



EXTERNAL ASSESSMENT LIMBE LEAF TOBACCO COMPANY(LLTC)

DOWA, MALAWI



Agricultural Labor Practices Program

February, 2016

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Glossary of Terms and Acronyms

ALP	Agricultural Labor Practices
ALP Code	PMI's Agricultural Labor Practices Code
ALP Code Principle	Short statements that set expectations of how the farmer should manage labor on his farm in seven focus areas
ALP Program	Agricultural Labor Practices Program
Burley	Burley tobacco
CA	Corporate Affairs
CU	Control Union
CPA	Crop Protection Agents
Crew leader	Person responsible for managing a group of workers
Family farm	A farm that depends mainly on family members for the production of tobacco
Farm Profiles	A data collecting tool developed by PMI with Verité to track the socio-economic status of the farms and systematically gather detailed information about, among other things, the type of labor employed, farming activities that minors may be involved in, and hiring
FCV	Flue-cured Virginia tobacco
FT	Field Technician
GAP	Good Agricultural Practices
GTS	Green Tobacco Sickness
IPS	Integrated Production System, within which farmers are directly contracted, provided with extension services on good agricultural practices and receive crop inputs (fertilizer, certified tobacco seeds and food crop seed package)
Leaf tobacco supplier	A company that has a contract with PMI to supply tobacco but is not a farmer
LLTC	Limbe Leaf Tobacco Company
Measurable Standard	A Measurable Standard defines a good labor practice on a tobacco farm, and helps determine to what extent the labor conditions and practices on a tobacco farm are in line with the ALP Code principles
Migrant labor	Labor that comes from outside the farm's immediate area. Migrant labor can come from a neighboring region in the same country, or from a different country
Mobileaf	A digital system used to collect farm data and track field technician performance. Farm information was recorded using tablet computers
MTP	Modular Training Program – new role created to train field staff
NGO	Non-Governmental Organization
OC	PMI Operations Center (Lausanne, Switzerland)
Phase 1	Startup of ALP Program (training, communications, outreach)
Phase 2	ALP Program full implementation (monitoring, addressing problems)
Piece work	Payment at a fixed rate per unit of production/work
PMI	Philip Morris International, Inc. or any of its direct or indirect subsidiaries

PPE	Personal Protection Equipment
Prompt Action	A situation in which workers' physical or mental well-being might be at risk, children or a vulnerable group – pregnant women, the elderly are in danger, or workers might not be free to leave their job
STP	Sustainable Tobacco Production
Support mechanism	A way for workers to access information and get support in difficult situations, and for workers and farmers to get support in mediating disputes. Farmers have access to additional services to improve labor and business practices
TCC	Tobacco Control Commission, Malawi Government tobacco regulatory institution
ULT	Universal Leaf Tobacco Company Inc. is a global leaf supplier of which LLTC is a subsidiary.

Chapter 1

ALP PROGRAM BACKGROUND AND ASSESSMENT OVERVIEW



EXTERNAL ASSESSMENT
Limbe Leaf Tobacco Company (LLTC), Dowa, Malawi

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

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

The ALP Program was developed and is being implemented in partnership with Verité, a global social compliance and labor rights NGO. Working in tandem with Verité, Control Union Certifications (CU) was commissioned by PMI to develop the external monitoring component of the ALP Program working to assess PMI leaf tobacco suppliers and tobacco farms worldwide. All PMI leaf tobacco suppliers submit internal, annual reports and are assessed regularly on their performance. For the implementation of the ALP Program, internal reviews are also being performed to assess the progress and challenges in the program's implementation.

External assessments are periodic reviews CU undertakes of PMI leaf tobacco suppliers and tobacco farms worldwide. In this initial stage of implementing the ALP Program, these external

assessments focus solely on the implementation of the ALP Program. They specifically focus on the progress of each leaf tobacco supplier to implement the ALP Code framed against the strategic objectives set by PMI. The ALP Code contains seven (7) principles:²

1. Child Labor

There shall be no child labor.

2. Income and Work Hours

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

3. Fair Treatment

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

4. Forced Labor

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

5. Safe Work Environment

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

6. Freedom of Association

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

7. Compliance with the Law

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

1. For the purposes of this report, "PMI" means Philip Morris International, Inc. or any of its direct or indirect subsidiaries.
 2. The full ALP Code is contained in appendix 2.

For tobacco suppliers purchasing tobacco for PMI, implementing the PMI's ALP Program has been divided into two phases:³

Phase 1

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

Phase 2 (full implementation of the program)

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

PHASE I

- Build organisation capability
- Train supplier's team
- Communicate to all farmers
- Build farm profiles
- Address prompt actions

PHASE II

- Monitoring of labor practices farm by farm
- Improvement plans for every farm
- Address widespread issues (e.g. STP Initiatives)
- Regular assessments
- Support mechanism in every market

(Source: Verité & PMI, 2011)

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

Chapter 2

LLTC ASSESSMENT: SCOPE AND METHODOLOGY



EXTERNAL ASSESSMENT
Limbe Leaf Tobacco Company (LLTC), Dowa, Malawi

2.1 Scope

In 2011 PMI launched the ALP Program globally. This specific report pertains to the tobacco growing operations of Limbe Leaf Tobacco Company (LLTC) in the Dowa district of Malawi. It was the seventeenth external ALP assessment performed by Control Union worldwide. The assessment was conducted in February 2016, during the completion of LLTC's fifth crop season of implementing the ALP Program.

2.2 Opening meeting

On February 15, 2016, CU held a meeting to initiate the assessment at LLTC's office in Lilongwe. This meeting was attended by LLTC's senior management and the ALP team. The latter provided a short presentation with key information on the local market including the location of growing areas, achievements of their initiatives, organizational structure supporting the ALP implementation, and relevant market developments. During the meeting CU also presented the objectives of the assessment.

2.3 Staff interviews and ALP Program documentation

The assessment of LLTC's ALP Program was based on individual interviews with the senior management and the ALP team. In addition, CU interviewed the regional ALP coordinator responsible for the Dowa district, an area coordinator, and 11 field technicians. All interviews were conducted individually, so that interviewees felt that they could speak freely and raise any issues. The conversations covered the following topics:

- Responsibilities of management personnel;
 - Internal training and communication on the ALP Program;
 - Communication of the ALP Code to farmers;
 - Internal system to collect information through Farm Profiles;
 - Mechanism for reporting Prompt Actions;
 - Records showing the training of field technicians;
 - Relationship with external stakeholders;
 - Initiatives implemented to address widespread and/or systemic issues; and
 - Support mechanism.
- LLTC provided all the relevant documentation requested by CU: information that related to the ALP Program implementation, including Farm Profiles,⁴ farmer communication materials, purchase contracts, and Prompt Action reports.

2.4 Farm sample selection

In total, CU visited 34 farms. To constitute a meaningful sample, CU needed to visit at least 32 farms; the square root of the total number of farmers directly contracted by LLTC in Dowa.⁵ 91% of the farm visits were unannounced,⁶ and farm selection was prioritized based on the following criteria:

- Geographical spread
- Farm size
- Farms with reported Prompt Actions

The names of the four selected field technicians were announced to the ALP coordinator one day prior to each field day. Each auditor was paired with

4. One field technician was not available at the time of the assessment so the farms under his responsibility were visited with a replacement field technician. In addition, for the visited farms under his responsibility all three Farm Profiles were not available at the time of the visit.

5. At the time of the assessment 1,035 farms were contracted in Dowa by LLTC.

6. Three visits were considered to be announced, as those farmers were informed the day before by the field technician that their area would be visited by CU.

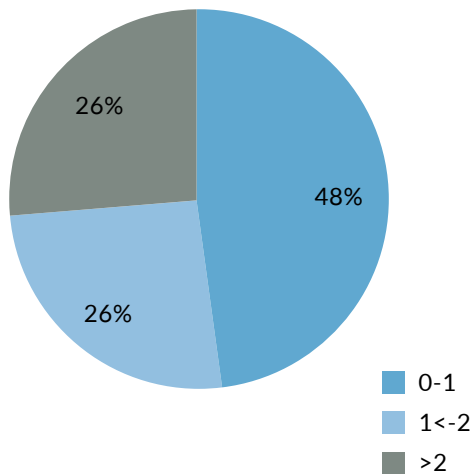
a field technician for that day. In total, CU conducted 34 visits during three field days. In order to ensure effective communication a Chichewa translator was employed by CU to accompany each auditor.

In Malawi, the Tobacco Control Commission (TCC) regulates the production, manufacture and marketing of tobacco. In 2015, LLTC purchased 84% of its Burley tobacco from farmers directly contracted under the Integrated Production System (IPS). LLTC bought the balance of its tobacco from non-IPS farmers through the auction system.

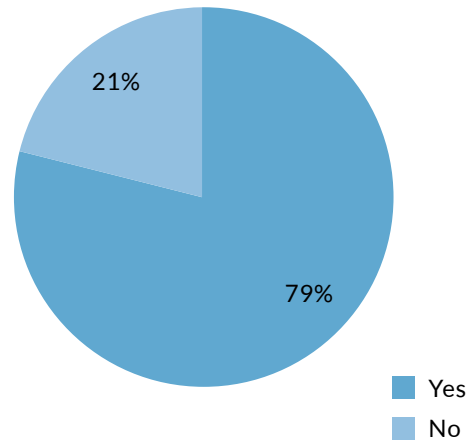
This report only includes the results from visits to IPS farms. All 1,035 farms in the Dowa district produced Burley tobacco. Of those farms, 48% produced less than one hectare of tobacco, 26% were between one and two hectares, and 26% were more than two hectares.

The charts and tables below provide information on the 34 sampled farms. Percentages refer to the demographic breakdown of this specific sampling of farms.

Farm Size (ha tobacco)

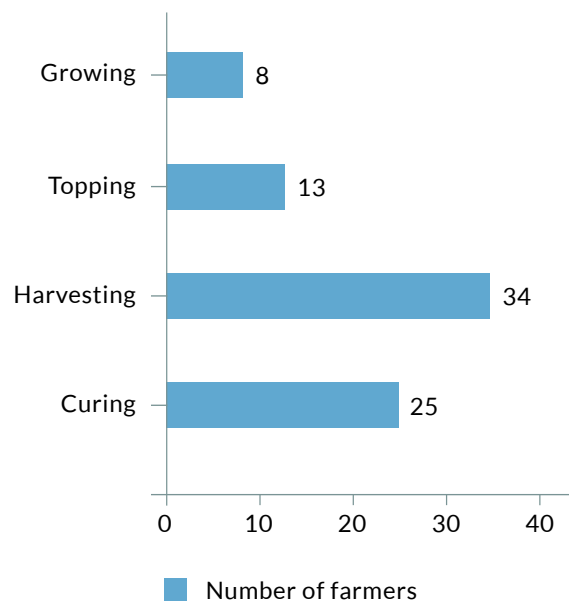


Previously contracted * by LLTC

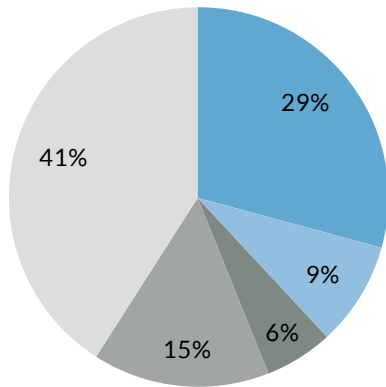


* Contracted for longer than one year

Stage of tobacco production



Farm labor

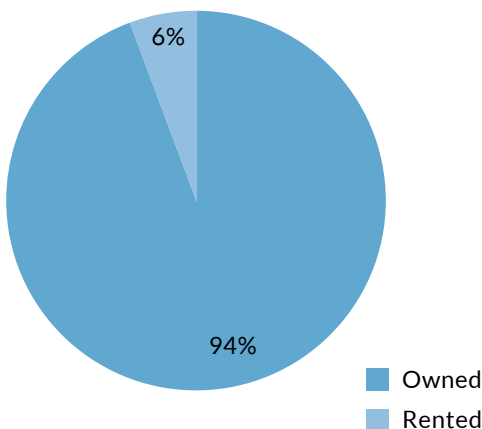


- Family farm with only family members working
- Farm with family members and migrant workers
- Farm with only local workers (no family members)
- Farm with family members and local and migrant workers
- Farm with family members and local workers

*Migrant workers came from another district of Malawi and it was not feasible for them to go home daily.

Tenant workers are included in the graph on farm labor as local and migrant workers. On ten of the farms that hired labor (42%) the farmer hired tenant workers. Of these tenant farms, four had tenant workers who were locally employed (40%), four had tenant workers who were migrant workers (40%) and two employed both local and migrant tenant workers (20%).

Land ownership



2.5 Farm visits

CU employed a variety of methods to collect information. These included interviews with farmers and workers, verification of farm-related documentation, and visual observation of fields, storage rooms, curing barns, working areas, and housing. Before each interview, CU explained the objective of the assessment to the interviewees, and assured them that their anonymity would be preserved at all times.

On each farm, CU conducted an individual interview with the farmer, to assess the effectiveness of LLTC's efforts and verify:

- The farmer's awareness of the ALP Code;
- The farmer's level of understanding and attitude toward the ALP Code;
- The key messages delivered by LLTC; and
- The farmer's willingness and ability to meet the standards of the ALP Code.

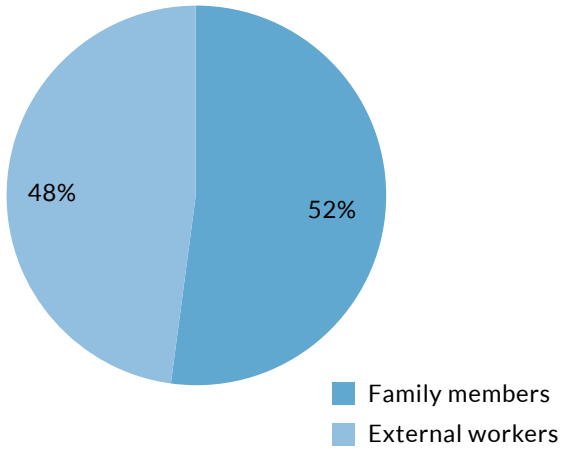
In addition, CU conducted individual interviews with external farm workers and family members working at the farms, to verify:

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

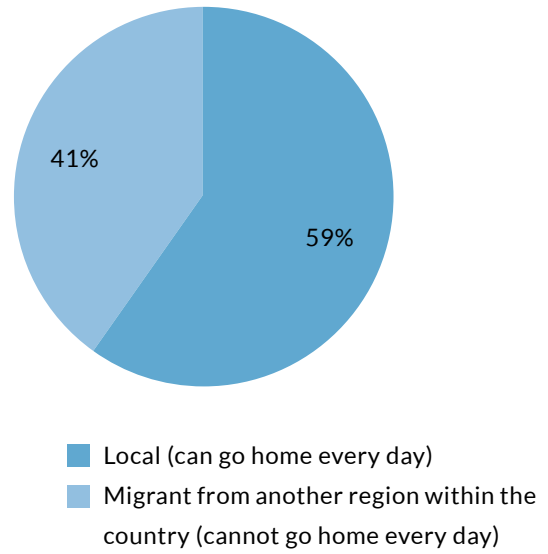
2.6 Persons interviewed

In total, CU conducted 76 interviews with external workers and family members, including 68 adults and eight children. To avoid any direct interference or influence, CU conducted these interviews without the presence of the farmer. The demographic profile of this sample is summarized in the graphs below.

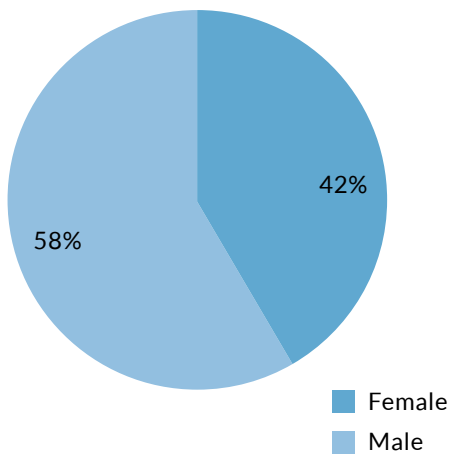
Type of interviewee



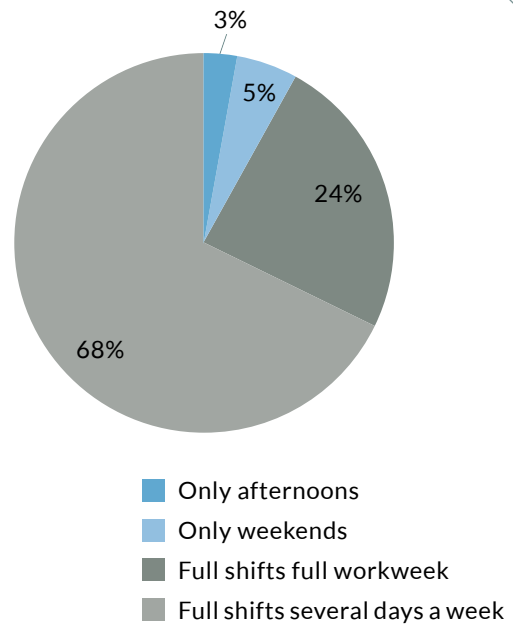
Origin of external workers (37)



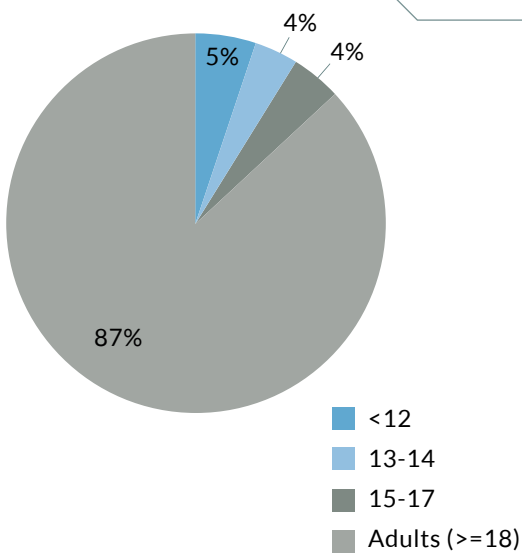
Gender



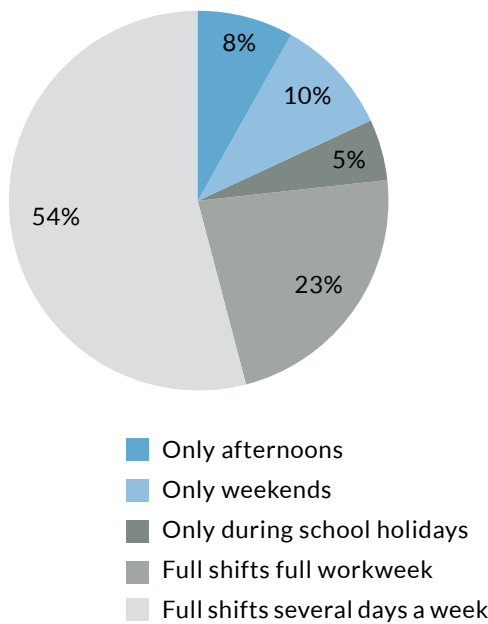
Frequency of employment (external workers : 37)



Age



**Frequency of work
(family members : 39)**



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

2.7 Closing meeting

On April 8, 2016, CU held the closing meeting at LLTC’s office in Lilongwe where it presented the initial findings. This meeting was attended by LLTC senior management, the ALP team, PMI regional representatives, and two representatives from Verité.

2.8 Preparation of the final report

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

Chapter 3

ASSESSMENT IMPLEMENTATION PHASE 1 OF THE ALP PROGRAM



EXTERNAL ASSESSMENT
Limbe Leaf Tobacco Company (LLTC), Dowa, Malawi

This chapter documents the findings of the assessment of LLTC's implementation for Phase 1 of the ALP Program. In 2013, LLTC began implementing Phase 1 with training both its management personnel and field technicians focusing on:

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

3.1 Conduct of the assessment

CU was satisfied with the cooperation and access to information provided by LLTC. All personnel interviewed demonstrated a willingness to explain internal processes and provide their professional feedback. During the assessment, both management and field personnel were fully transparent and provided all support requested by CU. Additionally, all the farmers visited were willing to participate in the assessment, share the required documentation, and/or allow interviews with their family members and workers. However, one field technician did not show up on the day of the field visits, and three farmers (9%) were informed before the visit by one field technician, as mentioned in chapter 2.4.

3.2 People and processes to manage the ALP Program

3.2.1 Internal structure for ALP implementation

LLTC formed a cross-functional ALP team of five people, in which the Agronomy, Legal, and Corporate Affairs departments were represented. The Sustainability manager was also a member of this team, led by the ALP coordinator. Regional ALP

coordinators functioned as a link between the ALP team and field personnel. The coordinators also guided field technicians on ALP and joined them in the field when necessary. The ALP administrative officer supported the ALP coordinator by organizing trainings, collecting and analyzing farm data from Mobileaf.⁷ Within the Agronomy department, LLTC formed an Agronomy leadership team that was involved in ALP implementation, among other things.

In 2015, LLTC restructured the agronomy field force by changing the roles of the technicians who were dedicated to providing either agronomy support (leaf technicians) or ALP support (ALP technicians) into field technicians who provided full support to the farmers. LLTC also introduced a new role of regional ALP coordinator to provide guidance on ALP to the field force. That person is now also responsible for supporting field technicians with their ALP responsibilities.

In addition, LLTC had selected several field technicians trained as Modular Training Program (MTP) trainers. These were new roles created to take over training responsibilities from the ALP coordinator, and train field technicians to perform their job adequately.

3.2.2 Internal communication and reporting

The ALP coordinator, being the main person within LLTC's ALP Program, managed the program internally and organized meetings with the ALP team whenever necessary. As mentioned in chapter 3.2.1 the Agronomy leadership team met on a monthly basis and, to a limited extent, also talked about ALP. Likewise, field technicians held monthly meetings with the regional ALP coordinator to discuss ALP.

The ALP coordinator and the ALP administrative officer compiled quarterly reports setting out the progress within the ALP Program and these

7. One field technician was not available at the time of the assessment so the farms under his responsibility were visited with a replacement field technician. In addition, for the visited farms under his responsibility all three Farm Profiles were not available at the time of the visit.

were shared with PMI. Information included the progress regarding data collection (Farm Profiles and Prompt Actions),⁸ staff and farmer training, and the progress on STP initiatives. In addition, a yearly Prompt Action report and Farm Profile analysis was compiled following PMI's template.

3.2.3 ALP training, roles, and responsibilities

Before field technicians could start visiting farms they received training via the MTP as a group instruction and a self-study. ALP was integrated in the study program, and the trainees' knowledge was assessed with a written test. After the initial training, field technicians received quarterly trainings from the ALP coordinator on ALP in their specific areas. Furthermore, the ALP coordinator explained ALP to the senior management.

ALP roles and responsibilities were laid out in the job descriptions of all employees and LLTC staff received yearly performance evaluations, recorded in the balanced score card. Furthermore, Mobileaf enabled LLTC to monitor field technician performance in detail, tracking their progress of farmer visits to ensure that farmers received the support they were entitled to.⁹ Since the introduction of Mobileaf several field technicians appeared to be underperforming (not only ALP related). This resulted in the replacement of seven field technicians to ensure adequate support for the farmers.

Regional ALP coordinators, responsible for overseeing ALP in their region and providing

guidance to field technicians, did not have access to Mobileaf even though this access was crucial for ALP related data collection. For example, the regional ALP coordinator responsible for the Dowa district was unaware of the procedure that field technicians should follow to record information in the system and report Prompt Actions, even though he was meant to provide guidance.

3.2.4 Engagement with the ALP Program

On their global website ULT, the parent company of LLTC, commits publicly to the elimination of child labor and the improvement of working conditions for farmers. Information is available regarding their sustainability and supply chain integrity policy,¹⁰ commitment to the ALP Code,¹¹ and membership of the ECLT foundation, which advocates the elimination of child labor.¹²

LLTC did not have a local translation of ULT's global commitment. However, the commitment was apparent locally through its close contact with the government, and its involvement in the development of the Minimum Standards for Tenants,¹³ its participation in the Child Labour National Steering Committee, and the World Day against Child Labor. LLTC also made efforts to involve local communities, in order to strengthen the communication of ALP by forming ALP committees in which ALP topics were discussed. Information on the requirements of ALP was also communicated in radio broadcasts to people in the area. This showed LLTC's willingness to publicly engage with these requirements.

