLT has designed a grading scheme that evaluates farmers’ overall performance ranking them accordingly – this naturally considers several ALP aspects, which are some of the most relevant criteria in line with the mentioned Support & Enforcement.
 - Firstly, the ALP Team will refresh all field teams and train them on new Support & Enforcement, including on the categorization policy according to which farmers are given a grade depending on performance and overall compliance with the company’s procedures, including ALP. Field teams will then convey this enforcement message to all growers, so they are fully informed of the contractual impact in case of non-compliance with ALP in particular (possibility of contract termination or non-renewal). By the end of CY19, all farmers will be made aware of this. As mentioned above, the Support & Enforcement will be completed during the categorization that precedes the selection of growers for the following season under MLT’s categorization policy.
 - One of the main action under this Support & Enforcement is CLAP as described above.
- **EXPECTED OUTCOMES:**
 - Change in behaviour towards ALP because both field teams and farmers fully aware of the consequential impact of breaching company procedures, in particular ALP-related.

- Once the categorization process is complete, non-compliant farmers will be identified and their contracts not renewed for following season, which clear indication of the reasons for non-renewal.
- **TIMELINES:**
 - From CY19 onwards.
- **TARGETS:**
 - 100% of field teams and 100% of farmers informed on Support & Enforcement by the end of CY19, with yearly refreshments.

3.2. ALP Code Principle 2: Income and Work Hours

Main findings and challenges identified during the 2018 Control Union Assessment

During its assessment, CU identified the following situations related with income and work hours:

- (i) 35 farmers (95%) did not pay at least the legal minimum wage to all their workers;
- (ii) At 37 farms (95%) workers were paid at the end of the season;
- (iii) At 8 farms (21%), workers worked more than 8 hours per day and at 9 farms (25%) workers did not receive at least one resting day per week;
- (iv) At 20 of the farms (95%) where workers worked overtime, these hours were not paid at the legal overtime rate;
- (v) Farmers and workers were found to be unaware of the correct legal requirements for overtime rates;
- (vi) None of the farmers provided workers with all the benefits required by law.

Root Causes

From its experience in the field and in implementing the ALP Program, as well as cross-pollinating at a regional level, MLT has identified several root causes, which may explain some underachievement in the income and work hours section, particularly regarding the full and timely payment of minimum wage to workers:

- (i) Lack of Business Planning;
- (ii) Profitability (keep money at home);
- (iii) Farmers are not held accountable (“can get away with it”);
- (iv) Hiring without need (over hiring);
- (v) Hiring for status / replicating others;
- (vi) Lack of affordability;
- (vii) Lower yields;
- (viii) Insufficient cash flow/ End of season payments;
- (ix) Understanding of work done by worker and how it relates to minimum wage;
- (x) Migrant workers staying at farms for full tobacco growing period;
- (xi) Receipt of in-kind payments (understanding);
- (xii) Lack of enforcement;
- (xiii) Tobacco being the main or only income (“cash cow”).

Although it may not be possible to address all root causes, by identifying the main underlying root causes, MLT is able to better outline the initiatives it will promote to eliminate or improve each finding.

Actions developed prior to the 2018 Control Union Assessment

Although there is still much to be done in terms of income and works hours and compliance with the law, MLT has made relevant progress in training farmers and workers with many legal aspects related to the employment of labour, such as work hours and minimum wage. As with other matters, MLT has been approaching this in a systematic way, prioritizing certain aspects deemed as essential and basic, such as minimum wage timely payment, and leaving other topics for a later stage when the first concepts are fully comprehended and engaged with.

MLT distributed, and will continue to distribute, employment contract templates to all farmers with seasonal labour (estimated 10%), which work both as a training tool for farmers and workers and as a way of avoiding disputes at the end of the season.

MLT promotes the biggest food security program developed by a private company in Mozambique, distributing maize seed to all its farmers (the best ones also receiving fertilizer).

Action Plan & Expected Outcomes following 2018 Control Union Assessment

To address the issues identified, MLTC has planned the following actions:

(i) Early Flagging System / Pre-Season Due Diligence with Farmers:

- **FINDING ADDRESSED:**

- 35 farmers (95%) did not pay at least the legal minimum wage to all their workers.

- **ACTIONS:**

- **Pre-Season Due Diligence with Farmers** - Farmers informed and trained throughout the entire season on ALP requirements should they employ labour. Awareness campaign to strongly discourage labour hiring by farmers with 0.5 ha or less and emphasise importance of paying the minimum wage.
- **Early Flagging System:**
 - Phase 1 – Following the identification of farmers with labour in CY18 and confirmation of CY19 contractual status, train and sensitize farmers on hiring needs and CoP basic criteria (i.e. no need for labour at 0.5 ha or less). Upfront communication of expectations and warning of contractual consequences of non-compliance, as well as delivery of the tools and support available to ensure compliance.
 - Phase 2 – Close monitoring of identified subset of farmers regarding execution of written employment contracts, usage of PPE and accommodation provided to farmers throughout the season.

- **EXPECTED OUTCOMES:**

- Farmers fully informed of ALP mandatory nature and consequences of non-compliance.
- Change in behaviour towards ALP because both field teams and farmers fully aware of the consequential impact of breaching company procedures, in particular ALP-related. Farmers with labour fully compliant in key focus areas identified (written employment contract, PPE usage and accommodation).

- **TIMELINES:**

- Both actions will be continuously developed throughout the season so farmers are properly trained and informed by the beginning of the following season and discouraged from employing unnecessary labour.

- **TARGETS:**

- Training on Principle 2 of the ALP Code will be given to all farmers but, due to its nature, the Early Flagging System will focus on farmers with labour.

(ii) Farmer Segmentation based on Salary Paid to Workers:

- **FINDING ADDRESSED:**

- 35 farmers (95%) did not pay at least the legal minimum wage to all their workers.

- **ACTIONS:**

- Farmer Segmentation based on salary paid to workers - Farmers categorized according to percentage of minimum wage paid and subsequent action plan to address gap between amount paid and minimum wage. Initially, collect data on amounts paid in CY19 and compare to values due according to hours worked on tobacco. With this information, segment farmers and draft action plans per range, prioritizing those further away from meeting minimum wage requirements. Once the Farmer Segmentation is complete, the action plans per category/segment will be outlined linking with income generating initiatives.
- This process will be strengthened by the Support & Enforcement MLT adopted, whereby farmers are informed that they will be required to pay minimum wage to labour (training/message focused on effective need to hire, importance of improving yields, etc.).

- **EXPECTED OUTCOMES:**

- Report with analysis on percentage/amount of minimum wage paid by farmers (segmentation) and action plans to address gaps.
- Change in behaviour towards ALP because both field teams and farmers fully aware of the consequential impact of breaching company procedures, in particular ALP-related.
- Non-compliant farmers identified and contracts not renewed for following season, with clear indication of the reasons for non-renewal.

- **TIMELINES:**

- Data collection and analysis by the end of CY19.
- Action plans prepared for CY20.
- Support & Enforcement implementation as of CY19 Q3.

- **TARGETS:**

- 100% of workers paid, at least, the minimum wage by CY22..

(iii) Income Generating Initiatives:

- **ACTION 1 – Village Savings and Loans Associations:**

- **FINDINGS ADDRESSED:**

- 35 farmers (95%) did not pay at least the legal minimum wage to all their workers;
- 37 farmers (95%) did not pay workers according to the law as the payments were at the end of the season.

- **ACTIONS:**

- Village Savings and Loans Associations (VSLA) – In a partnership with an expert NGO, MLT will promote the setup of, at least, 50 VSLAs, prioritizing areas with the highest levels of child labour and with farmers with labour.

- **EXPECTED OUTCOMES:**

- By participating in a VSLA, farmers or their spouses will be able to access small loans to cover both school supplies and labour if necessary.
- **TIMELINES:**
 - Meetings with NGOs and proposal requests to be completed by the end of November 2018;
 - Pending availability of NGOS, initial setup of 20 VSLAs to be concluded by March 2019 and the setup of the remaining 30 VSLAs to be concluded by May 2019.
- **TARGETS:**
 - The implementation of the VSLAs will begin with a trial of 50 groups covering between 750 and 1,250 farmer households in total (each group has approximately 15-25 members). This aims to measure results and analyse its potential rollout to all operating zones, prioritizing areas with predominance of workers and child labour concerns.
- **ACTION 2 – Business Planning and Financial Literacy Trainings:**
- **FINDING ADDRESSED:**
 - At 2 farms (3%), CU found evidence of child family members below 13 helping with tobacco.
- **ACTIONS:**
 - Combined with the previous point, MLT will also provide farmers with specific training on business planning and financial literacy in an attempt to improve farmers’ management skills. This action will also have a connection with the Diversification initiatives that MLT is currently planning and, therefore, will have to be discussed and aligned with the respective team.
 - ALP field teams will also be trained as future trainers to expand the training to all farmers during group meetings.
- **EXPECTED OUTCOMES:**
 - By providing this training to farmers, it is expected that their planning skills and overall results improve (e.g. by properly assessing all inputs and labour he will actually need, the farmer can better plan his agricultural activity). Better managed farm resources will improve farmers’ profitability, thus enhancing their ability to hire labour and eliminating resorting to children.
- **TIMELINES:**
 - Timelines on this action depend on outcomes of trials and development of supply chains.
- **TARGETS:**
 - Timelines on this action depend on outcomes of trials and development of supply chains.
 - Initially this action will target areas with farmers that are hiring workers and areas with the highest child labour levels.
 -
- **ACTION 3 – Liaison with Microfinance Institutions:**
- **FINDINGS ADDRESSED:**
 - 35 farmers (95%) did not pay at least the legal minimum wage to all their workers;
 - 37 farmers (95%) did not pay workers according to the law as the payments were at the end of the season.
- **ACTIONS:**
 - MLT will procure and identify reliable microfinance institutions and convey their contacts to farmers as a possibility for them to access small credit to address their labour needs.

- **EXPECTED OUTCOMES:**
 - The linkage of farmers to reliable microfinance institutions aims to facilitate their access to small credit to address day-to-day needs, such as school supplies, but also to assist with their agricultural activity (e.g. access to labour during peak periods) or help them start a new business. If farmers resort to these microfinance institutions, they will also be protected from “loan sharks” who often take advantage of the lack of formal banking mechanisms to charge exorbitant interest rates.
- **TIMELINES:**
 - Procurement of reliable microfinance institutions to be completed by February 2019;
 - Once procured, contacts will be conveyed to farmers by publicizing at baling centres which will be done in March 2019 at the beginning of baling period.
- **TARGETS:**
 - Identification of three reliable microfinance institutions and display of contacts at all baling and buying centres.
 - Farmers informed of microfinance institutions and, should they wish to, able to resort to small credit, able to address money needs during lean period whilst waiting for their revenue from tobacco.

(iv) Record of In-Kind Payments:

- **FINDING ADDRESSED:**
 - 35 farmers (95%) did not pay at least the legal minimum wage to all their workers.
- **ACTIONS:**
 - Training of farmers and leaf technicians on calculating the in-kind payments and its relation to minimum wage.
 - Create contract addendum to enable farmers to record in-kind payments throughout the employment period and relate it to local market value to assess actual value of payments made in-kind.
- **EXPECTED OUTCOMES:**
 - By the end of CY20, it will be possible to verify the effective value of in-kind payments and relate it to the 25% legally accepted to be paid in kind.
- **TIMELINES:**
 - Contract addendum to be drafted and incorporated in the employment contract template before CY20 begins to meet targets below.
- **TARGETS:**
 - All employment contract templates to have the in-kind record addendum.
 - 75% of all farmers with labour record in-kind payments in CY20 and 100% of all farmers with labour record in-kind payments in CY21.

(v) Improved Training Materials:

- **FINDING ADDRESSED:**
 - At 8 farms (21%), workers worked more than 8 hours per day and at 9 farms (25%) workers did not receive at least one resting day per week.
 - At 20 of the farms (95%) where workers worked overtime, these hours were not paid at the legal overtime rate. Furthermore, farmers and workers were found to be unaware of the correct legal requirements for overtime rates.
 - None of the farmers provided workers with all the benefits required by law

- **ACTIONS:**
 - Create income and work hours specific training materials;
 - Review and strengthen training on income and work hours:
 - Cost of Production Calculation Basis = No need for labour at 0.5 Ha or less (this will be explained to discourage unnecessary hiring);
 - Refresh on minimum wage and work hours;
 - Train on in-kind payments, rest periods and overtime rules.
 - Distribute written contract templates together with labour law flyer.
- **EXPECTED OUTCOMES:**
 - Revised training materials;
 - Farmers with 0.5 Ha or less do not hire unnecessarily;
 - Farmers and labour expected to know several aspects related to income and working hours (legal min wage, in-kind payment, overtime, legal benefits, etc.) and have a written contract for every season;
 - Farmers ensure labour receives all legal benefits.
- **TIMELINES:** Training materials to be reviewed and distributed by the end of March 2019 and message conveyed from there on until the end of CY19.
- **TARGETS:** Training on Principle 2 of the ALP Code will be given to all farmers but, due to its nature, this action will prioritize farmers with labour and their workers. Once again, MLT will continue to invest in the training of labour so they too can act as ALP enforcement agents (e.g. if labour is informed it will less likely accept unlawful working conditions).

(vi) Review of Employment Contract Template & Trial on Time Worked in Tobacco:

- **FINDING ADDRESSED:**
 - At 8 farms (21%), workers worked more than 8 hours per day and at 9 farms (25%) workers did not receive at least one resting day per week. At 20 of the farms (95%) where workers worked overtime, these hours were not paid at the legal overtime rate. Furthermore, farmers and workers were found to be unaware of the correct legal requirements for overtime rates.
- **ACTIONS:**
 - Study contractual alternatives under Mozambican law with the aim of identifying the most suitable one to regulate work periods of tobacco workers.
 - Conduct a trial under which farmers fill out a time recording template to assess actual time worked in tobacco.
 - Trial to include two scenarios:
 - 50 templates with Morning and Afternoon periods;
 - 50 templates with Morning Hours and Afternoon Hours.
- **EXPECTED OUTCOMES:**
 - Farmers and seasonal workers are distributed the most suitable employment contract template, which covers all specific aspects associated with tobacco culture, such as work periods.
 - Farmers and workers are able to jointly record the time that has been worked in tobacco and thus able to link it to that payment due to the worker.
- **TIMELINES:**
 - Trial in CY19 during harvesting season (tentatively March 2019) with aim to roll-out in CY20.
- **TARGETS:**

- Distribution of employment contract templates to all farmers with seasonal labour from CY91.
- The time recording trial in CY19 will cover 100 farmers with labour.
- If rolled out in CY20, this recording template would cover all farmers with workers.

(vii) Third Party Verification on Direct Payments

To ensure all the actions described above lead to effective change in behaviour, there will also be external verifications of amounts actually paid to workers vs. payments agreed in the contract. These verifications, initially towards the cost of production hours and secondly towards minimum wage (including in-kind payments), will be conducted by a third party.

