

COFFEE Project

Cooperation On Fair, Free, Equitable Employment

Framework on Preventing and Remediating Labor Violations



VERITÉ
Fair Labor. **Worldwide.**

Funding is provided by the United States Department of Labor under cooperative agreement number IL-31476-17-75. One hundred percent of the total costs of the project or program is financed with federal funds, for a total of USD 2 million. This material does not necessarily reflect the views or policies of the United States Department of Labor, nor does mention of trade names, commercial products, or organizations imply endorsement by the United States Government.

Framework on Preventing and Remediating Labor Violations

Introduction

This tool is one of 12 tools comprising the Socially Sustainable Sourcing Toolkit (S3T), which was developed as part of Verité's Cooperation on Fair, Free, Equitable Employment (COFFEE) Project through generous funding from the US Department of Labor's Bureau of International Labor Affairs (USDOL-ILAB). The S3T was developed in alignment with USDOL's **Comply Chain** model, with at least one tool created for each of the eight steps of *Comply Chain* (see graphic below). The tools can be used *à la carte*, but it is important that companies have systems and tools in place for each step of *Comply Chain*.

STEPS OF COMPLY CHAIN AND CORRESPONDING TOOLS

STEP 1. Engage stakeholders and partners

Tool 1. Guidance on stakeholder engagement

STEP 2. Assess risk and impacts

Tool 2. Coffee sector Risk Map

Tool 3. Root cause analysis of labor violations in the coffee sector

STEP 3. Develop a code of conduct

Tool 4. Sample code of conduct clauses

Tool 5. Sample social responsibility agreement

Tool 6. Guidance on recruitment-related risks

STEP 4. Communicate and train across supply chain

Tool 7. Guidance on communicating objectives and standards across the supply chain

STEP 5. Monitor compliance

Tool 8. Guidelines on monitoring for certifiers and monitors

Tool 9. Self-assessment questionnaires for traders, producers, and labor brokers

STEP 6. Remediate violations

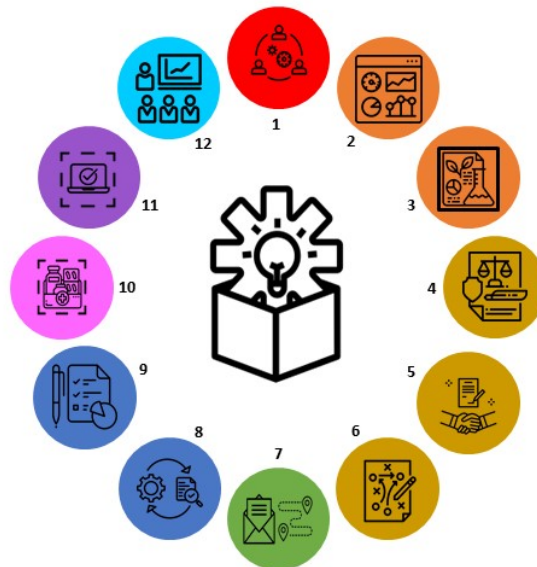
Tool 10. Framework on preventing and remediating labor violations

STEP 7. Independent review

Tool 11. Framework for independent verification

STEP 8. Report on performance

Tool 12. Guide on public reporting for private sector stakeholders



Introduction to the Tool

The most common way for an organization to understand and address labor issues in its supply chains is to undertake supply chain due diligence, a process by which companies can ensure that they comply with legal and code of conduct requirements. This risk management process is designed to identify, prevent, and mitigate adverse labor issues and other risks in all tiers of the supply chain.

The process includes four key steps: assessing actual and potential impacts; integrating and acting on the findings; tracking responses; and communicating about how impacts are addressed.

For the best results, due diligence should be initiated as early as possible in the development of a new business relationship, given that risks can be most effectively addressed at the stage of selecting suppliers and labor brokers and in structuring contracts.

The purpose of this tool is to help coffee roasters, traders, and producers to conduct effective due diligence in order to:

- ensure that the rights of workers in their supply chains are respected;
- reduce the risks of forced labor and child labor; and
- promote and fair, safe and humane conditions of work.

This document is designed to serve as a technical tool for human resource, production, social responsibility, and other managers to:

- benchmark the policies and procedures they have in place;
- add or strengthen risk controls where they find gaps; and
- check how effectively the controls are working and adjust them as needed.

Using this tool will help companies to embed social sustainability in their existing management systems. Putting in place strong systems to identify and remediate labor issues in coffee supply chains will help companies to reduce legal and reputational risks. Of even more importance, a focus on continuous improvement will help to create a sustainable workforce and more responsible and productive coffee farms.

Introduction to the Management Systems Approach

Introduction

The biggest factor in an organization's ability to manage the combined risks to its workers and business is the strength of its management system. Whether formal or informal, a company's management system supports or hinders its productivity and growth; assures or undermines its conformance to international conventions, labor laws, and customer requirements; and is the key to a stable and sustainable workplace. All businesses — whether retailers, coffee roasters, importers, exporters, coffee estates, or smallholder farms — have some type of management system in place; this tool will help to ensure that they focus on the identification, prevention, and mitigation of labor issues.

There are numerous system models that can be adopted. For the purposes of this tool, we are not prescribing a specific type of management system, especially for companies that have a formal system in place already. Instead, we are recommending a flexible risk management “systems approach,” which can be adapted to any operation. It is based on the most widely recognized management system model, known as Plan-Do-Check-Act (PDCA).

PDCA helps companies answer the following questions at both the strategic and practical levels:

- **Plan:** Where do we want to go?
- **Do:** How do we get there?
- **Check:** Are we on track?
- **Act:** What do we need to change?

In operational terms, PDCA leads companies through the process of building a foundation of company commitments and objectives to avoid certain risks, establishing a structure of procedures and risk controls to meet these objectives, and continually improving operations by monitoring and adjusting for gaps that allow issues to arise or recur.

This section provides guidance on how to develop and implement management systems. Steps to be taken include:

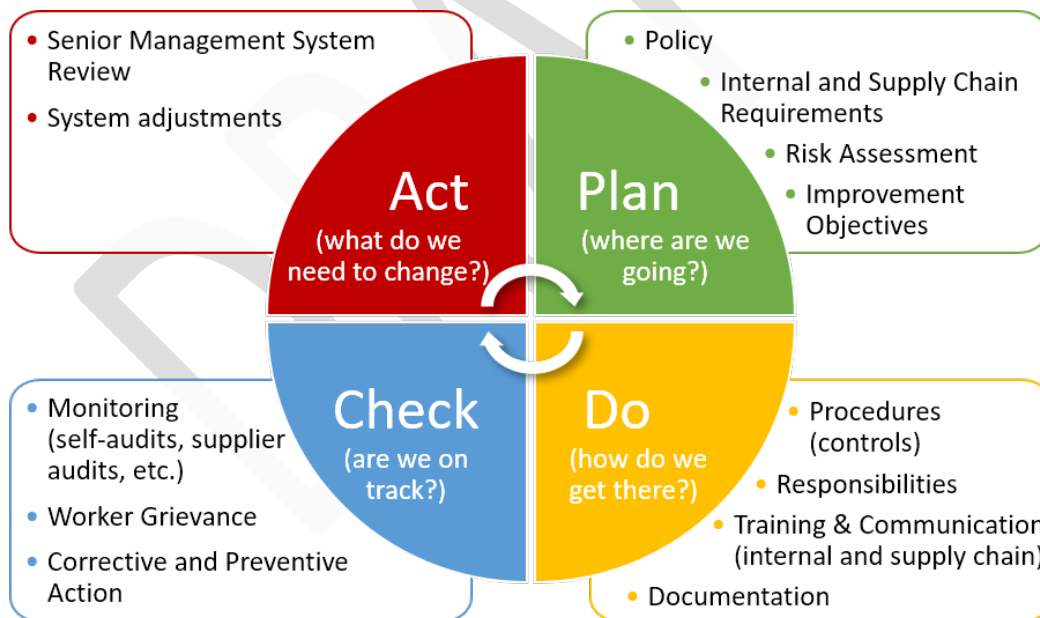
- gaining an understanding of supply chain labor risks in the coffee sector and legal and code of conduct requirements;
- establishing clear policy commitments to meet legal and code of conduct standards;
- establishing processes and procedures to address risks identified;
- assigning responsibility for implementing procedural and operational controls;
- training workers and managers on their roles and responsibilities;

- routinely checking to make sure that everything is working as planned and address any identified problems;
- undertaking due diligence of suppliers (including at the farm level) to ensure they follow legal and code of conduct requirements; and
- performing reviews of overall system effectiveness.

Implementing the Management Systems Approach in the Coffee Sector

A well-designed management system is one way to identify, evaluate, and reduce labor risks in coffee supply chains, including the risks of forced labor and child labor. Whether formal or informal, a management system should support a company's productivity and growth, and ensure that the company and its suppliers comply with international standards, labor laws, and customer requirements.

Each of the following sections presents the PDCA management system elements that a supplier should develop or strengthen to reduce the risk of labor violations in coffee supply chains. This is achieved by anticipating issues before they appear, as well as addressing or eliminating issues that have arisen by tracking them back to their root causes.



Plan: *Where Are We Going?*

As stated in the PDCA diagram, the purpose of the “Plan” part of the cycle is to assess the supplier's goals, understand the rules it should follow, and identify potential obstacles.

Policy: Policies are written commitment statements of what the supplier wants to achieve related to labor, the environment, health and safety, and business ethics.

To make sure everyone knows the goal, coffee roasters, traders, and producers should have written statements committing themselves and their suppliers to compliance with international standards, local laws, and social responsibility standards aligned with their codes of conduct, as well as the code requirements of their customers. These policies should seek to foment continuous improvement in their own operations as well as along their supply chains, down to the level of labor brokers.

The policy should include:

- A **commitment** to code of conduct and legal compliance
- A **dedication** to continuous improvement
- **Endorsement** by senior management

Requirements: The next step in a management system is to know what is expected. A supplier should regularly update their understanding of applicable laws, regulations, and customer requirements.

Risk Assessment: Risks are conditions and practices that can impair a supplier's ability to achieve its policy commitments. For example, a high rate of poverty and a lack of access to schools and childcare services in a community could lead to a high risk of child labor on surrounding farms. A supplier should evaluate its operations in light of such risks and, at a minimum, evaluate its suppliers for such risks and establish process controls to mitigate them.

Improvement Objectives: In order to achieve the policy commitment to continuous improvement or to establish or improve process controls, coffee roasters, traders, and producers should establish improvement objectives and targets, and track their achievement over time.

Do: How Do We Get There?

Working from the risk assessment and an understanding of legal and customer requirements, coffee roasters, traders, and producers should create process controls and the organizational structure needed to implement them.

Procedures (Controls): Companies should develop procedures that describe “what” they do to mitigate labor risks, “how” they do it, and “who” is responsible.

Procedural and physical controls need to be put in place to mitigate risks and implement the supplier's policies.

Example of Risk and Controls

Process: Recruitment, Selection and Hiring

Risk: Lack of formality and exploitative practices in recruitment processes

Controls:

- Policy requiring that all labor brokers register in accordance with local law.
- Policy requiring accurate descriptions of working conditions during recruitment and the provision of written contracts.
- Policy prohibiting the charging of recruitment fees and document retention.
- Communication of these policies to all workers and third-party labor brokers, and inclusion of these provisions in contracts with labor brokers.

- Create new procedures or revise existing ones to prevent unintended outcomes and code noncompliance.
 - For example, create procedures to periodically ensure that workers are provided with, trained on, and appropriately using the personal protective equipment (PPE) required to safely do their jobs.
 - Another example would be to ensure that all agrochemicals used by farms are legally permissible and appropriately labeled, stored, and applied.

Responsibilities: Once a coffee roaster, trader, or producer has established what it should do, it should assign responsibility for effective implementation. That begins with assigning overall accountability for achieving policy goals. In the case of roasters, traders, or large estates, the responsible person should be a senior manager. This should be followed by assigning specific system processes and procedures to responsible individuals. These processes may include reviewing workers' age verification documentation, performing routine inspections of first aid kits (in the case of coffee producers), or scheduling audits and assessing a supplier's performance against the company code of conduct (in the case of coffee roasters and traders).

Training and Communication: Individuals with implementation roles need to be trained to know how to do their jobs effectively, and all employees should be told who is responsible for specific processes so they know the individuals to contact with questions and concerns. Employees should also receive regular communication about their rights and responsibilities under the law.

It is important for coffee producers to understand the code of conduct requirements of the traders and roasters who purchase their coffee, as well as how to implement or improve their practices to align them with these codes. At a minimum, requirements should be communicated in contracts, purchase requisitions, and service agreements. Compliance assistance in the form of training and consultation should be provided as needed.

Documentation: To ensure that procedures are performed consistently, regardless of staff changes, they must be documented. Formal records must be kept to help verify conformance with code of conduct and legal requirements. This includes copies of regulatory permits, self-inspections, audits, and other system records.

Check: Are We On Track?

Checking up on processes and procedures can both ensure they are on track and allow for the correction of any identified problems. It involves using continuous monitoring, worker feedback processes, incident investigations, and routine self-assessments and audits.

Monitoring means observing or reviewing the progress or effectiveness of a process or control. Examples include:

- Establishing key performance indicators (KPIs) for processes that require routine monitoring.
- This may include tracking the percentage of corrective actions completed on schedule or the number of employees being paid a piece rate.
- Measuring training effectiveness both immediately after training and weeks or months later by testing knowledge skills, and assessing behavior change.
- Conducting routine self-assessment or self-audits to evaluate whether the management system processes and procedures are achieving their desired results.
- Conducting on-site evaluations of recruitment and labor broker practices against local laws and code of conduct requirements.