8. Local term used for Prompt Actions was 'Incidents'.

9. Farmers who received financial loans from LLTC were visited five times per year while non-funded farmers were visited three times per year.

10. http://www.universalcorp.com/Resources/Policies/Sustainability_and_Supply_Chain_Integrity_Policy.pdf

11. http://www.universalcorp.com/Resources/Policies/ULT_ALP_Code.pdf

12. http://www.universalcorp.com/Resources/Policies/ECLT_Foundation_Members_Pledge.pdf

13. The Tobacco Processors Association, realising the gap in the law to govern the tenancy system, developed the Tenant Minimum Standards as a guide for contracted farmers that have Tenants. The Standards were approved by Ministry of Labour and were being implemented as a guide pending the Government of Malawi coming up with a law or regulations to govern the tenancy system. There were recommendations for the Tenancy system to be abolished and for Tenants to be treated as employees. The Employment Act of Malawi recognised Tenants as employees in the definition section but did not go further to provide for the unique and prevailing practices of a tenant and grower relationship.

3.3 Communicating the ALP Code requirements to all farmers

3.3.1. The ALP communication strategy

As described in chapter 4.1.1, the strategy adopted by LLTC focused on two Measurable Standards: child labor and safe work environment. These principles were given more emphasis for communications.

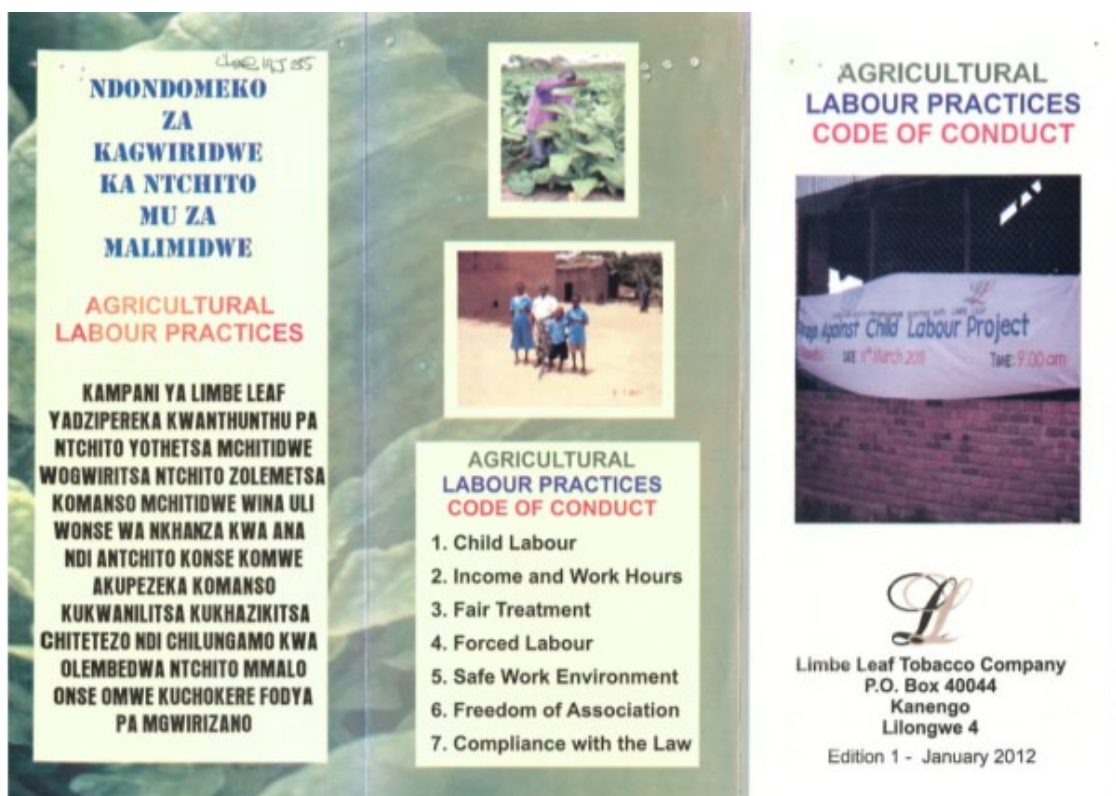
CU identified several factors that might influence the effectiveness of the ALP communication to farmers. First, there were knowledge gaps regarding field technicians’ understanding of legislation (chapter 3.3.3). Second, information in Mobileaf was not aligned with current regulations (chapter 4.2). Third, printed materials did not contain reference to the local law for several legal requirements, such as the legal minimum wage (chapter 3.3.2). Fourth, the Malawi government also communicated on ALP related topics, however, it set different and in some cases lower standards compared to ALP.¹⁴

3.3.2 ALP communication methods and materials

LLTC developed several methods to inform and train farmers on the ALP Code in addition to the training received by the field technicians during regular visits or monthly group meetings. This included the following communication materials.

ALP Leaflet

At the start of the implementation of ALP in 2012, LLTC developed a leaflet to communicate the ALP Code to farmers. This was a direct translation of the ALP Code, the seven ALP Code Principles and 32 Measurable Standards, into the local language. The leaflet explained what the ALP Code entailed and how farm practices should be organized. However, information on legal aspects was limited as the following items were not included: the legal minimum wage, maximum work hours, legal overtime rate, basic worker entitlements, and the options for employment formalization.



14. For example, government regulations stated that children aged 16 years and above were allowed to be involved in hazardous activities if properly protected, while LLTC’s policy (in line with the ALP Code) referred to a minimum age of 18 for hazardous work.

LLTC response:

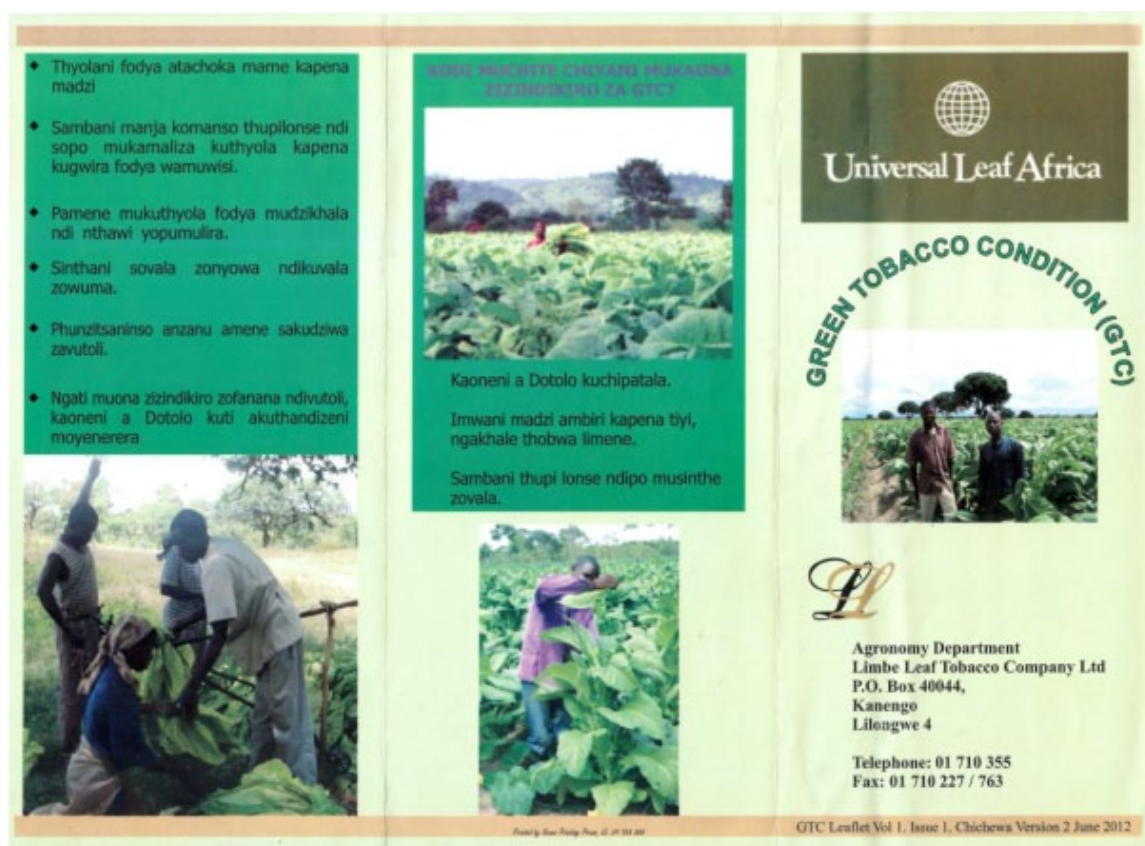
“By the end of July...LLTC will ensure that ALP Leaflets and posters are amended to include the recommended legal provisions. The amended versions will be translated into local languages using professional translators.”

Green Tobacco Sickness (GTS) leaflet

This leaflet informed farmers on the symptoms of

GTS and the ways to prevent it. The most recent version of the leaflet was produced in 2012 and written in Chichewa. The leaflet provided a clear overview of what GTS entails, and included pictures to help visualize the practices.

The leaflet refers to GTC (Green Tobacco Condition), instead of GTS, a term introduced by ULT in several of its African markets after it was noted that farmers associated the word "sickness" with AIDS which is prevalent in the region.




LLTC response:

“By the end of July, 2017 LLTC will amend the leaflet from Green Tobacco Condition to Green Tobacco Sickness and will in addition to the preventative measures required to avoid GTS, include information that farmers/farm workers should allow themselves time for rest when handling green tobacco during harvest.”

ALP poster

ALP posters were distributed which contained information focusing on the risks of children and pregnant women working on tobacco-related activities. The poster below lists the seven ALP Code Principles and illustrates 12 activities that are not allowed. LLTC originally focused on pregnant women as they were considered to be in a vulnerable situation, however, by the time of the assessment the focus had shifted to other areas described in chapter 4.1.







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AGRICULTURAL LABOUR PRACTICES PROGRAMME

NDONDOMEKO ZAKAGWIRIDWE KA NTCHITO MU ZA MALIMIDWE

Ana asagwire ntchito zolemetsa zoononga moyo, zoopsa ndi zonse zosayenera msinkhu wawo.

			
X	X	X	X

Amayi oyembekezera ndi oyamwitsa asagwire ntchito zolemetsa ndi zoononga moyo.

			
X	X	X	X
			
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NDONDOMEKO ZISANU NDI ZIWIRI

1. Mchitidwe ogwiritsa ntchito ana ukuyenera kuthetsedwa.
2. Malipiro ndi maola ogwira ntchito akhale ovomelezeka ndi malamulo a dziko.
3. Mwini munda asamalire antchito bwino, asazunzidwe, asasalidwe, ndiponso asachitiridwe nkhanza lilyonse.
4. Anthu asakakamizidwe kugwira ntchito.
5. Alimi akhazikitse njira zotetezera moyo wa antchito awo pamene akugwira ntchito.
6. Pamunda pakhale ufulu okhala m'magulu.
7. Alimi ayenera kutsatila malamulo adziko pa kagwiridwe kantchito.

ALP awareness campaign on radio

In addition to written materials, LLTC used national radio to broadcast pre-recorded ALP messages to farmers. These were scheduled before the news to increase the number of farmers listening. LLTC also communicated to farmers through cluster SMS broadcasts.

ALP committees

LLTC considered community engagement as an important element with which to communicate ALP to its farmers. As field technicians only visited farmers three to five times a year, ALP committees were formed to engage farmers more frequently within the community. Three different roles were defined for each committee: chairman, treasurer, and secretary. Committees consisted of four to seven farmers who met on a monthly basis. In total 18 committees were formed in the Dowa district. As an incentive for farmers to engage, LLTC provided the committees with t-shirts and bicycles.

Each committee was trained on ALP by the regional and national ALP coordinator. Of the farmers visited during the assessment, 20 (59%)¹⁵ had participated in an ALP committee. These farmers declared the following impact:

- Improved ALP knowledge (26%)
- Improved PPE knowledge (3%)
- Reduction of child labor (3%)
- Better treatment of workers (3%)
- Became an example for other farmers (3%)

LLTC response:

"LLTC recognises the importance of ALP Committees and plans to increase the number of committees from 110 covering 3 regions and 11732 farmers to 150 covering 3 regions and the whole contracted farmer base in the 2017/18 crop year, to increase the farmer participation. All ALP Committee members will be trained by the end of 2017/18 on the seven principles of the ALP program and financial literacy. To improve efficiency and motivate the ALP Committee members,

LLTC will:

- *Host bi-annual training on the Seven Principles of the ALP program and financial literacy in July and November 2017.*
- *Distribute printed materials such as ALP leaflets and posters to increase awareness during the 2017/18 crop year.*
- *Motivate the committee members by issuing them with T-shirts and bicycles for ease of mobility during the 2018/19 crop year.*
- *Amend the structure of the ALP committees to have workers and/or tenants' representative in the 2018/19 crop year.*
- *Include the village leaders in the structure of the committees to promote communal cohesion in the 2018/19 crop year.*

In the 2017/18 crop year, LLTC through the ALP National and Regional Coordinators will conduct quarterly focus group discussions with the ALP Committees to understand progress, what is working, their challenges and formulate plans to improve their efficiency.

Expected Outcomes:

- *Well trained and competent ALP Committee members who will be able to properly train fellow farmers.*
- *Extended coverage due to improved mobility of committee members."*

ALP drama presentations

LLTC engaged professional actors to conduct drama presentations that informed farmers on ALP topics in a lively and theatrical way. 19 farmers (56%)¹⁶ had participated in one or more of the ALP drama presentations, and had positive experiences. Farmers that participated mentioned they would do so again.

15. 16 of these farmers had been previously contracted by LLTC, which represents 59% of the total number of visited farmers who had been contracted longer than one year.
16. 14 of these farmers had been previously contracted by LLTC, which represents 52% of the total number of visited farmers who had been contracted longer than one year.
17. Numbers between brackets refer to the total number of farmers visited. One farmer can mention more than one communication method.

The following table summarizes the communication methods that farmers remembered to have either learned about or been educated on ALP:¹⁷

Communication method	Number of farmers
Group meeting	34 (100%)
Regular field technician visit	33 (97%)
ALP committee	20 (59%)
Drama presentation	19 (56%)
Printed materials (ALP Leaflet/ GTS leaflet/poster)	19 (56%)
Radio	17 (50%)

LLTC response:

“LLTC through the support of the legal department will focus on aligning and improving the quality of data in the communication materials and put in a place a process to review the system annually and/or during the quarterly steering committee meetings. As an initial step, LLTC will ensure that:

- *Reference materials on legal requirements applicable to the ALP program will be updated and provided to all the FTs during August & September 2017.*
- *Cluster messages are sent through short text messages on mobile phones as a constant refresher for personnel involved in the ALP program in July, August & November of 2017.*
- *Leaflets on legislation are published every season to ensure that all FT’s are continuously updated on the legal and ALP program requirements.*
- *ALP & GTS Leaflets and posters are amended to include the recommended legal provisions. The amended versions will be translated into local*

languages using professional translators by the end of July 2017.

- *Messages for drama, radio and face to face training will contain references on legal requirements and the ALP program principles.*

Expected outcomes:

- *Increased FT’s and Farmers knowledge on legal aspects of ALP.*
- *Cluster messages will help to increase farmer awareness on different aspects of ALP.”*

3.3.3 Understanding and perception of the ALP Program

While LLTC’s management had sufficient understanding of the ALP Code, the field technicians had knowledge gaps on the legal aspects and ALP Code requirements. Although a training structure was in place, as described in chapter 3.2.3, field technicians were not sufficiently knowledgeable to fulfil their ALP related responsibilities particularly when these gaps related to prioritized topics in the ALP Program, such as the legal minimum age and the definition of hazardous work:

- **Child Labor:** Field technicians mentioned a broad range of what they considered applicable requirements regarding minimum working age. Of these field technicians, six (50%) mentioned the age of 16, one (8%) thought that 17 was the legal age, and one (8%) thought it was 12. Only four field technicians (33%) mentioned the correct minimum working age of 14.

Field technicians understood the general concept of hazardous work, however, not all were aware of the hazardous activities. Nine field technicians (75%) mentioned CPA applications, seven (58%) harvesting, three (25%) mentioned stringing, three (25%) carrying heavy loads, two (17%) working at night, and two (17%) mentioned working in extreme heat. In addition,

18. The remaining seven field technicians (58%) related it to holidays, one field technician (8%) mentioned maternity leave, and two field technicians (17%) mentioned sick leave as being a legal benefit.

19. One field technician (8%) stated that the farmer should provide PPE for workers applying CPA, and one field technician (8%) mentioned that workers should not work without payment.

four field technicians (33%) only related the concept of hazardous work to child labor, while it is also prohibited for pregnant/nursing women. Furthermore, one field technician (8%) thought that working long hours were a hazardous activity.

- **Income and work hours:** Most of the field technicians were aware of the legal minimum wage, with ten field technicians (91%) mentioning the exact amount of MWK 687.70. All field technicians knew the legal requirements regarding working hours, correctly mentioning either eight hours daily or 48 hours weekly.

Only two field technicians (17%) were aware of the legal rates for overtime hours. Furthermore, four field technicians (33%) were unfamiliar with the concept of legal benefits.¹⁸

- **Fair treatment:** Eight field technicians (67%) understood that workers should be treated fairly. Seven field technicians (58%) referred to sexual harassment, three (25%) to verbal harassment, two (17%) to physical harassment, and six (50%) responded that no discrimination should take place. None of them mentioned that farmers should make themselves available to workers who wanted to discuss potential grievances.
- **Forced Labor:** While most field technicians (67%) mentioned that workers should not work against their will, other elements of the principle of forced labor were less well known: only five field technicians (42%) stated that farmers should not withhold worker's identity documents and four (33%) indicated that farmers should not employ prison labor. Several field technicians mentioned topics not related to forced labor¹⁹ while two field technicians (17%) were not familiar with the concept of forced labor at all.
- **Safe work environment:** All field technicians had a general understanding of safety at the farms.²⁰ Several other topics were only mentioned by a few field technicians in relation to a safe work

environment: one field technician (8%) referred to safe storage of CPA, two (17%) stated that pregnant/nursing women should not be involved with CPA application, and one (8%) specifically mentioned that farmers should provide workers with sanitary facilities. None of the field technicians referred to the re-entry period after CPA application.

- **Freedom of association:** All field technicians had sufficient understanding of this ALP Code Principle and could explain that workers should be allowed to associate and form or join a labor union.
- **Compliance with the law:** Four field technicians (33%) knew that farmers are obliged to inform their workers about their legal rights. One (8%) mentioned that workers should know their legal rights, but did not refer to the farmer's responsibility for informing them of those rights. Regarding employment contracts, three field technicians (25%) incorrectly stated that local law demanded farmers to have a written employment contract in place with their workers. Four field technicians (33%) gave a general statement that farmers should follow the country's law. One of these field technicians specifically referred only to payments.

LLTC response:

"To address and remedy the identified knowledge gaps, LLTC has implemented the following measures:

- *Continued bi-annual modular training for all FT's to be conducted by the Modular Training Program Trainers (MTPT) who are responsible for training FT's in the field. The training will follow up with knowledge and practical assessments by supervisors of the ALP modules in August and September 2017. Training materials are in cartoon form for ease of understanding.*
- *The legal aspects of the ALP program and Principles i.e. working age and conditions at which a child*

20. Seven field technicians (58%) referred to usage of protective clothing, five (42%) mentioned that workers should be provided with adequate accommodation, and four (33%) said that workers should be provided with clean water.

would be allowed to engage in tobacco farming activities, work hours, legal rates of overtime, and the minimum wage will be circulated to FTs as well as personnel engaged in the ALP program every quarter (starting October 2017), through cluster SMS's and emails. The Legal and Corporate Affairs section will continuously monitor legislative changes in Malawi and training materials will be updated whenever required.

- Annual circulation of hazardous work list to all field staff and all personnel involved in the ALP program from October 2017.
- Upload a video clip on ALP principles and legal requirements on FT tablets in the 2018/19 crop year.

Improving the FT's level of understanding on the program is important because it will ensure that ALP program messages passed to the farmers and the communities are correct and aligned to the law and ALP principles. The STP Committee meetings will also discuss knowledge of the operational ALP team and make recommendations on addressing knowledge gaps. This will ensure that the bi-annual refresher trainings focus on identified areas of improvement.

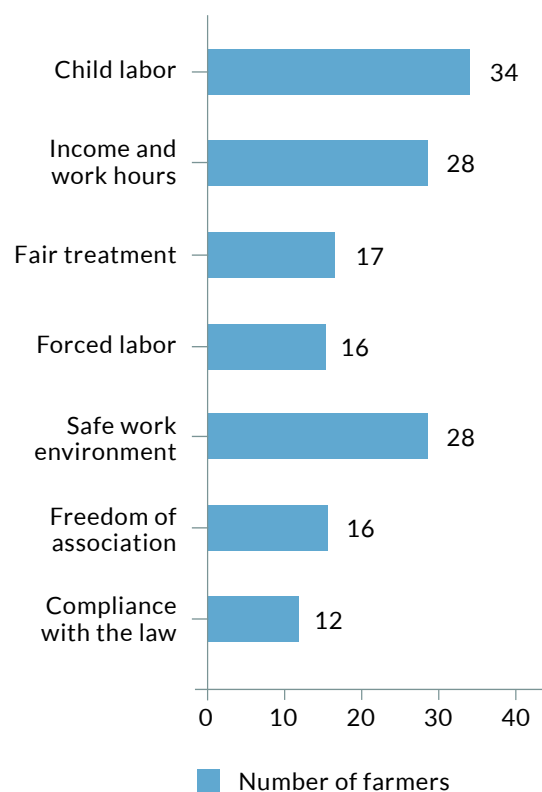
Expected outcomes:

- Improved FT's knowledge and understanding of the ALP program.
- Improved quality of ALP messages delivered to farmers and communities.
- Annual circulation of hazardous work list will help to increase awareness on hazardous work."

Field technicians were the main contact person for farmers and responsible for providing ALP training to them. Although all farmers were aware of the ALP Program, the level of awareness was not equal on all ALP Code Principles. At the time of the assessment, the level of awareness among farmers, family

members, and workers was highest for the topics that had been prioritized (child labor and safe work environment). Child Labor was the best-known, as all farmers related the ALP Code to this topic.²¹ Family members (44%) and external workers (27%) were less familiar with the concept of child labor. The following graphs set out the level of awareness about the ALP Code Principles for the 34 farmers interviewed (100%).