For CY19 verifications, this assessment will be done in August/September 2019 in relation to returning workers (upon return to the farm, the third party organization will be able to assess whether the amount agreed in the previous season was effectively paid).

3.3. ALP Code Principle 3: Fair Treatment

Main findings and challenges identified during the 2018 Control Union Assessment

During its assessment, CU identified the following situations related with fair treatment:

- (i) Control Union did not find any evidence of sexual or physical abuse. Only a single case of verbal abuse was identified which involved a farmer threatening workers to deduct 100 MZN from their payment each time they did something wrong or something he did not approve of;
- (ii) At the time of CU's assessment, MLT had no support mechanism in place. At all but one of the farms visited by CU, farmers were found to be available to their workers.

In general, the findings under this ALP principle are considered either acceptable or adequate and no situation that requires immediate action was identified. However, MLT will reinforce certain aspects of its operation to ensure workers continue to be treated fairly. These actions, of course, complement the ones described above on income and work hours, as payment of minimum wage, for instance, can also reflect the fair treatment principle.

Action Plan & Expected Outcomes following 2018 Control Union Assessment

To address the issues identified, MLTC has planned the following actions:

(i) Treatment of Workers:

● FINDINGS ADDRESSED:

- Control Union did not find any evidence of sexual or physical abuse.
- Only a single case of verbal abuse was identified which involved a farmer threatening workers to deduct 100 MZN from their payment each time they did something wrong or something he did not approve of.

● ACTIONS:

- Create fair treatment specific training materials, particularly focusing on the prohibition of sexual abuse or harassment of workers' wives and the prohibition of all discrimination (focus on nationality discrimination due to the presence of many Malawian workers);
- All actions above mentioned in (iv) Improved Training Materials under ALP Code Principle 2: Income and Work Hours also apply to the treatment of workers;

- **EXPECTED OUTCOMES:**
 - New training materials on fair treatment of workers;
 - Farmers trained and aware of all aspects under the fair treatment principle but particularly on the prohibition of sexual abuse or harassment and of discrimination based on nationality;
 - All expected outcomes actions above mentioned in (iv) Improved Training Materials under ALP Code Principle 2: Income and Work Hours.
- **TIMELINES:** Training materials to be reviewed and distributed by the end of March 2019 and message conveyed from there on until the end of CY19. Training to continue in the following seasons, resorting to new materials.
- **TARGETS:** Training on Principle 3 of the ALP Code will be given to all farmers but, due to its nature, this action will prioritize farmers with labour and their workers. Once again, MLT will continue to invest in the training of labour so they too can act as ALP enforcement agents (e.g. if labour is informed it will less likely accept unlawful working conditions).

(ii) Grievance Mechanism

- **FINDINGS ADDRESSED:**
 - At the time of CU's assessment, MLT had no support mechanism in place.
 - At all but one of the farms visited by CU, farmers were found to be available to their workers.
- **ACTIONS:**
 - In past seasons, MLT has mediated several disputes between farmers and workers, most of which led to successful outcomes. Whenever situations exceed MLT's authority or mandate, they are escalated to the appropriate authorities.
 - MLT now intends to further promote this interim informal mediation system while a more independent mechanism is sought. This will be done by conveying to farmers and workers its availability to mediate employment related disputes both by disclosing and publicizing the escalation process in trainings (group meetings and on-farm visits) and by posting this information in baling centres and buying centres.
- **EXPECTED OUTCOMES:**
 - Farmers and workers aware of the informal mediation system MLT leads, including the procedure they must follow for such purpose.
- **TIMELINES:** Convey message on informal mediation system to farmers and workers throughout CY19. Explore options to formalize grievance mechanism as of CY20.
- **TARGETS:**
 - Farmers and labour fully aware of MLT's availability to assist and mediate employment related disputes.
 - Escalation process documented and posted at all baling and buying centres.

3.4. ALP Code Principle 4: Forced Labour

Main findings and challenges identified during the 2018 Control Union Assessment

During its assessment, CU identified the following situations related with forced labour:

- (i) At one farm (2%) evidence was found of indirect payment, where the worker's salary was paid to the worker's parents;

- (ii) At 33 farms (92%), workers were unlikely to leave their employment at any time because they were paid at the end of season.

Action Plan & Expected Outcomes following 2018 Control Union Assessment

To address both direct and end of harvest payments, MLT will focus its efforts in promoting income generating activities and improved management skills by the farmer (particularly on actual hiring needs), which are expected to enable the farmers to pay workers more frequently throughout the season. Please refer to all income and work hours above for additional details.

3.5. ALP Code Principle 5: Safe Work Environment

3.5.1. Training and Awareness of GTS and Training and Handling of CPA

Actions developed prior to the 2018 Control Union Assessment

The Control Union report identified the following positive findings at the farms assessed:

- (i) At 75%, all persons handling green tobacco were trained on GTS;
- (ii) At 81%, all persons handling green tobacco were aware of the existence and avoidance of GTS;
- (iii) At 85%, farmers fully understood what GTS was and/or how to avoid it;
- (iv) At 90%, all persons handling and/or applying CPA were trained on its usage.

These very encouraging results are a product of MLT's investment in adequately training farmers on training and promoting awareness of GTS and handling of CPAs. Annually, MLT not only refreshes farmers, family members and workers on how to avoid GTS and how to, proper and safely, apply CPAs, but also distributes PPE for CPA application and harvesting.

Main findings and challenges identified during the 2018 Control Union Assessment

During its assessment, CU identified the following situations related with training and awareness of GTS and training and handling of CPA:

- (i) At 20 farms (25%), not all persons handling green tobacco had been trained and at 15 (19%) farms not all persons handling green tobacco were aware of the existence and avoidance of GTS;
- (ii) At 12 farms (15%) farmers did not fully understand what GTS was and/or how to avoid it;
- (iii) At 75 farms (94%) not all persons handling green tobacco were wearing the full set of required harvesting clothes;
- (iv) At 8 farms (10%) not all persons handling and/or applying CPA were trained in CPA use;
- (v) At 79 farms (99%) people responsible for CPA application did not use the complete set of PPE.

Action Plan & Expected Outcomes following 2018 Control Union Assessment

To address the issues identified, MLTC has planned the following actions:

(i) Training and Handling of CPA

- **FINDINGS ADDRESSED:**

- At 8 farms (10%) not all persons handling and/or applying CPA were trained in CPA use;
- At 79 farms (99%) people responsible for CPA application did not use the complete set of PPE required harvesting clothes.

- **ACTIONS:**

- Re-train all farmers on safe work environment focusing on hazardous tasks using the new training materials and promoting specific training sessions as mentioned above in the child labour section.
 - Promote PPE availability to ensure CPA application is done in a safe manner by distributing PPE with seedbed kits, focusing particularly on farmers with labour to ensure it is sufficient for all people on farm applying CPAs.
 - Under the abovementioned Support & Enforcement, farmers will be informed on the consequential action of non-compliance with ALP and there will be consequential actions in case of prompt action incidents related to CPA application.
 - Review current PPE suitability to assess whether more PPE items are needed and whether the specifications of the current ones are compliant with international guidelines. Assess potential alternatives to strengthen farmers and workers protection when applying CPAs and/or harvesting (also applicable to GTS section below).
 - **EXPECTED OUTCOMES:**
 - All people handling/applying CPAs must be trained;
 - Most suitable PPE for CPA application provided to farmers and workers;
 - PPE distributed is sufficient for all people applying CPAs;
 - Change in behaviour towards ALP because both field teams and farmers fully aware of the consequential impact of breaching company procedures, in particular ALP-related;
 - Non-compliant farmers identified and contracts not renewed for following season, with clear indication of the reasons for non-renewal.
 - **TIMELINES:**
 - Training to be done continuously throughout the season, with particular focus on workers from CY19 onwards;
 - Review of PPE suitability to be completed in time for updates (if any) to occur in CY20.
 - **TARGETS:**
 - Farmers Training Targets:
 - CY19 - >95%
 - From CY20 - 100%
 - Labour Training Targets:
 - CY19 - >95%
 - From CY20 - 100%
 - Distribution of appropriate and sufficient PPE for CPA application to farmers and workers:
 - CY19 - >95%
 - CY20 - 100%
- (ii) Training and Awareness of Green Tobacco Sickness (GTS):**
- **FINDINGS ADDRESSED:**
 - At 20 farms (25%), not all persons handling green tobacco had been trained;
 - At 15 (19%) farms not all persons handling green tobacco were aware of the existence and avoidance of GTS;
 - At 12 farms (15%) farmers did not fully understand what GTS was and/or how to avoid it;
 - At 75 farms (94%) not all persons handling green tobacco were wearing the full set of required harvesting clothes.
 - **ACTIONS:**

- Re-train all farmers on safe work environment focusing on hazardous tasks using the new training materials and promoting specific training sessions as mentioned above in the child labour section.
- Promote PPE availability to ensure harvesting is done in a safe manner: distribution of sufficient GTS gloves for all people on farm (CY19 = 8 pairs/ha) and inclusion of GTS gloves as part of input package from CY20.
- Under the abovementioned Support & Enforcement, farmers will be informed on the consequential action of non-complying with ALP and there will be consequential actions in case of prompt action incidents related to harvesting/GTS.
- **EXPECTED OUTCOMES:**
 - All people handling green tobacco and/or CPA must be trained. Again, training will place a lot of focus on workers.
 - All people on farm who come into contact with green wet tobacco have a pair of GTS gloves to work with and harvesting is done with usage of appropriate PPE.
- **TIMELINES:**
 - Distribution of GTS gloves in CY19 to be completed by the end of February, prior to reaping.
 - Inclusion of GTS gloves as part of the CY20 input package to be discussed and outlined during CY19 season.
- **TARGETS:**
 - Farmers Training Targets:
 - CY19 - >95%
 - From CY20 - 100%
 - Labour Training Targets:
 - CY19 - >95%
 - From CY20 - 100%
 - Distribution of GTS PPE to 100% of farmers and labour (CY19).

3.5.2. Workers' Accommodation

Actions developed prior to the 2018 Control Union Assessment

The Control Union report identified the following positive findings at the farms where workers lived on-farm that were assessed:

- (i) At 90%, farmers provided adequate accommodation to workers;
- (ii) At 63%, there were sanitary facilities close to where labour worked.

The results of Control Union's assessment regarding labour accommodation show MLT has been successful in training and promoting awareness among farmers regarding the need to provide housing as per their own basic needs.

Main findings and challenges identified during the 2018 Control Union Assessment

During its assessment, CU identified the following situations related with labour accommodation:

- (i) 8 farms (10%) had inadequate workers' accommodation;
- (ii) 23 farms (37%) did not have sanitary facilities close to where workers worked.

Action Plan & Expected Outcomes following 2018 Control Union Assessment

To address the issues identified, MLT has planned the following actions:

(i) Improve Farmers and Labour's Awareness of basic Mozambican labour laws, specially labour accommodation requirements

- **FINDING ADDRESSED:**

- 8 farms (10%) had inadequate workers' accommodation.

- **ACTIONS:**

- Re-train all LTs and farmers on safe work environment focusing on accommodation;
- Under the Early Flagging System described above, monitor general status of accommodation provided since the beginning of the season and closely follow-up with farmers if improvements needed.

- **EXPECTED OUTCOMES:**

- All farmers with labour and labour must be aware of minimum accommodation requirements.
- Farmers with labour provide adequate and compliant accommodation.

- **TIMELINES:** Training to be done continuously throughout the season, with particular focus on workers from CY19 onwards.

- **TARGETS:**

- Farmers Training Targets:
 - CY19 - >95%
 - From CY20 - 100%
- Labour Training Targets:
 - CY19 - >95%
 - From CY20 - 100%

(ii) Update and Validate Labour Accommodation Minimum Standards

- **FINDING ADDRESSED:**

- 8 farms (10%) had inadequate workers' accommodation.

- **ACTIONS:**

- Update current minimum standards for labour accommodation (which, in the absence of statutory guidelines were settled by MLT and should follow the farmer's accommodation) with materials that may be used;
- Engage with a third party for validation of such requirements;
- Benchmark with international standards and, in case of a significant gap, revisit minimum standards to align.

- **EXPECTED OUTCOMES:**

- Updated and validated labour accommodation minimum standards;
- Compliant accommodation provided to all workers.

- **TIMELINES:**

- Minimum standards to be reviewed, updated and validated by February/March 2019.

- **TARGETS:**

- 100% of farmers with labour provide compliant (safe and clean accommodation) to workers who live on-farm.

(iii) Baseline Assessment on Labour Accommodation
• FINDING ADDRESSED:

- 8 farms (10%) had inadequate workers' accommodation.

• ACTIONS:

- Following the diligence on labour accommodation minimum requirements, conduct assessment to create baseline on accommodation currently provided;
- Sensitise farmers to improvements needed and monitor to ensure completion.
- In case of systemic problem, resort to contingency fund and assist farmers with materials and potentially builders to upgrade labour accommodation to meet standards. In case of persistent non-compliance, reduce farmer's area to 0.5 ha.

• EXPECTED OUTCOMES:

- Upgrade on labour accommodation identified as requiring improvements.
- Compliant accommodation provided to all workers.

• TIMELINES:

- Baseline on Accommodation provided by farmers with labour within three months of minimum standards validation.

• TARGETS:

- 100% of farmers with labour provide compliant (safe and clean accommodation) to workers who live on-farm by CY20.

3.6. ALP Code Principle 7: Compliance with the Law / Terms of Employment
Main findings and challenges identified during the 2018 Control Union Assessment

During its assessment, CU identified the following situations related with compliance with the Law:

- (i) None of the informed their workers fully about their legal rights. At two (5%) of the farms workers were not aware of how much they would be paid;
- (ii) At 16 farms (39%) not all workers had written contracts as required by national law.

Action Plan & Expected Outcomes following 2018 Control Union Assessment
(i) Information on Legal Rights and Working Conditions
• FINDINGS ADDRESSED:

- None of the informed their workers fully about their legal rights. At two (5%) of the farms workers were not aware of how much they would be paid;
- At 16 farms (39%) not all workers had written contracts as required by national law.

• ACTIONS:

- Improve awareness of basic Mozambique labour laws amongst workers;
- In areas with high number of farmers with labour, promote the participation of workers in group meetings/trainings, preceded by a sensitization campaign with farmers who are often the main challenge to labour being informed;
- Conduct meetings closer to the farms so distance is not a barrier for workers' participation.
- In addition, always ensure the workers presence at on-farm trainings;
- Labour training also centred on key focus areas;
- Distribution of written employment contract templates and labour law flyers.

