



BEST PRACTICE FROM BRAZIL

AÇAI HARVEST WITHOVT (HILD LABOVR: A STORY FROM AMAZON

1. IDENTIFI(ATION DATA

EXECUTIVE INSTITUTION:

Coca Cola – Brazil

CONTACT:

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TYPE OF PRACTICE:

Açaí free of child labour is a strategy of the Floresta Group Program, launched in 2013, and is part of the Collective Platform of Shared Value of Coca-Cola Brazil. Its aim is to generate benefits across the value chain of the company, ensuring a sustainable chain, with a focus on traceability.¹

Floresta Group aims to generate employment and income, and promote social and cultural well-being of the communities where it operates. Its objective is to contribute to the conservation of biodiversity by promoting best practices in forest management. As part of the project for regional territorial development, with the assistance of other institutions and the government, it also seeks to generate economic and social value for individuals and communities, thus the development of the whole territory of the Amazon.

The Group operates in Carauari, along with the workers or suppliers of different Amazonian products, including açaí. The strategy *Açaí free of Child Labour* is to work in direct contact with extractive communities of this fruit, in partnership with the government of the region.

¹ Traceability is the ability to track the movement of products, i.e. get the history, application or location of a product or raw material through registration data (ISO 2005). Notebook. "Rastreabilidad Da Cadeia Produtiva Do Açaí Nativo: Da Coleta Até a Agroindustria" - Colectivo Floresta.

Açaí is the fruit of the palm Euterpe oleracea, native of Northern South America Brazilian Amazon. It grows naturally in humid regions and near rivers. This tree, called açaizero or manaca palm, is about 25 meters tall, thin with a slightly curved trunk. Both its fruit and its bud called palmetto are sold on the market. Its use dates back to the prehistoric period. It is a very important component of the Amazon's diet and numerous indigenous legends try to explain its origin.²

Açaí grows in clusters that weigh up to six kilos each. The fruit looks like a black grape or a large blueberry. According to studies, it is a powerful antioxidant, and contains a lot of proteins and vitamins.

LEVEL OF BEST PRACTICE:

The practice has produced measurable results clearly that mark its effectiveness, including the absence of child labour during the harvest of 2015 from communities and families of açaí extractors working with Coca Cola Brazil.



BENEFICIARIES:

The direct beneficiaries are families of açaí extractors, including children and adolescents, who live in Carauari.

There are approximately 660 families in the region, distributed along various rivers in the area, whose main economic activity is the extraction of this fruit. These communities are isolated, and experience great difficulty in communicating with each other and with the rest of the country.

They are communities that have a cyclical perception of time, linked to the nature. As a cultural habit, children are taught how to harvest since their early age.³

² In the Brazilian folklore, there are several legends about açai. The following is one of the best known: there was a very large indigenous tribe where today is the city of Belém. As food was scarce, it was hard to feed the whole tribe. Then chief Itaki took a cruel decision. He decided that, from that day on, all new-borns would be sacrificed to avoid the increase of the population in that jungle tribe. However, one day the daughter of the chief, called laçá, gave birth to a girl who also had to be sacrificed. Iaçá came into despair, crying every night with longing and emptiness in her heart. She spent several days locked in her goose and asked Tupã to show her father another way to help the people, without sacrificing their children. One moon night, Iaçá heard a child crying. She went to her goose and saw her smiling daughter at the bottom of a large palm tree. She walked toward her daughter, hugging her. But, mysteriously, her daughter disappeared. Iaçá, inconsolable, cried to death. The next day, her body was found embracing the trunk of the palm. She still had a happy smile on her face. Her eyes were looking at the top of the palm tree, which was loaded with small dark fruits. Itaki commanded to beat those fruits, obtaining a red wine named Açaí ("Iaçá" inverted), in honor of his daughter. He fed his people and, from that day, he suspended the order of sacrificing children.

³ Acai berries grow at the top of the palm, which is between 15 and 25 meters high; to harvest them, men, holding a sharp knife between their teeth, climb trees to cut the bunches, weighing between 5 and 6 kilos. When children are seven or eight years old they are trained to climb and harvest the fruit.