Worker Grievance: Obtaining and regularly reviewing worker grievances and other feedback is an essential tool for management to monitor the impact of human resources processes. Every supplier should have an easy-to-access, trusted, and confidential way for employees to report concerns. The complaint mechanism should allow workers to report grievances to individuals other than their supervisors or labor brokers, include a system to remediate issues reported, and include processes for appeals and to mitigate any form of retaliation against workers. Complaint mechanisms shall be available in workers' native languages, including indigenous languages.

Corrective and Preventive Action: When monitoring by coffee roasters or traders identifies an actual or potential uncontrolled risk at the farm level, they should evaluate how and why it occurred, in collaboration with coffee producers, with the goal of identifying the root cause(s).

The task then is to determine the appropriate corrective and preventive actions that will address the immediate issue and prevent a recurrence. Corrective and preventive actions should be assigned to specific producers and key personnel and should be completed within a designated timeframe. The focus should always be on continuous improvement, and it is important to identify realistic short- and long-term goals that can be accomplished under coffee price constraints, if a factor.

Act: What Do We Need to Change?

In addition to being accountable for the achievement of policy commitments, senior managers and other personnel should be tasked with leading a regular review of the overall management system. This includes an evaluation of:

- Suitability of the Current Policy(ies)

- Has anything changed internally (changes in personnel or hiring practices, etc.) or externally (legal or code of conduct revisions, disease outbreaks, etc.) that would require revising the policy?
- Achievement of Objectives
 - Is the company on track for or have they achieved their improvement objectives?
 - If not, why not? If yes, should the company strive for further improvement?
- Status of Corrective Action Plans
 - Has a coffee farm and its labor brokers addressed all identified issues?
 - If not, does it require more resources or other changes in approach?
 - Are they seeing recurrences of the same issue(s)?
- Self-Assessment and Audit Findings
 - Do the results of process and system evaluations indicate that the company's risk controls are having an impact?
 - If not, where is further improvement needed?
- Regulatory Agency Inspections
 - Do governmental inspections validate a coffee farm's compliance efforts or are there weaknesses the farm should address?
- Employee Engagement
 - Do the results of worker surveys and interviews, and a review of grievance reports, indicate ongoing issues related to farm or labor broker practices?
 - If so, what should be done to address the issues?
- Management Review
 - The minutes and action items of Management Review meetings should serve as the basis for the following year's "Plan" cycle.

Preventing and Remediating Forced Labor

Forced Labor in the Coffee Sector

While few large-scale studies have been carried out on human trafficking within the coffee sector, in-depth research carried out by Verité, as well as anecdotal reports, confirm that there is a high risk of forced labor in the sector in multiple countries. Large coffee plantations may recruit workers via labor brokers, a practice that leaves workers vulnerable to deceptive recruitment, document retention, debt bondage, and other indicators of forced labor.

Verité has conducted research on indicators of forced labor in a number of key coffee-producing countries in Latin America. Indicators detected during that research include:

Indicators of unfree recruitment:

- deceptive recruitment about the nature of work
- deception regarding working conditions
- recruitment linked to debt
- confiscation of identity papers or travel documents and cell phones

Indicators of work and life under duress:

- forced overtime
- limited freedom of movement and communication
- further deterioration of working conditions
- isolation
- constant surveillance
- confiscation of identity documents and mobile phones
- dismissal and exclusion from future employment
- multiple dependency on employers for jobs for relatives and food and housing
- induced and inflated indebtedness
- degrading living conditions
- threats or acts of physical and sexual violence against workers or their family members
- other forms of punishment (deprivation of food, water, rest, etc.)
- withholding of wages
- financial penalties

Indicators of impossibility of leaving employers:

- lack of freedom to resign in accordance with legal requirements
- workers being forced to stay longer than agreed while waiting for wages due or to repay outstanding debts
- denunciation to authorities
- workers being under the influence of employers
- confiscation of identity documents
- other forms of punishment (deprivation of food, water, sleep, etc.)
- constant surveillance
- withholding of wages
- dismissal
- exclusion from future employment

Using a Management Systems Approach to Address Forced Labor Risks

Implementing the following management system elements can help to reduce the risk of forced labor and recruitment-related risks. Examples of such practices include:

- a clear and detailed policy prohibiting forced and bonded labor along with the specific indicators associated with forced labor listed above;
- procedures and accountability for establishing and maintaining compliance with laws and regulations related to forced labor;
- training for management and workers on the forced labor policy and procedures on ethical recruitment;
- documentation of procedures to track whether job seekers or employees are charged recruitment and placement fees and the amount of the fees;
- monitoring to ensure that workers have entered into employment contracts voluntarily and are free to quit without penalty upon giving reasonable notice; and
- periodic review of how effectively the overall system is performing.

The following sections provide a list of system processes, starting with policies that form the foundation of the Plan stage of the PDCA management systems cycle. The policies listed below pertain to forced labor and recruitment and hiring (as unfree recruitment is one of the three dimensions of forced labor under the ILO's Hard to See, Harder to Count forced labor indicators methodology).

Policies on Forced Labor

Company policies on forced labor may include:

- The company will prohibit forced labor in all its operations and in those of its suppliers and labor brokers.
- Workers will be free to quit and leave their jobs at any time without penalty.
- Workers will not be forced to work to repay a debt, whether related to recruitment fees, advances, debts incurred to stores located on farms, or other types of debts.
- Workers will not be compelled to patronize shops or services operated by an employer or labor broker. When stores are located on farms, goods will be provided at fair and reasonable prices and workers will be provided with written receipts that detail the cost of each item.
- Neither the employer nor labor brokers will confiscate, destroy, retain, or deny the access of workers to their identity or immigration documents under any circumstances.
- Workers will have a secure place to store their identification documents and other valuables, including cellular phones, and shall have access to them all times.
- Neither the employer nor labor brokers will require workers to make deposits or allow part of their wages to be withheld in exchange for an offer of employment, or to maintain employment.
- Neither the employer nor labor brokers or security guards will limit the freedom of movement of workers during recruitment, transportation, or employment.

- Workers will be allowed to freely resign from and leave their jobs at any time without termination of their contracts or consideration of indebtedness.
- Payment of wages — in whole or in part — shall not be delayed, deferred, or withheld (including until the end of the harvest season or the end of a worker's contract).
- Workers will never be forced to work overtime, including under the threat of any penalty or as a disciplinary measure or for not meeting production quotas.
- Workers will not be forced to work or live in hazardous or degrading conditions, and will be permitted to remove themselves from conditions that they deem hazardous without reprisal.