• EXPECTED OUTCOMES:

- Farmers and labour expected to know several aspects related to income and working hours (legal min wage, in-kind payment, overtime, legal benefits, etc.);
- Farmers and seasonal labour expected to have a written employment contract for every season;
- All farmers with seasonal labour enter into employment contracts with all workers on farm.
- **TIMELINES:** Training and contract distribution to be done continuously every season, with particular focus on workers from CY19 onwards.
- **TARGETS:**
 - Farmers Training Targets:
 - CY19 - >95%
 - From CY20 - 100%
 - Labour Training Targets:
 - CY19 - 65%
 - CY20 - 75%
 - CY21 - >85%
 - From CY22 - >95%
 - Employment contract distribution – 100% of farmers with seasonal workers

4. CONCLUSION

MLT's proposed action plan is an ambitious and rigorous program, particularly challenging to enforce in an adverse context like Mozambique. However, the entire company is fully engaged and committed in achieving the set targets and contributing to an actual behavior change in the tobacco-growing communities.

Following an initial phase focusing on training and awareness raising, MLT now wants to fully embrace a Support & Enforcement to convert the levels of knowledge into practice. Main issues to consider will be the enforcement mechanism but also, and most importantly, exploring alternatives for farmers to be able to improve their overall livelihood.

As mentioned, in order to focus efforts and promote the best possible results, MLT will be concentrating on the four key focus areas and particularly on farmers with labour.

**ANNEX I
CURRICULUM OF THE TOBACCO TRAINING COURSE AT IAC**

1. Tobacco Production (400 hours) 11 Modules

a. Introduction

- i. The importance of the tobacco in Mozambique
- ii. Types tobacco produced in Mozambique

b. MODULE I – SEEDBED MANAGEMENT

- i. Seedbed site selection
- ii. Seedbed rotation
- iii. Seedbed preparation
- iv. Seed and sowing
- v. Germination

c. Knowledge Test

d. MODULE II – TRANSPLANTING AND SEEDLING CARE

- i. Transplanting your seedlings into reset beds
- ii. Disease management
- iii. Weeding
- iv. Top dressing
- v. Hardening your seedlings
- vi. Pulling your seedlings

e. Knowledge Test

f. MODULE III – FIELD OPERATIONS

- i. Crop rotation
- ii. Field layout during land preparation
- iii. Ridge preparation and tie ridging
- iv. Holing out
- v. Transplanting
- vi. Gap filling
- vii. Fertiliser application
- viii. Hand cultivation

g. Knowledge Test

h. MODULE IV– INTEGRATED PEST MANAGEMENT

- i. Cultural control
- ii. Ecological and natural control
- iii. Chemical control Ridging and holing out

i. Knowledge Test

j. MODULE V – SOIL MANAGEMENT AND CONSERVATION TILLAGE

- i. Soil quality and slopes
- ii. *Marker ridges and contour banding*
- iii. Growing vetiver (*Chrysopogon zizandoides*) hedgerows
- iv. Agroforestry
- v. Cover crops
- vi. Gully reclamation
- vii. Minimum tillage (strip tilling and continuous row cropping)
- viii. Mulching

k. Knowledge Test**l. MODULE VI – SOIL PROPERTIES**

- i. Soil formation
- ii. Soil properties
- iii. Soil horizons
- iv. Choosing the best soil for your crops
- v. How to improve your soil

m. Knowledge Test**n. MODULE VII – PESTS AND DISEASES (Part I & ii)**

- i. Part One: Diseases that affect tobacco production
- ii. Part Two: Pests that affect tobacco production Burley

o. Knowledge Test**p. MODULE VIII – TOPPING AND SUCKERING**

- i. Topping
- ii. Sucker control

q. MODULE VIIIa – FCV TOPPING AND SUCKERING

- i. Topping
- ii. Sucker control

r. Knowledge Test**s. MODULE IX - BARN CAPACITY, REAPING AND CURING:****FLUE CURED VIRGINIA TOBACCO**

- i. FCV yield capacity
- ii. Curing capacity and barn preparation
- iii. Recommended standard and rocket barns
- iv. Reaping procedures
- v. Loading leaf into a curing barn
- vi. Curing FCV tobacco
- vii. Storage of cured tobacco

t. Knowledge Test**u. MODULE IX a – BARN CAPACITY, REAPING AND CURING: BURLEY TOBACCO**

- i. Burley yield capacity
- ii. Barn capacity and preparation
- iii. Reaping procedures
- iv. Handling reaped leaves
- v. Curing Burley tobacco
- vi. Storage of cured tobacco

v. Knowledge Test**w. MODULE IX a – BARN CAPACITY, REAPING AND CURING: DFC TOBACCO**

- i. DFC yield capacity
- ii. Barn capacity and preparation
- iii. Reaping procedures
- iv. Handling reaped leaves
- v. Curing DFC tobacco
- vi. Storage of cured tobacco

x. MODULE X – AGRICULTURAL LABOUR PRACTICES

- i. ALP principles

- ii. What is child labour
- iii. Child labor in tobacco production
- iv. Understanding the hazards and risks in tobacco production
- v. Why are children more vulnerable to these risks than adults
- vi. How to manage the risks
- vii. Eliminating child labour in tobacco production

y. FORESTRY

- i. Importance of trees in tobacco production
- ii. Seedbeds preparation and sowing
- iii. Pot filling
- iv. Seedbed management
- v. Main trees species for MLT forestry program
- vi. Regeneration and bushfires control
- vii. Woodlots and commercial plantations establishment and management,

z. OTHER CROPS (Maize, beans, soy and pigeon peas)

- i. Importance of food crops in tobacco production
- ii. Plant morphology
- iii. Land preparation
- iv. Seed varieties available in the market
- v. Sowing methods
- vi. Basal fertilizer application
- vii. Weeds control
- viii. Top dressing fertilizer and banking
- ix. Pests control
- x. Production estimates
- xi. Harvesting and processing

aa. Communication

- i. Extension methodologies
- ii. Adult learning process
- iii. Importance of knowing the dynamics of rural communities
- iv. Adoption of new technologies and reaction of rural communities
- v. Importance of farmers training
- vi. Communication
- vii. Skills Instructors Training

Appendix II – Scope and methodology

Assessment team

The team responsible for conducting this assessment consisted of three auditors from Mozambique and two coordinators – one from Brazil and one from Germany. The auditors conducted farm assessments and interviewed the field technicians, and were accompanied by the coordinators during the whole assessment. The two coordinators interviewed MLT management and the Agronomy team. The auditors as well as the coordinators had been trained by Verité and CU before the assessment. This 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
- Two-day preparation training by CU directly prior to starting the field visits.

Desk review

Prior to this assessment MLT was requested to send documentation to CU to give the assessment team a better idea about the market characteristics and the management systems that were in place. MLT 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 of the assessment.

Opening meeting

On 27 February 2018, CU started the assessment with an opening meeting at MLT's head office in Tete, Mozambique. This meeting was attended by MLT's ALP Team and Steering Committee, including the Managing Director, Strategy and Business Planning Director, Agronomy Director, ALP & MobiLeaf Manager, ALP National Manager, ALP National Manager and Head Agronomy Manager for the North region. Furthermore, the meeting was attended by a representative from PMI Regional. A Verité consultant was also present at the opening meeting. CU presented the objectives and approach of the assessment, while MLT provided a brief overview of the market and company background.

Methodology for ALP implementation system review

The methodology used for the evaluation of MLT's implementation of the ALP Program was based on the widely used PDCA⁶ cycle. This cycle is a management method for the continuous improvement of processes and products. CU spent one and a half days (27 and 28 February 2018) at MLT's head office to interview management staff, analyze documentation and evaluate MLT's systems to better understand how the implementation of the ALP Program was organized. In total, CU interviewed ten management personnel⁷, 21 field personnel⁸, and one representative of PMI Regional.

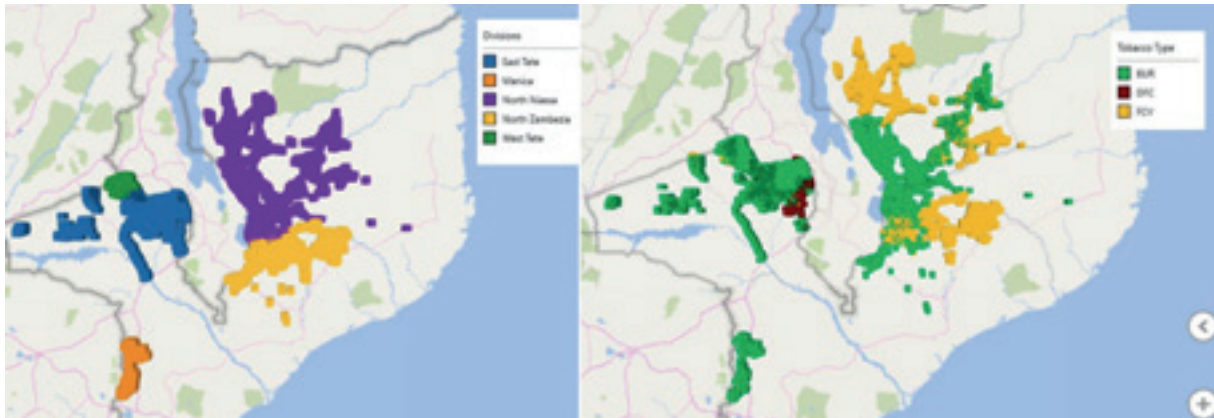
Scope and farm sampling

This assessment focused on the FCV farmers located in the Molocue and Lichinga regions (see graph below). The two regions were considered homogenous and comparable based on farm size, geographical spread, language spoken and cultural aspects, and were therefore assessed together within the same scope.

⁶ Plan, Do, Check, Act

⁷ All members of the ALP Country team and Steering Committee

⁸ 21 field technicians.



Scope of assessment: FCV farmers in North Niassa (Lichinga region) and North Zambezia (Molocue region). Source: MLT.

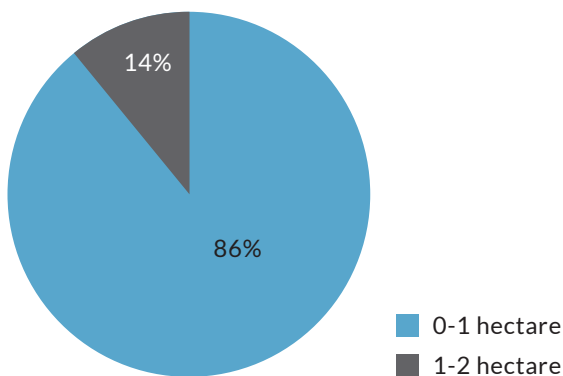
In the two regions assessed, the majority of the farmers grew an area of one hectare or less of tobacco contracted by MLT (see graph below).

In 2017 MLT had contracted a total of 6,184 FCV farmers in the Lichinga and Molocue regions. To constitute a meaningful sample CU needed to visit at least 79 farms, the square root of the total population of farmers within the scope. In total, CU visited 80 farmers, which were either sampled randomly or selected based on the following criteria::

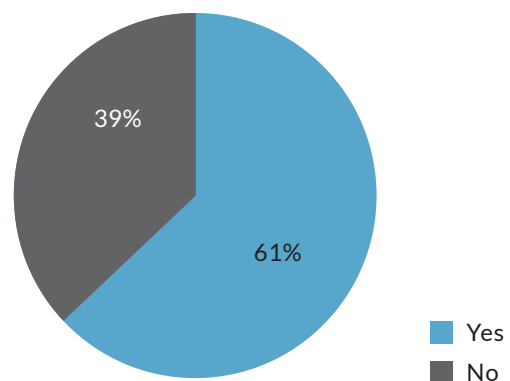
- Geographic spread; and
- Farm size: different farm sizes selected to ensure diversity, but focus on the larger farms to ensure labor practices could be assessed.

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

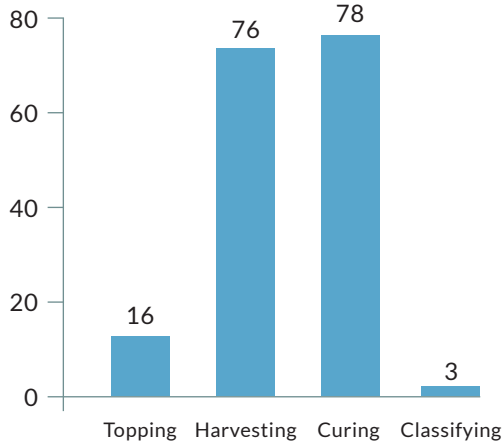
**Farm size (N=80)
(ha contracted by MLT)**



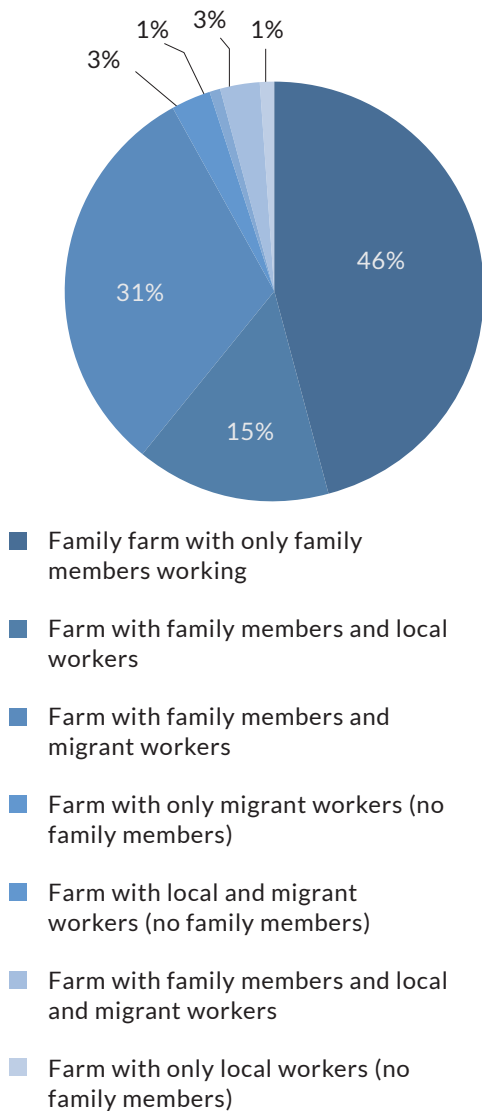
Farmers previously contracted by MLT (N=80)



Stage of tobacco production



Type of farm (N=80)



Due to the openness and collaboration of MLT, CU managed to conduct 95% of the visits unannounced⁹. This meant that the farmers had not been informed about the visit and its objective prior to CU's arrival. MLT had informed farmers several weeks before the assessment that a visit could take place within a certain period but said nothing in the days prior to the visits. CU informed MLT about the names of the selected field technicians and selected farmers the day before the visit would take place. 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.

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, workers, crew leaders, or sharecroppers. 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 MLT's management systems at the farms, to assess how these were perceived by the field technicians, farmers, family members, and other people working at the farms.