According to the information collected by Coca Cola Brazil, the practice of child labour is rooted in the culture of these communities. Children learn how to pick the fruit when they're young and naturally take part in the harvest.

The investigation showed that the community, and in particular young people, had no access to technical training. Social values were found to be weak and social organization was barely present. The study also showed that families did not receive a fair price for their product, and that there were many intermediaries in the value chain.

PARTICIPATING COMMUNITIES:	44
AÇAÍ SUPPLYING COMMUNITIES:	26
TOTAL NUMBER OF FAMILIES REACHED BY THE PROJECT:	660
TOTAL NUMBER OF FAMILIES SUPPLYING AÇAÍ:	171
Ref. Harvest 2015	

Source: Area of Sustainability and Shared Values – Coca Cola - Brazil.

LOCATION / SCOPE:

Floresta Group operates in the municipality of Carauari, located in the Northeast of the Amazon, 1,676 km away from Manaus. In its territory there are two reserves: Reserve Médio Juruá (253,000 hectares) and the Reserve de Desenvolvimento Sustentável of Uacari (633,000 hectares). There are approximately 660 families that live in these reserves and at the bank of Rio Juruá, whose main economic activity is extraction.

Carauari is characterized by its dense and barely accessible tropical vegetation. In 2015 the estimated population was around 27,880 inhabitants.⁴

2. BA(KGROUND AND (ONTEXT

With the intent to expand its range of juices, Coca Cola Brazil decided to incorporate in its drinks Amazonian fruits known for their high nutritional value, which, however, are not easily accessible to Brazilians. Açaí juice became one of its new products.

For açaí juice, Coca Cola has designed and implemented a business model of shared value that would grant profits, while respecting the environment and benefiting the extractor community as part of the value chain.

The ban on child labour is not part of Coca Cola social responsibility strategy, because Brazilian law prohibits child labour, and the company cannot violate it. However, as part of the culture, it is common to find working children and adolescents in coastal communities. Thus, the company launched the program to increase awareness and promote training in order to eliminate the resort of child labour from these communities.

Açaí can be extracted from the native palm in the forest, or sown. Coca Cola decided to use exclusively native açaí to prevent the deforestation of the Amazon for the sake of cultivating it.

ACTION:

One of the strategies of "Floresta Group" Program is the prevention and elimination of child labour, which implies several actions with a focus on procedural accuracy and multiculturalism. The ultimate goal is not to create conflicts within communities, whereas is to cultivate work relationships that sensitizes and raise awareness on the need to avoid children involvement in extractive process, while safeguarding the community and its traditions.

The main actions taken by the program are:

Assessment and planning

In 2014, the first socio-economic and environmental evaluation was conducted. The tools adopted allowed to evaluate working conditions and community relations (see attached results for child labour).

The analysis revealed that child labour was not a concern and that communities did not know how to deal with it. This can be justified by arguing that children and adolescents only work during holidays.

Ongoing monitoring

The program is implemented by Coca Cola professionals who live in the community and monitor and verify the absence of children and adolescents in the process of açaí extraction.

It is common to involve communities in the planning of annual goals and in their evaluation. In 2015, the objectives were related to the creation and implementation of traceability process of the açaí production chain. This way, data on production process and product marketing have been recorded. Each community records data on harvest and its characteristics⁵. Once the process is over, the product is labelled with the lot

number, to assess its origin, treatment and the quantity produced by açaí agribusiness. A community that has disposed of consistent amounts of fruit may need training in goods' management.

STAGES OF THE PROCESS:



✤ Incentives for communities who achieve the goals

The program rewards communities who meet agreed goals. If presence of any form of child labour is detected, communities cannot participate in the harvest.

In order to strengthen social values and community organization, the prize is not delivered to individual families but to the community as a whole.

In 2015, the communities who reached the targets received awards for investments in community infrastructure, such as materials, engines and production equipment with a total value of \$ 3,500.00 (approximately US \$1,000) per community.

The project implementation was conducted in collaboration with the Council of Extractive Populations (SNC), one of the organizations representing the communities in the region.

