

## UPDATE TO THE THIRD PARTY ASSESSMENT IN ARGENTINA

December 2017

This is a brief overview of progress made by Massalin Particulares S.R.L. on the implementation of the action plan to address findings of the Control Union's (CU) assessment in Misiones.

### 1. ALP PROGRAM MANAGEMENT AND INTERNAL PROCESSES

Massalin Particulares' team went through a thorough review and significant changes have been implemented after Control Union's assessment. In November 2016, Massalin Particulares (MP) changed its organizational structure and working methods by fully integrating ALP into the Good Agricultural Practices (GAP) program and merging the Northwest Region and Misiones teams, thus creating one ALP National team. This is bearing fruits in terms of processes and reports standardization, communication flow and trainings effectiveness. Since 2016, field technicians' understanding has been reinforced with in-class trainings and e-learnings on farm monitoring, ALP principles and prompt actions flow.

Role-play sessions were developed to assess and calibrate the understanding of the ALP implementation.

Main activities developed:

- 1- All field staff was trained on systematic farm monitoring in June and August 2016.
- 2- Communication skills training
  - Massalin Particulares and Asociación Conciencia developed specific workshops focused on strengthening Field Technicians abilities to differentiate risky situations, as well as their communication skills. Mrs. Maró Guerrero, a well-known Technical Consultant in Latin America, delivered trainings in November 2016, sharing her experience in these areas. Mrs. Guerrero has been working with PMI in other countries, as well as with the Governments of Ecuador, Bolivia and Peru.
  - Using the feedback received from previous workshops, a second phase of communication trainings were performed by Asociación Conciencia in November 2017. Massalin Particulares' activities and initiatives in regards to ALP are being shared with Tobacco Cooperative of Misiones (Cooperativa Tabacalera Misiones- CTM), which participates in these trainings.
- 3- Role-play sessions took place in November 2016 and October 2017.

As a result of these initiatives, field technicians (FT) are progressively improving their communication skills and knowledge on ALP, at the same time that the dynamics and effectiveness of the communication are being enhanced. FTs' understanding is regularly assessed and challenges faced by them are shared, discussed and actions agreed during ALP team meetings.

Another important planned activity is the unannounced visits performed by MP's personnel other than field technicians. In order to ensure an accurate assessment of the ALP status by unannounced visit methodology, the following activities have been developed:

- 1- Trainings for all personnel, who support unannounced visits, has been developed in August 2017.
- 2- From the original training until December 2017, the personnel in charge of this task have achieved more than 35% of the targeted unannounced farm visits.

## 2. INDUSTRY APPROACH

- External stakeholders

Having strengthened the ALP management and internal processes, MP continued reinforcing an industry approach, bringing key stakeholders like COTTAPROM<sup>1</sup>, Tobacco Cooperative of Misiones and farmers' unions, to a common understanding of ALP and its focus areas. Different activities are being developed like joint trainings and several direct interventions, such as the +Chacra<sup>2</sup> program, program for empty container's collection of Crop Protection Agents, systematic farm monitoring methodology, use of a field technician's tool-kit and media broadcasting of key ALP messages<sup>3</sup>.

CONCIENCIA<sup>4</sup> has been coordinating the interaction and collaboration with key stakeholders, thus contributing to the involvement of the whole industry in the implementation of the ALP Code. Their activities involve creating strategies with local government (including state Government, Ministry of Education, Ministry of Agriculture and Ministry of Labor) and institutions specialized in Child Labor and Safe Work Environment (including National Committee for Eradication of Child Labor - CONAETI, Provincial Committee for Eradication of Child Labor - COPRETI MISIONES, Ministry of Ecology of the Province of Misiones and Agricultural Health and Fertilizers Chamber - CASAFE). Through these interactions, CONCIENCIA has been key to generate a sustainable and long-term approach for ALP implementation.

- Message alignment

In order to reach an industry approach, individual farmer activities are being developed. From May to July 2017, during the delivery of tobacco, CONCIENCIA started with explanation sessions to 1,191 farmers holding contracts with Massalin Particulares. It was an excellent opportunity to reinforce key ALP messages like minimum working age, hazardous activities and to include the topic of Income and Work Hours into discussions. With the same approach, for next season CONCIENCIA will expand sessions to growers who commercialize their tobacco to Cooperativa Tabacalera de Misiones, to communicate a unified message within the whole industry.

- +Chacra

Since January 2016 Massalin Particulares and Cooperativa Tabacalera de Misiones are implementing "+Chacra", an itinerant training program designed to tackle specific issues that were found during field technician's farm visits. The activities are conducted by specialized trainers on relevant modules for tobacco farming. Trainers have a fully equipped vehicle with visual and practical tools to conduct interactive trainings, and have an in-depth knowledge on the training modules, carefully designed to cover technical and social aspects of tobacco farming. The +Chacra training program travels across the Misiones province, taking place

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<sup>1</sup> COTTAPROM: Tobacco Technical Commission of the Province of Misiones. All tobacco companies and cooperatives, farmers unions and Government agricultural bodies in Misiones province.