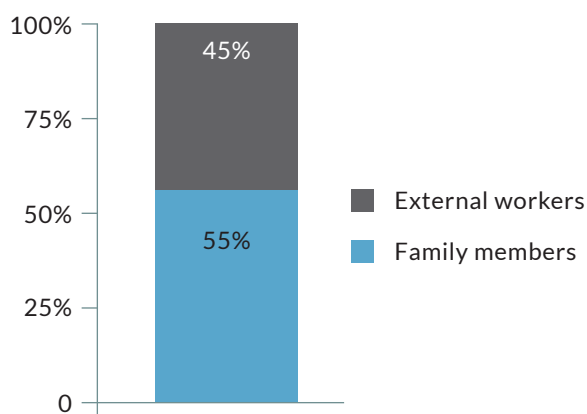
⁹ At four farms, the field technician had announced the visits the day before. He faced disciplinary action for doing this.

People interviewed

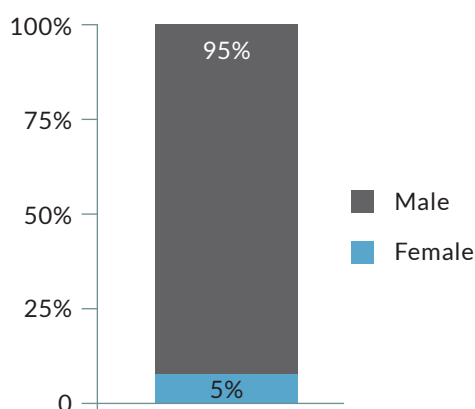
Wherever possible, interviews with family members and workers were conducted individually and without the presence of the farmer, to avoid undue bias. For the same reason, all interviews with farmers were conducted without the presence of the field technicians. In total, CU interviewed 80 farmers, 51 family members and 41 workers.

Demographic information on the family members and external workers interviewed:

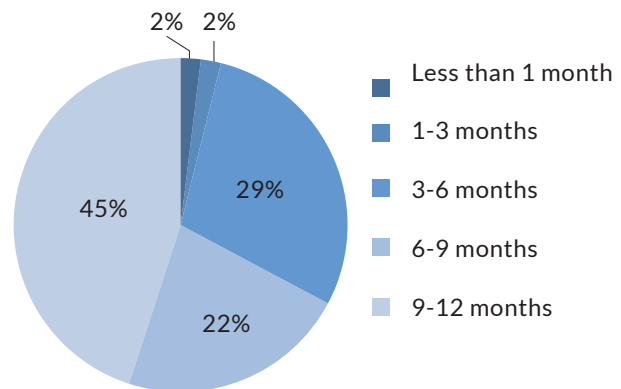
Type of interviewed



Gender



Duration of employment of hired workers (41 people interviewed in total).



Closing meeting

On 16 April 2018 a closing meeting took place at MLT’s head office in Tete, Mozambique. As with the opening meeting, this meeting was attended by MLT’s ALP team and Steering Committee, including the ALP Coordinator, Managing Director, Strategy and Business Planning Director, Agronomy Director and ALP National Manager. Furthermore, the meeting was attended by a representative from PMI Regional. A Verité consultant joined the meeting by phone.

CU presented the initial findings and MLT requested clarification of certain items. A constructive discussion took 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, MLT reviewed the report to verify that all the information was correct, and to finalize their action plan that was based on this report.¹⁰

¹⁰ 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

MOZAMBIQUE

Agricultural Labor Practices

LEGAL INFORMATION QUESTIONNAIRE

Summary & Guidance

Understanding the legal situation in the markets from which PMI sources tobacco leaf is critical for ALP Code implementation. With this goal in mind, PMI produces a Legal Information Questionnaire (LIQ).

The LIQ is a key document for third party assessments of the ALP Program in your country.

Your review should cover all laws/decisions/regulations **applicable to tobacco**. This may include any relevant federal, state, municipal laws, collective bargaining agreements, and court precedents (collectively '**Laws**'). If there are no Laws related to an items covered, please also indicate this. We have also provided a separate document (*Matters to consider when completing your LIQ*) with further guidance.

PLEASE KEEP IN MIND THAT THE LIQ WILL BE READ AND USED MOSTLY BY LEGAL LAYPERSONS

Structure

The LIQ is divided into 7 sections which correspond to the 7 ALP Code principles. For each, you will find the following:

Summary

- ✓ **In a few words**, provide an overview of the Market's legal standards which match, exceed, or oppose the ALP measurable standards for each principle.
- ✓ Make comments (if any) including any local particularities or variations within your country. These can also be referenced in footnote format where a more detailed discussion is required.
- ✓ Where no related market legal standard can be referenced, write NA (non-applicable) in the cells that apply.

Applicable laws

- ✓ Provide a list of the applicable laws (i.e. Constitution, Employment regulation etc.) included in your answer.

- ✓ References may be repeated if the same laws apply to more than one principle.
- ✓ Please include, if possible a link to the official or reliable websites for the references.
- ✓ It is no problem if the same laws appear in more than one section.

Your answer

- ✓ Provide **comprehensive yet concise answers** to each listed item as identified by subheadings. Please avoid pooling items together as much as possible.
- ✓ Answer in **bullet point format**. Please do not use lettered or numbered bullets.
- ✓ Provide **context as needed**.
- ✓ Limit your answers **only to tobacco or agricultural sectors**, or explain the general rules applying to these sectors.
- ✓ Include any authority references in **footnote format** to facilitate reading.
- ✓ **Avoid discussions of superseded law** at national or international levels. References to current directly applicable law are all that is needed.

Agricultural Labor Practices

LEGAL INFORMATION QUESTIONNAIRE

MOZAMBIQUE

Author: Yelena Nairne

Date of Original Analysis: Q1 2017

Date of Updated Analysis: Q1 2018

Principle 1 – CHILD LABOR

Summary

ALP MEASURABLE STANDARDS	MARKET LEGAL STANDARDS			COMMENTS
	MATCHES	EXCEEDS	OPPOSES	
Minimum age for admission to work is not less than age for completion of mandatory schooling		Minimum age for admission to work is 15 y.o., whereas age limit for compulsory schooling is 12 y.o.		See further explanations in the answer Age (or ages) limits for compulsory schooling below.
In any case, minimum age for admission to work is not less than 15 years OR the minimum age provided by law, whichever offers greater protection	✓			Minimum employment age is 15 y.o. See further explanations in the answer to the minimum age below.

<p>No person under 18 involved in hazardous work</p>	<p>✓</p>			<p>A person must be at least 18 y.o. old to do hazardous work. The PMI hazardous tasks list is used because there is no legal definition or list.</p>
<p>A child may only help on the family farm if it is light work AND if the child is between 13-15 years OR above the minimum age for light work defined by law, which ever affords greater protection</p>		<p>General rule of minimum employment age of 15 years old applies.</p>		<p>The law does not provide any specific definition of light work, neither the conditions regarding farmer’s own children. See further comments on answer ‘Requirements applying to farmers’ own children’.</p>

Applicable laws

Constitution of the Republic of Mozambique (22 December 2004)

Civil Code (Decree-Law No. 47344, of 25 November 1966)

Labor Law (Law No. 23/2007, of 1 August 2007)

Law No. 6/92, of 6 May 1992

Your answer

Minimum age for employment (in tobacco)

15 years old, unless the work is unhealthy, dangerous or physically taxing.

Persons younger than 18 years old can be employed only:

- (i) Under authorization of the minor's legal representative, a verbal authorization is not sufficient, it is necessary a written authorization.¹;

With a health certificate issued before employment, by an official medical center confirming that the child is physically and mentally fit for work.² The only condition specified by the law is that the health certificate must mention the minor's fitness (mental and physical) for work. If there are minors under employment contracts you should expect to see a health certificate.

Age (or ages) limits for compulsory schooling

12 years old. In Mozambique, schooling is compulsory until the completion of the 7th grade. Children must be enrolled in the year they complete 7 y.o.³

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

Not defined specifically except of 'unhealthy, dangerous or physically taxing occupations. Therefore, for further details please refer to PMI list of hazardous work.

The law only states that minors under age of 18 are not allowed to work in unhealthy, dangerous or physically taxing occupations. There is no clarity which specific works could qualify as such.

In cases where work is performed in conditions that are particularly dangerous to the health or moral of the minor, the minor should be transferred to another workplace.

Requirements applying to farmers' own children or other family members such as nieces and nephews helping on the farmers

¹ Article 26.2 of the Labor Law.

² Article 24.1 of the Labor Law.

³ Articles 5.1 and 5.3 of Law No. 6/92 of 6 May 1992.

The law does not set forth any specific requirements regarding farmer's own children nor for family members of the farmers, thus the general rules set forth in the Labor Law applies. The law does not define neither 'light work'.

Therefore, if as a result of your assessment you determine that there is a labor relation, then the minimum age for employment shall apply: 15 years old. If it is not a labor relation, you shall consider the application of the ALP Code, saying that a child may only help on his or her family's farm, provided that the work is light work, as defined in the ALP Code implementation guidelines⁴, and for the case of Mozambique the child is between the ages of 12 and 14.⁵

Other restrictions or requirements on the employment of workers under 18 years (e.g. limit on work hours, work permits, etc.)

The working schedule of employees under the age of 18 (children between 15 to 17 years old) cannot exceed 7 hours per day, and 38 hours per week.⁶

Minors under the age of 18 cannot work during night time. The law is not clear enough in the definition of night work. However, according to a valid legal interpretation of some articles of the law, we could consider that night work goes from 8 p.m. (20h00) of one day to 5 a.m. of the following day.⁷

The labor authorities have a discretionary power to inspect the activities performed by children and order any additional protection measures they deem appropriate.

⁴ The nature of the work has to be compatible with the development of the child, and free from dangers, i.e. environmental dust, chemicals, machinery, etc.

⁵ ILO Convention 138, exception granted for developing countries.

⁶ Article 23.3 of the Labor Law.

⁷ A legal interpretation of joint grounds of Article 91.1 and 91.2 of the Labor Law.

Principle 2 – INCOME AND WORK HOURS

Summary

ALP MEASURABLE STANDARDS	MARKET LEGAL STANDARDS			COMMENTS
	MATCHES	EXCEEDS	OPPOSES	
Wages of all workers meet, at a minimum, national legal standards or agricultural benchmark standards.	✓			The law establishes specific calculation of minimum wages for different sectors of activity. In this case Agricultural sector shall apply. National minimum wages are reviewed on an annual basis with effect on 1 April.
Wages of all workers are paid regularly, at a minimum, in accordance with the country's laws.	✓			According to Mozambican law, wages can be paid monthly, weekly, biweekly (fortnight), pursuant to the agreement between employer and employee, or on any applicable collective labor regulation instrument if it were any. To the extent of our knowledge the most commonly adopted is the monthly payment.
Work hours are in compliance with the country's laws.	✓			Maximum regular working hours are 48 hours per week and 8 hours per day.

<p>Excluding overtime, work hours do not exceed, on a regular basis, 48 hours per week.</p>	<p>✓</p>			<p>Maximum regular working hours are 48 hours per week and 8 hours per day.</p>
<p>Overtime work hours are voluntary.</p>				<p>In principle overtime is voluntary on the basis of agreement with individual employee or a collective labor agreement. However, the law also provides special circumstances that could demand the needs of overtime. See further explanations in the answers.</p>
<p>Overtime wages are paid at a premium as required by the country's laws or by any applicable collective agreement.</p>	<p>✓</p>			<p>There is additional compensation and time off work (paid) provided for the overtime work.</p>
<p>All workers are provided with the benefits, holidays, and leave to which they are entitled by the country's laws.</p>	<p>✓</p>			<p>The law establishes requirements for one mandatory weekly rest day (Sunday), social security benefits and annual leave.</p>

Applicable laws

Labor Law (Law No. 23/2007, 1 August 2007)

Social Security Framework Law (Law No. 4/2007, of 7 February 2007)

Regulations on the Mandatory Social Security (Decree No. 51/2017, of 9 October 2017)

Your answer

Laws on regular and overtime wages including laws on in kind payment (e.g. minimum wages, minimum wages agreed with unions, agricultural wage benchmark standards). If a minimum monthly wage is referenced, please indicate how many hours this wage represents

The minimum wage shall be calculated by reference to each specific sector of activity.

For tobacco, we consider the agricultural sector to be of relevance.

Workers comprised in sector 1, which corresponds to agricultural activity, are entitled to a minimum wage of 3'642.00 Meticaís⁸ (roughly USD 60,13) per month.⁹ Under the law, the employer may determine a higher value for minimum wage in its company, but never an inferior amount.

Rest days and Holidays:

The work performed during a week-end, paid rest day (e.g., granted for the overtime) or public holidays, i.e. the exceptional work, should be remunerated in the following manner:

- (i) as double of the normal wage¹⁰; and
- (ii) within 3 days, the employee should take half a day off (paid) if overtime on week-end, rest day or public holiday constituted 5 (consecutive or interpolated) hours or a full day off (paid) if the overtime work continued more than 5 hours.

⁸ Ministerial Diploma No.31/2017, of 12 May 2017.

⁹ The Labour Law does not establish any criteria to calculate the employee's daily or hourly base remuneration. However, Decree No. 62/2009, of 8 September 2009 (the "Civil Servants Regulations"), establishes that employees' hourly base pay is calculated in accordance with the following formula: $(VM \times 12) / (52 \times N)$, where "VM" is the employee's monthly base pay and "N" is the number of hours worked each week.

This formula is primarily used to calculate compensation for overtime, but Decree 62/2009 further establishes that the formula shall be used to calculate amounts owed for any other fractions of a work period.

This being said, in the absence of criteria in the Labor Law for calculating employees' daily or hourly base remuneration, the formula mentioned above should apply on an analogic basis to the private sector and therefore be used to calculate hourly and daily rates of also private sector employees.

¹⁰ Article 115.2 of the Labor Law.

In-kind payments:

The Labor Law allows for salary payments to be made partially in cash and partially in kind. There are, however, some limits to payments in-kind, as follows:

- (a) A mandatory minimum percentage of 75% of the global salary needs to be paid in cash;
- (b) Payments in kind must be appropriate to meet the personal interest and use of the employee or his/her family, and although the law is silent about the 'written condition', a written agreement between the employer and the employee will help to easily evidence the in-kind payment conditions.

Wage and hours laws specific to piece rate workers, seasonal workers, and migrant workers

There are not specific references on the law about this matter.