Policies on Recruitment and Hiring

Company policies on recruitment and hiring may include:

- Coffee farms will only engage recruitment agents that are registered and authorized by the competent authority, and in the case of immigrant workers, in the receiving and/or countries of the workers.
- Farms will have a signed contract with recruiters that obligates them to abide by national law, international standards, and company codes of conduct.
- Labor brokers will operate ethically at all stages of the recruitment and selection process for workers, in accordance with local laws, and in the case of immigrant workers, in the countries of origin and destination of these workers.
- Neither labor recruiters nor their agents will engage in deceptive or fraudulent recruitment practices that put workers at risk of forced labor and other forms of labor exploitation.
- Neither labor brokers nor their agents will charge recruitment fees to workers, and employers will cover the cost of recruiting and placing, training, processing the documents of, and transporting workers.
- All workers will be provided complete and accurate information on the terms and conditions of employment and will be provided with a signed contract in a language they understand.
- Employers and labor brokers will not engage in contract substitution or use of supplemental agreements.

Procedures

The following procedures can assist with the implementation of the policies noted above:

- Establishing recruitment procedures to ensure that:
 - job advertisements describe positions accurately and state the policy related to fees;

- job candidates are given a complete and accurate description of the terms and conditions of employment both verbally and in writing;
- employment contracts are in a language the workers understand and are provided for review before signing; and
- workers do not make deposits or post bonds in order to obtain the job.
- Screening recruitment agents for their recruitment practices, regulatory compliance history, and both willingness and ability to meet the company policy requirements before engaging them.
- Establishing formal service agreements with recruitment agencies and labor contractors that workers do not pay any fees.
- Creating a monitoring mechanism to ensure that workers are in possession of their identity documents at all times and that the agent, broker, or employer retains the documents only as long as needed to obtain or renew required documentation, such as visas and work permits.
- Establishing a process to ensure that workers are free to return home at any time without penalty.

Communication and Training

To ensure that policies and procedures are followed, suppliers should assign responsibilities for implementation and train responsible staff on their roles. Examples of such practices include:

- Providing initial and periodic training for recruitment and hiring staff and those that manage labor brokers on the company policies and procedures, and legal requirements on forced labor prevention.
- Providing a thorough pre-departure training to newly-hired migrant workers related to their contract terms, information about where they will be living and working, and their legal rights and responsibilities.
- Providing all newly-hired workers with a new hire orientation covering the workplace policies and procedures – including those addressing forced labor.
- Communicating forced labor policies to any third parties that provide recruitment services.
- Displaying policies and local laws and regulations on forced labor in language(s) that workers understand.

Documentation and Records

Key procedures should be documented whenever possible to ensure they are consistently adhered to. The following are examples of records that should be kept on file:

- copies of signed employment contracts for all workers;
- service agreements with recruitment agencies and labor contractors;
- a roster of all workers, including temporary workers, foreign migrant workers, and workers recruited, hired, and/or supervised by labor brokers;
- records of recruitment agent and labor contractor screening assessments;
- records of ongoing monitoring of labor broker performance against forced labor policy requirements;
- records of worker grievance reports and how they were investigated and resolved; and
- records of self-assessments and other evaluations of conformance with the forced labor policies and procedures and applicable legal requirements.

Monitoring

To evaluate and improve the effectiveness of the program, it is recommended that suppliers routinely evaluate how well their policies and procedures are being implemented. Monitoring can take the following forms:

- Establish and track simple KPIs to measure program effectiveness on an ongoing basis, such as the number of workers required to pay recruitment fees or the percentage of new hires who understand their employment agreements.
- Regularly verify the validity and completeness of worker contracts to verify that procedures are being properly followed by internal staff and third-party recruitment agents and labor brokers. This process should be part of the routine evaluation of recruitment agent performance.
- Discuss the forced labor policy requirements with recruitment staff members to ensure they are understood and effectively implemented.
- Interview all newly-arrived workers to determine the level of compliance with forced labor policies throughout the recruitment, selection, and hiring process.
- Assess the frequency and nature of worker complaints and grievances related to their contracts and treatment during the recruitment and hiring process, and with regard to transportation, the workplace, and worker housing.
- Regularly evaluate labor brokers' compliance with forced labor policies.
- Periodically interview or survey workers, especially vulnerable categories of workers, such as migrant workers (including internal migrants and

immigrant workers), temporary workers, women, and workers recruited and/or managed by labor brokers.

Corrective Action and System Review

For continuous improvement of procedures, coffee roasters, traders, and producers should work collaboratively to undertake immediate corrective and preventive actions, as well as periodic system reviews. This process may include:

- conducting root cause analysis of any issues uncovered during monitoring;
- setting improvement targets and developing both corrective and preventive actions (modified procedures) to address each identified root cause;
- assigning task owners, milestones, and final completion dates;
- monitoring changes in procedures to ensure they have been made and are producing the desired results; and
- conducting ongoing periodic reviews for overall system effectiveness.

Preventing and Remediating Child Labor

Child Labor in the Coffee Sector

There is a high rate of child labor risk in the coffee sector. In fact, USDOL's List of Goods Produced with Child Labor and Forced Labor lists 17 countries in which it has found coffee to be produced with child labor, one of the highest numbers of any of the goods included in on the *List*.¹

Children working in coffee production may be engaged in the worst forms of child labor, including:

- the handling or application of pesticides and herbicides, and working in areas that have been recently fumigated;
- working with sharp instruments, such as machetes;
- operating heavy machinery, such as mechanical harvesters, electric scythes, chainsaws;
- prolonged exposure to loud noises or heavy vibrations;
- carrying heavy loads, such as sacks of coffee;
- working at heights, such as cases in which climbing ladders is necessary to harvest certain coffee varieties or in coffee processing facilities;
- collecting, preparing, or distributing manure, which may contain parasites or other microorganisms;
- working in areas with dangerous animals (i.e., venomous snakes, areas with high rates of mosquito-borne illnesses);
- exposure to extreme weather, cold, heat, or sunlight without shade;
- working at night or during the early morning hours; and

- working during the school day, for minors under the maximum age for obligatory education.

Without addressing the root causes of child labor in the coffee sector, eradicating child labor and its worst forms will be all but impossible.

Root Causes of Child Labor in the Coffee Sector

Given coffee's historic importance and the strong presence of child labor in the coffee sector, in some countries and localities, school calendars have been adjusted so vacations coincide with the coffee harvest. While this can help to ensure that children miss less school due to their involvement in coffee harvesting, it is also a tacit acknowledgment and approval of municipal authorities over children's work in the coffee sector. Even when children's school vacations correspond with the harvest season, children frequently miss the beginning or end of the school year, causing them to fall behind, ultimately fail their classes, and drop out of school. Even in areas where schools do exist in close proximity to estates, families' meager earnings from work in the coffee sector may impede children from attending. This contributes to an extremely high illiteracy rate and a cycle of poverty, both of which can exacerbate and perpetuate child labor.

Issues Specific to Coffee Estates

On coffee estates, child labor can, in part, be attributed to family migration along with piece rate pay and a lack of access to schools or childcare.