<sup>2</sup> +Chacra: innovative itinerant training program conducted by specialized trainers on relevant modules for tobacco farming. Also known as +Campo.

<sup>3</sup> Key messages are broadcasted in main TV and Radio stations as COTTAPROM

<sup>4</sup> Asociación Conciencia ("CONCIENCIA") is a non-profit, non-partisan NGO, founded in 1982. It works for attaining citizenship development through community engagement and social inclusion. Education is the pillar of its strategy, working jointly with the public, private and academic sectors. In Misiones, CONCIENCIA has been working hard along with MP to progressively eliminate child labor through the program "Porvenir NEA", in place as of 2012.

near farmers in small groups and are highly interactive. Attendees' knowledge is tested before and after each session. The fully customizable training uses feedback from participants to design future modules. The current module, regarding CPA handling, CPA containers storage, empty CPA containers disposal and Green Tobacco Sickness started activities in January 2016. Until December 2017, 4,566 MP's farmers (97% of total farmer base) were trained.

A second module is under development, to include information on Child labor, Safe Work Environment and Income and Work Hours and will be launched in 2018.



### 3. COMMUNICATING THE ALP CODE REQUIREMENTS TO ALL FARMERS

With the purpose of reinforcing the ALP communication effort, the following actions are being implemented:

- Focused communication due to regulation changes

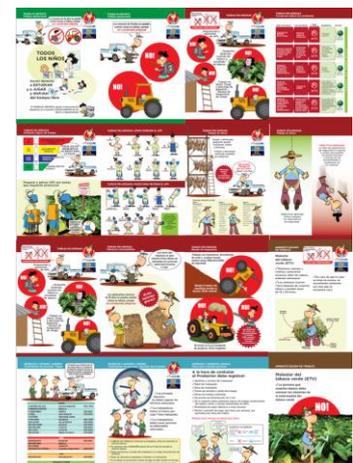
As mentioned in the CU response, Decree 1117/2016 came into force in October 2016 setting a new reality for the tobacco sector, as it raised the age from 16 to 18 years to perform any kind of tobacco task, since categorizing tobacco production as a hazardous activity. Within this new context, Massalin Particulares developed a communication plan to disseminate this restriction and to empower farmers about the need to reorganize their farm activities for labor efficiency. As part of Porvenir's new approach, during the second quarter of 2017, CONCIENCIA developed training workshops on farm management as a production family unit, to include different crops, focusing on family members' help on farm activities allowed by law.

- Communication plan strategy

Massalin Particulares established a communication plan with a variety of materials developed with CONCIENCIA, aimed at farmers and their families, teachers and field technicians. As of December 2016 and all-year-round, key messages are broadcasted every Saturday on an agriculture television program, highlighting principles related to Child Labor and Income and Work Hours. In addition, during June 2017, referring to the World Day against Child Labor, a special campaign was broadcasted on radio during 10 days.

- Field technicians' tool-kit

Printed Materials have been consolidated in a tool-kit, containing the main



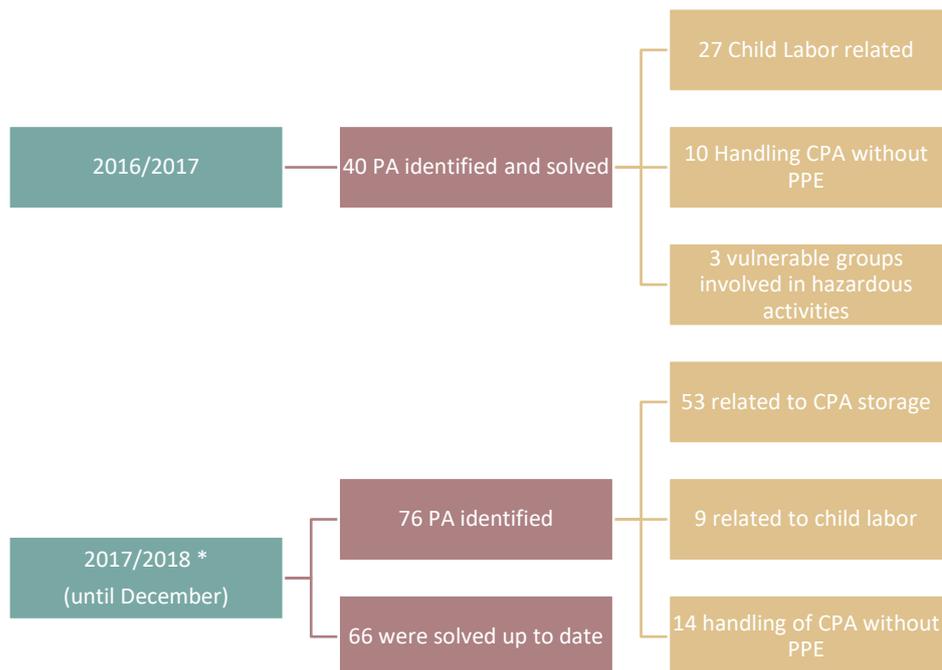
concepts related to all ALP principles, to provide field technicians with a tailored material to address situations that do not meet ALP standards. In this regard, Massalin Particulares and CONCIENCIA developed a card set to resemble activities and people at farms, catching farmer’s attention to the new information in a friendly way. These materials are a guide for Field Technicians, containing examples on how to make required changes to accomplish ALP standards and why these changes are important to farmers. Additionally, digital material such as screensavers in handheld devices and screen backgrounds have been developed for field technicians, which allow easy access to the latest ALP information. This visual communication, designed for a digital use, helps field technicians to transfer and reinforce key ALP messages.