A piece rate agreement shall fall under the concept of 'service agreement', which are not employment contracts.¹¹

Therefore, in the event the work is performed under the service agreement regime the remuneration of the person shall be determined by professional tariffs; in their absence, by custom and in the absence of either, on an equitable basis. Thus, assuming that there is no applicable professional tariffs or custom, on an equitable basis one may still resort to the minimum wages set forth for the Agricultural sector as benchmark to calculate the rate. **No other labor benefits shall apply if you are under a piece rate agreement because the nature of your legal relation is a service agreement governed by the Civil Code rules.**

Therefore, a piece rate agreement may fall under any of the following categories, depending on the actual facts of the situation you are assessing:

- A worker under a real employment relationship with the beneficiary of the activity. In this case, the labor rules apply, as for example those related to regular and overtime hours and their respective wages calculations.
- A professional relationship under a service agreement with the beneficiary of the activity which places him/her in an economic subordination situation with the beneficiary of the services. In this case, the labor rules shall also apply.
- A professional relationship under a real service agreement with the beneficiary of the activity that does not place him/her in an economic subordination situation before the latter. In this case, the labor rules shall not apply.¹²

¹¹ Article 1154 of the Civil Code

¹² See further comments under the answers of Principle 7.

Other specific rules applicable to migrant workers including any legal requirements to ensure they are legally permitted to work

The migrant workers must have the necessary academic or vocational qualifications and may only be employed when there are no nationals having the same qualifications, or where such nationals are insufficient number.

There are, however, some immigration issues that need to be considered, as well as limits to the number of foreign employee that can be hired by Mozambican employers. As a general rule, in order to legally enter and stay in Mozambique for work purposes, foreign nationals are required to obtain a work visa. The work visa request must be filed with the Mozambican Embassy or Consulate at the employee's country of origin. A copy of worker passport with the stamped visa and/or his or her residence permit (DIRE) shall be the key documentation available. Please keep in mind that the holder of the work visa must work exclusively for the employer that requested and thus sponsored the issuance of such work visa.

In order to be able to apply for a work visa, foreign employees are, as a general rule, required to firstly enter into an employment contract with a local company. Said employment contracts must be entered into for a maximum period of 2 years (fixed-term employment contract) and cannot be converted into permanent contracts.

The hiring of foreign employees must be made through one of the following regimes:

- (i) **Communication regime** – The notice on the hiring of the foreign employee to the Ministry of Labour may be made through one of the following legal regimes:
 - (a) **Quota Regime** – The employer may have a percentage of foreign employees depending on the total number of employees at its service. The percentage of expatriates varies according to the total average number of employees of the company in the preceding calendar year, as follows:
 - i. 5 % of the total number of employees in large companies (companies with more than 100 employees);
 - ii. 8 % of the total number of employees in medium-sized companies (companies with 10 to 100 employees); and
 - iii. 10 % of the total number of employees in small companies (companies with up to 10 employees).

- (b) **Investment Project Regime** – The essential and crucial difference with regard to the quota regime is that a company with a foreign investment project approved by the Mozambican investment authorities may be granted the right to “automatically” employ more expats than it would be entitled to under the general quota regime, as part of the benefits and incentives package.

- (c) **Short Term Assignment Regime** – the short term assignment (“STA”) regime is outside the scope of both the quota and the authorization regime. This means that foreign employees hired under a STA regime will not be subject to quota limitations. Under the law, STAs cannot exceed 90 days per year, consecutive or non-consecutive. The entering into of a local employment contract is not mandatory.

- (ii) **Work Authorization Regime** – The work authorization regime applies to situations where the employer intends to employ additional expats beyond those allowed by the quota/investment project regimes. This is a considerably more cumbersome procedure, in particular because it is necessary to provide evidence that the prospective expat employees possess the required academic and professional qualifications and, most importantly, that there are either no or insufficient Mozambicans with those qualifications. According to the applicable legislation, under this regime the Ministry of Labour has a rather wide discretionary margin to allow or refuse the employment of expats above the expats quota to which each company is entitled. It seems unlikely that this authorization would be possible in the agricultural sector.

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

According to Mozambican law, wages can be paid monthly, weekly, biweekly (fortnight) pursuant to the agreement between employer and employee.¹³

Laws on regular and overtime hours (e.g. maximum work hours, requirements for overtime hours to be voluntary)

Regular hours:

Maximum working periods correspond to 48 (forty eight) hours per week and 8 (eight) hours per day.¹⁴

¹³ Articles 110.1 , 111.3, 113.1 of the Labor Law. The Labor Law sets forth in its article 113(1)(c) that the employee’s remuneration must be paid monthly, weekly, biweekly (fortnight) pursuant to the agreement between employer and employee. The scope of this rule is to allow employees to earn income on a regular basis in order to support themselves, and/or their family. Thus, it is our understanding that end of season payments are not legally allowed.

¹⁴ Article 85.1 of the Labor Law.

However, applicable statutory provisions contemplate two exceptions to the general rule; (i) the possibility of extending said work period by means of an agreement with the individual worker, in which the latter agrees to work up until 9 (nine) hours per day, provided that the employer allows for a complementary (paid) half-day of rest per week; or (ii) the employer and the employees may, by means of collective labor regulation instrument, extend the maximum daily working period by up to 4 (four) hours, as long as the maximum prescribed limit of 56 (fifty six) hours per week is respected.¹⁵

The normal daily working day must be interrupted by a break of at least half an hour, but not longer than two hours. Collective regulation instruments may establish rest intervals of greater duration and frequency. Where the work schedule is a single uninterrupted shift, a break of at least half an hour shall be mandatory, and this break shall be counted as actual working time.

The working hours schedule consists of the times established for the commencement and the end of the normal daily working period, including rest periods. Employers shall, after prior consultation with the relevant trade union body, establish the employees' working hours schedule (the Labor Law does not set forth pre-established working hours schedule). The respective timetables shall be endorsed by the relevant labor administration office and shall be displayed at a visible location in the workplace.

In companies where work is continuous and in those whose business hours are longer than the maximum limits on normal working hours, as above referred, employers must arrange shifts of different staff, which: (i) cannot exceed said maximum limits; and (ii) must always function in rotation, so that employees are replaced successively in regular periods of work. Shifts performed where work is continuous and shifts of employees whose work cannot, due to its nature, be interrupted must be arranged so that employees receive a compensatory rest period over and above the normal weekly rest period. The Labor Law does not set forth special compensation for the performance of shift work.

Night work:

As said under Principle 1, we could consider that night work goes from 8 p.m. (20h00) of one day to 5 a.m. of the following day.¹⁶ Night time work must be paid at the hourly base pay for the corresponding work performed during the day plus 25%.¹⁷

¹⁵ Collective Labor Regulation Instruments can be concluded between a trade union or association and a single employer for a single company (company-level agreement); between a trade union or association and several employers for several companies (multi-employer agreement); between trade union associations and employer associations (association agreement).

¹⁶ A legal interpretation of joint grounds of Article 91.1 and 91.2 of the Labor Law.

¹⁷ Article 115.3 of the Labor Law.

Overtime:

The work performed beyond the daily normal work period (extraordinary work) should be compensated as follows¹⁸:

- (i) an additional of 50% of employee's normal remuneration rate for the overtime work until 8:00 pm;
- (ii) an additional of 100% of employee's normal remuneration rate for overtime work beyond 8:00 pm until the beginning of the normal daily work period of the following day.¹⁹

The Labor Law does not establish any criteria to calculate the employee's daily or hourly base remuneration. However, Decree No. 62/2009, of 8 September 2009 (the "Civil Servants Regulations"), establishes that employees' hourly base pay is calculated in accordance with the following formula: $(VM \times 12) / (52 \times N)$, where "VM" is the employee's monthly base pay and "N" is the number of hours worked each week.

This formula is primarily used to calculate compensation for overtime, but Decree 62/2009 further establishes that the formula shall be used to calculate amounts owed for any other fractions of a work period.

This being said, in the absence of criteria in the Labor Law for calculating employees' daily or hourly base remuneration. The formula mentioned above **should apply on an analogic basis to the private sector**, and therefore be used to calculate hourly and daily rates of also private sector employees.

Under the Labor Law, collective labor regulation instruments may be of a contractual or non-contractual nature. Typically, contractual collective regulation instruments are entered into between Trade Unions or bodies thereof – acting as the employees' representatives – and the employer and/or a relevant employer's association. Contractual collective regulation instruments may take the form of (i) collective bargaining agreements; (ii) adhesion agreements; or (iii) voluntary arbitral awards.

Requirements that employers must meet to request overtime from workers

Mozambican law does not set forth any specific provisions in this regard. Although no prior requirements have to be observed, the employer shall keep a separate record for the aforementioned work modalities. This record should provide the relevant justification, made by the employer, for the need to perform exceptional or extraordinary work. In this regard, you may care to note that employees may not refuse to perform exceptional work in cases of force majeure or foreseeable harm to the national economy, in the event of an accident that has occurred or is imminent or to carry out urgent and unforeseen work on machinery and materials needed for the normal

¹⁸ Article 115.1, of the Labor Law.

¹⁹ Articles 85.2 and 89.4 of the Labor Law.

functioning of the company. In turn, extraordinary work may only be performed when (i) employers have to cope with workload increases that do not justify the hiring of employees and (ii) for ponderous reasons.

Laws on basic entitlements or benefits to be paid to workers (e.g. social security, health care, holidays, other leave entitlements etc.)

Under the Labor Law, the employee must be provided with a number of entitlements or legal benefits. The legal benefits depend on the contributions made, which also depend on the worker's salary. The salary also depends on the type of the labor agreement.²⁰

Social security:

All workers are subject to a mandatory social security regime, for which they should apply in order to collect the intended benefits. Employers are responsible for enrolling themselves in the social security system 15 days after commencing their operations or having acquired the company and are also responsible to enroll their employees during the 30 days after these have commenced to work.

The Social Security contributions are shared between the employer (4%) and employee (3%), amounting to a total contribution rate of 7%. Employers pay their contributions by applying the 4% rate on top of employees' base salaries and bonus, commissions and other additional payments made to the employee on a regular basis. Employers are also required to deduct from employees' monthly remuneration their 3% contribution, and remit the pertinent total contribution to the Social Security authorities (INSS).²¹ The above applies to all types of workers.

In addition, the mandatory social security rules apply to independent contractors or service providers, even if they are under a pure piece rate agreement governed by the Civil Law.²²

The social security benefits are paid by the State. Such benefits span from health, injuries, maternity, disability / invalidity and death pension. This framework applies to both nationals and foreign workers, provided they carry out their professional activity in Mozambique and are not excluded from the Mozambique Social Security regime. The law sets forth the amount of remuneration/paid days a worker

²⁰ Article 11 of Decree 51/2017.

²¹ The minimum wage amount does not include the portion of the contribution to the social security (currently, 4%) borne by the employer. Accordingly, this may not be deducted by the employer from the employee's salary. Differently, the portion (3%) for which the employee is liable shall be deducted from his/her salary. Furthermore, please note that Salaries and other wages are also subject to Personal Income Tax (IRPS) withholding. For resident employees, the gross wage/compensation is subject to a progressive schedule which may vary between 0% and to 32% withholding. For non-resident employees, the withholding tax rate is of 20%. No other taxes are due.²² Decree No. 51/2017, of 9 October 2017, Regulations on the Mandatory Social Security, Articles 58 and the following.

²² Decree No. 51/2017, of 9 October 2017, Regulations on the Mandatory Social Security, Articles 58 and the following.

should receive in case of injuries, maternity, disability/invalidity and death pension, and these amounts are calculated on the basis of the workers' remuneration.²³

With regard to health and safety, the employer is required to take out an insurance against the risk of accidents at work and occupational diseases, in order to transfer its liability for potential health hazards occurring in the workplace or related with professional activity undertaken by the employee. This work-related insurance needs to be contracted with an insurance company duly authorized to carry out insurance activity in Mozambique, unless a special authorization is obtained by the Mozambican Insurance Institute.

Insofar as compensation, the worker is entitled to same whenever the professional injury renders him incapacitated to work. Compensation differs on the nature of the injury: (i) for permanent incapacity the worker is entitled to a pension for life, (ii) whereas for temporary injury the worker is granted an indemnity.

Female employees benefit from a specific regime which entitles them to special rights conferred upon as a result of pregnancy²⁴, such as exemption from the performance of exceptional, extraordinary and nighttime work. This apply to all employment contracts.

Employees are entitled to a mandatory weekly rest day that usually shall be the Sunday.²⁵ The weekly rest day may be on a day other than Sunday in the following cases:

- (i) Employees who are required to ensure the continuity of services that cannot be interrupted;
- (ii) Employees in companies engaged in sales to the public or the provision of services;
- (iii) Staff that performs cleaning services or preparatory or complementary works that must be carried out on the rest day of the remaining employees;
- (iv) Employees whose activity, by its nature, shall be performed on Sundays.

Whenever the mandatory weekly rest day cannot correspond to the Sunday due to the foregoing exceptional reasons, an alternative weekly day of rest shall be allocated, preferably in a systematic manner.

²³ Article 17 et seq. of Decree No. 51/2017.

²⁴ Female employees are entitled to a maternity leave of 60 consecutive days, during which they receive a maternity allowance from the Social Security Institute (INSS), provided that all eligibility requirements are duly met. Employers are not legally required to make any payment – such payment (maternity leave) is made by the INSS.

²⁵ Mandatory weekly rest day – Article 95 of the Labor Law.

Annual leave is an absolute right under Mozambican law and should be paid by the employer.²⁶ Under justifiable circumstances, the employer and the employee may agree to substitute annual leave for additional salary; however the worker which agrees to such a scheme shall be provided with at least six days of vacation leave. The duration of the holiday period is as follows: (i) one day for each month of work, during the first work year; (ii) two days for each month of work, during the second year of work; (iii) thirty days for each year (which includes weekends, but excludes bank holidays), from the third year of work onwards. Any national holidays or sick leave which occurs during annual leave shall not count as such.

In the case of temporary workers with limited period of time (fixed term) of more than three (3) months but less than one year (12 months) shall be entitled to holidays of one day for every month of actual service.²⁷

²⁶ Article 98 of the Labor Law.

²⁷ Article 99.3 of the Labor Law.

Principle 3 – FAIR TREATMENT

Summary

ALP MEASURABLE STANDARDS	MARKET LEGAL STANDARDS			COMMENTS
	MATCHES	EXCEEDS	OPPOSES	
No physical abuse , threat of physical abuse, or physical contact with the intent to injure or intimidate	✓			Physical abuse is prohibited. There are criminal penalties for physical or verbal abuses or threats.
No sexual abuse or harassment	✓			Sexual abuse or harassment is prohibited. There are criminal penalties for physical or verbal abuses or threats.
No verbal abuse or harassment	✓			Verbal abuse or harassment is prohibited. There are criminal penalties for physical or verbal abuses or threats.

<p>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</p>	<p>✓</p>			<p>Employer must ensure equality of its employees.</p>
<p>Worker access to fair, transparent and anonymous grievance mechanism</p>				<p>No specific provisions in the law.</p>

Applicable laws

- Constitution of the Republic of Mozambique (22 December 2004)
- Civil Code (Decree-Law No. 47344, of 25 November 1966)
- Labor Law (Law No. 23/2007, of 1 August 2007)
- Law No. 19/2014, of 27 August 2014

Your answer

Laws defining and prohibiting physical, sexual, or verbal threats, abuse, contact, or harassment

As per Article 5.1 of the Labor Law, employer is ought to respect the workers personality rights. According to the Civil Code, personality rights protect all individuals against any illicit offence or threat of offence towards their physical or moral personality. This provision is further regulated by Article 54.5(c) of the Labor Law which expressly provides that workers have the right *“to be treated correctly and respectfully, all acts against the honor, good name, public image, private life and dignity being punishable by law”*.