In many cases, temporary migrant workers migrate to coffee estates with their entire families for the harvest season. Couples must frequently migrate and work together in order to earn enough money during the harvest season, and they often cannot leave their children while they migrate to work on coffee estates for approximately three months. Given the lack of childcare on coffee farms (as well as transportation and educational subsidies to allow parents to send their children to school), parents are often forced to make the decision to bring their children with them to the fields rather than leaving them alone with unfamiliar men in communal housing.

The piece rate system and production quotas further incentivize the use of child labor. Once the children are in the fields, many parents allow them to help with their work in order to keep them occupied and contribute to family production totals (and the overall family income). When the children are in the fields, parents often ask them to assist with tasks, especially when their earnings depend on production and they need money to supplement the meager rations provided by estates, which are typically inadequate to meet families' nutritional needs.

The risk of child labor is especially elevated when quotas are instituted. As parents may risk penalties for not meeting their quota, they may find it necessary to enlist their children to help ensure goals are met.²

Issues Specific to Smallholder Farms

A large amount of the world's coffee is produced by smallholder farmers, a population at a high risk for poverty. A recent study by Enveritas³ found that smallholder coffee farms produce approximately 60 percent of the world's coffee. Smallholder coffee farms are generally smaller than five hectares, but in some countries, the average coffee farm is much smaller (such as in Colombia, where the average farm size is around one hectare). Market volatility, historically low coffee prices, increased prices of input, falling productivity, the role of middlemen in coffee supply chains, and the remoteness of some producing regions (resulting in high coffee transport prices) have cut into smallholder farmers' already thin profit margins. Shrinking profit margins create a heavy reliance on family labor in order to reduce the cost of production, about half of which is associated with labor.

The reliance of many smallholder farmers on their own families' labor creates a significant risk of child labor, as parents may depend on their children to help them to earn enough money to survive, need the help of their children during labor-intensive periods, lack access to childcare or educational services while adults are working, and/or consider it important that their children learn skills associated with coffee production. There are also many cases in which there is a need for the whole family to work during labor intensive seasons, especially the harvest, as families may not have access to outside labor or may lack the cashflow to pay day laborers, many of whom request daily or weekly payment.

Using a Management Systems Approach to Address Common Risks

Implementing the following management system elements may enable coffee roasters, traders, and producers to better address the risk of child labor at the farm level and help meet legal and code of conduct requirements:

- a clear and detailed policy prohibiting child labor and its worst forms
- procedures and accountability for establishing and maintaining compliance with laws and regulations related to child labor and juvenile laborers
- training for management and workers on the child labor policy and procedures, including verifying the age of job applicants
- documentation of procedures to protect juvenile laborers
- monitoring to ensure that no children under the legal minimum age for child labor are hired and that juvenile laborers are only assigned to light work that complies with legal requirements
- periodic management-level review of how effectively the overall system is performing

The following sections provide a list of system processes, starting with the clear policies that are the foundation of Planning.

Policies

Supplier's company policies may include the following statements:

- All minors who engage in any work on coffee farms, including assisting others with specific tasks, will be formally hired and registered.
- Only individuals above the minimum age of employment will be hired and allowed to work on coffee farms.
- Juvenile laborers between the minimum age for child labor and 18 will only engage in legally permissible work that complies with restrictions on hours of work, school attendance, and activities that do not present a danger to their health, safety, or morals.
- Juvenile laborers will be registered, paid directly, and earn at least the minimum wage.
- No worker under the age of 18 will work in hazardous tasks, including, but not limited to:
 - the handling or application of pesticides and herbicides, and working in areas that have been recently fumigated;
 - working with sharp instruments, such as machetes;
 - operating heavy machinery, such as mechanical harvesters, electric scythes, chainsaws;
 - prolonged exposure to loud noises or heavy vibrations;
 - carrying heavy loads, such as sacks of coffee;
 - working at heights, such as in coffee processing facilities or cases in which climbing a ladder is necessary to harvest certain coffee varieties;
 - collecting, preparing, or distributing manure, which may contain parasites or other microorganisms;
 - working in areas with dangerous animals (i.e., venomous snakes, areas with high rates of mosquito-borne illnesses);
 - exposure to extreme weather, cold, heat, or sunlight without shade;
 - working at night or during the early morning hours; and
 - working during the school day, for minors under the maximum age for obligatory education.
- If children under the minimum age of employment are found on farms, or if juvenile workers are found to be engaging in unpermitted or hazardous activities, the situation will be remediated according to the best interests of the child and his or her family.

Procedures

The following procedures are examples of practices that facilitate the implementation of the policies noted above:

- An objective procedure to verify the age of all job applicants.
- Procedure to objectively verify the age of all job applicants using government-recognized documents wherever possible.
- Methods to verify the authenticity of proof-of-age documentation.
- A way to classify jobs in the workplace according to their nature (agricultural versus non-agricultural), health and safety hazards, seasonality (including an analysis of overlap with school calendars), and working hours (including an analysis of overlap with school hours).
- Process to ensure that juvenile workers are provided with regular health examinations and other legally-required protections.
- A mechanism to ensure that children and adolescents are protected from harm, exploitation, and abuse on farms and in employer- or labor broker-provided transportation and housing (independent of whether these minors are employees of the farms).
- Establish a process to remediate cases of child labor and violations of provisions on juvenile labor.

Available e-Learning Courses on Child Labor Prevention

A variety of e-learning courses and classroom presentation materials are available online. One of the more in-depth offerings, called “Eliminating Child Labour,” is provided by the International Labor Organization (ILO) and can be found at:

www.ilo.org/legacy/english/ipec/elearning_labour_inspectors_and_clmonitors/module_1/multiscreen.html

Communication and Training

To ensure that policies and procedures are adhered to, responsibilities should be assigned for implementation of policies and procedures, and responsible staff should be trained on their roles. Examples include:

- Providing initial and periodic training for the recruitment and hiring staff on policies and procedures, and legal requirements on child labor.
- Communicating child labor policies to all third parties that provide recruitment services on the coffee producers’ behalf.
- Ensuring that job descriptions and job advertisements state the minimum hiring age for employment.
- Displaying policies and local laws and regulations on child labor in the language(s) that workers understand.
- Training supervisors and managers on child labor policies and procedures, including safeguarding children from harm, exploitation, or abuse, and actions to take if they learn of an underage worker in the workplace or minors engaging in hazardous work.
- Communicating child labor policy and performance requirements to all workers, labor brokers, and suppliers.

Documentation and Records

It is recommended that key procedures are documented whenever possible to ensure they are followed consistently. The following are examples of documents that should be kept on file:

- copies of proof of age documents provided by job applicants;
- an inventory of jobs and tasks that cannot be assigned to the young workers because of inherent health and safety hazards;
- a register of juvenile laborers;
- health examination records for juvenile workers;
- records of actions taken upon the discovery of child labor or underage workers found to be engaging in hazardous work;
- copies of job advertisements and employment contracts that specify the minimum age of hire and any restrictions in working hours and job tasks for the young workers; and
- records of self-assessments and other evaluations of compliance with child labor policies and procedures and applicable legal requirements.