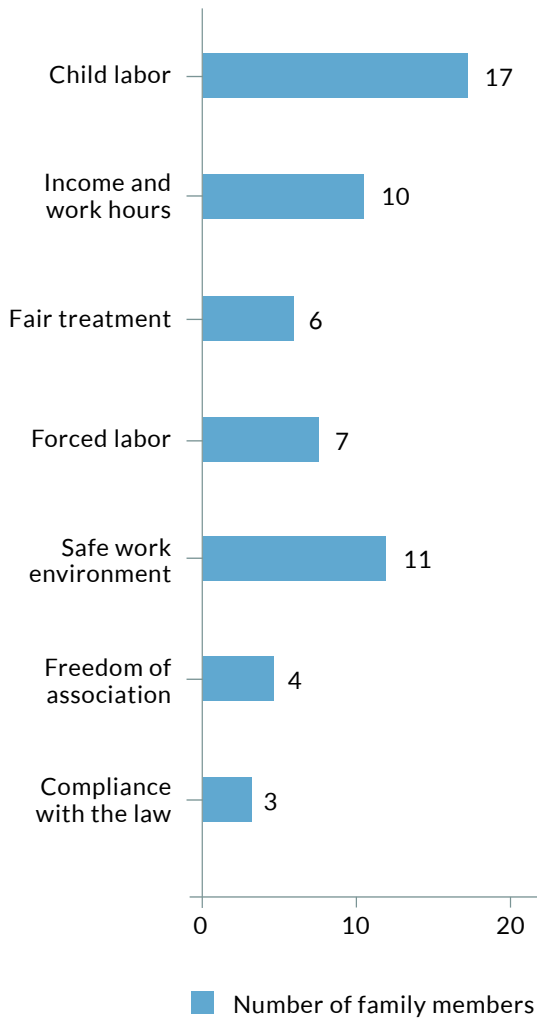
Level of awareness among farmers (T=34)



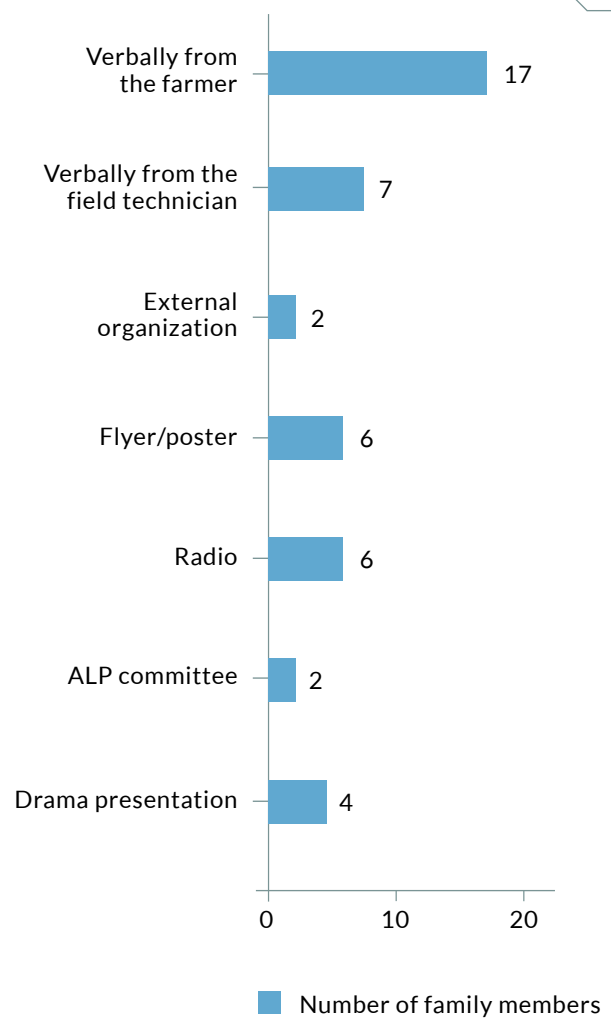
Of the 39 family members interviewed, 17 (44%)²² were aware of one or more of the ALP Code Principles. The following two graphs indicate the level of awareness among family members, and the means of communication through which they remembered receiving information about ALP.

21. Although the principle of child Labor in general was known by all farmers, as mentioned in chapter 3.3.3, awareness levels on specific elements of this principle were less known, such as the legal minimum working age, definition of hazardous work, etc.
 22. 30 family members interviewed worked at farms that had been contracted by LLTC longer than one year, of which 13 (43%) were aware of one or more of the ALP Code Principles.

Level of awareness family members (T=39)



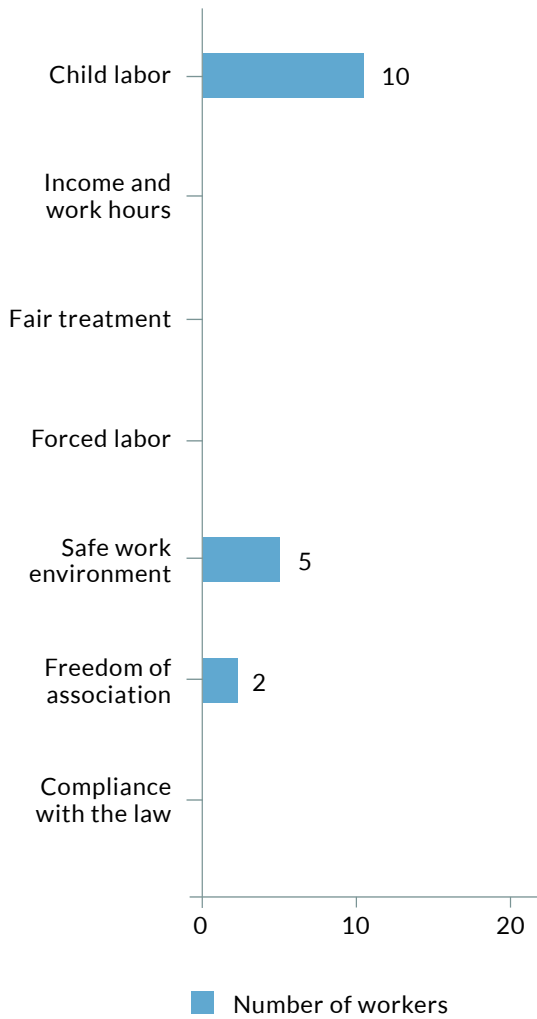
Means of communication through which family members heard about ALP (T=39)



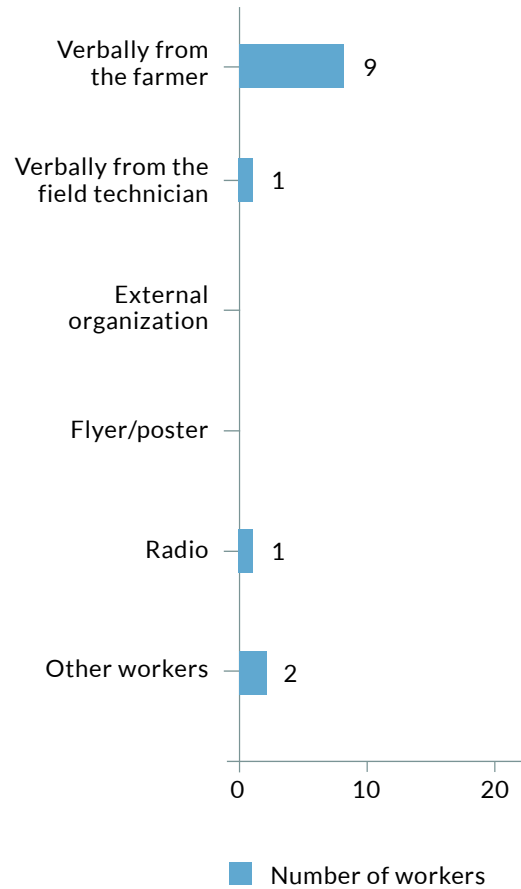
In total, CU interviewed 37 external workers of whom, ten (27%)²³ were aware of one or more of the ALP Code Principles. The two graphs below set out the level of awareness and the means of communication through which these workers were informed about the ALP Code.

23. 28 external workers worked at farms that had been contracted by LLTC longer than one year, of which ten (36%) were aware of one or more of the ALP Code Principles.

Level of awareness external workers (T=37)



Means of communication through which external workers heard about ALP (T=37)



LLTC response:

“Women play a crucial role in communities. Therefore in addition to child labour and safe work environment, training for women includes a topic on financial literacy. LLTC will continue to conduct training of these key stakeholders to increase capacity and awareness of the 7 ALP Principles.

- *From crop year 2017, LLTC will focus on increasing awareness of people on the farm, including the spouses and children by extending training to all people on the farm, through trainings on ALP in VSLA's and school awareness program.*
- *LLTC aims to increase awareness on ALP program for all farm workers and tenants' through drama and individual/group training by crop year 2020.”*

3.4 Building Farm Profiles for all contracted farms

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

3.4.1 Data gathering system for Farm Profiles

As of the current (2015/2016) crop season, LLTC started using Mobileaf to collect socio-economic data on their farmer base and to track farmer support. To manage the field technicians' workload, data collection was split across the yearly targeted visits: five visits for funded farmers, three visits for non-funded farmers. ALP was embedded in the system as a mandatory topic for every visit, and LLTC was able to track the number of visits per field technician in detail.

Farm Profile information was recorded during the first visit. Field technicians mentioned that one of the challenges was that farmers were not always willing to cooperate, and in some cases provided false information. This could have been due to the low level of awareness among farmers about the purpose of data collection.

3.4.2 Accuracy of Farm Profiles

For 31 of the farms (91%), field technicians were able to provide an updated Farm Profile.²⁴ CU verified the accuracy of these Farm Profiles and found 15 (48%) were incomplete or inaccurate. In five of the Farm Profiles (16%) children were not recorded, in seven cases (23%) adult family members were not recorded, and in seven cases

(23%) workers were not recorded. In one case (3%) CU identified an additional crop was not recorded in the Farm Profile, and in another (3%) workers received written contracts instead of the reported verbal contracts.

3.4.3 Analysis on information Farm Profiles

LLTC used Farm Profile information as an input for decision making on initiatives (chapter 4.1.1) and for the yearly Farm Profiles analysis done by the ALP administrative officer and ALP coordinator. Reliability of the data is crucial as it gives visibility of the dynamics on the farmer base and is used to make decisions.

Mobileaf allows field technicians to upload information from their mobile device to a central database. It also maintains the farmer information so it is available for field technicians to follow-up during subsequent farm visits.

LLTC response:

"Considering that this was LLTC's first year using Mobileaf, LLTC is pleased with the result. However the commitment is to improving data accuracy and LLTC looks forward to maximizing the potential in this regard from the Mobileaf tool, with FTs already re-oriented on farm profile updates. LLTC will ensure the following measures are put in place:

- *On-going training of FT's to continuously update farm profiles emphasizing the fact that a profile is a living document that needs to be updated each time a farm is visited. FTs to continue to visit contracted farms at least 5 times in a crop year.*
- *Farm Profile audits to be conducted on 5% of the grower base when at least 80% of the farms have been captured and during the mid-season (November and February) by the Regional ALP Coordinators as a due diligence process to ensure data integrity of the farm profiles.*

24. One field technician was not available on the day of the assessment. The farms under his responsibility were visited with a replacement FT. However, he did not have access to the Mobileaf system so CU was unable to check the Farm Profiles for these three farms (9%).

- During the rotational FT farmer visits, engage and increase awareness of farmers on the importance of the farm profile and create an environment for farmers to inform FT's about newly recruited or additional individuals on the farm.
- Include in the bi-annual training of the ALP Local Committees the need for them to continue to sensitize farmers on the importance of providing accurate and up to date data in August and November 2017 and henceforth.
- Include Mobileaf functionality that will enable the FT's to update the FP during each visit in the 2018/19 crop year.

LLTC believes in continuous improvement for the farmers and will continue training the farmers and raise awareness on Farm profiles to gradually improve accuracy of the farm profiles.

Expected Outcomes:

- Complete and accurate farm profile data - >95% by CY 2020.
- Increased understanding on the importance and purpose of data collection by all farmers.

Training for ALP Committees will help to increase awareness on the importance of accurate and relevant farm data."

3.5 Prompt Actions

PMI defines a Prompt Action as:

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

Another Phase 1 requirement is to both identify and address Prompt Actions found on farms contracted to supply tobacco to LLTC. Any Prompt Action should be reported immediately to the ALP team who then provides guidance on how to address the issue or escalate it within the organization.

3.5.1 Prompt Action reporting mechanism

Prompt Actions were recorded in Mobileaf when identified by the field technician. For every situation reported, the system demanded answers to three categories:

- **Reason:** why the incident was taking place; for example, reasons why children were involved with tobacco such as "the farmer believes that children must learn to farm" or "farmer short of cash this year, so he is using his children".
- **Action plan:** this screen provided several options that a field technician could undertake to improve the situation, such as "advise farmer that the child needs to stop doing the work" and "discuss with the farmer who else can do these tasks".
- **People:** the field technician had to add the details about who was involved with the identified Prompt Action.

When a field technician identified a Prompt Action they were instructed to stop the activity, discuss the situation with the farmer in private, and report the situation in Mobileaf. LLTC did not assign a specific period for unannounced follow up after a Prompt Action had been reported but the field technician received a pop-up message on the screen when they visited a farm for which they had reported an earlier Prompt Action. When deemed necessary by the field technician, the ALP regional coordinator joined them during their follow-up visit. This provided extra support to the field technician and the farmer.

All field technicians were aware of the requirement to report in Mobileaf and nine (82%) explained that they discussed their findings with the farmers. Five (45%) said they stopped the situation immediately and provided the farmers with training and recommendations or to schedule a follow-up visit. Two field technicians (18%) referred to the old procedure, in which the ALP technician performed

the follow-up visit. Furthermore, one field technician (9%) informed the ALP coordinator when an incident was identified.

3.5.2 Understanding Prompt Actions

Four field technicians (36%) mentioned that all situations not meeting the standard should be considered a Prompt Action. The remaining field technicians referred to vulnerable people in danger. Three field technicians (27%) referred to the three categories of vulnerable people, as defined by the ALP Code: children, the elderly, and pregnant/nursing women. All the field technicians declared that they reported all situations not meeting the standard in Mobileaf.

CU identified several situations it considered were Prompt Actions, such as child labor (chapter 5.1.1), however none of these had been reported as Prompt Actions by the field technicians. This could be partly due to the different methodologies used, with field technicians only reporting when they observed the incident, while CU also reported based on farmer and worker declarations. Nevertheless, these cases were not captured within the current setup of the system.

Analysis of the Prompt Actions²⁵ reported during the 2015/2016 crop season for the Dowa district showed that field technicians had reported several situations incorrectly. In 20 cases field technicians reported children aged 16 and above involved with light work outside of school hours. In seven cases child family members aged between 12 to 15 years were involved with light work outside of school hours. These situations are allowed by the ALP Code and local regulations.

3.5.3 Addressing Prompt Actions

CU verified the follow up of one Prompt Action at the farm. In this case, the situation did not recur during the CU visit.

Addressing of Prompt Actions was mainly done by taking corrections (making the activity stop) and explaining the ALP Code. Corrective actions by searching for solutions and addressing the root causes was not performed.

Although not conducted in the Prompt Action reporting, LLTC did conduct an overall root cause analysis in surveys focused on specific topics as described in chapter 4.3.

LLTC response:

“LLTC has critically reviewed the procedure for identifying, reporting and following up prompt actions and will implement the following improvements:

- *A prompt action guideline to clearly define the process of opening & closing of PA's, escalation process and also define the process to follow in case of repeated offenders by August 2017.*
- *An application for data collection will also be developed to be used whenever FT's and supervisors want to record data during unannounced farm visits by July 2017.*
- *Bi-annual training for all FTs on procedures and incident identification to ensure full awareness of what constitutes a prompt action, incident identification and the capability to distinguish situations that require prompt actions and follow up versus incidents/situations that just require the FT to provide guidance. Training will be conducted during the ALP Modular Training in October & November 2017.*
- *Every quarter from crop year 2017, Regional ALP Coordinators will compile records of prompt action reports and follow up with a set of questions to further assist in identifying root causes of the incident recorded and where within LLTC's capability and mandate, a response will target the root cause. The Regional ALP Coordinators will then randomly select 5% of the farmers with PA's and later conduct focus group discussions.*

25. An extract of the system was provided to CU.

However, where this is outside LLTC's mandate i.e. requirement for increased number of teachers or infrastructure development, a record will be made and relevant stakeholders be engaged. This will bring awareness to relevant authorities of the requirements for infrastructure to be developed in areas of need.

- Continue to use Mobileaf to set reminders for FT to follow up once an incident has been opened in the system.
- During MTP, FTs will be trained by MTP trainers on what constitutes light work and the circumstances in which a child can do light work using the ALP modules. These trainings will be conducted in October to November 2017 and henceforth. Knowledge assessments will be conducted in a form of questions to the participants on light work to ensure that FTs are conversant in the subject of light work i.e. the ages at which children can assist in doing light work and the tasks that are regarded as light work.
- As a contingency measure, a paper based data collection template will be distributed to FTs to be used whenever the FT's have no access to the Mobileaf tablets and for supervisors who do not have access to Mobileaf tablets.

Expected outcomes:

- A clearly defined process that guides FT's on PA's.
- FT's being able to apply their knowledge and manage PA collection efficiently.
- Increased understanding by ALP operational team on PA.
- Increased awareness on what constitutes light work and what goes beyond light work.
- Having a clear process to establish root cause of prevalent cases.
- A clearly defined risk assessment that addresses the priority areas and can be linked to the action plans."

Chapter 4

ASSESSMENT OF THE CURRENT STATUS OF PHASE 2 OF THE ALP PROGRAM



EXTERNAL ASSESSMENT
Limbe Leaf Tobacco Company (LLTC), Dowa, Malawi

This chapter focuses specifically on LLTC's implementation of Phase 2 of the ALP Program. As LLTC had recently started with Phase 2 at the time of this assessment, only initiatives addressing widespread issues and the support mechanism had been included in this chapter.

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

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

4.1 Address widespread and/or systemic issues

Implementation of Phase 2 requires leaf tobacco suppliers to investigate the root causes of various challenges found with the implementation of the ALP. Challenges are first identified and then prioritized before developing specific initiatives but are supported by two approaches. First, initiatives are implemented which aim to mitigate specific risks and improve the overall socio-economic conditions of contracted farms. Second, initiatives should involve all the relevant stakeholders, with emphases placed at the community level.

4.1.1 Initiatives to address widespread and/or systemic issues

LLTC's main strategy for the ALP Program was the prioritization of two Measurable Standards, namely children involved with hazardous work and farm safety.

The objectives for the initiative on children involved with hazardous work were:

- Reduce the number of children involved in hazardous tasks, with no orphans involved in hazardous tasks by the end of 2016;
- Reduce the number of children involved in tobacco related tasks by 5%;
- Increase school attendance to 99% of farmers' children between 6 and 14 years old, 90% of farmers' children between 15 and 17 years old, and 50% of the children of migrant workers.

The objectives for farm safety were:

- Increase awareness by organising training sessions for all people working on the farm on farm safety, planning, and financial management. The number of people included ranged from 17,421 people (farmers and their wives) to 40,209 (farmers, their wives, workers, and tenant workers);
- Provide 855 lockable CPA boxes.

LLTC conducted a baseline survey during the first Mobileaf visit in October 2015 to determine the number of farms that (1) had no access to adequate accommodation, and (2) had no lockable CPA boxes.

4.2 Monitoring

4.2.1 Farm by farm monitoring via Mobileaf

LLTC started monitoring with Mobileaf as of the current crop season. Field technicians were instructed to select topics related to all ALP Code Principles to report situations not meeting the standard. In total, field technicians reported situations that did not meet the standard for 399 farms (39%)²⁶ during the 2015/2016 crop season. However, no confirmation was required for situations that did meet the standard and they were not instructed to inform whether or not a topic was

26. Percentage taken as a proportion of the total 1,035 LLTC contracted farms in the Dowa district.

verified. This resulted in unreliable data, while the targets set for initiatives (see 4.1.1) were based on this information.

Furthermore, in several cases, the available options per ALP Code Principle were not aligned with the ALP Code and local legislations. This resulted in confusing messages to field technicians as to what to monitor and explain to farmers (see examples below).

Based on demonstrations and declarations by field technicians, CU concluded that the translations of the following items did not convey clearly the message of the ALP Code and/or local legislations and were in some cases inaccurate:

- **Child labor:**

- Local legislations on child labor appointed the minimum legal working age of 14, while Mobileaf stated: *“The farmer hires workers who are at least 15 years of age”* and *“The farmer hires workers who are at least 18 years of age CL”*.
- In a family setting, children 12 years and above were allowed to perform tobacco-related activities if these are light, while Mobileaf stated: *“Children below 13 don’t do any tobacco-related work”* and *“Children below 18 don’t do any tobacco-related work CL”*. Both statements are inaccurate and not in line with the ALP Code.

- **Income and work hours:**

- The following statements lacked information on what was required by local law: *“Workers wages meet the minimum requirements of the law”*, *“Workers are paid regularly in accordance with the law”*, *“The work hours are compliant with the law”*, *“Overtime wages are paid at a premium as required by the law”*.

- **Forced Labor:**

- The only statement in Mobileaf on this was *“Work hours are voluntary”*, which was related to involuntary overtime hours and another ALP Code Principle.

- **Compliance with the law:**

- Statement in Mobileaf was *“Children below 18 don’t do any tobacco-related work”*, however, this relates to another ALP Code Principle (principle on child labor) and the minimum working age was 14 instead of the inaccurately stated age of 18. The minimum age of 18 as stated in the ALP Code refers to hazardous work.

Mobileaf offered great possibilities for monitoring data collection (chapter 4.2). However, at the time of the assessment the system was not used to its full potential. This was partly due to the recent introduction and setup of the system, with information not fully adjusted to the ALP Code and legal requirements, and partly to gaps in field technician knowledge (chapter 3.3.3).

LLTC response:

“LLTC through the support of the legal department will focus on aligning and improving the quality of data in the communication materials and put in a place a process to review the system annually and/or during the quarterly steering committee meetings. As an initial step, LLTC will ensure that:

- *Information in Mobileaf is up to date and aligned to the ALP program, applicable laws and regulations by the end of December 2017 and that the ALP program’s higher standards for farmer improvement are emphasized where local laws set lower standards.*

Expected outcomes:

- *Updated and accurate legal information in Mobileaf which will enable correct information to be passed on to the farmers”*

27. ALP is part of the GAP program.

4.3 Risk assessment

LLTC conducted its first risk assessment in November 2015 using PMI's global template for GAP²⁷ assessments. This template required LLTC to identify the potential risks associated with the Measurable Standards of each ALP Code and to determine the level of probability and severity, to calculate the risk level.

LLTC based the risk assessment mainly on the knowledge of those involved with conducting the assessment, namely the ALP coordinator and the sustainability manager. The highest risk levels were assigned to the following practices:

- **Child labor:**
 - Children working below minimum age;
 - Children involved with hazardous work;
 - Family children involved with hazardous work or that are too young.
- **Safe work environment:**
 - Entering a field within re-entry period after CPA application;
 - Farmer not providing a safe and sanitary working environment, and not taking all reasonable measures to prevent accidents, injury, and exposure to health risks;
 - Usage, handling, or applying CPAs without having received the required PPE. And persons under the age of 18, pregnant women, and nursing mothers handling or applying CPA; and
 - Provision of inadequate worker accommodation.

In addition to the overall risk assessment, LLTC conducted the following surveys and assessments on market-specific issues; orphan risk assessment (2013), forced labor survey (2014), pre-assessment survey on ALP (2014), tenancy system survey (2015) and school attendance survey (2015). The orphan risk assessment and forced labor surveys clearly identified and described risks and causes. The pre-assessment survey focused predominantly on the awareness of ALP Code Principles for field technicians, farmers, family members, and external workers.

Risk management was limited as only one corrective action was formulated for all risks and the same person – the ALP coordinator – was made responsible for all actions. No deadlines or completion dates were included in the actions. Based on the risk assessment, no targeted or preventive actions were taken. However, initiatives were being implemented to address children involved with hazardous work, and to improve the level of safety at the farms (chapter 4.1.1). An analysis of the occurrence and potential causes of the identified risks was included in these initiatives from which concrete actions were formulated to improve the situation at the farms.

4.4 Support mechanism

LLTC was in the process of developing an independent support mechanism for farmers and workers in cooperation with PMI's other leaf tobacco supplier and a local NGO. The design of the support mechanism were still being discussed at the time of the assessment.

Chapter 5

FARM LEVEL ASSESSMENT OF ALP CODE STANDARDS



EXTERNAL ASSESSMENT

Limbe Leaf Tobacco Company (LLTC), Dowa, Malawi

Chapter 5 summarizes the field assessment of the current status of the ALP implementation. At the time of the assessment, LLTC was in the third year of implementing Phase 1, and had recently started with Phase 2 of the ALP Program. Subsequently, the farm assessment should be viewed as a baseline to support the implementation of Phase 2.

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

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

5.1 ALP Code Principle 1: Child labor

There shall be no child labor.