In this regard, please note that physical or verbal abuses or threats of workers are criminal offences and the perpetrator will be subject to criminal sanctions.

Laws defining and prohibiting discrimination

See in the section below.

Protection of workers from discrimination (workers' rights and employers' obligations)

Labor Law sets forth a catalogue of general rules which constitute the employer's obligations and worker's obligations, as well as the employer's rights and worker's rights.

These rules attend to fundamental aspects of the parties' professional relationship; as such, they should be observed when stipulating the contractual obligations. Within this scope, relevant employer's obligations and worker's rights are as follows: the employer must ensure the worker equality of treatment at the workplace; regardless of his ethnic background, language, race, sex, and marital status, age, and social status, religious, political or union affiliations. It shall not be considered discriminatory treatment if certain rules are adopted in favor of minority groups, namely in terms of; sex, reduced work capacity, handicap or medical condition, seen as these measures are destined to correct such inequalities.

Furthermore, the worker has the right to a job position fit for his/her capacities and technical-professional experience, to be treated in a polite and respectful manner, good name, public image, private life and dignity. Remuneration shall be payable in accordance with the quality and quantity of the work rendered. Resting periods and maximum work periods set forth shall be respected by the employer. Safety requirements must be put in place by the employer in accordance with the type of activity to be developed, along with safety and hygiene mechanisms in order to safeguard the worker's physical, moral and psychological integrity.

Laws on resources for victimized workers including any access to grievance mechanisms

There are not specific references on the law about this matter.

Principle 4 – FORCED LABOR AND HUMAN TRAFFICKING

Summary

ALP MEASURABLE STANDARDS	MARKET LEGAL STANDARDS			COMMENTS
	MATCHES	EXCEEDS	OPPOSES	
No work under bond, debt or threat				No specific regulation on work under bond, debt or threat. Please see the general principle in the answer under ‘Legislation on forced labor’.
Workers must receive wages directly from the employer.	✓			Workers must receive wages directly from the employer. Payments must be made directly to the employee, except if they are assigned by Private Employment Agencies or under the temporary work assignment regime (in Portuguese, Cedência Ocasional de Trabalhador). ²⁸
Workers are free to leave their employment at any time with reasonable notice, without threat or penalty	✓			Employees are entitled to terminate the employment at any moment with 15 or 30 day prior notice, depending on the type of employment contract and, in certain cases, on its duration. ²⁹

²⁸ Article 113.3 of the Labor Law.

²⁹ Article 129.3 of the Labor Law.

<p>Workers are not required to make financial deposits with farmers, labor contractors, or any other third party at the time of recruitment or at any point during employment</p>				<p>No specific provisions in the law.</p>
<p>Workers are not charged recruitment fees or other related fees for their employment by labor contractors</p>				<p>No specific provisions in the law.</p>
<p>Wages or income from crops and work done are not withheld beyond the legal and agreed payment conditions.</p>	<p>✓</p>			<p>A general rule regarding ‘obligations’ is set under the Civil Law provisions.³⁰</p>
<p>Farmers do not retain the original identity documents of any worker</p>				<p>No specific provisions in the law.</p>

³⁰ Article 406.1 of the Civil Code.

Where farmers are legally required to retain the original identity documents of workers, they provide secure storage protected from unauthorized access and ensure workers have access to their documents upon end of employment				No specific provisions in the law.
Where labor contractors are used, farmers verify their labor practices and ensure they are in line with the ALP standards				No specific provisions in the law.
No employment of prison or compulsory labor			Prisoners can provide social work as an alternative sanction.	

Applicable laws

Constitution of the Republic of Mozambique (22 December 2004);

Civil Code (Decree-Law No. 47344, of 25 November 1966);

Labor Law (Law No. 23/2007, of 1 August 2007);

Criminal Code (Law No.35/2014, of 31 December 2014);

Decree No. 36/2016, of 31 August 2016 (Regulations on Temporary Employment Agencies).

Your answer

Legislation on forced labor (including any regulation on identity document retention or wage withholding)

This is a matter of constitutional law and criminal law. Anyone who forces a person to work against his will shall be subject to criminal sanctions.

It may be worth mentioning that in 6 June 1977 and in 16 June 2003 Mozambique as ratified the International Labor Organization's conventions on the abolition of forced labor and on the forced or compulsory labor, respectively.

However, there are not specific local references on the law about identity documents retention. A general legal principle shall apply, therefore wages cannot be subject to withholding by employers beyond the legal and agreed payment conditions, and except to comply with legal mandatory withholdings. i.e. social security contributions or taxes.

Legislation relating to limits or prohibitions on recruitment fees and deposits workers may be required to pay

There are not specific references on the law about this matter.

Legislation regulating the operation of labor brokers and other third party recruiters

The recruitment activity is only authorized for private employment agencies in the terms established in specific legislation as per Article 79 *et sequitur* of the Labor Law and Decree No. 36/2016, of 31 August 2016 (Regulations on Temporary Employment Agencies).

Laws on prison labor

According to the recently approved Criminal Code, Law No 35/2014, of 31 December 2014, prisoners can provide social work as an alternative sanction, proposed by the Public Prosecution Service and ratified by a Judge.

Principle 5 – SAFE WORK ENVIRONMENT

Summary

ALP MEASURABLE STANDARDS	MARKET LEGAL STANDARDS			COMMENTS
	MATCHES	EXCEEDS	OPPOSES	
Farmers provide a safe and sanitary working environment	✓			Employers must provide safe and sanitary working conditions. ³¹
Farmers take all reasonable measures to prevent accidents, injury and exposure to health risks.	✓			Whenever necessary, employers must provide protective equipment and appropriate work clothing to prevent accidents, injuries or other exposure to health risk. ³²
No person is permitted to top or harvest tobacco, or to load barns unless they have been trained on avoidance of green tobacco sickness.				No specific provisions in the law. However, employers are responsible for creating and developing adequate means for protecting the physical and mental integrity of employees and improve working conditions. ³³
No person is permitted to use, handle or apply crop protection agents (CPA) or other hazardous substances such as fertilizers, without having				No specific provisions in the law. As said, however, employers are responsible for creating and developing adequate means for protecting the physical and mental integrity of employees and improve working conditions. ³⁴

³¹ Article 216 of the Labor Law.

³² Article 216.4 and 5 of the Labor Law.

³³ Article 216.4 and 5 of the Labor Law.

³⁴ Some examples, the Agriculture Department foresees CPA storage facilities within the industrial sector but not at a final consumer level. Also, the CPA manufacturers provide recommendations regarding the application of each product.

first received adequate training.				
No person is permitted to use, handle or apply crop protection agents (CPA) or other hazardous substances such as fertilizers, without using the required personal protection equipment.	✓			Whenever employees handle with hazardous substances, such as toxic, corrosive and irritants substances, employers are required to provide appropriate personal protective clothing and equipment to employees. ³⁵
Persons under the age of 18, pregnant women, and nursing mothers must not handle or apply CPA.	✓			Persons under the age of 18, pregnant women, and nursing mothers are prevented from performing any activity that may be harmful to their health.
No person do not enter a field where CPA have been applied unless and until it is safe to do so.				No specific provisions in the law. However, employers are responsible for creating and developing adequate means for protecting the physical and mental integrity of employees and improve working conditions. ³⁶
Every person has access to clean drinking and washing water close to where they work and live.				No specific provision in the law. However, employers are responsible for creating and developing adequate means for protecting the physical and mental integrity of employees and improve working conditions.

³⁵ Decree Law No. 48/73, of 5 July 1973.

³⁶ Article 216.4 and 5 of the Labor Law.

Accommodation, where provided, is clean, safe, meets the basic needs of workers, and conforms to the country's laws.				No specific provision in the law. However, employers are responsible for creating and developing adequate means for protecting the physical and mental integrity of employees and improve working conditions.
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Applicable laws

Constitution of the Republic of Mozambique (22 December 2004)

Civil Code (Decree-Law No. 47344, of 25 November 1966)

Labor Law (Law No. 23/2007, of 1 August 2007)

Decree No. 62/2013, of 4 December 2013 (Regulations on Accidents at Work and Occupational Diseases)

Decree Law No. 48/73, of 5 July 1973(Regulations on Hygiene and Safety at Work regarding Industrial Establishments)

Decree No. 11/2013, of 10 April 2013 (Regulations on Fertilizer Management)

Decree No. 6/2009, of 31 of March 2009 (Regulations on the Management of Pesticides)

Decree No. 83/2014, of 31 of December 2014 (Regulations on the Management of Hazardous Wastes and their Annexes)

Decree Law No. 22/2014, of 16 May 2014 (Regulations on Licensing of Industrial Activities), as amended by Decree No. 39/2017, of 28 July 2017

Your answer

Requirements for provision of medical protection (availability of first aid kit, health & safety training etc.)

According to the Labor Law, companies with more than 100 employees at their service must offer, either directly or through a third party contracted for this purpose, a service for the provision of first aid in cases of accidents, sudden illness, poisoning and indisposition. This rule

also applies to companies that employ fewer staff, but whose activities are hard, unhealthy or involve a high degree of risk to which employees are permanently exposed. Taking into consideration that the tobacco farm activities are somewhat hard and involve dealing with toxic and hazardous products, it is our understanding that the above applies to tobacco.

In addition, the Labor Law also establishes that employers must provide to their employees good physical, environmental and moral working conditions, inform them of the risks of their job, and instruct them on appropriate compliance with the rules on hygiene and safety at work.

Furthermore, the Labor Law sets forth that at companies equipped with a private health unit the doctors in charge, or their substitutes, must carry out regular examinations of the employees, in order to check:

- (a) Whether the employees meet the conditions of health and physical fitness necessary for the work stipulated in their contract;
- (b) Whether any employee is carrying an infectious-contagious disease that may endanger the health of other employees;
- (c) Whether any employee is suffering from mental disease that makes his or her employment in the assigned job inadvisable.

Thus, it is recommendable to provide medical protection, first aid kits and health & safety training along with other adequate supporting material to the performance of functions under a healthy and safe work environment. Now, depending on the specific worker's activities, if they are "hard, unhealthy or involve a high degree of risk", the employer must offer, either directly or through a third party contracted for this purpose, a service for the provision of first aid in cases of accidents, sudden illness, poisoning and indisposition. In addition, taking into consideration that employers must provide to their employees good physical, environmental and moral working conditions, inform them of the risks of their job, and instruct them on appropriate compliance with the rules on hygiene and safety at work, we take the view that employers must provide employees with health and safety training, along with other adequate supporting material to the performance of functions under a healthy and safe work environment.

Requirements to report accidents and injuries

Under Decree No. 62/2013, of 4 December 2013 (Regulations on Accidents at Work and Occupational Diseases), employees are bound to report work-related accidents and occupational diseases to their employers or their legal representatives, within the 48 hours counting as of the date of the accidents' occurrence or when the occupational disease was diagnosed.

In turn, employers must inform the Labor Authorities within the 48 hours counting as of the date in which they became aware of the accident or when the occupational disease was diagnosed. Employers are also required to inform the insurance company within the deadline established in the insurance policy.

In case the employer has not transfer its liability on work-related accidents to an insurance company, it must inform the Public Prosecutor Office of the Labor Court, within the 8-day period following the date in which it became aware of the accident or when the occupational disease was diagnosed.

The law does not set forth any exception to these rules. Therefore the above mentioned procedure also applies to tobacco farmers.

Requirements for green tobacco sickness training or awareness

No provisions in the law.

Requirements for PPE needed for using, handling, storing, or disposing of crop protection agents (CPA). This may vary depending on the CPA in question.

Under the Labor Law, employees have the right to perform their work in hygienic and safe conditions, and employers are responsible for creating and developing adequate means for protecting the physical and mental integrity of employees and improve working conditions (Article 216 of Labor Law).

Furthermore, the Labor Law also establishes that employers should provide protective equipment and appropriate work clothing in order to prevent the risk of accidents or detrimental effects on the health of employees.

In addition, Decree Law No. 48/73, of 5 July 1973, establishes that, whenever employees handle with hazardous substances, such as toxic, corrosive and irritants substances, employers are required to provide appropriate personal protective clothing and equipment to employees. Clothing and equipment must protect the eyes (such as safety glasses and safety face shields), protect the respiratory tract (such as masks), and whenever other body parts are exposed to hazardous substances, employees may have to use adequate clothing, such as aprons and protective gloves.

Restrictions on CPA use, handling, storing, or disposing (e.g. restrictions on vulnerable population such as under 18s, pregnant women, nursing mothers interacting with CPA)

Under the Labor Law, employees have the right to perform their work in hygienic and safe conditions, and employers are responsible for creating and developing adequate means for protecting the physical and mental integrity of employees and improve working conditions (Article 216 of Labor Law).

Furthermore, the Labor Law also establishes that employers should provide protective equipment and appropriate work clothing in order to prevent the risk of accidents or detrimental effects on the health of employees.

In addition, Decree Law No. 48/73, of 5 July 1973, establishes that, whenever employees handle with hazardous substances, such as toxic, corrosive and irritants substances, employers are required to provide appropriate personal protective clothing and equipment to employees. Clothing and equipment must protect the eyes (such as safety glasses and safety face shields), protect the respiratory tract (such as masks), and whenever other body parts are exposed to hazardous substances, employees may have to use adequate clothing, such as aprons and protective gloves.

During the period of pregnancy and after child birth, female employees are prevented to perform work that is clinically unadvisable to their condition, or to perform any activity that may be harmful to their health or their reproductive functions.³⁷

Persons under 18 years-old, as mentioned under Principle 1, are also prevented from perform functions that may jeopardize their physical and mental well-being.

Other legislation related to CPA, (e.g. where they may be stored or transported, explicit restrictions on specific CPAs, weather conditions under which CPA application may or may not occur, other restrictions limiting contact or exposure with CPA)

There are no labor laws covering CPA related matters.

However, there are technical rules aiming to ensure the quality of fertilizers circulating in Mozambique.³⁸ In addition, there are rules related to all processes that involve working and dealing with pesticides, which shall be carried out without prejudice to the public, animal and environmental health.³⁹

There are specific rules regarding the management of hazardous wastes in Mozambique. For instance, it governs the mandatory information that labels should be used when transporting hazardous wastes.⁴⁰

³⁷ Article 11.2 of the Labor Law.