Monitoring

To evaluate and improve the impact of the program, coffee roasters, traders, and producers should routinely evaluate how well their policies and procedures are being implemented. Monitoring can take the following forms:

- Regularly verify the validity and completeness of proof of age records to confirm that procedures are being properly followed and to determine whether there is a need to make process improvements.
- Discuss how to verify the age of job applicants and identify falsified documents with labor brokers to ensure they understand how to verify the age of job applicants and identify falsified documents.
- Assess the frequency and nature of complaints and grievances related to child labor, and the treatment and working conditions of child and juvenile workers on farms and in employer- or labor-broker-provided transportation and housing.
- Regularly review the job assignments of juvenile laborers to ensure that tasks are not hazardous and comply with legal requirements on school attendance and working hours.
- Perform random age verification checks, as needed, to ensure the effectiveness of recruitment procedures.

Corrective Action and System Review

For continuous improvement of procedures, coffee roasters, traders, and producers should undertake immediate preventive and corrective actions, as well as periodic system reviews. This process should include:

- conducting a root cause analysis of any issues uncovered during monitoring;
- setting improvement targets and developing both preventive and corrective actions (modified procedures) to address each identified root cause;
- assigning task owners, milestones, and completion dates;
- monitoring that changes in procedures have been implemented and that they produce the desired results; and
- conducting ongoing periodic senior management review for overall system effectiveness.

Next Steps

As this Framework on Preventing And Remediating Labor Violations encompasses a large number of steps, it overlaps with a variety of tools contained in the S3T. Once you have developed an overall management systems approach, your company can use the following tools to strengthen different elements of your system processes in order to prevent and address labor risks in your supply chain and internal operations:

- Policies
 - Sample Code of Conduct Clauses
 - Sample Social Responsibility Agreement
 - Guidance On Recruitment-Related Risks
- Communication & Training
 - Guidance on Communicating Objectives and Standards Across the Supply Chain
- Monitoring
 - Guidelines on Monitoring for Certifiers and Monitors
 - Self-Assessment Questionnaires for Traders, Producers, and Labor Brokers
- Corrective Action and System Review
 - Root Cause Analysis of Labor Violations in the Coffee Sector
 - Framework for Independent Verification

Annex: Definitions

Forced Labor

International Labour Organization (ILO) Convention 29 (1930) is the most authoritative convention on Forced Labor. Article 2, defines “forced or compulsory labor” as “all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.” While the Convention provides some exclusions (such as compulsory military service, prison labor under certain circumstances, and responses to national emergencies), these exclusions do not apply to work in the coffee sector or to minors under the age of 18.⁴

The ILO’s Guidelines Concerning the Measurement of Forced Labour define forced labor of children as: “work performed by a child during a specified reference period falling under one of the following categories:

- I. work performed for a third party, under threat or menace of any penalty applied by a third party (other than the child’s own parents) either on the child directly or the child’s parents; or
- II. (work performed with or for the child’s parents, under threat or menace of any penalty applied by a third party (other than the child’s parents) either on the child directly or the child’s parents; or
- III. work performed with or for the child’s parents where one or both parents are themselves in a situation of forced labour; or
- IV. work performed in anyone of the following worst forms of child labour:
 - (a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom, [as well as forced or compulsory labour], including forced or compulsory recruitment of children for use in armed conflict; (b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances; (c) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in relevant international treaties.”⁵

The ILO’s 2011 publication, *Hard to See, Harder to Count: Survey Guidelines to Estimate Forced Labor of Adults and Children*, contains a series of indicators of forced labor that can be used to identify forced labor in practice. These indicators are categorized into three dimensions (unfree recruitment, work and life under duress, and impossibility of leaving the employer), and there are indicators of involuntariness and menace of penalty within each one of these dimensions. For adults, these indicators are categorized into strong and medium indicators, and a forced labor determination can be made when there is at least one indicator of involuntariness and one indicator of menace of penalty within at least one of these dimensions. For adults, at least one of these indicators must be a strong indicator. For children, all

indicators are given equal weight, meaning that there is no need for a strong indicator of forced labor; children working alongside parents who are victims of forced labor are also considered victims of forced labor.⁶ The tables below provide the ILO's criteria for the indicators of forced labor for adults; the flowcharts that follow depict the process of determining whether forced or child labor is present.

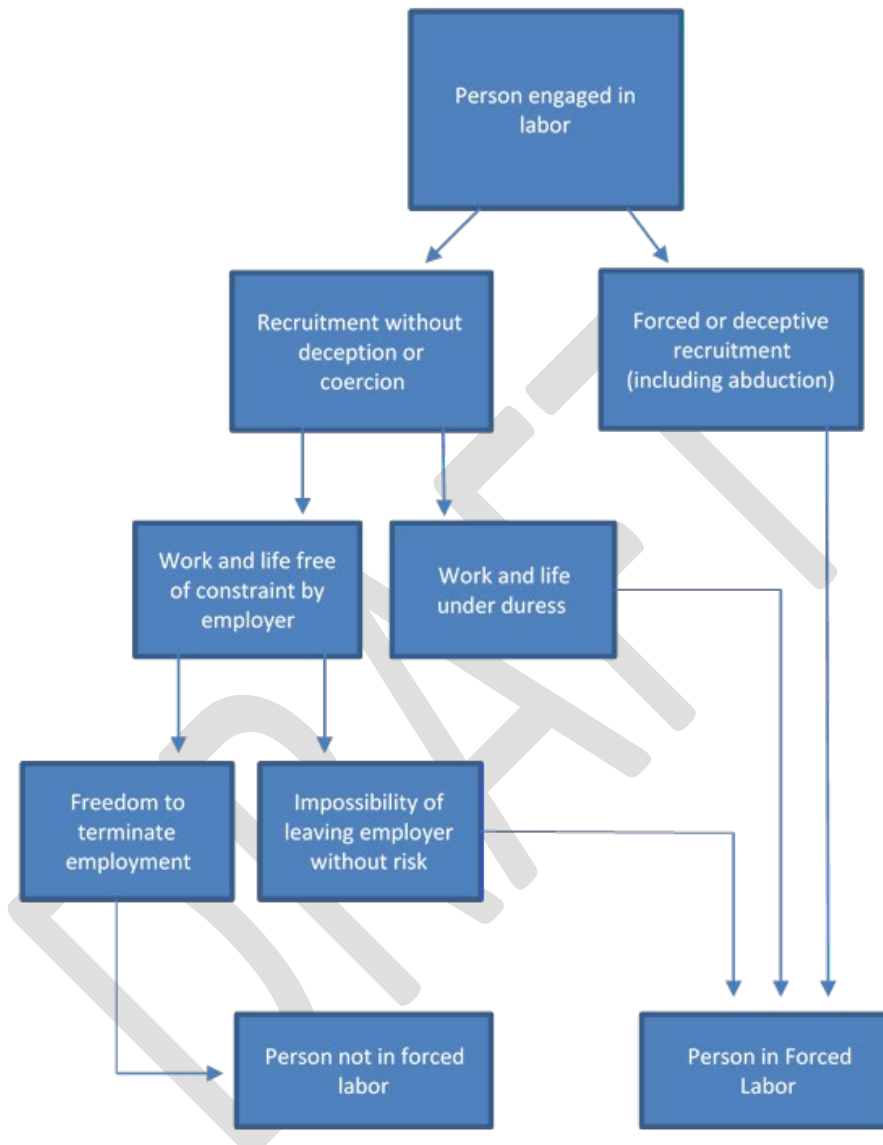
ILO's Guidelines Concerning the Measurement of Forced Labour