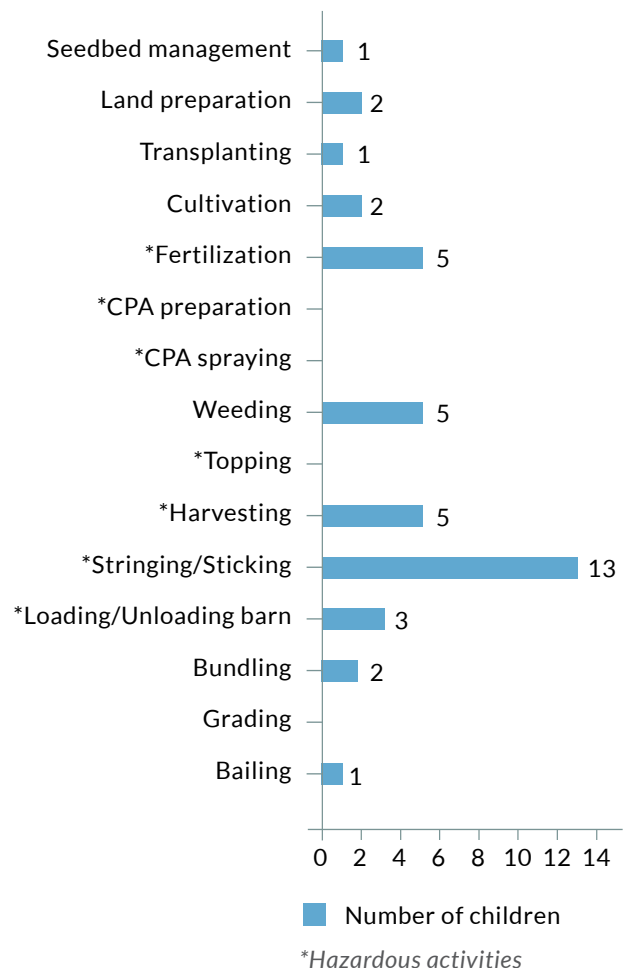
Child labor: Overall findings and challenges

5.1.1 Prevalence of children working

CU identified 18 children involved with tobacco related activities. At one farm (3%)²⁸ children aged

below 14,²⁹ were considered to be (indirectly) employed. This considered two tenant workers’ children aged 12.³⁰ At four farms (12%)³¹ four child family members below the age of 12 were helping with tobacco and a further 17 children below 18 years old were involved with hazardous activities on ten farms (29%).³² Although Malawian law included a list of allowed hazardous activities for children aged 16 to 18 (see Appendix III), with the requirement children were trained, ALP prevailed and was more strict with stating a minimum age of 18 for hazardous activities. During the visits, CU did not find evidence of children not going to school.

The graph below shows the number of children involved with different tobacco related activities (one child often performs more than one activity).



28. This farm had been contracted by LLTC for longer than one year.

29. The legal minimum age for employment in Malawi is 14 years (Appendix II).

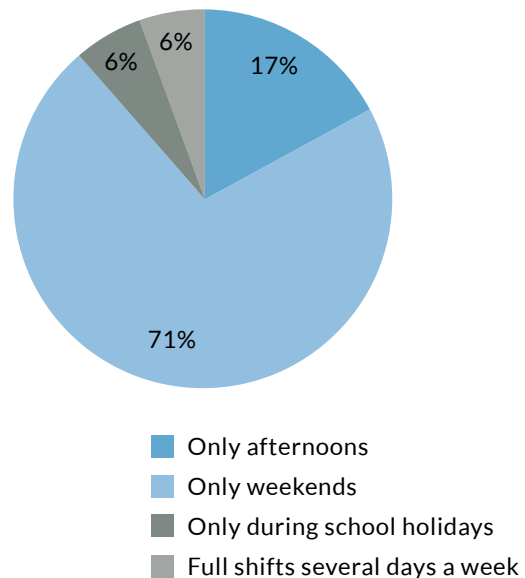
30. The Employment Act of 2000 defines a “tenant share cropper” as an employee but does not go further to make provisions that recognize the unique and prevailing practices of a tenant and grower relationship.

31. Three of these farmers had been previously contracted by LLTC, which represents 11% of the total number of visited farmers who had been contracted longer than one year.

32. Nine of these farmers had been previously contracted by LLTC, which represents 33% of the total number of visited farmers who had been contracted longer than one year.

For the children found working, the frequency of work was as shown in the pie chart below. A 17-year-old daughter of a farmer worked full shifts several days a week, and was involved in the following activities: seedbed management, land preparation, transplanting, cultivation, fertilization, weeding, harvesting, and stringing.

Frequency of children working aged below 18: 18 children



Initiatives to address child labor

- School building project**

In 2014, LLTC helped build school blocks and teacher housing at the Mbalame primary school in an area of Dowa where the school was too far for children to go. CU visited one farmer (3%) who had three children enrolled at this school and who mentioned that school attendance had increased since the building project.

- Distribution of school materials**

LLTC contributed school materials to children to help increase school enrolment, as parents often could not afford these. Two farmers (6%) mentioned that they had received school bags for their children (see picture below).



5.1.2 Awareness of legal minimum working age

17 farmers (50%)³³ were unaware of the legal minimum working age. At 13 farms (65%)³⁴ interviewed workers were unaware of the legal minimum working age.

Child labor: Risks

5.1.3 Awareness of hazardous work

Seven farmers (21%)³⁵ were unaware of the meaning of hazardous work. In parallel, at 14 farms (67%)³⁶ interviewed workers and/or family members were unaware of the meaning of hazardous work.

5.1.4 Age verification

None of the farmers visited were able to verify the age of their workers. Many residents in Malawi do not have identity documents.

5.1.5 Underlying factors increasing risk of child labor

CU identified several factors that increased the risk of child labor at the visited farms. First, it was common practice in Malawi for children to help on the farm as farmers wanted them to learn the various activities. Second, the legal minimum working age and the definition of hazardous work were not known to all farmers, family members, and external workers (chapter 3.3.3). Third, children of tenant workers needed to contribute to the workload, as the tenant workers did not have the financial means to hire labor. Fourth, as described in chapter 3.3.1 communication on regulations regarding child labor might be confusing for farmers.

Child labor: Analysis and Priorities

LLTC acknowledged the risk of child involvement in tobacco related activities. However, knowledge among its field technicians on acceptable activities for children, as described in the ALP Code, and their understanding of hazardous activities was still insufficient (chapter 3.3.3). At the same time, several gaps were identified in the Prompt Actions reporting system (chapter 3.5) and CU identified children involved with tobacco related activities on LLTC contracted farms. While the organizational structure and capacity was in place to support the ALP Program, it was not fully aligned with ALP Code requirements and so could not be used to its full potential.

LLTC response:

“LLTC’s ongoing program to progressively eliminate child labour includes the following:

- *By end of July 2017, re-circulate the hazardous work list to all personnel involved in the ALP program.*
- *Reduce child labour incidents by improving the understanding of all people on the farm through:*
 - Individual training of farmers, drama sessions at community level and radio programs. LLTC through the FTs will on an annual basis re-train all contracted farmers and all people living on the farm. Training will focus on minimum working age and hazardous work areas. This will target 100% of LLTC contracted farms which in 2016 totalled 11,529 farms.
 - FTs will also conduct retraining sessions in areas where child labour is more prevalent.

33. 16 of these farmers had been previously contracted by LLTC, which represents 59% of the total number of visited farmers who had been contracted longer than one year.

34. 10 of these farmers had been previously contracted by LLTC, which represents 67% of the total number of visited farmers who had been contracted longer than one year.

35. Six of these farmers had been previously contracted by LLTC, which represents 22% of the total number of visited farmers who had been contracted longer than one year.

36. 11 of these farmers had been previously contracted by LLTC, which represents 69% of the total number of visited farmers who had been contracted longer than one year.

From the 2017 crop year, FT's will encourage all contracted farmers to use voter identity cards or national identity cards, where available, as a form of identification and age verification for worker recruitment processes. Farmers will be notified of this requirement through group meetings and individual farmer meetings by the FT's.

- *Continue to map some of LLTC's CSR projects in education by rewarding performing communities and through ALP initiatives increase support to schools around communities that have demonstrated efforts in reducing child labour by providing teaching and learning materials. Where feasible provide infrastructure development where the root cause is as a result of lack of classrooms and sanitation facilities. Between April 2016 and March 2017, LLTC has supported communities with the following:*
 - 7 classrooms at two primary schools (Mwakhundi and Majiga).
 - 10 modern pit latrines (Mwakhundi).
 - 2 teachers houses (Majiga).
 - Learning and teaching materials to two schools (Kabwafu and Bolero).
 - 360 schools desks to 4 primary schools (Mwakhundi, Majiga, Chauta and Mbalachanda)
- *Bi - annual training of ALP Local Committees to be proactive in checking, monitoring and training local authorities on what constitutes light work and also hazardous work plus the law and principles on child labor.*
- *Annual training on similar issues for 342 Traditional Leaders and 114 Village Development Committees³⁷ in communities from which LLTC sources tobacco. It is important to maintain support from the Traditional Leaders and the communities. This sets the right tone at the top and communities easily follow.*
- *A community based approach in identifying training needs and key interventions to promote the adoption of ALP Code Principles. Ensure community leaders and members under the ALP Committee leadership participate in decision making and the selection of the priority areas to be pursued on an annual basis. This approach will encourage a participatory process which translates into more ownership and commitment towards the overall goals of the ALP program.*
- *Quarterly, train and target to reach out to 6,842 farmer wives in VSLA by the end of the 2016/17 crop year. This will be monitored separately to understand the extent to which the VSLA's have had an impact on the LLTC contracted farms. This will increase the number of women that are financially empowered and are able to recruit paid labour, subsequently protecting their children from child labour. As at the time of the CU assessment, LLTC had 122 VSLA groups with 2,116 members. CU noted that except for one farmer, farmers interviewed were positive about the initiative. Notable achievements of the VSLA included, members being able to pay for temporary workers, buy livestock to supplement income, pay school fees for secondary school children, pay for family medication, and accumulate capital for other income generating activities.*
- *Reduce the number of children exposed to hazardous work through support rendered to CBCCs.*

LLTC believes in grassroots development and will continue to encourage farmers and farmer spouses to bring their children to CBCCs. LLTC has three CBCCs, through which LLTC trains community child care givers and mothers on interactive parenting and nutrition. The CBCCs lay a good foundation for a child's wellbeing and preparation for primary education. Further, parents have the opportunity to leave their children at the CBCCs while they tend to their fields.

Starting from 2017 crop year, LLTC will for the next 3 years focus on equipping the 3 CBCCs with the necessary tools to achieve the intended objectives and will annually, monitor the impact of the CBCC's on child labour elimination.

37. These are community based committees responsible for development projects in Villages in Malawi.

If successful, CBCCs will be rolled out in other operational areas, especially in areas where there is higher prevalence of child labour.

Addressing factors related to child labour requires a multi-pronged approach, a farmer and community awareness on the one hand and infrastructure and economic interventions on the other. LLTC will continue to link CSR activities with child labour elimination. Further, integrating improved agricultural practices with lessons in financial literacy through the VSLA has had a significant direct impact to households with a high probability of sustaining short and long term financial benefits. Awareness is key; training will therefore remain a core activity of the ALP program. LLTC will check the impact through survey incorporated in Mobileaf.

Expected outcomes:

- *With improved financial literacy, parents will be able to employ temporary labour to assist on the farms.*
- *Increase in school enrolment and attendance.*
- *Reduced number of children exposed to hazardous work*
- *Reduced child labour*
- *Continued support from the Traditional Leaders and the communities which sets the right tone at the top and communities can more easily follow.*
- *Increased awareness on hazardous work by all.*
- *Reduced child labour incidents due to lack of awareness on child's age."*

5.2 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.

Income and work hours: Overall findings and challenges

Diverse Employment Practices

CU identified different contractual labor arrangements between small-holder farmers and workers in Malawi: permanent and seasonal workers, daily workers and tenant workers. Each required a different approach to understand how salaries were agreed between farmers and workers, what was paid and whether those agreements and payments to workers were in line with the law (i.e. minimum wages, overtime, and other legal benefits). To add to the diversity of the existing working arrangements on Malawian farms supplying LLTC, 10 farms (29%) hired internal migrants i.e. workers coming from other districts within Malawi and not able to go home daily. Finally, it is worth keeping in mind that more than one type of worker can be present in the same farm.

Tenant Workers - Employees not Commercial Partners

Smallholder tenant workers are those workers who gain access to land that otherwise they could not afford. Therefore, tenant workers agreed to grow tobacco on a piece of land provided by a landlord (LLTC contracted farmer), and agreed as part of this arrangement to sell the tobacco to the landlord. In addition to the land (average of 2 hectares of tobacco per farmer), the landlord also held the tobacco growing contract with LLTC and provided the tenant worker with farm tools and input to

grow tobacco. Tenant workers were paid per bale delivered at the end of the agreement. Generally tenancy arrangements – sometimes called sharecropping – may be interpreted as a commercial partnership where labor requirements relating to employment are not fully applicable. However there are specific factors involved here that make tenant workers more like employees, working for piece rates per bale, rather than an independent actor assuming risk and responsibilities, with the potential for breakeven, profit or loss.

Full, part-time and casual workers (ad hoc work schedules)

Other labor agreements included permanent workers, who either worked full shifts over the work week (24%), or full shifts several days a week (68%), and workers only working on the farm over the weekends (5%) or afternoons (3%).

5.2.1 Minimum salary

The daily legal minimum wage in Malawi as of October 1st 2015 was MWK 687.70 (see Appendix III). The diversity of contractual labor arrangements, meant that in order to assess how workers' income was paid it could either be by applying the legal minimum wage directly i.e. per day, or be benchmarked against the legal minimum wage where other arrangements like piece work/bale is agreed.

At the 11 farms daily workers were hired and they either received a fixed salary for a limited number of days (one to maximum seven days) or piece-rate payments (150 MWK per heap of stringing; three to five heaps in five to seven hours or weeding or harvesting per plot of land). At seven of the farms hiring daily workers (63%) farmers paid below the legal minimum daily wage. Permanent workers received a fixed salary of in between 75,000 MWK

to 80,000 MWK for a working period of nine months (although there were different schedule agreements for this working period as noted above). That said, considering a full-time occupation for the working period, at all farms, farmers paid permanent workers below the daily minimum wage (between 269 MWK and 512 MWK). Farmers did not have any mechanism in place to record hours worked by their employees at the time of the assessment.

Tenant workers on the other hand received their income based on the number of bales (100 kg of tobacco) they produced in a season and could be considered piece rate workers based on this pay-setting mechanism. To benchmark the income required knowledge of the underlying assumptions about the amount of time it takes to produce one bale, under average or optimal conditions. From the cost of production provided by ARET³⁸ to tobacco buyers and suppliers in Malawi. It could be calculated that ARET estimated an investment of 24 working days³⁸ per bale of tobacco on an average. If this is then applied to a salary in accordance with the legal minimum wage, the information from ARET provided for a labor cost resembling 16505 MWK³⁸ per bale if the minimum legal salary is to be earned by the tenant worker.

CU found salary equivalents in a range of between MWK 12,000 to 20,000 per bale. This meant that some tenant workers were not achieving minimum legal salaries and other tenant workers were achieving more than the legal minimum of MWK 687.70 using the labor cost per bale of MWK 16505³⁹ as benchmark. One farmer that hired tenant workers (17%) paid below 16505 MWK per bale. However, even for the tenant workers, for whom the per bale price did cover the assumed labor investment as said the MWK 16505 MWK per bale³⁸ at a rate of pay in line with the legal minimum, there were several concerns with using this per bale price as a benchmark.

38. ARET: Agricultural Research and Extension Trust (see <http://www.aret.org.mw/>).

39. Number calculated from the cost of production provided by ARET. Average yield per hectare given was 1400 kg of tobacco. Labor investment per hectare presented was 336 days. Furthermore the weight of one bale of tobacco produced by tenants workers was 100 kg. From these numbers CU derived that one bale of tobacco represented 24 working days on average. Combined with the minimum legal salary of MWK 687.70 this came down to a per bale price of 16505 MWK. CU was not able to verify this information in the field as the cost of production information was provided after the field assessment.

Therefore, on nine farms that hired tenant workers (90%) CU concluded based on comparing time present at the farm, persons contributing to the work and remuneration for the season⁴⁰ that tenant workers received only a low overall salary or remuneration for the time invested at the farm due to a variety of factors, namely:

- A fixed remuneration for bales without a clear stipulation on the paid days of work expected on the tobacco crop.
- The limited number of bales (8 to 20 bales per season with average of 13) feasible, due to the limited size of land they were assigned to work on.
- The total number of days they were available at the farm in the season to work on other sources of income.
- The migrant workers were not able to return home to take up other work, when not being expected to work. Therefore it may be inevitable cases where they may be asked to help with other crops and tasks.
- There were many cases that involved family members to contribute to the work. In these cases it was not exactly clear how work was divided amongst people contributing to the bales of tobacco. In two cases the tenants involved their children.
- The time spent on tobacco versus the time spent on other crops and tasks is not distinguished or recorded.

In conclusion, if tenant workers are paid based on a rate of 12,000 to 20,000 MWK per bale, this may not reflect fully the responsibilities and nature of their commitment to the work.

Finally, and in addition, tenant workers were bearing the risk in case yields turned out to be low at the end of the season, without any agreements in place on minimum payments to tenants or bonus or profit sharing with the farmer from any profit or bales delivered above a target for the land size (hectares).

Nevertheless, in addition to cash payments and the access to land to grow other food crops, tenant workers received maize (40 to 80 kg), salt, soap, free accommodation, water and money for milling (approximately 700 MWK) on a monthly basis. At one of the farms visited, the tenant worker was helped by two wives and needed to feed six children but they only received 60 kg of maize per month for all of them. Although they also performed piece-rate work on another farm, they declared that they did not have enough food.

5.2.2 Payment schedule

The Employment Act does not control the periods for paying wages, provided that the wages are not paid less often than once a week in the case of workers whose wages are fixed by the hour, day or week (Appendix II).

CU found 14 farmers (58%)⁴¹ that paid their workers at the end of the harvest. At ten of these 14 farms the tenant workers received end-of-harvest payments, and at six of these 14 farms permanent workers received also end-of harvest payments. Please note that at several farms both tenant workers and permanent workers were employed.

5.2.3 Regular and overtime hours

CU did not find evidence of workers exceeding the legal daily working hours. Depending on the activities, work varied between four and eight hours per day.⁴²

40. Calculated by multiplying the agreed price per bale of tobacco with the expected number of bales per season. This total amount per season is divided by the working period (number of months that the tenants are working) and the number of persons contributing to the work: tenant, their wife -in many cases- and in one case also their children.

41. Ten of these farmers had been previously contracted by LLTC, which represents 52% of the total number of visited farmers who had been contracted longer than one year.

42. See appendix II for all the relevant legal information for this specific topic.

5.2.4 Legal benefits

None of the farmers provided their workers with the basic entitlements required by law. Farmers were unaware of the labor benefits that their workers should receive.⁴³

Workers and tenant workers were not registered at the required government institutions, and they lacked awareness of their labor rights, with the exception of:

- the scope of work;
- the wages to be paid; and
- the number of working hours, which they knew.

In some cases, workers received days off, when they wanted; but this did not apply to tenant workers as they received payment per bale of tobacco produced at the end of the season. Tenants were provided with commodities in addition to their salary, as mentioned in Chapter 5.1.1.

5.2.5 Awareness of legal minimum wage

Nine farmers (38%)⁴⁴ were unaware of the legal minimum wage. At 16 farms (76%)⁴⁵ the workers were unaware of the legal minimum wage.

Income and work hours: Analysis and Priorities

Although leaf technicians were aware of the legal minimum wage and working hours (See Chapter 3.3.3), this information and other labor topics, such as labor benefits, were not included in LLTC's communication materials (chapter 3.3.2). This ALP Code Principle was not one of the prioritized principles by LLTC and, as noted in the above findings, CU identified several situations not meeting the standard.

Initiatives to address Income and work hours

- **Village Savings and Loans Associations (VSLA)**

In the VSLA, groups of farmers' wives learned how to manage their finances and save money for the following purposes: (1) paying temporary workers, (2) buying livestock, (3) family medication, and (4) other domestic expenses. The wives of 24 farmers (71%) participated in the VSLA groups. Farmers were positive about the initiative, except one whose wife reported that she had lost savings of MWK 27,000 due to the bad management of the VSLA group. The interviewees mentioned that the groups met either weekly or monthly.

LLTC response:

"Moving forward LLTC will:

- *Conduct annual individual and group trainings on the principle with emphasis on the legal aspects and will target 100% of the farmers that hire labour/tenants and 85% of the tenants/workers to ensure that by the end of 2018 crop year, they are aware of their legal rights in the work place. Drama sessions will also be conducted to raise awareness between August and January 2018.*
- *As part of farm by farm monitoring, FT's will monitor the use of written contracts for newly recruited and existing workers on farms, compliance to the industry minimum standards on farms that use tenants for crop year 2017/18.*

43. Examples of the basic entitlements and benefits are: (i) annual leave; (ii) maternity leave; and (iii) compensation in case of injury. See Appendix II.

44. 13 of these farmers had been previously contracted by LLTC, which represents 81% of the total number of visited farmers who had been contracted longer than one year.

45. See appendix II for all the relevant legal information for this specific topic.

- Regional ALP Coordinators will sample farms (5% of farms with labour/tenants) to check proof of payment in the 2017/18 crop year. Payment records will be checked during mid-season and towards the end of the crop year to ensure that farmers fulfill their contractual obligation.
- Increase emphasis on the benefits of regular payments compared to end of harvest payment.
- LLTC will continue with the provision of annual training to farmers who hire labor on financial management so that they can be able to pay workers at least the minimum wage.
- LLTC will provide training to farmers and tenants on the industry minimum standards and ensure that there's a contract between farmers and tenants in the 2017/18 crop year.
- Ensure that all wages are compliant with the industry minimum standard requirements, with a target of 30% compliance at all farms that hires tenants by crop year 2020. This will form part of monitoring by the FT's from crop year 2018.

Expected outcomes:

- Increased number of temporary farm workers paid at or above minimum wage.
- A significant reduction in the number of farms paying workers at the end of the crop year.
- Increased workers awareness on their legal rights in the work place.
- LLTC being able to formulate intervention plans from data that is being collected.
- Wages at all farms that hire tenants complying with the requirements of the industry MST."

5.3 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.

Fair treatment: Overall findings and challenges

5.3.1 Fair treatment

No evidence was found of sexual or physical abuse on the farms. The farmers and workers interviewed confirmed that physical and sexual abuse did not take place on their farms.⁴⁶

However, the fact that tenant workers' wives did not receive the same treatment as their husbands, could be considered discrimination. Tenant workers are considered employees in Malawi law and LLTC also considered tenant workers employees as shown, for example, in their Farm Profile analysis in which tenant workers were categorized as a labor relation. Therefore given that the tenant workers' family members help with farm work, they should also be considered to be employed.

5.3.2 Communication with workers

In addition, at two farms (9%)⁴⁷ workers were not able to file grievances with the farmers. Both workers reported that the farmers got angry when they wanted to discuss their salary.

Fair treatment: Analysis and Priorities

Fair treatment was not prioritized by LLTC, while challenges regarding this principle have been identified by CU. The main risks were related to the tenancy structure. Farmers only communicated and paid salaries to their tenant workers, even though the tenant workers' wives were often working (employed) on the farm as well. Although the practices are embedded in local culture and are socially accepted, the ALP Code requires the equal treatment of both genders.

46. See appendix II for all the relevant legal information for this specific topic.

47. Both farmers had been contracted by LLTC longer than one year.

LLTC response:

“To ensure that there is fair treatment on LLTC’s contracted farms LLTC will do the following:

- *Training of 100% of contracted farmers and 85% of workers and tenants on the fair treatment measurable standard in 2018 crop year. Also, ensuring that tenant & worker contract template is distributed to 100% of the farms that hire tenants and/or workers.*
- *Increase awareness of the fact that any family member working on the farm is considered to have been (indirectly) hired through individual training and group training for farmers, workers, family members & tenants from 2017 crop year.*
- *LLTC is conducting a feasibility study on the use of ALP committees as a SM, which will help in defining how the SM can be implemented in MW. The Feasibility study will be conducted in Kasungu in 2016/17 crop year.*
- *In addition, LLTC will also pilot an in-house help line that will act as a support mechanism. The support mechanism will leverage on the ALP program that LLTC currently has and will incorporate FT’s, ALP committees and village leaders to follow up the issues that have been raised through the help line.*

Expected Outcomes:

- *Fair and equal treatment for all people working on the farm.*
- *Having ALP committees that are empowered to deal with and resolve disputes that arise between workers, tenants and farmers.*
- *A support mechanism that all people on the farm can be able to use to raise grievances.”*

5.4 ALP Code Principle 4: Forced labor

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

Forced labor: Overall findings and challenges

5.4.1 Workers unable to leave their employment

One farmer (3%)⁴⁸ stated that he would not want tenant workers to leave his farm before the end of the season and that he would bring the workers to the police if they wanted to leave their employment.⁴⁹ CU interviewed the tenant worker who declared that he was afraid that the farmer would not pay him if he decided to leave his employment. These workers were not free to leave their employment.