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MAIN RESULTS	
EMPOWERED COMMUNITIES:	30
HARVEST SUPPLIERS COMMUNITIES 2015:	26
COMMUNITIES WHO ACHIEVED THE GOAL:	25 (96,2%)

✤ Youths' training

Training young community leaders is key to ensure forest conservation and maximize welfare of local communities. For this purpose, the units of Sustainable Production, in association with the Amazonas Sustainable Foundation (FAS) and the Center of Technological Education of the Amazon (CETAM) launched the first technical course. The result of this action was the training of 45 young production technicians from the community of Carauari.

Training methodology

Prior to the workshops, "Field analysts" visit communities to form groups and organize the logistics.

The methodologies used always adopt a participatory approach. Their main features are:

- Expository approach, based on previously prepared materials.
- Field work with the demonstration of techniques and equipment use.

At the end of the training, participants receive a certificate.

In order to complement and develop the process of youths' training, Coca Cola launched, in 2015, an exchange project targeting 60 youths of the community. The program was implemented in partnership with the World Wide Fund for Nature (WWF for its acronym in English) and with the support of the Chico Mendes Institute for Biodiversity to improve and expand the knowledge of local youths about work and income generation, and biodiversity conservation and forest care. Visits were organized to inspect protected areas in Acre and productive areas of Rio Grande do Sul, and workshops were held to foster awareness and the creation of educational materials for young participants. The publication of the materials produced is planned for the second half of 2016.

✤ Actions to increase productivity

Local industrialization of açaí has been promoted to the benefit of the community, as to improve family incomes and eliminate the need to resort to child labour. Currently, Coca Cola does not acquire wild fruit except for açaí. Although the program does not have a gender focus, participation of women is promoted and the number of women working in plantations is higher than men.

Technical training activities are organized for communities of suppliers. In 2014, Coca Cola, in partnership with the Institute for Sustainable Agricultural and Forestry Development of Amazonas (IDAM, for its acronym in Portuguese), analysed the the issues related to quality and safety. In 2015 and 2016, the traceability of açaí chain was chosen as subject of investigation, identifying problems related to quality and safety. References to child labour are present in the teaching materials produced.

✤ Partnership and dialogue among the actors

The program is implemented with the partnership of actors from the civil society, and the government, with whom Coca Cola has launched a program to combat child labour.

From the beginning, they promoted a dialogue with key local actors and extractive communities, to achieve an agreement containing the guiding principles for the relation with the environment, communities and program partners.

The principles agreed include the prohibition of child labour, in accordance with laws and regulations, in order to prevent children and adolescents from being deprived of their childhood.

The document was signed in September 2013 in the presence of the Governor of the State of the Amazon, the Regional Office for Labor and Employment - MTE. From the beginning, Coca-Cola has established a dialogue with the MTE to increase the participation of extractive communities.

A Territorial Development Plan for Medio Juruá is being formulated in collaboration with other local organizations, in order to take advantage of synergies between local programs and projects for economic, social, and environmental development.

3. A(HIEVEMENTS AND (ONTRIBUTION

Among the main results are the following:

- a. During the 2015 harvest, 26 communities reached the goal of eradicating child labour.
- b. Youths and women were empowered.
- c. Fruits were produced more efficiently and at a fair price.
- d. Incomes of communities improved by industrializing fruit delivery process.
- e. A dialogue between communities, civil society and the Government was established, with the commitment to eradicate child labour.

4. SUSTAINABILITY

The program *Açaí without child labour* has been thought as an ongoing process, with periodic actions involving multiple stakeholders, including representatives of the Government at national and regional level. The program seeks to modify the culture behind açaí extraction as to reduce the involvement of children and adolescents to its consumption at home.

The extraction of açaí belongs to the Floresta Group Program which in turn is part of the organizations that are designing a plan for sustainable territorial development. This ensures the continuation of the program *Açaí without child labour*, promoted by Coca Cola Brazil in the Amazon.

5. LESSONS LEARNED

This practice has confirmed that these types of processes require continuous monitoring, planned actions concerning families' daily life, and their involvement.