Indicators of Unfree Recruitment of Adults		
	Indicators of: Involuntariness	Indicators of: Penalty (or Menace of Penalty)
Strong Indicators	<ul style="list-style-type: none"> → Tradition, birth (birth/descent into "slave" or bonded status) → Coercive recruitment (abduction, confinement during the recruitment process) → Sale of the worker → Recruitment linked to debt (advance or loan) → Deception about the nature of the work 	<ul style="list-style-type: none"> → Denunciation to authorities → Confiscation of identity papers or travel documents → Sexual violence → Physical violence → Others forms of Punishment → Removal of rights or privileges (including promotion) → Religious retribution → Withholding of assets (cash or other) → Threats against family members
Medium Indicators	<ul style="list-style-type: none"> → Deceptive recruitment (regarding working conditions, content or legality of employment contract, housing and living conditions, legal documentation or acquisition of legal migrant status, job location or employer, wages/earnings) → Deceptive recruitment through promise of marriage 	<ul style="list-style-type: none"> → Exclusion from future employment → Exclusion from community and social life → Financial penalties → Informing family, community or public about worker's current situation (blackmail)

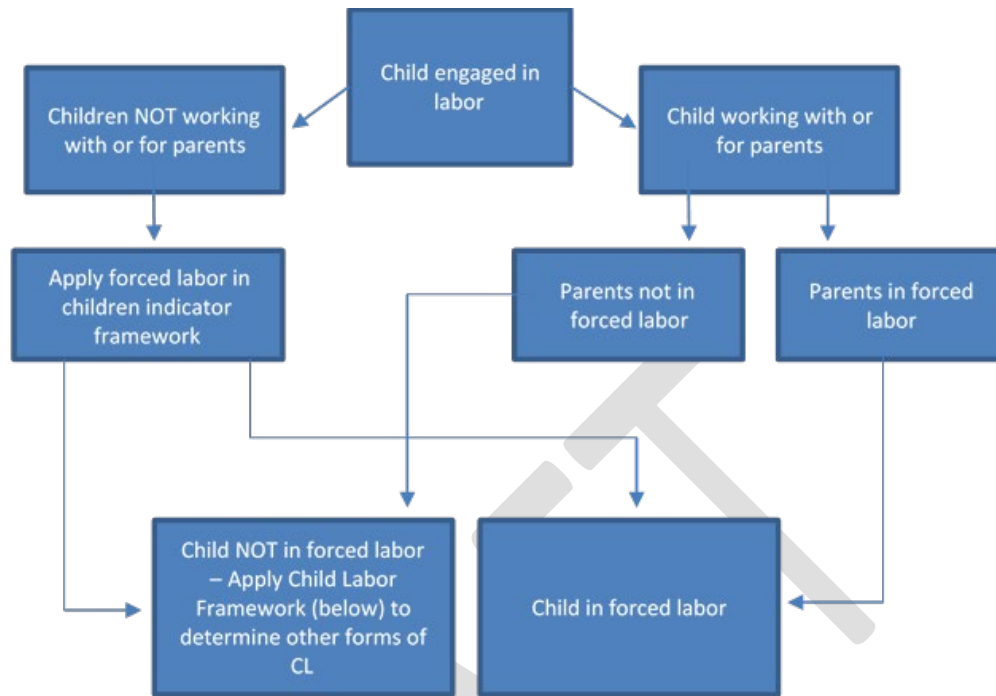
Indicators of Work and Life Under Duress of Adults		
	Indicators of: Involuntariness	Indicators of: Penalty (or Menace of Penalty)
Strong Indicators	<ul style="list-style-type: none"> → Forced overtime (beyond legal limits) → Forced to work on call (day and night) → Limited freedom of movement and communication → Degrading living conditions 	<ul style="list-style-type: none"> → Denunciation to authorities → Confiscation of identity papers or travel documents → Confiscation of mobile phones → Further deterioration in working conditions → Isolation → Locked in workplace or living quarters → Sexual violence → Physical violence → Other forms of punishment (deprivation of food, water, sleep, etc.) → Violence against worker in front of other workers → Removal of rights or privileges (including promotion) → Religious retribution → Constant surveillance → Withholding of assets (cash or other) → Withholding of wages → Threats against family
Medium Indicators	<ul style="list-style-type: none"> → Forced engagement in illicit activities → Forced to work for employer's private home or family → Induced addiction to illegal substances → Induced or inflated indebtedness (by falsification of accounts, inflated prices for goods/services purchased, reduced value of goods/services produced, excessive interest rate on loans, etc.) → Multiple dependency on employer (jobs for relatives, housing, etc.) → Pre-existence of a dependency relationship with employer → Being under the influence of employer or people related to employer for non-work life 	<ul style="list-style-type: none"> → Dismissal → Exclusion from future employment → Exclusion from community and social life → Extra work for breaching labour discipline → Financial penalties → Informing family, community or public about worker's current situation (blackmail)

Indicators of Impossibility of Leaving Employer for Adults		
	Indicators of: Involuntariness	Indicators of: Penalty (or Menace of Penalty)
Strong Indicators	<ul style="list-style-type: none"> → Reduced freedom to terminate labour contract after training or other benefit paid by employer → No freedom to resign in accordance with legal requirements → Forced to stay longer than agreed while waiting for wages due → Forced to work for indeterminate period in order to repay outstanding debt or wage advance 	<ul style="list-style-type: none"> → Denunciation to authorities → Confiscation of identity papers or travel documents → Imposition of worse working conditions → Locked in work or living quarters → Sexual violence → Physical violence → Other forms of punishment (deprivation of food, water, sleep, etc.) → Removal of rights or privileges (including promotion) → Religious retribution → Under constant surveillance → Violence imposed on other workers in front of all workers → Withholding of assets (cash or other) → Withholding of wages → Threats against family members (violence or loss of land or jobs)
Medium Indicators		<ul style="list-style-type: none"> → Dismissal → Exclusion from future employment → Exclusion from community and social life → Extra work for breaching labour discipline → Financial penalties → Informing family, community or public about worker's current situation (blackmail)

How to Determine if a Person is in a Situation of Forced Labor



How to Determine if a Child is in a Situation of Forced Labor



*Note: These visual frameworks were adapted from the International Labour Organization publication, *Hard to See, Harder to Count: Survey Guidelines to Estimate Forced Labor of Adults and Children*.