³⁸ Decree No. 11/2013, of 10 April 2013, Regulations on Fertilizer Management, which aims to ensure the quality of fertilizers circulating in the country observing the principles of protection of public health, animal and the environment, and applies to the registration, production, export, import, transportation, use, donation, marketing, distribution, handling and management of fertilizers, by natural or legal persons, and regulating the institutional competences

³⁹ Decree No. 6/2009, of 31 of March 2009, Regulations on the Management of Pesticides, with the aim of guaranteeing public health and the quality of the environment, in accordance with the provisions of the Environmental Law, approved by Law No. 20/97, of 1 October 1997, which defines institutional competences and governs the registration, authorizations, handling, composition and classification, inspection and inspection of pesticides and sets the respective administrative fees.

⁴⁰ Decree No. 83/2014, of 31 December 2014, Regulations on the Management of Hazardous Wastes and their Annexes, the purpose of which is to establish rules for the production and management of hazardous waste in the national territory, being applicable to all natural and legal persons, public and private involved in the management of hazardous waste or in the import, distribution and sale of used tires and new tires after the deadline, establishing the general

Requirements related to providing drinking water and safe housing

According to the Labor Law, employers are bound to provide proper and adequate working conditions to employees, and although not expressly provided by law, drinking water and proper accommodation are considered as measures aimed at ensuring better protection of workers' health and safety, for these are factors essential to the quality of life in the work place.

Requirements for worker accommodation if provided

No provisions in the law.

Restrictions on farm equipment (e.g. maintenance and licensing for operators)

There are no restrictions on farm equipment maintenance in force, according to the information provided by the authority -Ministry of Agriculture.

principles of management, competence and classification, prohibitions and obligations, licensing and certification and definition of the respective sanctions framework.

Principle 6 – FREEDOM OF ASSOCIATION

Summary

ALP MEASURABLE STANDARDS	MARKET LEGAL STANDARDS			COMMENTS
	MATCHES	EXCEEDS	OPPOSES	
Farmers do not interfere with workers’ right to freedom of association.	✓			Employers are prohibited to interfere with workers’ right to freedom of association.
Workers are free to join or form organizations and unions of their own choosing.	✓			Workers are granted right to freedom of association, in labor unions or professional organizations for protection of their rights.
Workers are free to bargain collectively.	✓			Employers and employees, through their respective organizations or associations, may legally negotiate and enter into collective labor agreements.

<p>Worker representatives are not discriminated against.</p>	<p>✓</p>			<p>It is prohibited to discriminate against worker representatives.</p>
<p>Worker representatives have access to carry out their representative functions in the workplace.</p>	<p>✓</p>			<p>Workers representatives, union committees and unions may hold meetings regarding union matters at the work place, in principle, outside the normal working period of its members. Holders of union positions shall be entitled to a set of hours to be mandatorily foreseen in an instrument of collective labor regulation. Meetings of the workers assembly may take place outside the normal working hours through the union's communication or of at least one third of the employees of the company or establishment. Either workers representative, union committees, unions or workers assemblies may meet in the workplace and within normal hours of work, subject to the employee's prior agreement. The meetings referred to above shall be communicated to the employer and to</p>

				the workers at least twenty-four hours in advance. ⁴¹
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Applicable laws

Constitution of the Republic of Mozambique (22 December 2004)

Labor Law (Law No. 23/2007, of 1 August 2007)

Law on Associations (Law No. 8/91, of 18 July 1991)

Convention on Freedom of Association and Protection of the Right to Organize, 1948 (N. 87), from the International Labor Organization

Your answer

Laws on organizing unions and their operation (e.g. protections in place for freedom of association, protection against employer interference)

A specific provision in the Labor Law addresses the worker's right to freedom of association, in labor unions or professional organizations for protection of their rights. This provision is treated further in the Mozambican Constitution (Article 86), thus granting it Constitutional force and making it a fundamental principle in Labor Law.

On this topic, please note as well that, in 23 December 1996, Mozambique ratified the International Labor Organization's convention on freedom of association and protection of the right to organize.

Laws or requirements for collective bargaining

Under the Labor Law, collective labor regulation instruments may be contractual or non-contractual. Contractual collective labor regulation instruments include:

- (a) Collective bargaining agreements (*Convenções Colectivas*);
- (b) Adhesion agreements (*Acordos de Adesão*); and

⁴¹ Article 159 of the Labor Code.

(c) Voluntary arbitral awards (*Decisão Arbitral Voluntária*).

In turn, collective bargaining agreements may take the form of:

- (a) Company-level agreements (*Acordo de Empresa*): when signed by a trade union or association and by a single employer for a single company;
- (b) Multi-employer agreements (*Acordo Colectivo*): when entered into by a trade union or association and several employers for several companies;
- (c) Association agreements (*Contrato Colectivo*): when entered into by trade union associations and employer associations.

Non-contractual collective labor regulation instruments consist of mandatory arbitral awards.

Bargaining procedure

As a rule, only employers and employees, through their respective organizations or associations, may legally negotiate and enter into collective labor regulation instruments.

The Parties are subject to the general principles of good faith during the negotiation of labor regulation instruments. In particular, each party shall provide the other party with all the information necessary, which shall be credible and adequate for the progress of the negotiations.

The Parties are further subject to confidentiality obligations. Without prejudice, Trade Unions are allowed to disclose information on the progress of negotiations to their members and to higher-level union organizations.

This being said, the main steps of the collective bargaining procedure are as follows:

(a) Proposals for collective regulation

The collective bargaining procedure begins with the submission of a proposal in writing for the adoption (or revision) of a collective labor regulation instrument prepared by either of the relevant parties.

The proposal must expressly indicate which matters are to be negotiated and shall always consider the economic and financial situation of the company and the reference indicators of the sector of activity of the same.

A copy of the relevant proposal must be submitted to the Ministry of Labor alongside with any supporting information.

(b) Response

The relevant party which has received a proposal for the adoption or revision of a collective labor regulation instrument has 30 days to respond in writing. Said period may however be extended by agreement between the parties.

The relevant response shall expressly mention the relevant matters which have been accepted and further include a counterproposal in respect those not accepted. As a rule, said counterproposal must be based on the economic and financial situation of the company and the reference indicators of the sector of activity of the same. A copy of the proposal and reasoning must be submitted to the Ministry of Labor.

Upon failure to respond within the aforementioned 30 days, either of the parties may render to mediation, under the terms established in the Labor law.

(c) Direct negotiations

Direct negotiations shall commence 10 days of receipt of the response, unless a different period has been agreed in writing between the Parties. A schedule of the negotiation process and the rules governing same must be defined and approved. At every negotiation meeting, the parties must agree upon and faithfully record of the conclusions on the matters agreed between the parties.

(d) Deposit

An executed version of the relevant collective labor regulation instrument must be submitted to the Ministry of Labor within 20 days following its execution, for deposit and verification of legal compliance. The relevant instrument is deemed accepted and becomes effective provided that the Ministry of Labor makes no written statement on the contrary within 15 days of the deposit.

It is however worth noting that the Ministry of Labor may refuse the deposit due to the breach of public policy rules for the protection of employees' rights or failure in observing mandatory rules.

(e) Disclosure and publication

The Parties are required to disclose the collective labor regulation instruments approved to the employees. For said purpose, the relevant instrument shall be displayed at an accessible place.

Laws related to worker representatives (e.g. requirements for representatives to be in place, protection from discrimination, access to carry out functions in workplace)

The law provides for six types of union bodies / organizations, as follows:

- (a) Trade Union Delegate – an employees' representative body in companies with less than 10 employees;
- (b) Trade Union Committee – base representative body of a trade union in a particular establishment or company;

- (c) Trade Union – an association of employees for the promotion and protection of their social and professional rights and interests;
- (d) Regional Union – a regional association of trade unions;
- (e) Federation – an association of trade unions covering the same occupation or field of activity;
- (f) General Confederation – a national association of trade unions.

The Labor Law sets forth that employers, acting individually or through intermediaries, are forbidden to promote, using any means whatsoever, the formation, maintenance or funding of the operation of structures for the collective representation of employees, or otherwise to interfere with their organization or management, or to obstruct or hinder the exercise of their rights.

It is not mandatory to have worker representatives in place. However, employers may not forbid or create obstacles to the workers right to freedom of association, in labor unions or professional organizations and to the exercise and protection of their rights. Workers representatives, union committees and unions may hold meetings regarding union matters at the work place, in principle, outside the normal working period of its members. Holders of union positions shall be entitled to a set of hours to be mandatorily foreseen in an instrument of collective labor regulation.

Meetings of the workers assembly may take place outside the normal working hours through the union’s communication or of at least one third of the employees of the company or establishment. Either workers representative, union committees, unions or workers assemblies may meet in the workplace and within normal hours of work, subject to the employee’s prior agreement. The meetings referred to above shall be communicated to the employer and to the workers at least twenty-four hours in advance.

Other prohibitions on union discrimination and employer interference

Under the Labor Law, the following actions are expressly prohibited:

- (a) To condition the hiring of an employee to the membership, non-membership or withdrawal of a trade union association;
- (b) To apply disciplinary sanctions due to the fact that an employee has participated in or promoted the exercise of a collective right, within the legal limits;
- (c) To transfer or otherwise cause detriment to an employee, due to the exercise of his/her rights to participate in collective representation structures, his/her trade union membership or non-membership or the development of trade union related activities.

- (d) To transfer members of union bodies from their workplace without prior consulting the relevant union organizations, committees, and delegations;
- (e) To affect or prejudice union representatives due to the performance of union-related functions/activities;
- (f) To dismiss union representatives without cause for reasons connected with the performance of union duties. Furthermore, office holders in trade union bodies shall be given time-off rights, which must be fixed in the relevant collective labor regulation instrument.

Principle 7 – TERMS OF EMPLOYMENT

Summary

ALP MEASURABLE STANDARDS	MARKET LEGAL STANDARDS			COMMENTS
	MATCHES	EXCEEDS	OPPOSES	
At the time of hire, farmers inform workers of their legal rights				No specific provisions in the law. However, employers are responsible for creating and developing adequate means for protecting the physical and mental integrity of employees and improve working conditions. ⁴²
At the time of hire, farmers inform workers of the essential aspects of the work relationship and work place safety such as work to be performed, working hours, wages paid, period of hire, and all legally mandated benefits				No specific provisions in the law. However, employers are responsible for creating and developing adequate means for protecting the physical and mental integrity of employees and improve working conditions. ⁴³
Farmers and workers have entered into written employment contracts when required by a country’s laws and workers receive a copy of the contract.				The Labor Law indicates that, in general, written form is mandatory for employment contracts. See further explanations in the answer to ‘Laws and regulations on employment contracts’ below.

⁴² Article 38 of the Labor Law.

⁴³ Article 38 of the Labor Law.

Terms and conditions of employment contracts do not contravene the country's laws.				See the description of requirements under section 'Required content for written employment contracts' below
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Applicable laws

Labor Law (Law No. 23/2007, of 1 August 2007)

Ministerial Diploma No. 176/2001, of 28 November 2001 - Regulations on the Tobacco Growing, Production and Marketing

Your answer

Legal requirements to constitute labor/employment relation

To form employment relation, the employer and the employee should enter into an **'employment contract'**.

An employment contract is understood to be an agreement whereby one person, the employee, (i) undertakes to perform his / her work for another person, the employer; (ii) under the authority and direction of the employer, the so called subordination; and (iii) in return for remuneration.⁴⁴ These 3 elements are necessary -all together- to consider the existence of a labor relationship.

Therefore, the scope of an employment contract is the performance of an activity, and its typical and distinctive element is the employee's legal subordination, i.e. the employee's submission to the employer's orders and instructions as regards the manner the activity should be performed.

In addition, under the Labor Law, an employment relationship will be deemed to exist whenever an employee carries out a paid activity, to the knowledge of, and without opposition from, the employer, or otherwise whenever the employee is in a situation of economic

⁴⁴ Article 18 of the Labor Law.

subordination. It means, the employee depends on the employer to obtain income to support himself/herself and/or his/her family. To this purpose, the Labor Law clarifies that an “employment relationship” results from the set of conducts, rights and duties established between an employer and an employee with respect to the work or the services performed (or that should be performed), as well as the manner such performance should be rendered.

On the other hand, there are other type of legal relations governed entirely by Civil Code, which are defined as ‘**services contract**’. A service contract is an agreement whereby one of the parties (services provider/contractor) undertakes to provide to the other party (beneficiary) a certain result of an intellectual or manual activity, whether or not in exchange of remuneration. The scope of a services contract is the production of a result, which is obtained by rendering the relevant services in an autonomous manner, i.e. without submission to the beneficiary’s orders and instructions. Services contract which do not place the services providers in a situation of economic subordination before the beneficiary of the activity, and as said it is entirely governed by the Civil Code.

Therefore, to understand a given situation as an ‘employment contract’ or as a ‘services contract’ depends mainly on the manner the activity is effectively performed. Hence, even where the parties say that a given situation is a ‘services contract’, the local authorities may take the view that such agreement entails in fact an employment relationship subject to the provisions of the Labor Law. Primarily, and as explained further below, in a situation in which tenants of the land depend on farmers to obtain income to support themselves, and/or their family, and therefore there is an economic subordination with the farmer, that situation shall be considered as an ‘employment contract’ rather than a ‘service contract’, even if the parties referred to it as a ‘service contract’ and called themselves as ‘service providers’. In short, the reality of the situation shall prevail over the name giving to it by the parties. We will explain below some factor to help a better understanding of this matter.

Please be aware that the Mozambican framework does not provide a comprehensive list of factors as to determine whether an ‘**employee**’ or a ‘**service provider**’ relationship exists. However, for your reference, when determining whether an employment relationship exists, local authorities usually will determine if there are orders and instructions, which they tend to do considering the following factors:

- (a) Who owns the resources required to perform the work;
- (b) Method of remuneration (either fixed or variable);
- (c) Who determined the place of work;
- (d) Who determines the work schedule;
- (e) Whether the worker has to perform an ongoing activity or produce a particular piece of work/result;

- (f) Existence of economic subordination;
- (g) Exclusivity (i.e. whether the worker is allowed to work for other parties);
- (h) Whether the worker is entitled to vacation time; and
- (i) Whether the worker is (or has been) subject to disciplinary action.

Consequently, the Labor Law sets forth that an allegedly ‘services contract’, which places the ‘services provider’ in a situation of economic subordination before the beneficiary of the activity, shall be deemed as equivalent to an ‘employment contract’, even if the services are performed with autonomy.

Therefore, the relationship between ‘farmers and the tenants of the land’ in Mozambique, will be most probably viewed as an employment relationship whenever all or some of the factors mentioned above exist. In that regards, it is key to emphasize that the most import factors that a labor authority will consider are: (i) the payment of remuneration in exchange for the performance of an activity (to the knowledge of, and without opposition from, the employer); and (ii) the economic subordination, as the Labor Law establishes a presumption of the existence of an employment relationship whenever one of these two factors exist.

Finally and as regards to the family members of the tenants of the land, the Labor Law will only apply to them if they have an employment relationship directly with the farmer, and same qualifies as (a) an employment contract as per the abovementioned factors, or (b) as a service agreement that places them in a situation of economic subordination before the farmer.