Community organization has proved fundamental to strengthening quality, safety and traceability of the açaí supply chain, and that these types programs require joint efforts of different community stakeholders: i.e. the Government and existing social organizations.

It is important to bear in mind that açaí extraction has a cultural character, thus an intercultural approach is fundamental to avoid conflicts with families and communities, who should rather be integrated into the strategy.

These types of practice improve community income, fostering the social and cultural well-being of targeted families and throughout the Amazon.

Results have also shown that it is possible to promote the development of agribusiness processes along with forest management, and contribute to the conservation of biodiversity in the region.

Finally, companies like Coca Cola Brazil who implement similar practices benefit the whole value chain.

6. ENABLING (ONDITIONS

- a. Have partners to work with (government, community, local businesses and organizations) that facilitate dialogue and collective construction of the program.
- b. Propose alternatives for youths through study and leisure.
- c. Adopt an intercultural approach to sensitize families on the consumption and extraction of açaí without child labour.
- d. Promote income generation for families to avoid the need to resort to child labour.

7. REFEREN(ES (AVAILABLE IN SPANISH AND PORTUGUESE)

- Información acerca de la formación de jóvenes líderes
- Video sobre el açaí como alimento, cultura y fuente de renta
- <u>Cosecha del açaí Jugos del Valle</u>
- <u>Cronograma (flujograma) del Premio Colectivo Floresta a las comunidades que alcanzaron la metas</u>
- <u>Cartilla de "Rastreabilidad Da Cadeia Produtiva Do Açaí Nativo: Da Coleta Até a Agroindustria" –</u> <u>Colectivo Floresta</u>
- <u>Certificado de participación de talleres en Rastreabilidad Da Cadeia Produtiva Do açaí</u>





BEST PRACTICE FROM MEXICO

ZERO TOLERAN(E FOR (HILD LABOUR AND BONSU(RO (ERTIFI(ATION IN MEXI(O

1. IDENTIFI(ATION DATA

EXECUTIVE INSTITUTION:

Lazaro Cardenas Sugar Factory – Mexico Sugar Group (GAM)

CONTACT:

Name: Mario Rene Hernandez – Quality Manager Phone: +52 384 738 0220. Ext. 3076 Mobile Phone: +52 384 1033 111 E-mail: <u>mrhernandezl@gamsa.com.mx</u> Address: Carretera Guadalajara - Ameca km 46, Jalisco, Mexico. C.P. 45300

TYPE OF PRACTICE:

Besides promoting awareness campaigns and training, Lazaro Cardenas Sugar Factory created a monitoring procedure to ensure that neither children nor adolescents work in cane fields, particularly in those that have been certified by BONSUCRO.

The practice was first implemented in the area of human resources and later extended to the area of Quality Management, as the BONSUCRO certification is meant to improve the competitiveness and sustainability of sugar production.

BONSUCRO is a global European organization that groups multiple actors belonging to the value chain of the sugarcane agribusiness. Since 2005, it operates to reduce social and environmental impacts resulting from the production of sugarcane, taking into account economic profitability.¹

1 <u>http://bonsucro.com/site/production-standard/</u>

LEVEL OF BEST PRACTICE:

Lazaro Cardenas Sugar Factory was the first Mexican factory to obtain BONSUCRO certification, and meet its rigorous requirements. BONSUCRO sets the benchmarks specifically for the sugar industry. It was designed by experts and, unlike other existing standards, provides 56 measurable indicators, including child labour, and places a focus on social and environmental investments.

RECIPIENTS:

The beneficiaries of the project include all the actors of the chain: sugarcane producers, sugar factories, workers and the community, and – most of all - children and adolescents.

LOCATION / SCOPE:

The sugar fields of Lazaro Cardenas Factory are located in the municipalities of Taretan, New Urecho, Ziracuaretiro, Uruapan, Zamora Gabriel, Salvador Escalante, and Ario de Rosales in Michoacan.