Another farmer (3%) mentioned that as he invested in the workers by providing them with basic needs such as food and soap, he expected them to stay working for him throughout the season.

5.4.2 Crew leaders

At one farm (4%)⁵⁰ workers were paid via a crew leader. This practice was only reported for weeding and the farmer stated that he paid 15,000 MWK per acre⁵¹ to one person, who engaged others to help with the workload. In this case, the farmer did not have insight into the payments to all those working at the farm, and could not ensure that the payment practices were meeting the standards.

5.4.3 End of harvest payments

14 famers (58%)⁵² paid at the end of the harvest. At eight of these farms only tenant workers were

48. This farmer had been contracted by LLTC longer than one year.

49. See appendix II for all the relevant legal information for the specific topic.

50. This farmer was contracted by LLTC for the first year.

51. Acre was locally used for land size and equals 0.405 hectare.

52. The Employment Act of 2000 defines a “tenant share cropper” as an employee, but does not go further to make provisions that recognize the unique and prevailing practices of the tenant/grower relationship.

working, at two farm both tenant workers and permanent workers received end of the harvest payment, and at four farms only permanent workers were employed. These tenant workers and seasonal workers received their salary after a working period of between three to nine months. As mentioned in chapter 2.4, on six of these farms tenant workers had migrated from another district of Malawi, increasing the risk of forced labor. Tenant workers were typically assigned a plot of land on which they had to perform all work from seedbed management until bailing. The tenant workers received inputs and revenues per bale at the end of the harvest from the farmer. Farmers stated that they were only able to pay their workers at the end of the season once they had sold the tobacco.

5.4.4 Indirect payments

Tenant workers were considered employees under Malawian law.⁵³ Consequently family members of tenant workers who helped complete the work should also be considered employees, and should receive direct payments. However, tenant workers were paid based on a pre-arranged price per bale (chapter 5.2.1). Furthermore, the wage was paid to the tenant worker only and not to their family members. LLTC considered tenant workers to be farmers' employees as evidenced in the Farm Profile analysis where tenant workers were viewed to be in a labor relation.

Forced labor: Analysis and Priorities

CU identified one farm at which tenant workers were unable to leave their employment. Other risks identified were crew leaders and end of harvest payments. LLTC acknowledged the risks of forced labor on their farms and had conducted a survey on this topic in 2014, prior to CU's assessment (chapter 4.3). The survey was generally in line with CU's findings and identified additional risks, such as farmers withholding identity (voting) documents to prevent workers from working on other farms. Although these challenges are known,

the knowledge of field technicians (chapter 3.3.3) and the settings in Mobileaf (chapter 4.2.1) were insufficient to capture a reliable overview of these situations on the farm. LLTC addressed the issues regarding forced labor partly by developing and promoting the minimum standards for tenant workers (chapter 3.2.4) and through VSLA training (chapter 5.2). Additionally, LLTC engaged farmers' wives with VSLA training (permanent workers and tenant workers were not included) to help them improve the financial management of their farms.

LLTC response:

"LLTC is aware of the issues that were identified during the CU audit with regards to forced labour and has so far done the following to deal with the issues: training, radio skits, drama and increased awareness on the minimum standards for tenants amongst the farmers.

- *All contracted farmers that hire tenant will be trained on the industry MST developed by industry stakeholders and approved by Malawian Ministry of Labor.*
- *All contracted farmers will be required to be compliant with the MST as included in the LLTC-farmer contract agreement.*
- *Increase awareness on the negative impact of using crew leaders. FT's will check on recruitment processes on the farm during farm visits from 2018 crop year.*

Expected outcomes:

- *Increased understanding and compliance by farmers to the industry minimum standards.*
- *Increased awareness by farmers on what constitutes forced labor.*
- *Increased awareness on the negative impact of recruiting via crew leaders. FT's will check on the farm during farm visits from 2018 crop year."*

53. See appendix II for all the relevant legal information about this topic.

5.5 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.

Safe work environment: Overall findings and challenges

5.5.1 Training and awareness of Green Tobacco Sickness (GTS)⁵⁴

At 20 farms (63%)⁵⁵ persons handling green tobacco were not trained on the existence and avoidance of GTS. Four farmers had not received training and, in the remaining cases, either family members and/or workers were not trained. In total, four farmers were unaware of the existence and avoidance of GTS, and at 15 farms workers/family members were unaware. In addition, 10 farmers did not consider it necessary to train workers and/or family members on the existence and avoidance of GTS.

At five farms (15%)⁵⁶ pregnant/nursing women were involved with harvesting, stringing, and topping which are considered hazardous activities.

The usage of protective clothing was inadequate at the majority of the farms. At 31 farms (94%)⁵⁷ persons handling green tobacco did not wear the

required harvesting clothes (long sleeves, gloves, and long pants). At most of the farms several protective clothing were found, however, they were not available to all those involved with handling green tobacco, and were not always adequate. While LLTC provided one pair of PVC gloves per farm for CPA spraying which offered adequate protection for harvesting, the remaining gloves provided with the Nyonga pack⁵⁸ given to farmers were thin plastic gloves that were inadequate.

Protective clothing available ⁵⁹	Number of farmers
Long sleeves and long pants	14 (41%)
Long sleeves, long pants and gloves	4 (12%)
Long sleeves and gloves	4 (12%)
Long sleeves, gloves, long pants, and shoes	3 (9%)
Only long sleeves	2 (6%)
Long sleeves, gloves, and rain gear	1 (3%)
Long sleeves, gloves, long pants, and rain gear	1 (3%)
Only long pants	1 (3%)

54. See appendix II for all the relevant legal information about this topic.

55. 17 of these farmers had been previously contracted by LLTC, which represents 68% of the total number of visited farmers who had been contracted longer than one year.

56. Three of these farmers had been previously contracted by LLTC, which represents 11% of the total number of visited farmers who had been contracted longer than one year.

57. 25 of these farmers had been previously contracted by LLTC, which represents 93% of the total number of visited farmers who had been contracted longer than one year.

58. The Nyonga pack contained three pairs of disposable gloves for CPA application and three masks. In addition the pack included several CPAs (Decis, Fabulinforte, Copper oxychloride and Condifor) and a manual on how to apply them. Farmers bought one Nyonga pack per hectare of tobacco from the supplier. The Nyonga pack was an industry initiative and provided to the farmers by the supplier.

59. Protective clothing was available at the farms but in most cases there were not enough for all those involved with harvesting.

60. 11 of these farmers had been previously contracted by LLTC, which represents 41% of the total number of visited farmers who had been contracted longer than one year.

LLTC response:

“LLTC immediately retrained all the FTs on GTS prevention and avoidance and commits to do the following to improve awareness:

- *Annual distribution of leaflets, drama presentations and face to face training of farmers, farmer wives, workers and children on GTS, its effects and how it can be avoided. Impact to be assessed by end of the 2018 crop year with a target of 100% farmers and 85% awareness for other people on the farm.*
- *Emphasise to the farmers and include in training materials the impact of GTS on productivity, the significance of PPE and the importance of passing on information to others on the farms.”*

5.5.2 CPA handling and training

Safe usage of CPA could not be ensured at 13 of the farms visited (39%)⁶⁰ as on these farms not all persons handling/applying CPA were trained. All farmers had been trained, however more persons were applying who had not been trained. Farmers reported the following reasons: 11 farmers did not understand that it was necessary to train other persons involved with CPA application and at the remaining two farms no specific reason was identified why workers involved with CPA application were not trained.

Moreover, at 29 farms (85%)⁶¹ persons involved with CPA application did not protect themselves adequately when applying CPA. One of the reasons mentioned during the farms visits was insufficient availability of adequate PPE such as PVC gloves for all those involved.

None of the farmers discarded empty CPA containers correctly. Common methods used by farmers were burning, burying, or discarding the used containers in the latrine pit. In the absence of a proper collection system, burying was considered the best option, however, this should be done in combination with triple washing and piercing of the containers. None of the farms visited performed these last two practices.

In addition to CPA, fertilizers should be applied using gloves. However, 28 farmers (82%)⁶² reported that they do not use gloves during fertilizer application: at 16 farms gloves were not provided to the person applying fertilizer, at 17 farms the farmer was unaware of the necessity to use gloves, and at eight farms those applying fertilizer reported that the gloves were uncomfortable to use.

13 farmers visited (38%)⁶³ were not aware that after the application of CPA, a re-entry period to the field is required before it is considered safe. In addition, as it was common to intercrop Burley tobacco with pumpkin, whose leaves were eaten, pre-harvest intervals should take into account these crops to minimize the risk of CPA residues.

CPA storage was inadequate on 27 farms (79%)⁶⁴. Most farmers did not have a suitable storage facility and so kept the CPA bottles in or around the house. Some kept the bottles in a separate room but this was not locked and still freely accessible.

61. 23 of these farmers had been previously contracted by LLTC, which represents 85% of the total number of visited farmers who had been contracted longer than one year.

62. 21 of these farmers had been previously contracted by LLTC, which represents 78% of the total number of visited farmers who had been contracted longer than one year.

63. 11 of these farmers had been previously contracted by LLTC, which represents 41% of the total number of visited farmers who had been contracted longer than one year.

64. 21 of these farmers had been previously contracted by LLTC, which represents 78% of the total number of visited farmers who had been contracted longer than one year. 13 farmers (38%) kept CPA containers in a bedroom, living room, or kitchen; six farmers (18%) kept CPA containers in an unlocked room; six farmers (18%) kept CPA containers in a plastic bag or carton box; one farmer (3%) hung a container outside the house; one farmer (3%) stored CPAs in the curing barn.

Initiative to address safe work environment - PPE distribution

LLTC provided farmers with adequate PVC gloves, apron, and goggles in addition to the disposable gloves and mask provided with the PPE set in the Nyonga CPA pack. Workers reported that they sometimes shared the gloves, so one worker could work with the right hand and the other with the left. As mentioned in chapter 5.5.2, on 29 farms (85%) those applying CPAs did not protect themselves adequately.



LLTC response:

“LLTC will do the following to promote CPA related safety measures on farms.

- *Increased awareness through training by FT’s during farm visits on all contracted farms, targeting 100% of the farmers by end of 2017 crop year and 85% of the CPA applicators (family, workers & tenants) by end of 2018 on:*
 - General farm safety with regards to CPA usage,
 - CPA storage facilities, use of PPEs, water availability and
 - Re-entry period after chemical application.
- *Run radio skits on CPA handling, general farm safety, purchase and use of PPE’s and the importance for farmers to train workers on handling chemicals prior to commencement of the crop year to further increase awareness.*
- *Explore the idea of outsourcing the process of collecting plastic & CPA containers at all farms, to promote correct disposal of CPA containers in the 2018 crop year.*
- *As part of the input package, distribute CPA’s, full set of PPE⁶⁵ and CPA storage buckets to all IPS farmers on an annual basis starting from 2018 crop.*

- *Conduct annual First Aid training for ALP Committees through the Health Surveillance Assistants in the villages. In the 2018 crop year, LLTC will provide first aid kits to all ALP Committees.*

Expected Outcomes:

- *Increased awareness on handling and safe use of CPA and all applicators using PPE when handling or applying CPA’s.*
- *Availability of full PPE set & CPA storage buckets at all farms.*
- *Safe disposal of CPA containers*
- *All applicators understanding and observing re-entry period after CPA application.”*

5.5.3 Clean drinking and washing water

Clean water for drinking and washing was not available at eight of the farms visited (35%).⁶⁶ In these cases, the water source was far from the tobacco fields.

5.5.4 Worker accommodation

At three farms (27%)⁶⁷ worker accommodation was found to be inadequate. In one case there were no toilets, in another there was no ventilation and a

65. LLTC distributes Gloves, Apron, Goggles and Mask for CPA application

66. Seven of these farmers had been previously contracted by LLTC, which represents 30% of the total number of visited farmers who had been contracted longer than one year.

67. Two of these farmers had been previously contracted by LLTC, which represents 20% of the total number of visited farmers who had been contracted longer than one year.

lack of personal space. Both farmers reported that they could not afford better housing. In the third case, tobacco was hung inside the housing of the tenant worker; the farmer reported that he did not have enough space to cure the tobacco.

LLTC response:

“LLTC will be taking the approach of raising the level of awareness amongst the contracted farmers through:

- *Continued training of all farmers that hire labour and/or tenants on the importance of building permanent, safe and suitable houses for workers.*
- *Increased training for farmers on financial literacy to start investing in accommodation and rolling out the tenant industry minimum standards for all farmers that use tenant from 2017 crop year.*
- *As the issue of water supply is inherent to Malawi and not only tobacco farmers, LLTC will continue with the corporate social investment programs on building of dams and boreholes to help with addressing the water availability through stakeholder partnerships with customers and other stakeholders for this community projects.*
- *Going forward in the 2018/19 season LLTC will conduct a survey on accommodation to check farmers that are investing in housing.*
- *Ensure that all tenants’ accommodation are compliant with the industry minimum standard requirements, with a target of 30% compliance at all farms that hire tenants by crop year 2020. This will form part of monitoring by the FT’s from crop year 2018.*

LLTC hasn’t defined a program to address the issues of general safety on farms, but will continue to monitor and strive for improvements at the farms as part of the monitoring process.

Expected Outcomes:

- *Farmers understanding of the worker accommodation resulting in constant improvements in the accommodation provided.*
- *Having reliable water source in the communities that LLTC source tobacco from.*
- *Accommodation at all farms that hires tenant complying with the requirements of the industry MST.”*

Safe work environment: Risks

5.5.5 General safety measures

To ensure a safe and sanitary work environment for workers and family members, it is important that farmers are aware of general safety hazards at the farm and that they take measures to prevent accidents, injury, and exposure to health risks. The following risks were identified at the farms visited:

- **Equipment and tools lying around:** At 16 farms (47%)⁶⁸ the equipment and tools were stored unsafely.
- **Transport to medical care:** Six farmers (15%)⁶⁹ did not have access to a means of transport to medical care (e.g. bicycle, motorcycle, or car).
- **First aid training and first aid kit:** None of the farmers or workers had received first aid training and there were no first aid kits at any of the farms.

Safe work environment: Analysis and Priorities

LLTC had prioritized a safe work environment and developed an initiative for improvement, as described in chapter 4.1.1. Targets were set to increase awareness, provide lockable CPA boxes, and to prepare a baseline survey of accommodation and availability of lockable CPA boxes.

68. 11 of these farmers had been previously contracted by LLTC, which represents 41% of the total number of visited farmers who had been contracted longer than one year.

69. All these farmers had been contracted by LLTC longer than one year.

Inadequate accommodation was a recognized issue by LLTC and integrated into the ‘industry minimum standards’ (chapter 3.2.4), and included the minimum provisional requirements for tenant worker housing; a toilet, two rooms, a washing room and a kitchen. These initiatives, however, did not cover the extent of the challenges regarding safe work environment identified by CU. Furthermore, field technicians had still limited understanding of hazardous activities while they were responsible for training farmers.

5.6 ALP Code Principle 6: Freedom of association

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

Freedom of association: Overall findings and challenges

5.6.1 Workers’ right to freedom of association

Although CU found no evidence of farmers not respecting the workers’ right to freedom of association, at one farm (3%)⁷⁰ workers reported that they had met each other in secret at night to discuss the way in which they were treated by farmers. They explained that they had not informed the farmer for fear of his reaction.⁷¹

Freedom of association: Analysis and Priorities

In the district visited no worker or labor unions were available for tobacco workers and no evidence was found of farmers not respecting the workers’ right to freedom of association. Nevertheless, the individual case of workers discussing work related topics with each other in secret might indicate limited freedom of association. This, in combination with the knowledge gaps identified among farmers,

family members and workers regarding this principle (chapter 3.3.3), suggests that further training is needed to raise awareness on this topic.

LLTC response:

“LLTC response: “LLTC will continue to increase awareness with 100% of the farmers on the workers’ right to freedom of association through FT trainings and drama in the third quarter of the 2016/17 crop year. Training will help farmers to allow their workers to associate freely.

Expected outcomes

- Greater awareness of workers freedom of association by the farmers.
- Workers able to organize and unite without fear of being rebuked.”

5.7 ALP Code Principle 7: Compliance with the law

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

Compliance with the law: Overall findings and challenges

5.7.1 Information on legal rights

None of the farmers interviewed had informed their workers fully about their legal rights and employment conditions.⁷² The main contact that farmers had with the workers was to negotiate their salary, inform them of the activities to be performed, and state their expectation of work hours. Farmers stated that this was because they were unaware of the legal rights of the workers (none of the farmers were fully aware); five farmers were unaware of their responsibility to inform workers, two farmers were not willing to inform workers, and one farmer did not know how workers should be informed.

70. This considered a farmers who had been contracted by LLTC longer than one year.

71. See apendix II for all the relevant legal information for this specific topic

72. See apendix II for all the relevant legal information for this specific topic.

At one farm (4%)⁷³ tenant workers were not informed of all tobacco-related activities they had to perform. While the tenant workers had an agreement to work on Burley for an agreed-upon payment, the farmer also expected them to work on Flue-cured tobacco. For these additional tasks the tenant workers did not receive any payment.

5.7.2 Employment contracts

Two farmers (6%)⁷⁴ had formalized a written agreement with their workers and one of these farmers provided the workers with a signed copy. The document included information on payments and duration of the work, and was written in Chichewa. The remaining farmers and workers only had verbal agreements, which is permitted legally.

Compliance with the law: Analysis and Priorities

None of the farmers had informed their workers properly as to their legal rights, suggesting the farmers' need for additional support from LLTC. To enable farmers to inform their workers adequately, their own awareness on legal aspects is crucial. Moreover, knowledge gaps in the understanding of field technicians (chapter 3.3.3) need to be addressed if they are to properly train farmer on ALP. A support mechanism (chapter 4.4) would be an important source of additional information to help properly inform farmers.

LLTC response:

"Going forward LLTC will implement the following to ensure that workers and/or tenants on the farms are aware of their rights and working conditions:

- *Increase awareness to 100% by the end of 2019 crop year of the farms that hire labor on the need to inform workers and tenants of their rights and working conditions when they hire them or work begins. From the beginning of the 2017 crop year to 2018 crop year, LLTC will commit to train 75% of the farms in the first year and 100% in the second year.*
- *Increase awareness to 100% of farms that hire labor on the importance of a written contract between farmers and their workers by the end of the 2018 season. LLTC will train 30% of the farms that hire labor in the 2017 crop year and 70% in the 2018 crop year aiming for 100% compliance in crop year 2019.*

Expected outcomes:

- *Increased number of workers and tenants aware of legal rights and employment conditions.*
- *Increased number of farms with written farmer/worker contracts.*
- *Increased number of tenants aware of their rights and reduced cases of tenants performing work not agreed at the onset of the contract."*

73. This considered a farmers who had been contracted by LLTC longer than one year.

74. Both farmers had been contracted by LLTC longer than one year.

Chapter 6

CONCLUDING REMARKS



EXTERNAL ASSESSMENT
Limbe Leaf Tobacco Company (LLTC), Dowa, Malawi

LLTC has made extensive efforts to implement the ALP Program within their organization. An engaged management team has been created with sufficient organizational capacity to run the program.

Substantial progress has been made since the introduction of the ALP Program in 2011, and developments since the introduction of the Mobileaf system were visible. Efforts were made to create awareness among local communities and a positive effect was brought about by the formation of ALP committees and organizing of ALP drama presentations. Also LLTC participated in an initiative with the other tobacco processing companies to develop minimum standards for tenant workers.

Nevertheless, the message to farmers and their workers was not clear in all cases and some areas had not yet been prioritized such as the legal information provided to workers. Knowledge gaps on ALP Code requirements were identified for field technicians, farmers, family members, and external workers. Moreover, Mobileaf settings were not fully in line with the requirements of the ALP Code and local legislation, leading to confusion on how farm practices should be organized.

At the farm level, CU's findings emphasized the challenge of meeting the ALP Code: child labor was apparent; payments did not always achieve the minimum wage level; the working environment, in many cases, was unsafe and risks of forced labor were identified.

At the time of the assessment, LLTC was running several initiatives to improve farm practices, focused on child labor and safe work environment. These were valid focus points in the light of CU's findings.

In response to this assessment report, LLTC created a action plan of which the full version is included in Appendix I.

APPENDICES



EXTERNAL ASSESSMENT
Limbe Leaf Tobacco Company (LLTC), Dowa, Malawi

Appendix I. LLTC's response and ALP Program action plan

**LIMBE LEAF TOBACCO COMPANY LIMITED (LLTC)
RESPONSE AND AGRICULTURAL LABOUR PRACTICES (ALP)
PROGRAM ACTION PLAN**

GLOSSARY⁷⁵ OF ACRONYMS

MTPT	Modular Training Program Trainers
ALP	Agricultural Labour Practices
LLTC	Limbe Leaf Tobacco Company
CBCC	Community Based Child Care Centre
CU	Control Union
CPA	Crop Protection Agent
FT	Field Technician
GAP	Good Agricultural Practices
MBL	MobiLeaf
GTS	Green Tobacco Sickness
IPS	Integrated Production System
NGO	Non- Governmental Organization
PPE	Personal Protective Equipment
STP	Sustainable Tobacco Production
VSLA	Village Savings & Loans Association
CSR	Corporate Social Responsibility
PA	Prompt Action
FP	Farm Profile

75. Glossary only applies to LLTC ALP Program Action Plan in Appendix I.

Background

Having implemented ALP Phase 1 from 2011 and the pilot for Phase 2 from 2013, LLTC values the Control Union (CU) assessment. LLTC appreciates the recognition by CU of the achievements to date especially on farmer and community awareness and welcomes recommendations for improvement. The assessment provides an opportunity to check progress and also reflect on areas requiring a diversified approach for further improvement. LLTC is confident that action plans put in place to address these areas will lead to improved conditions at farms in the areas where LLTC operates and strengthen the ALP program.

A total of 34 farmers were interviewed during the assessment, of which 27 had been contracted by LLTC in previous seasons, whilst the remaining 7 farmers were first year farmers for the season under review. LLTC had a total of 11,529 contracted farmers for the season of which 6,243 were funded and 5,286 were non-funded representing a ratio of 54:46. The farmers were allocated amongst the 142 Field Technicians (FT) representing a ratio of 81:1. FTs made at least 5 visits to funded farmers and at least 3 visits to non-funded farmers, totalling at least 50,792 visits made for the 2015/2016 crop year. There are more visits to funded growers because in addition to the trainings and farm monitoring, FT's need to also follow up on the use of advances and inputs provided and the recovery of their cost against the proceeds of tobacco deliveries .

LLTC recognises the social challenges that are the root causes of child labour in Malawi and is committed to implementing programs and projects aimed at progressively eliminating child labour and other forms of labour abuse. LLTC participates in international and national initiatives on child labour. Through Universal Leaf Tobacco Inc. (LLTC's parent company in the USA), the company is a member of the Elimination of Child Labour in Tobacco Growing (ECLT) Foundation which is dedicated to bettering the lives of children in tobacco growing communities, and at national level, a member of the National Steering Committee on child labour. For all LLTC contracted farmers, there is a clear prohibition of use of child and/or forced labour.

As mentioned above, LLTC has been implementing the ALP program since 2011 in all its operational areas, initially focusing on Phase 1. Emphasis areas of Phase 1 were put on capacity building amongst the ALP team, especially the FT's, rolling out of the program and communicating to the farmers the ALP program requirements and expectations. The objective was to ensure the FTs builds capacity at the farm level and are aware and engaged to identify incidences that should be reported and addressed for continuous improvement. Significant progress has been noted on farmer understanding of the ALP program as key in implementing fair labour practices on the farm. Both external and internal stakeholders have been trained on the ALP program.

In 2013, LLTC piloted Phase 2 of the ALP program. This phase aims to systematically assess farms and develop individual farm action plans for improvement. Phase 2 was implemented in the Dowa and Ntchisi Districts where focus areas were on child labour, safe work environment and the tenancy system. The first two being identified as priorities through reported practices not fully meeting the standards required by the ALP program.