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)

The Labor Law indicates that, in general, written form is mandatory for employment contracts.⁴⁵ Therefore, this shall also include tobacco workers that work for more than 90 days.

A fixed-term contract is not subject to written form when its object comprises mere execution tasks and its duration does not extend beyond a period of 90 (ninety) days.

Lack of written form does not affect the validity of the contract or exonerate the employer of its obligations with the employee under labor regulations.

⁴⁵ Article 38 of the Labor Law.

Required content for written employment contracts

The written employment contracts shall be signed by both parties and include the following provisions: (i) clear identification of employee and employer, (ii) job classification, duties or activities agreed upon, (iii) workplace, (iv) contract duration and conditions for renewal (when entered with a fixed-term), (v) remuneration amount, form and payment scheme, (vi) date of entry into force, (vii) if the contract in question is entered with a fixed-term, clear indication of the motives and term (viii) date of execution, (ix) date of termination (when entered with a fixed-term).⁴⁶

Deadline for contract conclusion (e.g. on date of hire or within 30 days of hire etc.)

The Labor Law is silent on this topic. However, as said above and bearing in mind that the general rule is that employment contracts should be made in writing it is recommendable to have the contract concluded and signed on the hiring date.

Requirements for various types of contract (indefinite term, definite term, temporary workers, and probationary workers)

There are two main types of employment contracts that may be used to hire local employees:

- Employment contracts for a limited period of time (which may be for a fixed term or for an uncertain term)⁴⁷; and
- Employment contracts for an unlimited period of time.⁴⁸

The Labor Law, employment contracts shall be dated, signed by both parties and must contain the following minimum information⁴⁹:

- Identification of the employer and the employee;
- Job qualification, tasks or functions agreed;
- Place of work;

⁴⁶ Article 38.1 of the Labor Law.

⁴⁷ Article 40 and 44 of the Labor Law.

⁴⁸ Article 41 of the Labor Law. On one hand, if the parties intend to enter into an employment contract for an unlimited period of time, the respective contract shall be prepared and signed by both parties. On the other hand, if employment contracts for a limited period of time are converted into an employment contract for an unlimited period of time, there is no express legal rule that obliges to the preparation of a new contract, as the main conditions of the other agreements remain applicable, except regarding its duration.

⁴⁹ Article 38.1 of the Labor Law.

- Duration of the contract and conditions for renewal;
- Amount, form and periodicity of payment of the remuneration;
- Contract's effective (commencement) and signature (execution) dates;

And, specifically for fixed-term employment contracts:

- (i) Stipulated term;
- (ii) Grounds for hiring an employee on a fixed-term basis;
- (iii) Termination date.

Parties may agree to include additional details in the employment contract as long as such details are not contrary to Mozambican law.

The maximum legally allowed duration of the probation period varies in view of the type of employment contract and its term, as follows:

- Employment contracts for fixed term:
 - 15 days → term up to 6 months;
 - 30 days → term greater than 6 months and lesser than 1 year;
 - 90 days → term greater than 1 year and employment contracts for an unlimited period of time;
- Employment contracts for an unlimited duration:
 - 90 days → default probation period;
 - 180 days → employees who hold leadership or management job positions or for intermediate or highly skilled technicians.

The parties may agree to reduce the probation period. Additionally, Article 48.2 of the Labor Law establishes a presumption of law according to which the probation period is deemed to have been excluded in the event same is not stipulated in writing.

A final note to emphasize that should the probation period elapses and none of the parties has terminated the employment contract, then the same becomes firm and the time of service is counted as from the date in which the work started.

Requirements for termination of employment (termination with or without cause, wrongful dismissal, notice periods required to end employment etc.)

The Labor Law an employment contract may cease by (a) expiry, (b) mutual consent (c) termination by the employee without cause (resignation) and (d) termination with just cause by either of the parties.⁵⁰

(a) Expiry

The employment contract terminates, by expiry, on the following cases⁵¹:

- (i) At the end of the fixed term or completion of the relevant work, whenever the employment contract was entered into for a fixed or an uncertain term, respectively;
- (ii) Total or partial irreversible incapacity of the employee that makes it impossible for him/her to continue rendering his/her services;
- (iii) Retirement of the employee (women retire at 55 years while men do so at 60 years);
- (iv) Death of the employee or of the employer, whenever the latter is a natural person except if his/her successors continue his/her business activity.

(b) Mutual consent (employment contract revocation agreement)⁵²

As to the termination by mutual agreement, it is an option that may be exercised by employer and employee at any time, since the parties to an employment contract have the right to terminate it by mutual consent when they so wish.

The contract termination has to be recorded in a written instrument which must contain certain details, such as the identity of both parties, effective date of termination, date of execution and must be produced in duplicate and duly signed.

(c) Termination by the employee⁵³

Employees are entitled to terminate the employment contract without cause whenever they so wish. This means that employees' right to resign is an unyielding right, i.e., may be exercised unilaterally, irrespective of employer's concurrence. In this case the existence or the allegation of just cause for said termination is not required though employee is required to give prior notice, the duration of which varying in view of the type of employment contract and employee's length of service, as follows:

- Employment contract for an unlimited period of time:

⁵⁰ Article 124.1 of the Labor Law.

⁵¹ Article 125 of the Labor Law.

⁵² Article 126 of the Labor Law.

⁵³ Article 129 of the Labor Law.

- 15 days' prior notice in case the employee's length of service is higher than 6 months and lower than 3 years; or
 - 30 days' prior notice in case the employee's length of service is higher than 3 years.
- Fixed Term Contract → prior notice of 30 days.

The employee's failure to comply with the prior notice entitles employer to a compensation equivalent to the employee's remuneration during the prior notice not given.⁵⁴

(d) Termination with just cause by either of the parties⁵⁵

Pursuant to the Labor Law, material facts or circumstances that render the existence of established contractual relationships morally or materially impossible are considered as cause for the termination of the relevant employment contract.

- Employee's cause for the termination

Employees may terminate their employment contracts with cause if same need to perform legal obligations that are incompatible with the rendering of their services or if there is a culpable conduct of the employer which breaches their legal and contractual rights and guarantees (constructive dismissal).

In such cases the employee is required to serve a letter to the employer at the least 7 days prior to the date in which he/she intends to terminate the employment contract. Failure to do so entitles employer to deduct from employee's compensation a fine corresponding to 20 days' salary. It is mandatory that the employee expressly states in the termination letter the facts that supposedly constitute just cause for the termination of his/her employment contract.

- Employer's cause for the termination

In turn, employers may terminate employment contracts with just cause in the following cases:

- i. Manifest inaptitude of the employee to perform the job for which he/she was hired (may only take place in the event the employee has received professional training prior to his/her dismissal and the probation period has already elapsed). No compensation shall be due.

⁵⁴ Article 129.5 of the Labor Law.

⁵⁵ Article 127 of the Labor Law.

- ii. Employee's serious and culpable breach of his/her labor duties (requires that employer initiates disciplinary proceedings against the employee);
- iii. Arrest or imprisonment of the employee, provided that in view of the employee's functions these are detrimental to the normal functioning of the employer's operations/services. Requires the filing of criminal proceedings and that the employee is declared guilty under same;
- iv. Termination of the employment contract due to economic reasons related to the employer (redundancy).

In all aforementioned cases the employer is ought to inform, in writing, the relevant union body (or, in the lack thereof, the employees' committee or the representative union association) and the Ministry of Labor of the employment termination. Furthermore, save for the termination of the employment contract for economic reasons related to the employer (redundancy), all the other forms of termination with just cause by employer's initiative do not entitle employee to compensation.⁵⁶

It shall also be noted that in case of a disciplinary offense (item ii, above), a special procedure applies (disciplinary proceedings) with additional requirements and deadlines.

Options for farmers to obtain legal assistance about their obligations (e.g. government departments, local labor offices, farmer associations etc.)

They can obtain legal assistance from: (i) Ministry of Labor, Employment and Social Security; (ii) General Labor Inspectorate; and (iii) CTA - Confederation of Economic Associations.

Specific requirements for leaf growing contracts (e.g. government imposed templates, government approval of contracts, freedom to choose terms of contract)

The law does not strictly impose the exact contractual terms that must be included in the contracts with farmers. However, minimum content of the cultivation contracts should be taken into consideration in the contracts with farmers, as for example: the subject matter of the contract, rights and parties' obligations and indicate inputs to be provided to the producer and its costs.⁵⁷

⁵⁶ Article 127.6 of the Labor Law.

⁵⁷ Ministerial Diploma No. 176/2001, of 28 November 2001 (Regulations on the Tobacco Growing, Production and Marketing).-

The law does not provide for a contract template and to the best of our knowledge, there is no template imposed by the government.

The registration of the cultivation contract with the Provincial Directorate of Agriculture and Food Safety is required.

Appendix IV – Communication materials

Tenant leaflet



ALP Principles (Portuguese)



7 PRINCÍPIOS A SEREM OBSERVADOS NA CONTRATAÇÃO DE TRABALHADORES AGRÍCOLAS

1. Trabalho Infantil

Este hábito deverá ser eliminado

- Todo aquele que é menor de 18 anos não deve fazer trabalhos perigosos, trabalhos que prejudiquem a sua saúde e que não são próprios para a sua idade.
- Devemos verificar que crianças menores de 15 anos ou que estejam a estudar não são contratadas.
- Crianças de 13 a 16 anos podem ajudar os pais com trabalhos domésticos mas desde que sejam trabalhos leves.

2. Rendimentos e Horas de Trabalho

- Os salários dos trabalhadores devem ser de acordo com o salário mínimo estipulado por lei.
- Os pagamentos devem ser efectuados segundo o acordo e de acordo com a Lei do Trabalho.
- O tempo de trabalho não deve ultrapassar as 8 horas por dia e 48 horas por semana.
- As horas extras são livres e os trabalhadores não devem ser forçados a trabalhar.
- O pagamento de horas extras deve ser com um extra Segundo a lei do Trabalho.
- Os trabalhadores devem ter todos os seus benefícios incluindo férias.

3. Tratamento Justo

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

- Os trabalhadores não devem fazer trabalhos que possam resultar em ferimentos ou perigosos para a sua saúde.
- Não deve haver assédio ou violação de mulheres e crianças.
- Os trabalhadores não devem ser desprezados ou sujeitos a zangas do empregador.
- Não deve haver discriminação com base na raça, cor ou tribo.
- Os trabalhadores devem sentir-se livres de apresentar os seus problemas sem medo de retaliações.

4. Trabalho Forçado

Os trabalhadores não devem ser forçados a trabalhar.

- Os trabalhadores devem sentir-se livres de trabalhar, não devem ser forçados nem ameaçados para trabalhar.
- Os trabalhadores são livres de deixar o seu trabalho a qualquer momento que desejem fazê-lo.
- Os trabalhadores não devem ser forçados a dar dinheiro ao responsável/dono da machamba.
- O produtor não deve atrasar com os pagamentos para além do período acordado.
- O produtor não deve guardar os documentos pessoais de identificação dos trabalhadores.
- Não deverá ser usado trabalho de prisioneiros ou forçado

5. Ambiente Seguro de Trabalho

Os produtores devem criar condições de segurança dos seus trabalhadores.

- O local de trabalho deve ter condições mínimas de segurança
- Somente trabalhadores treinados é que podem fazer trabalhos de colheita, preparar e pendurar o tabaco no secador/estufa, curar e enfardar.
- Trabalhadores menores de 18 anos e mulheres grávidas não são permitidos manusear pesticidas para o tabaco.
- Os trabalhadores devem ter alojamento e água limpa.

6. Liberdade de Associação

- Os produtores não devem impedir a liberdade dos trabalhadores de fazerem parte de associações da sua escolha.
- Os representantes dos trabalhadores nos sindicatos não devem ser discriminados ou ameaçados.

7. Conformidade com a Lei

Os produtores devem obedecer a Lei do Trabalho.

- Os trabalhadores devem conhecer os seus direitos consagrados na Lei do Trabalho.
- Os produtores e trabalhadores devem assinar contrato de trabalho de acordo com a Lei do Trabalho.
- O contrato deve estar de acordo com a Lei do Trabalho.

Appendix V – Reporting form (Folha de Registro de Incidências)

Nº **36102**

Folha de Registro de Incidências

Moçambique Leaf Tobacco Limited

Informação Geral

Divisão: _____ Data: 14/5/018
 Zona: _____ LFC: 220
 Club: _____ Tipo de Tabaco BUR FCV DFC
 LT: _____ Área que produz: _____
 Produtor formado em ALP? Sim Não Produtor sabe ler e escrever? Sim Não

Incidência

Descreva o que viu: colher tabaco sem protecção

Se a Incidência for trabalho infantil

Perguntar ao produtor:
Porque é que a criança está a trabalhar?

Quantas pessoas envolvidas: _____ Meninos _____ Meninas _____ Mulheres Homens
 Idade de cada pessoa: _____
 Quantos familiares e quantos contratados? _____ Familiares _____ Contratados
 Se for familiar descreva: _____ Filho _____ Sobrinho _____ Neto
 _____ Irmão _____ Outro (descreva) _____

Se for criança:
 1. Está inscrita na escola? Sim Não Sim mas faltou Desistiu
 2. É órfão? Sim Não

Se for contratado:
 1. Origem: Local Migrante
 2. Trabalhador: Sabe ler e escrever Não sabe ler e escrever

Perguntar á criança:
Porque é que está a trabalhar?

Incidência Registada por: _____ Assinatura do produtor: _____

Ação Tomada

Data: 14/5/018

A situação foi corrigida e o aconselhamento próprio foi dado ao produtor
 Explicação foi dada ao produtor e este prometeu mudar.....
 Explicação foi dada ao produtor mas este ignorou e a situação foi entregue a:
 ALP Supervisor Sector Manager Division Manager Autoridades Locais
 O que disse ao Produtor? O produtor disse ter mancos empunhadando a mão

Incidência Registada por: _____ Assinatura do produtor: _____

Acompanhamento

Data: _____
 Feito por: LT ALP Sup. SM DM Autoridades Locais Outro (quem?): _____
 A situação: está resolvida ainda permanece Voltará a fazer acompanhamento
 Observações: _____

Acompanhamento por: _____ Assinatura do produtor: _____

Appendix VI – Glossary

ALP	Agricultural Labor Practices
ALP Code	PMI's Agricultural Labor Practices Code
ALP Code Principles	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
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
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
GAP	Good Agricultural Practices
GTS	Green Tobacco Sickness
Leaf tobacco supplie	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
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	

Sharecropping	<p>A set of analyzing and problem solving techniques targeted at identifying the underlying reason that caused a situation not meeting the standard.</p> <p>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.</p>
STP	Sustainable Tobacco Production
SRTP	Social Responsibility in Tobacco Production; industry-wide program
Support Mechanism	<p>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.</p>