Child Labor

According to the 1989 United Nations Convention on the Rights of the Child (UN CRC), a child is a person under 18 years of age. The UN CRC and its Optional Protocols provide an overall framework for the human rights of children, including their right to protection from economic exploitation. Article 32 establishes that, “States Parties recognize the right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development.”⁷

ILO Convention 138 sets the minimum age for child labor at 15, although, as mentioned above, developing economies may establish 14 as the minimum age of child labor after appropriate consultations. The Convention establishes that, “the minimum age for admission to any type of employment or work which by its nature or the circumstances in which it is carried out is likely to jeopardise the health, safety or morals of young persons.”⁸

Convention 138 allows for the employment of children above the minimum age for child labor under certain conditions. The Convention establishes that the minimum age for child labor “shall not be less than the age of completion of compulsory

schooling and, in any case, shall not be less than 15 years.” However, countries “whose economy and educational facilities are insufficiently developed” may establish a minimum age of 14” after consultation with the organisations of employers and workers concerned.”⁹

The Convention establishes that countries may “authorise employment or work as from the age of 16 years on condition that the health, safety and morals of the young persons concerned are fully protected and that the young persons have received adequate specific instruction or vocational training in the relevant branch of activity.”¹⁰

The Convention “does not apply to work done by children and young persons in schools for general, vocational or technical education,” and allows for countries to pass laws allowing children between the ages of 13 and 15 to engage in light work that is “(a) not likely to be harmful to their health or development; and (b) not such as to prejudice their attendance at school, their participation in vocational orientation or training programmes approved by the competent authority or their capacity to benefit from the instruction received.”¹¹

The ILO’s International Conference of Labour Statisticians (ICLS) recommends that where no national legislation on light work is available, light work for children should not exceed 14 hours during the referenced week (i.e., more than 14 hours of light work per week for children ages 13-15 should be considered child labor).¹²

ILO Convention 182 on the Worst Forms of Child Labor (WFCL) defines and prohibits the WFCL among all children under the age of 18. The WFCL include:

- “(a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict;
- (b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances; (c) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties; and
- (d) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.”¹³

Hazardous Child Labor (HCL) is a subset of the WFCL. The international legal framework for hazardous child labor stems from ILO Conventions 138 and 182, both of which prohibit all children under the age of 18 from engaging in “work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.”¹⁴ According to ILO Convention 182, hazardous work “shall be determined by national laws or regulations or by the competent authority, after consultation with the organizations of employers and workers concerned,

taking into consideration relevant international standards.”¹⁵ Convention 182 requires that member states implement time-bound measures to:

- “(a) prevent the engagement of children in the worst forms of child labour;
- (b) provide the necessary and appropriate direct assistance for the removal of children from the worst forms of child labour and for their rehabilitation and social integration;
- (c) ensure access to free basic education, and, wherever possible and appropriate, vocational training, for all children removed from the worst forms of child labour;
- (d) identify and reach out to children at special risk; and
- (e) take account of the special situation of girls.”¹⁶

ILO Convention 184 on Safety and Health in Agriculture states that, “the minimum age for assignment to work in agriculture which by its nature or the circumstances in which it is carried out is likely to harm the safety and health of young persons shall not be less than 18 years.” However, it allows for countries to authorize children 16 years of age or older to work in the agricultural sector “on condition that appropriate prior training is given and the safety and health of the young workers are fully protected.” This convention covers “agricultural and forestry activities carried out in agricultural undertakings including crop production, forestry activities, animal husbandry and insect raising, the primary processing of agricultural and animal products by or on behalf of the operator of the undertaking as well as the use and maintenance of machinery, equipment, appliances, tools, and agricultural installations, including any process, storage, operation or transportation in an agricultural undertaking, which are directly related to agricultural production.” However, it does not cover (a) subsistence farming; (b) industrial processes that use agricultural products as raw material and the related services; and (c) the industrial exploitation of forests.”¹⁷

It is important to note that in many key coffee-producing countries, labor in the agricultural sector has been generally defined as hazardous, and thus the employment of all children under the age of 18 is prohibited in all work of an agricultural nature in the coffee sector.

Endnotes

¹ List of Goods Produced with Child Labor and Forced Labor. *U.S. Department of Labor*, 2020. www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods.

² Commodity Atlas: Coffee. *Verité*, 2017. www.verite.org/project/coffee

³ Browning, David. “Using technology to help smallholder farmers.” *YouTube*, Re:Co Symposium, Specialty Coffee Association, 12 Aug. 2019. www.youtube.com/watch?v=0XY9R1MqT9Y&feature=emb_logo.

⁴ C029 – Forced Labour Convention, 1930 (No. 29). *International Labour Organization (ILO)*. www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C029.

⁵ Guidelines concerning the measurement of forced labour. *International Labour Organization (ILO)*, 2018. www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/meetingdocument/wcms_648619.pdf.

⁶ “Hard to See, Harder to Count Survey Guidelines to Estimate Forced Labour of Adults and Children.” *International Labour Organization (ILO)*, 2011. www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms182096.pdf.

⁷ Convention on the Rights of the Child. *United Nations*, 20 Nov 1989. www.ohchr.org/EN/ProfessionalInterest/Pages/CRC.aspx.

⁸ C138 – Minimum Age Convention, 1973 (No. 138). *International Labour Organization (ILO)*, 1973. www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138.

⁹ C138 – Minimum Age Convention. 1973 (No. 138). *International Labour Organization (ILO)*, 1973. www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138.

¹⁰ C138 – Minimum Age Convention, 1973 (No. 138). *International Labour Organization (ILO)*, 1973. www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138.

¹¹ C138 – Minimum Age Convention, 1973 (No. 138). *International Labour Organization (ILO)*, 1973. www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138.

¹² Resolution IV. Resolution to amend the 18th ICLS Resolution concerning statistics of child labour. *International Labour Organization (ILO)*, 2018. www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/meetingdocument/wcms_648624.pdf.

¹³ C138 – Minimum Age Convention, 1973 (No. 138). *International Labour Organization (ILO)*, 1973. www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138
International Labour Organization. C182 – Worst Forms of Child Labour Convention, 1999 (No. 182). www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C182.

¹⁴ C183 – Maternity Protection Convention, 2000 (No. 183). *International Labour Organization (ILO)*, 2000. www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C183.

¹⁵ C183 – Maternity Protection Convention, 2000 (No. 183). *International Labour Organization (ILO)*, 2000. www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C183.

¹⁶ C138 – Minimum Age Convention, 1973 (No. 138). *International Labour Organization (ILO)*, 1973. www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138

International Labour Organization. C182 – Worst Forms of Child Labour Convention, 1999 (No. 182). www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C182.

¹⁷ C184 – Safety and Health in Agriculture Convention, 2001 (No. 184). *International Labour Organization (ILO)*, 2001. www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C184.

DRAFT