#### 4. PROMPT ACTIONS (PA)

According to Control Union’s assessment, it was necessary to propose changes in the Prompt Action (PA) methodology, with emphasis on preliminary data collection to ensure prompt actions issues are properly addressed.

In this context, Field Technicians (FT) were trained in November 2016, April and August 2017 to reinforce the knowledge and abilities to implement this strategy at farms. In addition, e-learnings were developed to support FT’s work and are available since November 2016 (last updated in September 2017).

STATUS:



\*Taking into account that 2018 crop is ongoing, more prompt action could be raised.

Since the Tool Kit launch, Field Technicians have a visual support available to deal with each Prompt Action raised. The formal agreement is closed by a signature of the farmer in a notification form.

## 5. MONITORING OF LABOR PRACTICES FARM BY FARM

The monitoring of labor practices is key for the successful implementation of the program. Focus ALP areas are systematically being monitored during visits along the season. Within these areas, indicators that show further attention are mostly related to irregularities in exposure to Green Tobacco Sickness (GTS), use of Personal Protection Equipment (PPE) when preparing or applying Crop Protection Agents (CPA), secure storage of CPA, reentry intervals after CPA application and minimum wages payment.



When field technicians identify irregularities, they have to explain and hand out a specific card of the tool-kit to the farmer, which helps them to address and correct non-conformities.

## 6. PROJECTS UNDER IMPLEMENTATION

From a thorough analysis of the results of the assessment and the findings in the field, Massalin Particulares is developing key projects to support the ALP implementation:

- Safe barn

This project focuses on farm safety and child labor eradication, also enabling a reduction of harvesting hours. Through the implementation of long lasting barn materials and the introduction of safety harness, a significant work risk reduction can be achieved during curing stage activities, helping to prevent minors getting involved in tobacco harvesting and barn loading. During first semester of 2017 Massalin Particulares (MP) distributed free of charge, all materials required for 60 curing barns. As a second phase of this project, since October 2017 MP has been delivering safety harnesses and galvanized iron sheets for barn roofs at a subsidized cost for farmers. The target is to reach 4,000 barns (80% of all barns) in four years. Materials for the first 1,137 barns were delivered by end of December 2017.



- Ergonomic harvest

This project focuses on farmer ergonomics for eradication of child labor and Green Tobacco Sickness mitigation. A prototype of a cutting blade and armrest pusher, for placing tobacco plants in the best position for cutting, was developed to avoid the use of machetes during tobacco harvest. This device is attached to the brushcutters and since the majority of farmers already have brushcutters, its implementation is fairly easy. It has been previously tested with effective results for such purpose in a pilot phase. Now, the Phase 1 aims to evaluate large scale effectiveness of the prototype and farmers' acceptance. After import arrival, during 2018 these devices and safety kits will be delivered to 500 farmers with a 50% cost subsidy.



- Mechanical transplanting

This project focuses on farm ergonomics to reduce labor demands and mitigate child labor. A mechanical transplant equipment is being tested at a pilot stage, seeking to replace or minimize manual operations during field work.



## 7. DOCUMENT SUPPORT FOR FARMERS

- Pay slip form

A Pay slip form was developed and is being delivered to farmers as part of a toolkit for tobacco farmers who hire people. It helps farmers to record age of workers, wages, working time and trainings provided to them. This initiative focuses on enabling verification of people being hired and fulfill requirements in terms of Income and Work Hours.

- Sharecroppers

To improve the relationship between sharecroppers and farmers, Massalin Particulares developed a “**sharecropping offer letter**” which includes roles and responsibilities of the relationship between the grower and the sharecropper. This document is delivered to both parties, when sharecropping activities are identified during the farmers monitoring.