1. Internal Capacity

1.1 Organisation

CU appreciated the cross functionality of LLTC personnel in the overall implementation of the ALP program. In addition to the agronomy team dedicated to the ALP program, the company introduced the Sustainable Tobacco Practices (STP) Committee and STP Country team during the 2015/2016 crop year. At the time of the CU assessment, the merging of the separate roles of ALP, Forestry and Leaf Technicians into the combined FT position had just been implemented.

The STP Committee is responsible for the management of the ALP program and is comprised of senior members of the operational ALP team and Agronomy team. The Committee's mandate is to manage, implement and monitor the progress of the ALP program. The STP Committee meets on a monthly basis to inter alia review and discuss progress on training, data collection and STP initiatives.

The STP Country Team is comprised of the LLTC Agronomy Sustainability Manager, the National ALP Coordinator and representatives from LLTC Legal and Corporate Affairs section. The STP Country Team was set up to provide guidance and oversight to the STP Committee. The STP Country Team meets on a quarterly basis and discussions focus on:

- Reviewing the implementation of the ALP program, communicating overall progress of the ALP initiatives and reviewing risk assessments.
- The Country Team will also be reviewing the CU action plans going forward.

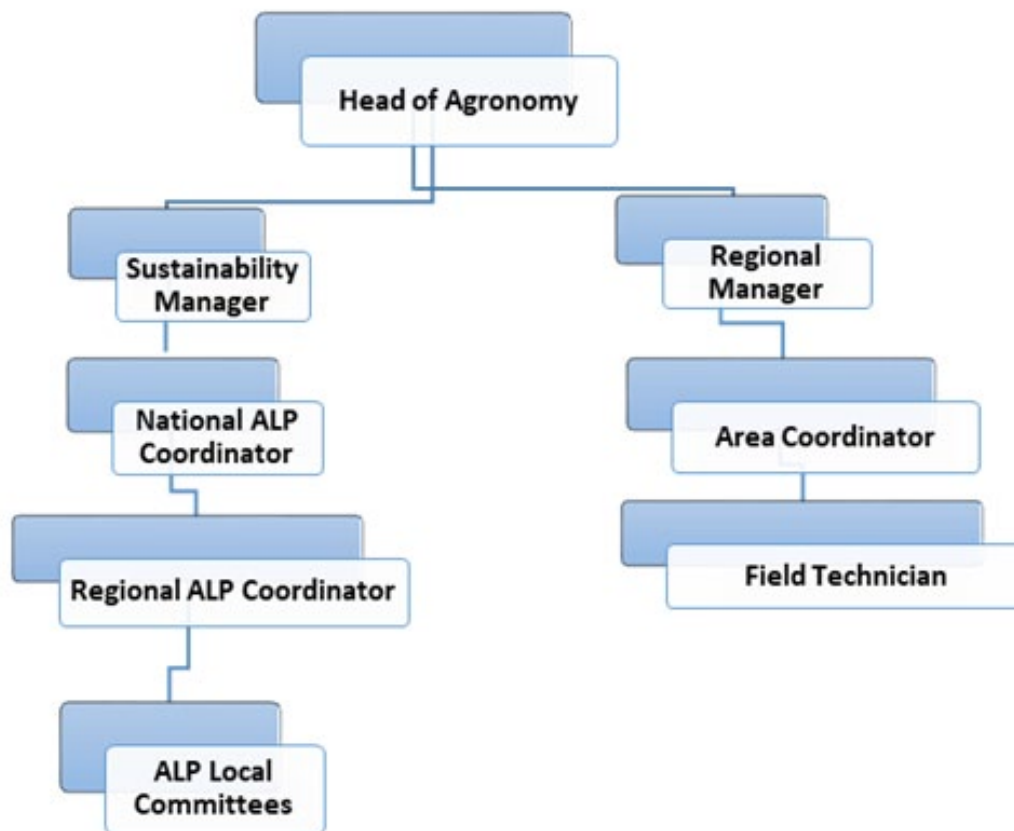
On people and processes to manage the ALP program, LLTC values the CU positive feedback on the knowledge of senior personnel of the ALP program and local laws, but also notes the need for Regional ALP coordinators to be more familiar with Mobileaf⁷⁶ and the knowledge gaps amongst FTs on aspects of the program. The action plans address these areas for improvement.

1.2 The Operational ALP Team Structure

LLTC has 142 FTs, three Regional ALP Coordinators, one National ALP Coordinator, nine Area Coordinators, one Agronomy Sustainability Manager and three Regional Managers involved with ALP operations. The FTs report to Area Coordinators who ensure that FTs are communicating the ALP program requirements to the farmers. The Regional Managers, Area Coordinators, National ALP Coordinator and the Regional ALP Coordinators have the general responsibility of ensuring that the ALP program is properly implemented at farm level and providing leadership and guidance as required. To ensure that agreed tasks are being performed, all personnel in the Operational ALP team have ALP key performance indicators included in their performance evaluations. This is a key tool to ensure regular discussions on the principles, expectations and results.

76. Mobileaf is a digital/electronic farm/farmer data collection tool/system. LLTC fully implemented Mobileaf in 2015/16 crop year.

Schematic representation of the LLTC Agronomy organogram.



1.3 Roles and Responsibilities

Agronomy Sustainability Manager

The Agronomy Sustainability Manager heads up the Operational ALP team and is responsible for overseeing the ALP team in their planning and implementation of the ALP program.

National ALP Coordinator

The National ALP Coordinator takes an overall lead in the implementation of the ALP Program. This is done through the interaction with and management of Regional ALP Coordinators, FTs and Area Coordinators. The National ALP Coordinator is also responsible for:

- Providing training on the ALP program to different stakeholders.
- Implementing plans aimed at achieving ALP program rollout objectives.
- Identifying challenges that may affect the success of the program.
- Developing possible solutions to the challenges.
- Ensuring that Regional ALP Coordinators have access to consolidated data on a quarterly basis to assist them in making comprehensive decisions and finding resolutions to problems.

Regional ALP Coordinators

Regional ALP Coordinators are responsible for coordinating regional activities under the ALP program. They are the link between the members of the ALP team at the head office and the ALP team members in the field. Their activities include conducting tailored training on various areas of the ALP program, reporting on problems identified and advising on discrepancies of data in Mobileaf and other records with actual data taken during general field assessments. They further conduct training for the ALP Local Committees, Primary Schools, Village Savings and Loans Associations (VSLA) and follow up on prompt actions with FTs. CU noted that Regional ALP Coordinators though responsible for providing guidance to FTs, do not themselves have access to Mobileaf (though they have access to reports) and were unaware of procedures to be followed by FTs to record information in Mobileaf and report on prompt actions.

LLTC is aware that the knowhow of the system and access to information by the Regional ALP Coordinators is crucial to enable the coordinators to follow up on prompt actions and perform data verification. To that effect, LLTC has planned focused training between Jul 2017 and January 2018, for all supervisory roles of the program and will continue to ensure that there is on-going training for the Regional ALP Coordinators on Mobileaf and its application to the ALP program. For proper alignment with the FTs, all Coordinators will also be required to attend FT training sessions with a minimum of three training sessions by the end of January 2018. National ALP Coordinator will check if Regional ALP Coordinators understand the requirements of Mobileaf system through the quality of their reports. This will increase the ALP Coordinators level of knowledge on Mobileaf which will enable them to guide the field technicians on ALP whenever necessary.

Field Technicians

FTs play an important role in the implementation and impact of the ALP program. They are responsible for passing on information to farmers and the communities and recording data. Their in-depth knowledge of the program is therefore paramount. CU found that while LLTC management has sufficient understanding of the ALP program and the program, the FT's displayed knowledge gaps on aspects of applicable law and the associated ALP program requirements such as the legal minimum wage and the definition of hazardous work. As mentioned earlier, LLTC had just undergone a restructure where the separate roles of Leaf, Forestry and ALP Technicians were merged under the single FT function. Irrespective of this restructuring, the CU assessment data indicates a fair level of FT's understanding of the ALP program. Of the 11 FT's interviewed:

- 4 FTs were aware of the legal minimum working age.
- 10 FTs were aware of the legal minimum wage of K687.70 at the time.⁷⁷
- All FTs were aware of the legal requirements regarding working hours
- 8 FTs understood that workers need to be treated fairly
- 8 FTs understood that workers should not work against their will
- All FTs had a general understanding of safety at the farms
- All FTs had sufficient understanding of the principle on freedom of association
- 4 FTs were aware that farmers are obliged to inform workers of their legal rights

77. Effective 1st July 2017, minimum wage is K962

CU also highlighted the following knowledge gaps amongst the FT's:

- 2 FTs were unaware of the legal rates of overtime
- 2 FTs were not familiar with the concept of forced labour
- None of the FT's referred to the re-entry period after CPA application
- 3 FTs incorrectly stated that local law demanded farmers to have written employment contracts with their workers
- None of the FT's mentioned that farmers should make themselves available to workers who wanted to discuss potential grievances.

To address and remedy the identified knowledge gaps, LLTC has implemented the following measures:

- Continued bi-annual modular training for all FT's to be conducted by the Modular Training Program Trainers (MTPT) who are responsible for training FT's in the field. The training will follow up with knowledge and practical assessments by supervisors of the ALP modules in August and September 2017. Training materials are in cartoon form for ease of understanding.
- The legal aspects of the ALP program and Principles i.e. working age and conditions at which a child would be allowed to engage in tobacco farming activities, work hours, legal rates of overtime, and the minimum wage will be circulated to FTs as well as personnel engaged in the ALP program every quarter (starting October 2017), through cluster SMS's and emails. The Legal and Corporate Affairs section will continuously monitor legislative changes in Malawi and training materials will be updated whenever required.
- Annual circulation of hazardous work list to all field staff and all personnel involved in the ALP program from October 2017.
- Upload a video clip on ALP principles and legal requirements on FT tablets in the 2018/19 crop year.

Improving the FT's level of understanding on the program is important because it will ensure that ALP program messages passed to the farmers and the communities are correct and aligned to the law and ALP principles. The STP Committee meetings will also discuss knowledge of the operational ALP team and make recommendations on addressing knowledge gaps. This will ensure that the bi-annual refresher trainings focus on identified areas of improvement.

Expected outcomes:

- Improved FT's knowledge and understanding of the ALP program.
- Improved quality of ALP messages delivered to farmers and communities.
- Annual circulation of hazardous work list will help to increase awareness on hazardous work.

1.4 ALP Local Committees

LLTC recognizes the need and value of community' participation in the implementation of the ALP program and initiated the ALP Local Committees in 2012. These Committees are a local structure that is set up in all operational areas amongst farmers and their communities to train fellow farmers and other people

on the farm regarding the ALP program thus supplementing the work of the operational ALP team. The ALP Local Committee comprises of farmers selected amongst themselves with guidance from the FTs and the Regional ALP Coordinators. The Local Committees are trained twice per year by the National ALP Coordinator in collaboration with the Regional ALP Coordinators. Since the initiation of the ALP Local Committees there has been improved program efficiency and effectiveness through social acceptability, ownership and therefore sustainability of the ALP program.

Apart from training fellow farmers the ALP Committees are involved in annual reviews and through root causes analysis when developing STP initiatives. Their focus also includes identification of priorities for the ALP program and monitoring implementation of the Minimum Standards for Tenants (MST). LLTC will continue to engage the ALP Local Committees on a bi-annual basis for them to continue sensitizing farmers on the importance of farmers providing accurate and updated data.

During the CU assessment, it was found that of the farmers interviewed, 59% had participated in an ALP local committees. There was minimal improvement noted on some farmers as a direct consequence of participating in the ALP committees. LLTC recognises the importance of ALP Committees and plans to increase the number of committees from 110 covering 3 regions and 11732 farmers to 150 covering 3 regions and the whole contracted farmer base in the 2017/18 crop year, to increase the farmer participation. All ALP Committee members will be trained by the end of 2017/18 on the seven principles of the ALP program and financial literacy. To improve efficiency and motivate the ALP Committee members, LLTC will:

- Host bi-annual training on the Seven Principles of the ALP program and financial literacy in July and November 2017.
- Distribute printed materials such as ALP leaflets and posters to increase awareness during the 2017/18 crop year.
- Motivate the committee members by issuing them with T-shirts and bicycles for ease of mobility during the 2018/19 crop year.
- Amend the structure of the ALP committees to have workers and/or tenants' representative in the 2018/19 crop year.
- Include the village leaders in the structure of the committees to promote communal cohesion in the 2018/19 crop year.

In the 2017/18 crop year, LLTC through the ALP National and Regional Coordinators will conduct quarterly focus group discussions with the ALP Committees to understand progress, what is working, their challenges and formulate plans to improve their efficiency.

Expected Outcomes:

- Well trained and competent ALP Committee members who will be able to properly train fellow farmers.
- Extended coverage due to improved mobility of committee members.

2. Internal Monitoring

2.1 Farm Profiles (FP)

The data collection aspect of the ALP program is not only important for farmer records and follow ups, it is also used by FTs to identify and monitor areas requiring improvement. A Farm profile helps to assess risks on the farms, for example if a farm profile indicates the presence of children at a farm, FT's will continuously monitor the farm to ensure that there is no child labor and if a child labor incident gets identified, the FT will undertake the appropriate action to deal with the situation. As a requirement for Phase 1, LLTC has been building farm profiles on an annual basis for all contracted farms. For the 2015/2016 crop year, LLTC started using a mobile electronic data capturing system (Mobileaf) for this purpose. The move from paper to the electronic system, gave LLTC an opportunity to be able to update and capture data as and when FTs visit farms. Information collected on these visits includes farm size, number and age of children in the farmer's family, number of workers, employment status (for example part time, full time, migrant), pay period for workers and living conditions. Collected data is verified by the Regional ALP Coordinators.

The challenge FTs face in data collection includes low cooperation from farmers. This is due to poor understanding as to the purpose of data collection. Irrespective of this challenge, CU found that for 91% of the farms sampled, LLTC had updated data of which 52% was accurate. Considering that this was LLTC's first year using Mobileaf, LLTC is pleased with the result. However the commitment is to improving data accuracy and LLTC looks forward to maximizing the potential in this regard from the Mobileaf tool, with FTs already re-oriented on farm profile updates. LLTC will ensure the following measures are put in place:

- On-going training of FT's to continuously update farm profiles emphasizing the fact that a profile is a living document that needs to be updated each time a farm is visited. FTs to continue to visit contracted farms at least 5 times in a crop year.
- Farm Profile audits to be conducted on 5% of the grower base when at least 80% of the farms have been captured and during the mid-season (November and February) by the Regional ALP Coordinators as a due diligence process to ensure data integrity of the farm profiles.
- During the rotational FT farmer visits, engage and increase awareness of farmers on the importance of the farm profile and create an environment for farmers to inform FT's about newly recruited or additional individuals on the farm.
- Include in the bi-annual training of the ALP Local Committees the need for them to continue to sensitize farmers on the importance of providing accurate and up to date data in August and November 2017 and henceforth.
- Include Mobileaf functionality that will enable the FT's to update the FP during each visit in the 2018/19 crop year.

LLTC believes in continuous improvement for the farmers and will continue training the farmers and raise awareness on Farm profiles to gradually improve accuracy of the farm profiles.

Expected Outcomes:

- Complete and accurate farm profile data - >95% by CY 2020.
- Increased understanding on the importance and purpose of data collection by all farmers.
- Training for ALP Committees will help to increase awareness on the importance of accurate and relevant farm data.

2.2 Prompt Actions

PMI defines a prompt action⁷⁸ as a situation in which workers' physical or mental well-being might be at risk. This includes situations where children or a vulnerable group (e.g. pregnant women, nursing mothers and the elderly) are in danger, or workers are not free to leave their job. These situations, when identified, require prompt actions. All FT's are trained and are required to identify problems that require prompt action, discuss them with the farmer, document accordingly and make follow up visits to procure and monitor improvements that adequately address the situation.

During the assessments, CU appreciated that all FTs were aware of the requirement to report prompt actions in Mobileaf and 82% of the FT's interviewed discussed their findings with the farmers. However, CU mentions that LLTC did not assign a specific period for follow up. It should be noted that the reporting of prompt actions is based on what the FT observes whilst farm monitoring involves discussions and observations on the farm. Further CU found that some problems considered prompt actions by them were not reported due to FT misunderstanding of the definition of prompt action.

LLTC has critically reviewed the procedure for identifying, reporting and following up prompt actions and will implement the following improvements:

- A prompt action guideline to clearly define the process of opening & closing of PA's, escalation process and also define the process to follow in case of repeated offenders by August 2017.
- An application for data collection will also be developed to be used whenever FT's and supervisors want to record data during unannounced farm visits by July 2017.
- Bi-annual training for all FTs on procedures and incident identification to ensure full awareness of what constitutes a prompt action, incident identification and the capability to distinguish situations that require prompt actions and follow up versus incidents/situations that just require the FT to provide guidance. Training will be conducted during the ALP Modular Training in October & November 2017.
- Every quarter from crop year 2017, Regional ALP Coordinators will compile records of prompt action reports and follow up with a set of questions to further assist in identifying root causes of the incident recorded and where within LLTC's capability and mandate, a response will target the root cause. The Regional ALP Coordinators will then randomly select 5% of the farmers with PA's and later conduct focus group discussions. However, where this is outside LLTC's mandate i.e. requirement for increased number of teachers or infrastructure development, a record will be made and relevant stakeholders be engaged. This will bring awareness to relevant authorities of the requirements for infrastructure to be developed in areas of need.
- Continue to use Mobileaf to set reminders for FT to follow up once an incident has been opened in the system.
- During MTP, FTs will be trained by MTP trainers on what constitutes light work and the circumstances in which a child can do light work using the ALP modules. These trainings will be conducted in October to November 2017 and henceforth. Knowledge assessments will be conducted in a form of questions to the participants on light work to ensure that FTs are conversant in the subject of light work i.e. the ages at which children can assist in doing light work and the tasks that are regarded as light work.

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- As a contingency measure, a paper based data collection template will be distributed to FTs to be used whenever the FT's have no access to the Mobileaf tablets and for supervisors who do not have access to Mobileaf tablets.

Expected outcomes:

- A clearly defined process that guides FT's on PA's.
- FT's being able to apply their knowledge and manage PA collection efficiently.
- Increased understanding by ALP operational team on PA.
- Increased awareness on what constitutes light work and what goes beyond light work.
- Having a clear process to establish root cause of prevalent cases.
- A clearly defined risk assessment that addresses the priority areas and can be linked to the action plans.

3. Communication to Farmers

3.1 ALP Communication Strategy

CU identified several factors that might influence the effectiveness of the ALP to farmers. Amongst them was the information in Mobileaf which was not aligned with current regulations, printed materials that did not contain reference to the local law for several legal requirements and the ALP leaflets in vernacular, lacked on legal information.

As part of disseminating ALP program information to the FT's and farmers, LLTC uses a multifaceted approach in its communication strategy, which includes drama, ALP committees, print, radio skits, training and face to face. To address this, LLTC through the support of the legal department will focus on aligning and improving the quality of data in the communication materials and put in a place a process to review the system annually and/or during the quarterly steering committee meetings. As an initial step, LLTC will ensure that:

- Information in Mobileaf is up to date and aligned to the ALP program, applicable laws and regulations by the end of December 2017 and that the ALP program's higher standards for farmer improvement are emphasized where local laws set lower standards.
- Reference materials on legal requirements applicable to the ALP program will be updated and provided to all the FTs during August & September 2017.
- Cluster messages are sent through short text messages on mobile phones as a constant refresher for personnel involved in the ALP program in July, August & November of 2017.
- Leaflets on legislation are published every season to ensure that all FT's are continuously updated on the legal and ALP program requirements.
- ALP & GTS Leaflets and posters are amended to include the recommended legal provisions. The amended versions will be translated into local languages using professional translators by the end of July 2017.

Expected outcomes:

- Updated and accurate legal information in Mobileaf which will enable correct information to be passed on to the farmers
- Increased FT's and Farmers knowledge on legal aspects of ALP.
- Cluster messages will help to increase farmer awareness on different aspects of ALP

3.2 Training

During the 2015/16 crop year, LLTC's FTs trained 11,529 contracted farmers on specific principles and measurable standards linked to different crop stages. This training included the 7 Principles of the ALP program.

Under ALP Phase 2, training has been extended to tenants, farmer wives, children, workers, teachers, community leaders, ALP Local Committees and members of farmer Associations. They were identified as key stakeholders that will assist in driving change for measurable and tangible improvements. The more community members are aware of the ALP program and take ownership, the more the ALP program principles are integrated naturally into the communities.

CU noted that levels of awareness of ALP program principles amongst LLTC's contracted farmers was highest for topics that had been prioritized (child labour and safe working environment). For instance during school awareness programs the emphasis is on the child labour principle focusing on importance of education and what constitutes hazardous work and light work. This training targets children and teachers.

For tenants and workers, training focuses on:

- ALP principles: Child labour with focus on hazardous tasks, fair treatment, compliance with the law, forced labour, safe work environment and Income and work hours. FTs engage first with the farmer on income and work hours for workers, before training workers and tenants so as to address farmer sensitivities on third parties discussing this area with their labour.
- GTS and preventative measures to avoid the condition during green tobacco handling or harvesting.
- Appropriate and safe ways to handle Crop Protection Agents (CPA) and methods of protecting oneself during application.

Women play a crucial role in communities. Therefore in addition to child labour and safe work environment, training for women includes a topic on financial literacy. LLTC will continue to conduct training of these key stakeholders to increase capacity and awareness of the 7 ALP Principles.

The following improvements will be made on training:

- From crop year 2017, LLTC will focus on increasing awareness of people on the farm, including the spouses and children by extending training to all people on the farm, through trainings on ALP in VSLA's and school awareness program.
- LLTC aims to increase awareness on ALP program for all farm workers and tenants' through drama and individual/group training by crop year 2020.

Target groups for LLTC

Table 1. Number of people trained for various target groups in the 2015/2016 crop year.

Target group	Individuals that attended	Total Number	Trained	Scope of Training
Farmers	Farm owners	11,529	100%	7 Principles of the ALP Code and financial literacy
Schools	Teachers	181	100%	Child Labour Principle
	Children ⁷⁹	10,767	219%	Child Labour Principle
Community	Farmer wives	10,771	51%	Village Savings and Loans Associations, Child Labour and Safe Work Environment Principles
	Care givers (CBCC)	55	100%	Child Labour
	ALP Local Committee members	530	100%	7 Principles of the ALP Code and financial literacy
	Area Development Committee	29	100%	7 Principles of the ALP Code
	Village Development Committee	40	100%	7 Principles of the ALP Code
Labour	Tenants	6,527	19%	Child Labour and Safe Work Environment
	Workers	14,576	10%	Child Labour and Safe Work Environment

Note: Workers and tenants are trained by FT's and Regional ALP Coordinators

During the 2015/2016 crop year LLTC's STP priorities on ALP were on Child Labour and Safe Work Environment. Priorities are set based on most reported ALP incidents per season. However Farmers are encouraged to train their workers on the other principles i.e. Freedom of Association, Income and Working Hours, Forced Labour and Fair Treatment. This approach promotes the worker farmer relationship.

Although LLTC has child labor and Safe work environment as priorities, it recognizes the issues that were identified during the CU audit on the other principles as highlighted below.

Training methods and materials

There are several methods that LLTC uses to train and engage farmers and community. These includes:

- Drama groups, and radio: these are targeted at communities and the nation as a whole as the audience is wide based and not just LLTC contracted farmers. On radio for instance, LLTC uses zodiac radio

79. The high increase is attributed to the school awareness initiative.

station which has broad urban as well as rural listenership. For drama there is no restriction as to who can attend the drama sessions, and non-contracted farmers also attend as it is also considered a form of entertainment and the messaging spreads to the communities.

- Group meeting and ALP Local Committees: these are community based, the target group is the contracted farmer, farmer wives, workers, tenants and children.
- Leaflets and Posters: these are distributed directly to contracted farmers, farmer associations, farmer wives and farm workers.

During the assessment, CU pointed out some shortfalls on the training materials used.

The ALP leaflet had gaps on legal aspects as the following items were not included: the legal minimum wage, maximum work hours, legal overtime rate, basic worker entitlements, and the options for employment formalization whilst on the GTS leaflet LLTC referred to GTS as GTC. By the end of July 2017, LLTC will amend the training materials as follows:

ALP Leaflets and Posters

LLTC will ensure that ALP Leaflets and posters are amended to include the recommended legal provisions. The amended versions will be translated into local languages using professional translators.