## 8. PORVENIR PROGRAM ASSESSMENT

During November 2016, Mrs. Mercedes Eisele, an external consultant with expertise in sustainability programs, conducted an evaluation of the Porvenir Program by comparing two groups of growers

(beneficiaries and non-beneficiaries, respectively). Her knowledge on the agricultural industry and her experience in assessing tailored-made programs, were key to perform a straightforward and independent evaluation. She found Porvenir's intervention has improved infrastructure conditions of schools; raised awareness on Child Labor and Safe Work Environment through meetings and workshops; improved children's attendance and permanence at school and strengthened a strategic bond with field technicians to implement ALP.

In line with Mrs. Eisele's feedback and Principle 1 of the ALP Code, Porvenir continues reducing the risk of Child Labor by decreasing children and adolescents' availability in the farm. In this regard, the Program is implementing: (i) counter-shift workshops for more than 300 children in elementary school, and (ii) scholarships for more than 50 high school level adolescents, all of them, sons and daughters of tobacco farmers. This improves their permanence at rural schools located in tobacco area and reduces drop-outs from the educational system. Porvenir has already supplied school material to 15,000 children and sports/science material to 201 schools, improving conditions in the classroom and contributing directly with school retention. Additionally, as Massalin Particulares has been doing for the past two years, Porvenir has received support to deliver 2,500 school kits to children of growers who supply tobacco to the company, facilitating their access to school. These actions are being followed by training sessions for teachers, to help them identify and deal with the risks associated with Child Labor situations.

Based on the needs and percentage of tobacco growers' children, Porvenir is improving sanitation conditions in tobacco areas by: (i) delivering water purifying systems to 15 schools, bringing safe water to 567 farmers' children, and (ii) building sanitation units, replacing 181 latrines for girls, boys and teenagers.

Deepening tobacco growers' knowledge and skills related to ALP principles, Porvenir has implemented a new activity to strengthen the bond and communication with producers supplying tobacco to Massalin Particulares. Through individual training sessions in MP's buying stations, Porvenir has directly raised awareness among 1,191 farmers on ALP principles 1 and 5, with special emphasis on the new legislation applicable to Child Labor and on dangerous tasks and the importance of safety on farms. This action has helped farmers awareness of ALP.

Additionally, taking into account the new Decree 1117/2016, during the last quarter of 2017, Porvenir provided training workshops focused on the organization of the farm as a productive family unit, to help tobacco growers to re-design tasks and reallocate resources to non-hazardous tasks, avoiding minors under 18 years from tobacco activities.

Porvenir's articulated work has generated greater exchange of information and reciprocal technical support, allowing a more effective communication and level of awareness of ALP principles among farmers. A clear example is the consistency of key messages received by the tobacco producing families thanks to the implementation of the "Tool Kit", a set of cards with important information related to ALP and applicable legal updates, designed by Porvenir to support field technicians in their communication efforts. During the last quarter of 2017, Porvenir involved field technicians from Massalin Particulares and Cooperativa Tabacalera

de Misiones in workshops delivered by specialists, for them to overcome any information barrier while delivering the ALP message to farmers and reinforce knowledge on the new child labor legislation.

To promote the sustainability of ALP-related actions through alliances with local and provincial agencies, Porvenir has: (i) designed communication materials to generate presence in media; (ii) held meetings with key stakeholders; and (iii) implemented agreements to set the commitments of all parties. In this regard, Porvenir has strengthened its network, reflected on the cooperation in different processes, concrete contributions and technical support in trainings for farmers and other relevant participants. The International Labour Organization (ILO) is currently working with Porvenir to develop the “Child’s Life Sheet” and learn at first hand the reality of the children Misiones. Also, the Ministry of Education and the General Council of Education support the proposal of counter-shift workshops. Within the GAP framework, the Ministry of Agriculture and Productions considers Porvenir a reference in technical assistance for the execution of actions tending to raise awareness of farm safety among farmers.

Finally, it is worth mentioning that, for the second year in a row, Asociación Conciencia received the prestigious golden Eikon prize; this time, in the category “Issues Management”. The golden prize came to recognize their successful design and implementation of Porvenir, which provides a concrete answer to complex issues such as Child Labor and Safe Work Environment in rural communities.

Developing actions for the prevention, intervention and follow-up of tobacco growers, Porvenir keeps performing joint visits along with MP’s Agronomy team to farms with prompt action cases, providing feedback to farmers and their families, as well as to field technicians and the rest of the Leaf team, working together on tailored action plans.

## **9. CONCLUDING REMARKS**

The Control Union report is a valuable tool to identify risks and problems that should be addressed to achieve ALP objectives. Massalin Particulares acknowledges that this process is complex and some ALP standards were not managed as priorities before Control Union’s assessment. Following Control Union findings, MP is working to move forward, by integrating ALP action plans and related projects to address systemic labor issues in Misiones.