GTS Leaflet

LLTC will amend the leaflet from Green Tobacco Condition to Green Tobacco Sickness and will in addition to the preventative measures required to avoid GTS, include information that farmers/farm workers should allow themselves time for rest when handling green tobacco during harvest.

Others

Messages for drama, radio and face to face training will contain references on legal requirements and the ALP program principles.

Expected outcomes:

- Increased knowledge on the legal aspects of the ALP Program for FT's, farmers, family members and workers.
- Increased awareness levels on ALP for family members for FT's, farmers, family members and workers.
- Meaningful increase in ALP awareness amongst workers and tenants

4. Farm-Level Initiatives

LLTC emphasizes that training of FT's focuses on all 7 ALP Code Principles, with targeted training for relevant stakeholders. The ALP Principles of Child Labour and Safe Working Conditions continue to be a priority in Malawi. Accordingly farm level initiatives are being undertaken to progressively eliminate child labour and create safe working conditions for the farmers and all people on the farm.

LLTC has developed various initiatives that address areas identified for improvement in the CU assessment. The first initiative focuses on progressively eliminating child labour and increasing school attendance amongst school-age children (i.e. children below 14).

Below is a detailed description of the initiatives, including the action plans that have been put in place to achieve the key ALP goals and targets.

4.1 Child Labour (Initiative one)

Objectives: To build wider and deeper awareness and reinforce program structure to progressively eliminate child labour in LLTC contracted tobacco production and commit to at least 60% reduction in prompt action reports on child labour by crop year 2020.

During the assessment CU found that all children were going to school even though LLTC had reported prompt actions on the same farms. They also noted enrolment of children at a school where LLTC had previously constructed 3 teacher's houses and 4 classrooms (Mbalame Primary School). However they identified several factors that increased the risk of child labour at the visited farms. Common practice in Malawi is for children to help on the farm for them to learn various farm activities, lack of knowledge of the legal minimum working age, lack of financial resources especially for tenants and lack of clear communication of regulations regarding child labour. Cultural mindsets and poverty are challenging aspects in child labour elimination. LLTC however believes it is not an impossible task to surmount and is fully committed to progressively eliminate the use of child labour in its operational areas.

Prior to the CU assessment LLTC undertook the following activities on the child labour initiative:

- Training: ALP team, farmers, workers, children, teachers, farmer wives, communities. See details in Table 1 which provide data for the season under review.
- Promoted community awareness through use of drama and radio skits covering child labour messages.
- Distributed list of light and hazardous work to the ALP Team.
- Oriented children and teachers on hazardous work and the effects of the same on the physical and mental development of a child.
- Aligned LLTC Corporate Social Responsibility (CSR) projects in education to child labour elimination.
- Introduced Community Social Initiatives to provide a multi-pronged approach to child labour elimination. These are: Community Based Child Care Centres (CBCC) and Village Savings and Loans Associations (VSLAs).

LLTC's ongoing program to progressively eliminate child labour includes the following:

- By end of July 2017, re-circulate the hazardous work list to all personnel involved in the ALP program.
- Reduce child labour incidents by improving the understanding of all people on the farm through:
 - Individual training of farmers, drama sessions at community level and radio programs. LLTC through the FTs will on an annual basis re-train all contracted farmers and all people living on the farm. Training will focus on minimum working age and hazardous work areas. This will target 100% of LLTC contracted farms which in 2016 totalled 11,529 farms.

- FTs will also conduct retraining sessions in areas where child labour is more prevalent. From the 2017 crop year, FT's will encourage all contracted farmers to use voter identity cards or national identity cards, where available, as a form of identification and age verification for worker recruitment processes. Farmers will be notified of this requirement through group meetings and individual farmer meetings by the FT's.
- Continue to map some of LLTC's CSR projects in education by rewarding performing communities and through ALP initiatives increase support to schools around communities that have demonstrated efforts in reducing child labour by providing teaching and learning materials. Where feasible provide infrastructure development where the root cause is as a result of lack of classrooms and sanitation facilities. Between April 2016 and March 2017, LLTC has supported communities with the following:
 - 7 classrooms at two primary schools (Mwakhundi and Majiga).
 - 10 modern pit latrines (Mwakhundi).
 - 2 teachers houses (Majiga).
 - Learning and teaching materials to two schools (Kabwafu and Bolero).
 - 360 schools desks to 4 primary schools (Mwakhundi, Majiga, Chauta and Mbalachanda)
- Bi – annual training of ALP Local Committees to be proactive in checking, monitoring and training local authorities on what constitutes light work and also hazardous work plus the law and principles on child labor.
- Annual training on similar issues for 342 Traditional Leaders and 114 Village Development Committees in communities from which LLTC sources tobacco. It is important to maintain support from the Traditional Leaders and the communities. This sets the right tone at the top and communities easily follow.
- A community based approach in identifying training needs and key interventions to promote the adoption of ALP Code Principles. Ensure community leaders and members under the ALP Committee⁸⁰ leadership participate in decision making and the selection of the priority areas to be pursued on an annual basis. This approach will encourage a participatory process which translates into more ownership and commitment towards the overall goals of the ALP program.
- Quarterly, train and target to reach out to 6,842 farmer wives in VSLA by the end of the 2016/17 crop year. This will be monitored separately to understand the extent to which the VSLA's have had an impact on the LLTC contracted farms. This will increase the number of women that are financially empowered and are able to recruit paid labour, subsequently protecting their children from child labour. As at the time of the CU assessment, LLTC had 122 VSLA groups with 2,116 members. CU noted that except for one farmer, farmers interviewed were positive about the initiative. Notable achievements of the VSLA included, members being able to pay for temporary workers, buy livestock to supplement income, pay school fees for secondary school children, pay for family medication, and accumulate capital for other income generating activities.
- Reduce the number of children exposed to hazardous work through support rendered to CBCCs.

80. These are community based committees responsible for development projects in Villages in Malawi.

LLTC believes in grassroots development and will continue to encourage farmers and farmer spouses to bring their children to CBCCs. LLTC has three CBCCs, through which LLTC trains community child care givers and mothers on interactive parenting and nutrition. The CBCCs lay a good foundation for a child's wellbeing and preparation for primary education. Further, parents have the opportunity to leave their children at the CBCCs while they tend to their fields.

Starting from 2017 crop year, LLTC will for the next 3 years focus on equipping the 3 CBCCs with the necessary tools to achieve the intended objectives and will annually, monitor the impact of the CBCC's on child labour elimination. If successful, CBCCs will be rolled out in other operational areas, especially in areas where there is higher prevalence of child labour.

Addressing factors related to child labour requires a multi-pronged approach, a farmer and community awareness on the one hand and infrastructure and economic interventions on the other. LLTC will continue to link CSR activities with child labour elimination. Further, integrating improved agricultural practices with lessons in financial literacy through the VSLA has had a significant direct impact to households with a high probability of sustaining short and long term financial benefits. Awareness is key; training will therefore remain a core activity of the ALP program. LLTC will check the impact through survey incorporated in Mobileaf.

Expected outcomes:

- With improved financial literacy, parents will be able to employ temporary labour to assist on the farms.
- Increase in school enrolment and attendance.
- Reduced number of children exposed to hazardous work
- Reduced child labour
- Continued support from the Traditional Leaders and the communities which sets the right tone at the top and communities can more easily follow.
- Increased awareness on hazardous work by all.
- Reduced child labour incidents due to lack of awareness on child's age

4.2 Safe Work Environment (Initiative Two)

Objective: To increase farmer awareness to 100% on Safe Work Environment for farmers and their workers by 2020. This is to prevent accidents, injury and to minimize health risks.

An unsafe working environment increases the risk of accidents and health hazards to people working on the farms. The most common hazardous situations include: poor and unsafe accommodation facilities, GTS, poor storage of farm equipment and chemicals and lack of attention to general farm safety.

LLTC has prior to the CU assessment undertaken the following activities:

- Farmers were sensitized on the importance of training workers and other people on the farm on safety through drama presentations, and group meetings.

- All farmers were trained on the importance of building permanent, safe and suitable houses for workers. Provision of safe accommodation acts as a motivation to the workers, ensures better health and results in better work performance and improved productivity.
- During the 2016/2017 crop year LLTC distributed CPA storage containers to 100% of the grower base to allow for safe keeping of chemicals on the farm.
- Going forward, LLTC will focus on training all the people on the farm on safe working environment with emphasis on GTS and CPA handling.

Training and Awareness of Green Tobacco Sickness

The CU assessment noted that 63% of persons handling tobacco were not trained on GTS. LLTC immediately retrained all the FTs on GTS prevention and avoidance and commits to do the following to improve awareness:

- Annual distribution of leaflets, drama presentations and face to face training of farmers, farmer wives, workers and children on GTS, its effects and how it can be avoided. Impact to be assessed by end of the 2018 crop year with a target of 100% farmers and 85% awareness for other people on the farm.
- Emphasise to the farmers and include in training materials the impact of GTS on productivity, the significance of PPE and the importance of passing on information to others on the farms.

Chemical Protection Agents (CPA) handling and training

During the CU assessment, it was noted that safe use of chemicals was not assured on some farms with little or inadequate training of farm workers on the handling/application of CPAs. LLTC will do the following to promote CPA related safety measures on farms.

- Increased awareness through training by FT's during farm visits on all contracted farms, targeting 100% of the farmers by end of 2017 crop year and 85% of the CPA applicators(family, workers & tenants) by end of 2018 on:
 - General farm safety with regards to CPA usage,
 - CPA storage facilities, use of PPEs, water availability and
 - Re-entry period after chemical application.
- Run radio skits on CPA handling, general farm safety, purchase and use of PPE's and the importance for farmers to train workers on handling chemicals prior to commencement of the crop year to further increase awareness.
- Explore the idea of outsourcing the process of collecting plastic & CPA containers at all farms, to promote correct disposal of CPA containers in the 2018 crop year.
- As part of the input package, distribute CPA's, full set of PPE and CPA storage buckets to all IPS farmers on an annual basis starting from 2018 crop.
- Conduct annual First Aid training for ALP Committees through the Health Surveillance Assistants in the villages. In the 2018 crop year, LLTC will provide first aid kits to all ALP Committees.

Expected Outcomes:

- Increased awareness on handling and safe use of CPA and all applicators using PPE when handling or applying CPA's.
- Availability of full PPE set & CPA storage buckets at all farms.
- Safe disposal of CPA containers
- All applicators understanding and observing re-entry period after CPA application.

CU also raised SWE findings on worker accommodation and provision of clean drinking and washing water

At three farms (27%) worker accommodation was found to be inadequate. Both farmers reported that they could not afford better housing, toilets and ventilation. Clean water for drinking and washing was not available at eight of the farms visited (35%). In these cases, the water source was far from the tobacco fields.

The ALP program guides that accommodation, where provided, shall be clean, safe and meet the basic needs of the workers and conforms to the country's laws. In the absence of local legislation on the minimum standards for worker accommodation on farms, it is expected that it should be comparable to expected living standards in the region or that of the farmer. As this will require a change in mind-set of the farmers, LLTC will be taking the approach of raising the level of awareness amongst the contracted farmers through:

- Continued training of all farmers that hire labour and/or tenants on the importance of building permanent, safe and suitable houses for workers.
- Increased training for farmers on financial literacy to start investing in accommodation and rolling out the tenant industry minimum standards for all farmers that use tenant from 2017 crop year.
- As the issue of water supply is inherent to Malawi and not only tobacco farmers, LLTC will continue with the corporate social investment programs on building of dams and boreholes to help with addressing the water availability through stakeholder partnerships with customers and other stakeholders for this community projects.
- Going forward in the 2018/19 season LLTC will conduct a survey on accommodation to check farmers that are investing in housing.
- Ensure that all tenants' accommodation are compliant with the industry minimum standard requirements, with a target of 30% compliance at all farms that hire tenants by crop year 2020. This will form part of monitoring by the FT's from crop year 2018.

LLTC hasn't defined a program to address the issues of general safety on farms, but will continue to monitor and strive for improvements at the farms as part of the monitoring process.

Expected Outcomes:

- Farmers understanding of the worker accommodation resulting in constant improvements in the accommodation provided.
- Having reliable water source in the communities that LLTC source tobacco from.
- Accommodation at all farms that hires tenant complying with the requirements of the industry MST.

4.3 Income and Work hours

During the assessment, CU found that:

- 14 (58%) of the farmers paid their workers below the legal minimum wage and at the end of the harvest.
- At one of the farms a tenant declared that they did not have enough food.
- Tenants were not protected in the event of crop failure or if the yield was lower than expected.
- None of the farmers provided their workers with basic entitlements required by law.
- Workers were not aware of their legal rights and benefits.

In the 2015/16 crop year, LLTC had 4864 farms that hired labor. Prior to the CU findings LLTC conducted trainings on this principle where 100% of the farmers that hire labour and 10% of workers were trained. Radio programs plus drama were used to raise awareness and ensure that farmers comply with the ALP requirements on income and work hours. A survey on minimum wage was conducted to find out the number of workers (temporary and hired) that were paid at least the minimum wage and were able to afford basic needs. From the findings it was noted that permanent workers were more [likely to be] paid the minimum wage and could afford medication, groceries and food compared to temporary workers.

Moving forward LLTC will:

- Conduct annual individual and group trainings on the principle with emphasis on the legal aspects and will target 100% of the farmers that hire labour/tenants and 85% of the tenants/workers to ensure that by the end of 2018 crop year, they are aware of their legal rights in the work place. Drama sessions will also be conducted to raise awareness between August and January 2018.
- As part of farm by farm monitoring, FT's will monitor the use of written contracts for newly recruited and existing workers on farms, compliance to the industry minimum standards on farms that use tenants for crop year 2017/18.
- Regional ALP Coordinators will sample farms (5% of farms with labour/tenants) to check proof of payment in the 2017/18 crop year. Payment records will be checked during mid-season and towards the end of the crop year to ensure that farmers fulfill their contractual obligation.
- Increase emphasis on the benefits of regular payments compared to end of harvest payment.
- LLTC will continue with the provision of annual training to farmers who hire labor on financial management so that they can be able to pay workers at least the minimum wage.
- LLTC will provide training to farmers and tenants on the industry minimum standards and ensure that there's a contract between farmers and tenants in the 2017/18 crop year.
- Ensure that all wages are compliant with the industry minimum standard requirements, with a target of 30% compliance at all farms that hires tenants by crop year 2020. This will form part of monitoring by the FT's from crop year 2018.

Expected outcomes:

- Increased number of temporary farm workers paid at or above minimum wage.
- A significant reduction in the number of farms paying workers at the end of the crop year.
- Increased workers awareness on their legal rights in the work place.
- LLTC being able to formulate intervention plans from data that is being collected.
- Wages at all farms that hire tenants complying with the requirements of the industry MST.

4.4 Fair treatment

During the CU audit it was found that:

- There was no evidence found of sexual or physical abuse on the farms.
- The fact that tenant's wives did not receive the same treatment as their husbands could be considered discrimination.
- At two farms workers were not able to file grievances and the farmer would get angry if they wanted to discuss their salary.

To ensure that there is fair treatment on LLTC's contracted farms LLTC will do the following:

- Training of 100% of contracted farmers and 85% of workers and tenants on the fair treatment measurable standard in 2018 crop year. Also, ensuring that tenant & worker contract template is distributed to 100% of the farms that hire tenants and/or workers.
- Increase awareness of the fact that any family member working on the farm is considered to have been (indirectly) hired through individual training and group training for farmers, workers, family members & tenants from 2017 crop year.
- LLTC is conducting a feasibility study on the use of ALP committees as a SM, which will help in defining how the SM can be implemented in MW. The Feasibility study will be conducted in Kasungu in 2016/17 crop year.
- In addition, LLTC will also pilot an in-house help line that will act as a support mechanism. The support mechanism will leverage on the ALP program that LLTC currently has and will incorporate FT's, ALP committees and village leaders to follow up the issues that have been raised through the help line.

Expected Outcomes:

- Fair and equal treatment for all people working on the farm.
- Having ALP committees that are empowered to deal with and resolve disputes that arise between workers, tenants and farmers.
- A support mechanism that all people on the farm can be able to use to raise grievances.

4.5 Forced labour

During the assessment CU found that:

- One farmer (3%) did not want tenants to leave his farm before the end of the season and would use police if they wanted to leave. The tenant was afraid that the farmer would not pay him if he wanted to leave his employment.
- At one farm (4%) Workers were paid via a crew leader.
- 14 farms paid at the end of the harvest.

LLTC is aware of the issues that were identified during the CU audit with regards to forced labour and has so far done the following to deal with the issues: training, radio skits, drama and increased awareness on the minimum standards for tenants amongst the farmers.

- All contracted farmers that hire tenant will be trained on the industry MST developed by industry stakeholders and approved by Malawian Ministry of Labor.
- All contracted farmers will be required to be compliant with the MST as included in the LLTC-farmer contract agreement.
- Increase awareness on the negative impact of using crew leaders. FT's will check on recruitment processes on the farm during farm visits from 2018 crop year.

Expected outcomes:

- Increased understanding and compliance by farmers to the industry minimum standards.
- Increased awareness by farmers on what constitutes forced labor.
- Increased awareness on the negative impact of recruiting via crew leaders. FT's will check on the farm during farm visits from 2018 crop year.

4.6 Freedom of association

During the CU assessment, it was found that there was no evidence of farmers not respecting the workers' right to freedom of association. However at one farm (3%) workers reported that they had met each other in secret at night to discuss the way in which they were treated by farmers. They explained that they had not informed the farmer for fear of his reaction.

LLTC will continue to increase awareness with 100% of the farmers on the workers' right to freedom of association through FT trainings and drama in the third quarter of the 2016/17 crop year. Training will help farmers to allow their workers to associate freely.

Expected outcomes

- Greater awareness of workers freedom of association by the farmers.
- Workers able to organize and unite without fear of being rebuked.

4.7 Compliance with law

CU found that:

None of the farmers interviewed had informed their workers fully about their legal rights and employment conditions. Furthermore, at one farm (4%) tenants were not informed of all tobacco-related activities they had to perform. While the tenants had an agreement to work on burley for an agreed-upon payment, the farmer also expected them to work on flue-cured tobacco. For these additional tasks the tenants did not receive any payment. Only two farmers (6%) had formalized a written agreement with their workers and one of these farmers provided the workers with a signed copy. The document included information on payments and duration of the work, and was written in Chichewa.

LLTC has conducted trainings where all farmers were encouraged to have written contracts with their workers and tenants and inform them of their rights and working conditions. Going forward LLTC will implement the following to ensure that workers and/or tenants on the farms are aware of their rights and working conditions:

- Increase awareness to 100% by the end of 2019 crop year of the farms that hire labor on the need to inform workers and tenants of their rights and working conditions when they hire them or work begins. From the beginning of the 2017 crop year to 2018 crop year, LLTC will commit to train 75% of the farms in the first year and 100% in the second year.
- Increase awareness to 100% of farms that hire labor on the importance of a written contract between farmers and their workers by the end of the 2018 season. LLTC will train 30% of the farms that hire labor in the 2017 crop year and 70% in the 2018 crop year aiming for 100% compliance in crop year 2019.

Expected outcomes:

- Increased number of workers and tenants aware of legal rights and employment conditions.
- Increased number of farms with written farmer/worker contracts.
- Increased number of tenants aware of their rights and reduced cases of tenants performing work not agreed at the onset of the contract.

5. Concluding Remarks

LLTC is committed to the progressive elimination of child labor and other forms of labor abuse in all the farms and surrounding communities where the company contracts and sources its leaf tobacco. LLTC recognizes that there are many systematic challenges to be addressed in this regard, but the company is committed to engagement with all stakeholders to achieve the overall objective of ALP program.

Appendix II. Legal information

The information below has been provided to Control Union before the assessment by PMI. Control Union reviewed this information to ensure that it was clear and complete so that it could be used for the assessment.

1. Principle 1 – Child Labor

Minimum age for employment (in tobacco)

Malawi is a signatory to the UN Convention on the Rights of the Child (CRC), which was adopted by the United Nations in 1989. The Convention includes a section on the need to protect children from work that is dangerous, or might harm their health or their education.

Malawi has also ratified the Minimum Age Convention (ILO Convention No. 138) and the Convention on the Worst Forms of Child Labour (ILO Convention No. 182). The Convention on the Worst Forms of Child Labour (ILO Convention No. 182, 1999) adopts 15 as the minimum age of employment.

Malawi has its own legislative framework on child labour which includes its Constitution. Subsection 23(5) of the Constitution provides for the protection of children from economic exploitation or any treatment, work or punishment that is, or is likely to: (a) be hazardous; (b) interfere with their education; or (c) be harmful to their health or to their physical, mental or spiritual or social development. Subsection 23(6) of the Constitution defines children as persons under the age of sixteen years.

Section 21 of the Employment Act prohibits the engagement of any child aged below 14 in any child labour, including work in public or private agricultural undertaking, unless it is work done at home or at a vocational school or technical training.

Section 22 of the Employment Act prohibits the engagement of any person aged between 14 years and 18 years in any occupation or activity that is likely to be harmful to the health, safety, education, morals or development of such person or likely to be prejudicial to his/her attendance at school or any other vocational or training programme i.e. hazardous work.

Subsection 22(2) of the Employment Act empowers the Minister responsible for labour, in consultation with relevant organizations of employers and employees, to specify, by notice published in the Gazette, occupations or activities which, in his opinion, are likely to be a hazardous task/activity.

Pursuant to section 22 of the Employment Act, the Minister responsible for labour published the Employment (Prohibition of Hazardous Work for Children) Order, 2012 [Gazette No. 1 of 2012] (the 2012 Order) which prohibits all children aged below 16 from being engaged in hazardous work.

In terms of paragraph 6 and the schedule under the 2012 Order, a person aged 16 and 18 may be engaged in hazardous work in all sectors, including tobacco or agriculture sectors, provided that the health and safety of such a person is fully protected from the hazardous work and that such person has received adequate training to perform such hazardous work.

Paragraph 9 of the 2012 Order makes it an offence attracting a fine and/or imprisonment on conviction with a maximum sentence of three years for any employer who fails to comply with any of the requirements of the 2012 Order.

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

There are not specific references on the laws about this matter. By implication, section 21 of the Employment allows labour by the farmers' own or dependent children if the children are helping on agricultural activities within their home.

Age (or ages) limit for compulsory schooling

The Constitution encompassing the right to education, but does not prescribe age limit for Malawi nationals to start attending school. Other than the Constitution, there are not specific references on the laws about this matter.

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

The 2012 Order includes the following on the list of hazardous work in the tobacco sector: topping and suckering activities or handling tobacco leaves in the harvesting process; handling or grading tobacco leaves in damp conditions or conditions of poor lightning or ventilation; and any other work involving tobacco in commercial tobacco estates or farms.

The 2012 Order includes the following on the list of hazardous work for the entire agriculture sector (including the tobacco sector): handling or applying agricultural chemicals, veterinary drugs, pesticides/insecticides in an agricultural undertaking; handling plants or soil immediately after the application of agricultural chemicals or during any other period specified in chemical labels; curing or processing agricultural products where there is exposure to temperatures or working at heights hazardous to safety, health and well-being of persons; and any other activity involving dangerous machinery, dangerous equipment or dangerous tools.

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

Paragraph 3(1) of the 2012 Order prohibits a person aged between 14 and 18 from working for more than 40 hours a week.

Paragraph 3(2) of the 2012 Order prescribes the following maximum working hours for a person under the age of 18, who is enrolled in school: (a) 20 hours in a week during the school term; (b) 40 hours in any week that falls entirely within the school holidays; (c) three hours on any school day which is followed by another school day; or (d) four hours on any school day followed by a non-school day, such as a Friday or the last day of a school term.

Paragraph 5 of the 2012 Order prohibits a person aged below 18 from working in an environment involving extreme temperatures below 6° C or above 30° C due to their potential to jeopardize the safety, health, welfare and comfort of persons below the age of 18: (a) unless the cold or hot temperatures are a result of natural climate conditions and adequate measure are taken to protect the person including – (i) adequate protective clothing is provided to maintain optimum body temperature; (ii) presence in such environment shall not exceed one hour of continuous work; (iii) adequate water breaks are taken at reasonable intervals taking into account individual susceptibility; (iv) adequate potable water or any beverage is made available and is conveniently accessible to all persons; and (v) the persons are acclimatized to such working environment; and that work does not exceed four hours every day.

Paragraph 7 of the 2012 Order permits a person under the age of 18 to only lift weight which is substantially less than lifted by adult workers of the same sex and, in any case, must be reasonable so as not to jeopardize the safety, health and well-being of that person. Paragraph 8 of the 2012 Order requires the distance and weights which a person under the age of 18 may travel and carry respectively to be practically reasonable so as not to jeopardize the safety, health and well-being of that person.

2. Principle 2 – Income and Work Hours

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

Section 36 of the Employment Act allows parties to an employment contract to agree on an employee's working hours. The law sets the maximum working hours for an employee at 48 hours a week, excluding overtime. The regular maximum working hours are eight hours in a day for a six-day week. Where an employee is asked to work more than eight hours a day, he/she would be entitled to overtime.

Requirements that employers must meet to request overtime from workers

Section 36 of the Employment Act requires employers to ensure that employees do not work for more than six consecutive days without a period of rest, comprising at least 24 consecutive hours. Employers are also required to ensure that shift workers do not work for more than eight hours a day.

Laws on regular and overtime wages (e.g. minimum wages, minimum wages agreed with unions)

Section 39 of the Employment Act provides for three classes of overtime wages:

- a) Ordinary overtime i.e. time worked on a working day in excess of the hours normally worked by the employee. Ordinary overtime is paid at an hourly rate of not less than one and half (1½) wage for one hour.
- b) Day off overtime i.e. time worked by an employee on a day on which he would otherwise be off duty. Day off overtime is paid at a rate of not less than twice the normal hourly rate.
- c) Holiday overtime i.e. time worked on a public holiday. Holiday overtime is paid at a rate of not less than twice the normal hourly rate.

Section 54 of the Employment Act empowers the Minister responsible for labour, acting in consultation with responsible bodies of workers and employers, to fix scales of minimum wages. Pursuant to this statutory provision, the Minister has effective 1st October 2015 set the minimum wage of workers, including in the agriculture sector, at K687.70 per day (equivalent to US\$1.00) [Gazette of 2015].

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

Section 44 of the Employment Act entitles every employee to a period of annual leave with pay of not less than: (a) 18 working days if the employee works six days a week; and (b) 15 working days if the employee works five days a week.

Section 46 of the Employment Act entitles an employee, upon completing 12 months of continuous service, to at least four weeks sick leave on full pay and eight weeks sick leave on half pay during each year payable at the normal rate of wages.

Section 47 of the Employment Act entitles every female employee to at least eight weeks maternity leave on full pay every three years.

The Workers Compensation Act [Cap. 55:03 of the laws of Malawi] provides for mandatory compensation to workers injured in the course of employment.

Section 9 of the Pension Act [No. 6 of 2011 of the laws of Malawi] requires every employer employing more than five employees to provide for pension. Section 12 of the Pension Act sets the minimum statutory contributory rates at 10% and 5% for the employer and the employee respectively.

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

Effective 1st October 2015, the Minister responsible for labour has promulgated the minimum wage of workers including piece rate workers and seasonal workers at K687.70 per day (equivalent to US\$1.00) [Gazette of 2015].

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

The Employment Act does not control the periods for paying wages (provided that the wages are not paid less often than once a week in the case of an employee whose wages are fixed by the hour, day or week). Subsection 27(3)(d) of the Employment Act requires employers to inform employees the intervals at which remuneration would be paid.

Laws on in-kind payment

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

Legal requirements for migrant workers to ensure they are legally permitted to work

Sections 21 and 25 of the Immigration Act require every migrant worker to apply and obtain an appropriate permit in order to stay and work legally in Malawi. Permit applications are required to include proof that the employer has not succeeded to find a duly qualified person within Malawi to fill up the required position to be taken by a migrant worker.

Other specific rules applicable to migrant workers

In terms of section 25 of the Immigration Act, migrant workers are prohibited from changing employers within Malawi without the written approval of the Chief Immigration Officer.

3. Principle 3 – Fair Treatment

Laws defining and prohibiting verbal, psychological, physical punishment, and sexual harassment and abuse

Subsection 31(1) of the Constitution grants every person: (1) the right to fair and safe labour practices and to fair remuneration; (2) the right to form and join trade unions or not to form or join trade unions; and (3) the right to fair wages and equal remuneration for work of equal value without distinction or discrimination of any kind, in particular on basis of gender, disability or race. Local courts have given examples of conduct that may be termed as unfair labour practices. Examples include: physical punishment or verbal abuse of the workers.

Section 5 of the Gender Equality Act [No. 3 of 2013] prohibits any person from committing, engaging in, subjecting a person to, or encouraging the commission of any harmful practice. Harmful practice is defined under section 3 of the Gender Equality Act as meaning a social, cultural or religious practice which, on account of sex, gender or marital status, does or is likely to undermine the dignity, health or liberty of any person or result in physical, sexual, emotional or psychological harm of any person. Any person who contravenes section 5 is liable to a fine of K1,000,000.00 and/or imprisonment with a maximum period of five (5) years.

Section 13 of the Disability Act [No. 8 of 2012] prohibits discrimination in any form of employment. Any person who contravenes this section is liable to a fine of K1,000,000.00 and/or imprisonment for 12 (twelve) month maximum period.

Laws defining and prohibiting discrimination

Section 20 of the Constitution prohibits the discrimination of persons in any form; and all persons are, under any law, guaranteed equal and effective protection against discrimination on grounds of race, colour, sex, language, religion, political or other opinion, nationality, ethnic or social origin, disability, property, birth or other status.

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

Subsection 31(3) of the Constitution entitles every person to fair wages and equal remuneration for work of equal value without distinction or discrimination of any kind, in particular on basis of gender, disability or race.

Section 5 of the Employment Act prohibits any discrimination on the grounds of race, colour, sex, language, religion, political or other opinion, nationality, ethnic or social origin, disability, property, birth, marital or other status or family responsibilities in respect of recruitment, training, promotion, terms and conditions of employment or other related matters. Any person who contravenes this section is liable to a fine of K10,000.00 and/or imprisonment for two years.

Section 6 of the Employment Act requires every employer to pay employees equal remuneration for work of equal value without distinction or discrimination of any kind, in particular, on basis of race, colour, sex, language, religion, political or other opinion, nationality, ethnic or social origin, disability, property, birth, marital or other status or family responsibilities.

Laws on resource for victimized workers, if applicable

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

4. Principle 4 – Forced Labor

Legislation on forced labor

Section 27 of the Constitution prohibits the subjection of any person to forced labour.

Section 4 of the Employment Act protects any person from being required to perform forced labour. Any person who contravenes this section is liable to a fine of K10,000.00 and/or imprisonment for two years.

Section 82 of the Child Care, Protection and Justice Act, which aims at protecting children from all forms of abuses, prohibits any person from forcing a child aged 16 or below into providing labour for the income of

a parent, guardian or any other person. Any person who contravenes this section is liable to imprisonment with a maximum sentence of 10 years.

Laws on prison labor

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

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

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

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

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

5. Principle 5 – Safe Work Environment

Requirements for provision of medical protection, such as availability of first aid kit, health & safety training, etc

Subsection 33(2) of the Occupational Safety, Health and Welfare Act [Cap. 55:07 of the Laws of Malawi] requires every occupier of a workplace to provide and maintain a first aid box or cupboard of the prescribed standard which is readily accessible.

Subsection 33(2) requires that nothing except appliances or requisites for first aid be kept in a first aid box or cupboard.

Subsection 33(3) requires each first aid box or cupboard to be placed under the charge of a qualified first aider who shall be readily available during working hours, and a notice, in English and in such a vernacular language as the Director may specify, shall be affixed in every workroom stating the name of the person in charge of the first aid box or cupboard provided in respect of that room.

Subsection 33(4) requires every occupier of a workplace to make arrangements for ensuring the removal for medical attention of employees who have suffered an accident or sudden illness.

Subsection 33(5) empowers the Minister responsible for labour to make regulations prescribing the type and quantity of medical requisites to be available at workplaces and the establishment of clinics at workplaces.

Requirements to report accidents and injuries

Section 66 of the Occupational Safety, Health and Welfare Act requires a written notice of an accident, in a prescribed form and accompanied by prescribed particulars, to be reported to the Director of Occupational Health, Safety and Welfare where any accident occurs in a workplace that: (a) causes loss of life to a person employed in that workplace; or (b) disables or is capable of disabling any person from carrying out normal duties at which he is employed. Provided that in the case of death or serious injury, the written notice shall, where practicable, be preceded by a telephone notification or any fastest means of communication available to facilitate immediate investigation.

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

Section 51 of the Occupational Safety, Health and Welfare Act provides for general requirements for personal protective equipment needed for using, handling, storing or disposing of hazardous substances. This Act defines hazardous substances to include agricultural or crop protection agents (CPA).

Section 58 of the Occupational Safety, Health and Welfare Act requires an employer to provide and maintain at no cost to an employee for the use of the workers where in any workplace workers are employed in any process involving excessive exposure to heat, cold, noise, wet or to any injurious or offensive substance, or any welding process, suitable protective clothing and appliances, including, where necessary, suitable gloves, footwear, screens, goggles, ear muffs and head covering.

Section 65 of the Occupational Safety, Health and Welfare Act requires employers to provide employees sufficient information and training on hazardous substances used at workplaces.

Restrictions on CPA use, handling, storing, or disposing. Most countries will have restrictions on vulnerable populations interacting with CPA (or prohibit this outright), such as persons under 18, pregnant women, nursing mothers, etc.

Section 59 of the Occupational Safety, Health and Welfare Act provides for general requirements for use, handling, storing or disposing of dust, fumes and other impurity of such a character and to such extent as to be likely to be injurious or offensive to the persons employed or any substantial quantity of dust of any kind.

Section 59 further provides that all practicable measures, including the supply of breathing masks, shall be taken to protect the persons employed against inhalation of the dust or fume or other impurity and to prevent its accumulating in any workroom, and where the nature of the process makes it practicable, exhaust appliances shall be provided and maintained, as near as possible to the point of origin of the dust or fume or other impurity, so as to prevent it entering the air of any workroom.

Restrictions on farm equipment (such as maintenance and licensing for operators)

Section 40 of the Occupational Safety, Health and Welfare Act restricts the operation of lifting machines except by a person trained and competent to operate that machine. Also, it is permissible for such machine to be operated by a person who is under the direct supervision of a qualified person for the purpose of training. Additionally, section 40 prohibits a person under eighteen (18) years of age shall be employed to operate any lifting machine driven by mechanical power or to give signals to the operator of any such machine. For purposes of section 40, the term 'lifting machine' includes crane, crab, winch, toggle, pulley block, gin wheel, transporter or runway.

Other legislation related to CPA, such as how and where they may be stored or transported; more explicit restrictions for specific CPA; weather conditions under which CPA may or may not be applied; and any other restrictions limiting contact or exposure with CPA

Subsection 53(1) of the Occupational Safety, Health and Welfare Act requires bulk storage of dangerous substances to be located at suitable sites approved by the Director of Occupational Health, Safety and Welfare.

Subsection 53(2) of the Occupational Safety, Health and Welfare Act requires that every area for the bulk storage of dangerous substances: (a) to be constructed and maintained with suitable material; (b) to be

adequately ventilated; (c) to have adequate storage space; (d) to be capable of containing not less than 75% (seventy-five per cent) of spillage; (e) to have an inventory of the substances in storage maintained and prominently displayed.

Subsection 53(3) of the Occupational Safety, Health and Welfare Act requires storage tanks for the bulk storage of dangerous substances: (a) to be constructed and maintained with suitable material according to approved standards; (b) to have suitable containment for spillage of not less than seventy-five percentage; and (c) to have suitable venting facilities.

Requirements related to providing drinking water and safe housing for workers

Subsection 29(1) of the Occupational Safety, Health and Welfare Act requires employers to provide adequate supply of clean and potable drinking water to employees at a workplace maintained at suitable points conveniently accessible to all persons employed.

Subsection 29(2) states that every supply of drinking water which is not laid on shall be contained in suitable vessels, and shall be renewed at least daily, and all practicable steps shall be taken to preserve the water and vessels from contamination; and a drinking water supply whether laid on or not, shall be clearly marked “DRINKING WATER” in English and in such vernacular languages as the Director of Occupational Health, Safety and Welfare may specify.

Specific requirements if worker accommodation is provided

Section 27 of the Occupational Safety, Health and Welfare Act requires every occupier to provide sufficient and suitable sanitary conveniences for persons employed in the workplace, which must be maintained and kept clean, and effective provision must be made for lighting the conveniences and, where persons of both sexes are or are intended to be employed (except in the case of workplaces where the only persons employed are members of the same family dwelling there), such conveniences shall afford proper separate accommodation with a distinct approach for persons of each sex.

Section 30 of the Occupational Safety, Health and Welfare Act requires every occupier to provide, for the use of employees at a workplace, adequate and suitable accommodation for hanging or stowing personal clothing not worn during working hours.

6. Principle 6 – Freedom of Association

Laws on organizing unions and their operation (workers’ rights and employers’ obligations)

Subsection 31(3) of the Constitution provides every person with the right to form or join trade unions. Subsection 32(1) of the Constitution provides every person with the right to freedom of association, which shall include the freedom to form associations.

Section 4 of the Labour Relations Act gives every person the right to freedom of association, which includes the freedom to establish and join organizations of his or her own choice.

Section 6 of the Labour Relations Act protects employees (or any person seeking employment) from being prevented from joining associations or from being dismissed or prejudiced because of trade union membership or participation in the formation or the lawful activities of a trade union.

Subsection 7(1) of the Labour Relations Act protects membership of an employee in a trade union as long as the employee complies with the rules of the union.

Subsection 7(2) of the Labour Relations Act (2) prohibits any trade union or similar organization from discriminating in its constitution, rules or through its actions against any person on the grounds of race, colour, nationality, ethnic or social origin, national extraction, religion, political opinion, language, sex, marital status, family responsibilities, age, disability, property or birth.

Requirements for collective bargaining

Section 25 of the Labour Relations Act contains requirements for enterprise-level bargaining.

Section 26 of the Labour Relations Act contains requirements for sectoral-level bargaining.

Prohibitions on union discrimination and employer interference in their operations

Already discussed under paragraph 6.3 above.

Requirements that worker representatives be in place

Subsection 11(1) of the Labour Relations Act requires every worker representative organization to be registered in terms of the provisions of this Act. The rights and benefits conferred by this Act upon organizations may be exercised only if those organizations are registered in accordance with the Labour Relations Act.

Subsection 11(2) of the Labour Relations Act provides that any seven or more members of an unregistered trade union, or two or more members of an unregistered employers' organization, any of whom may be officers of the organization, may apply to the Registrar for registration in the prescribed form. The application for registration is required to be accompanied by: (a) two certified copies of the organization's rules; and (b) the prescribed fee.

7. Principle 7 – Compliance with the law

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)

There is no written employment contract for workers as such. However, section 27 of the Employment Act requires every employer to give to each employee a written statement of particulars of employment.

Required content for written employment contracts

Written employment contract is required to include the following particulars:

- a) the names of the employee and of the employer;
- b) the date of commencement of the contract;
- c) the rate of remuneration and the method of calculating remuneration;
- d) the intervals at which remuneration is paid;
- e) the nature of the work to be performed;
- f) normal hours of work;
- g) any provision for termination of the contract other than those provided by this Act;
- h) any disciplinary rule applicable to the employee.

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

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

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

Section 25 of the Employment Act provides that an employment contract can be in any one of the following forms: (a) a contract for an unspecified period of time; (b) a contract for a specified period of time; and (c) a contract for a specific task.

In a contract of employment in respect of a skilled worker, section 26 of the Employment Act provides that parties may agree on the duration of the probationary period provided that the period cannot, in any event, exceed twelve months. During a probationary period, a contract of employment may be terminated at any time by either party without notice.

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

Section 57 of the Employment Act prohibits termination of contract employment by an employer without cause or justification. Section 57 requires that there must be a valid reason for termination connected with the capacity or conduct of the employee or based on the operational requirements of the undertaking. Where the reasons of termination relate to the capacity or conduct of the employee, the employment shall not be terminated before the employee is provided an opportunity to defend himself against the allegations made (unless the employer cannot reasonably be expected to provide such an opportunity).

It is clear from the preceding paragraph that a combination of substantive and procedural justice would always amount to fair dismissal. If one of them is missing or if both of them are missing, the result leads to unfair dismissal.

It is also clear that the law identifies the causes of termination as emanating from issues of conduct, capacity or operational requirements.

Courts have found the following to be some of the causes for termination: dishonesty, fraud, habitual absenteeism, late reporting for duties, refusal to take lawful orders, refusal to go on transfer, offering unauthorised credit facility, undermining authority, driving without authority, careless driving, refusal to write a disciplinary report, failure to follow regulations, carrying unauthorised passengers on an official motor vehicle, abuse of company facilities, damaging company property, assault, sleeping on duty, breaking national laws, violent threats against superiors, failure to meet deadlines, unlawful divulging of information, failure to account for stock, lack of commitment to duty and negligence.

The Employment Act sets out the minimum notice period for termination of employment. Notwithstanding this, an employer and an employee may agree on a longer notice period.

A contract of employment for a specified period of time shall automatically terminate on the date specified for its termination and, unless it is expressly or impliedly renewed or prolonged, no notice shall be required for its termination.

A contract of employment for an unspecified period of time may be terminated by either party upon giving the other the following minimum period of written notice:

- a) where the contract is to pay wages at a monthly rate, one month's notice;
- b) where the contract is to pay wages at a fortnightly rate -
 - i. one fortnight's notice where the employee has been employed for less than five years; and
 - ii. one month's notice where the employee has been continuously employed for at least five years;
- c) where the contract is to pay wages at a weekly rate -
 - i. one week's notice where the employee has been employed for less than two years;
 - ii. one fortnight's notice where the employee has been continuously employed for a period of not less than two years but not exceeding five years; and
 - iii. one month's notice where the employee has been continuously employed for at least five years;
- d) where the contract is to pay wages at a daily or hourly rate -
 - i. one day's notice where the employee has been employed for less than six months;
 - ii. one week's notice where the employee has been continuously employed for a period of not less than six months but not exceeding two years;
 - iii. one fortnight's notice where the employee has been continuously employed for a period of not less than two years but less than five years; and
 - iv. one month's notice where the employee has been continuously employed for a period of at least five years.

Although the Employment Act provides that both the employer and the employee can terminate the contract of employment by giving notice under sections 28 and 29, in reality, the right to terminate a contract by mere notice is only available to the employee. The employer, must, in addition to the notice, also comply with provisions of section 57(1) and 57(2) of the Employment Act, which require that before any unilateral termination of a contract by an employer, the employee must be furnished with valid reasons, and in cases of misconduct or incapacity, the employee must be afforded an opportunity to be heard.

Options for farmers to obtain legal assistance about their obligations (e.g. government department, local labor office, farmers association etc.)

Depending on the relevance of the legal issue to the respective institution, farmers may obtain legal assistance from different institutions, including the following:

- a) Tobacco Association of Malawi (TAMA);
- b) National Smallholders Farmers Association of Malawi (NASFAM);
- c) Ministry of Agriculture (advice obtained from the Ministry of Justice);
- d) Ministry of Labour;
- e) District Labour Offices;
- f) Local legal counsel of choice; or
- g) Department of Legal Aid (Ministry of Justice).

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

In 2015, Government reiterated its approval for the integrated production system (IPS) which was introduced in Malawi in October 2011 and adopted fully by May 2012 with 80% of the total volumes of leaf tobacco being purchased through IPS and 20% being purchased through auction. Leaf buyers have set up tailor-made contract documents to enter into contract farming under the IPS scheme.

The Tobacco Association of Malawi (TAMA) acts as a link between leaf merchants and growers. It therefore ensures that the signed contracts are discharged by all parties in a fairest manner. The Tobacco Control Commission approves contracts under the IPS.

Some leaf buyers say that evidence shows that the IPS has proven to be the best system of producing and marketing tobacco in Malawi as IPS is believed to offer sustainability for Malawi's tobacco industry.

Terms of the contracts are usually negotiated between the leaf buyer and the leaf growers, with the leaf buyer having a final say or being in a dominant negotiating position.

There is no government imposed template.

Appendix III. ALP Code



PHILIP MORRIS INTERNATIONAL

AGRICULTURAL LABOR PRACTICES CODE

Principles &
Measurable Standards



Introduction

Philip Morris International, Inc. (PMI) is committed to progressively eliminate child labor and other labor abuses where they are found and to achieve safe and fair working conditions on all farms from which PMI sources tobacco.

This Agricultural Labor Practices Code supports this objective by defining the labor practices, principles and standards PMI expects to be met on all tobacco farms with which PMI or PMI's suppliers have contracts to grow tobacco for PMI¹. This Code is based on the labor standards of the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work and other relevant ILO conventions. The principles and standards of this Code must be interpreted and implemented in line with these ILO conventions.

PMI recognizes that labor abuse can often have underlying systemic causes that this Code on its own cannot address. Long term solutions to address these systemic issues will require the serious and lasting commitment from all actors in the supply chain as well as government and other stakeholders. PMI is committed to engage with all such actors.

Farmers and suppliers are expected to apply this Code in a diligent and transparent manner, and to work with PMI on continuously improving agricultural labor practices. In all actions concerning children, the best interests of the child shall be the primary consideration.

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

CHILD LABOR

> **There shall be no child labor.**

Measurable Standards

- There is no employment or recruitment of child labor. The minimum age for admission to work is not less than the age for the completion of compulsory schooling and, in any case, is not less than 15 years or the minimum age provided by the country's laws, whichever affords greater protection.²
- No person below 18 is involved in any type of hazardous work.
- In the case of family farms, a child may only help on his or her family's farm provided that the work is light work and the child is between 13 and 15³ years or above the minimum age for light work as defined by the country's laws, whichever affords greater protection.

² As an exception, pursuant to ILO Convention 138, developing countries may under certain circumstances specify a minimum age of 14 years.

³ The same ILO convention 138 allows developing countries to substitute "between the ages 12 and 14 in place of "between the ages 13 and 15".

INCOME AND WORK HOURS

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

Measurable Standards

- Wages of all workers (including for temporary, piece rate, seasonal, and migrant workers) meet, at a minimum, national legal standards or agricultural benchmark standards.
- Wages of all workers are paid regularly, at a minimum, in accordance with the country's laws.
- Work hours are in compliance with the country's laws. Excluding overtime, work hours do not exceed, on a regular basis, 48 hours per week.
- Overtime work hours are voluntary.
- Overtime wages are paid at a premium as required by the country's laws or by any applicable collective agreement.
- All workers are provided with the benefits, holidays, and leave to which they are entitled by the country's laws.

FAIR TREATMENT

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

Measurable Standards

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

FORCED LABOR

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

Measurable Standards

- Workers do not work under bond, debt or threat and must receive wages directly from the employer.
- Workers are free to leave their employment at any time with reasonable notice.
- Workers are not required to make financial deposits with employers.
- Wages or income from crops and work done are not withheld beyond the legal and agreed payment conditions.
- Farmers do not retain the original identity documents of any worker.
- The farmer does not employ prison or compulsory labor.

SAFE WORK ENVIRONMENT

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

Measurable Standards

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

FREEDOM OF ASSOCIATION

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

Measurable Standards

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

COMPLIANCE WITH THE LAW

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

Measurable Standards

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

Compliance & Enforcement

PMI's guiding principle is continuous improvement: to work with suppliers and farmers to achieve, over time, measurable, tangible improvements in the working conditions for farm labor. In the case of noncompliance with this Code, PMI's response will be case-specific, and will depend on a variety of factors, including the nature and severity of the violation.

Our preferred approach to enforcing compliance with this Code will be to work with both farmers and suppliers to address any issues identified and to improve their practices. However, if there is no clear commitment to corrective actions, or if there is a persistent lack of action and improvement, PMI will terminate the contract. PMI also reserves the right to terminate contracts immediately in cases of severe violations of this Code.

An important component of PMI's Agricultural Labor Practices program is external third-party assessments to monitor the progress PMI, its suppliers and farmers make in improving labor conditions and compliance with this Code. We will publish reports of the third-party assessments on our internet site, www.pmi.com.