2. BA(KGROVND AND (ONTEXT

Sugarcane agribusiness is a traditional driver of economic and social development in Mexico. 15 out of 31 Mexican states are engaged in cane production, with 51 factories that have an economic impact on 2.5 million people. Child labour is concentrated in the field, especially during the harvest season.

Lazaro Cardenas Factory is located in the outskirts of the town of Taretan in Michoacan. Its main activity is the production of standard and refined sugar. Originally called "San Ildefonso Taretan", it was founded in 1580 and subsequently acquired by the Spanish José Joaquín de Iturbide in 1789. During the sugar harvest in 90/91, the Factory joined Mexico Sugar Group (GAM).

In September 2001, 27 factories in the country were expropriated by the federal government, including Lazaro Cardenas. In February 2004, GAM recovered four of the mills, including Lazaro Cardenas. Since then, the Factory is part of the GAM, the second most important organization in Mexico.

The factory is the main source of economic development of the region and its economic activity directly benefit 1,934 cane producers, 240 families of workers and 60 employees.

Lazaro Cardenas Factory was selected as pilot to be certified according to the principles and criteria set by BONSUCRO for the medium run. With the support of the NGO Solidaridad, a technical team with representatives of the ILO in Mexico and Mayacert (Guatemala) was assembled in order to verify the degree of compliance with such requirements.

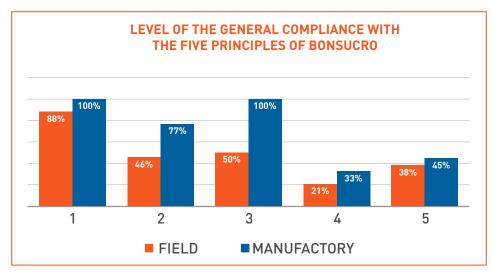
These five principles can be applied to the entire supply chain, from cane producers to final consumers. The ultimate goal to prevent and eradicate child labour is aligned with Principle 2 on the "Respect for labour rights".

3. A(TION

The first step of the practice was a baseline investigation to determine the situation according to the 5 principles at the basis of BONSUCRO standard and to define priority strategies, among which raising awareness and providing training to the factory's supervisors and cutters, with respect to the importance to prevent and eliminate child labour in the field; monitoring compliance with the requirements of Bonsucro, realized by the supervisors of Lazaro Cardenas, and the development of cutting cane contracts only for people over 18 years.



The diagnosis confirmed the compliance with BONSUCRO principles, including the indicator of child labour whose degree of initial compliance was calculated as follows:



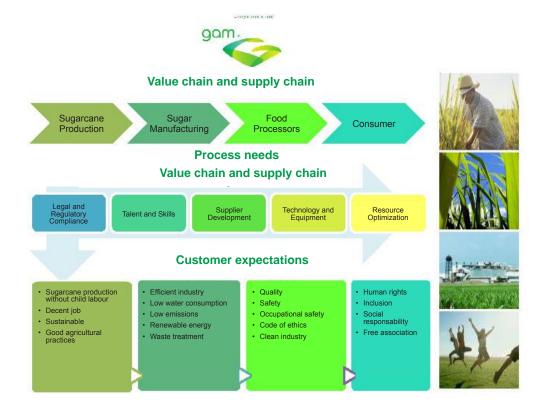
Indicator 1: Compliance with the law Indicator 2: Respect for labour rights (including child labour) Indicator 3: Effectiveness of production process Indicator 4: Preservation of biodiversity and ecosystems Indicator 5: Constant improvement at the factory and on the field

Although the compliance with the requirements on child labour prevention and eradication was acceptable, it was agreed to render the practice systematic, formalized into policies and implemented with the support of auditors to constantly verify the compliance. In this sense, the following goals have been set:

- i. Introduce the No Child Labour Policy into the code of ethics of the Factory.
- ii. Strengthen policy dissemination, training and monitoring.
- iii. Document and report in the instruction manual of the management system the absence of child labour topic.
- iv. Generate instructions and procedures for the company's payroll.
- v. Continuous monitoring to verify the compliance with BONSUCRO indicators, including the one AGAINST CHILD LABOUR.
- vi. Conduct interviews and compliance audits (for work performed by third parties).

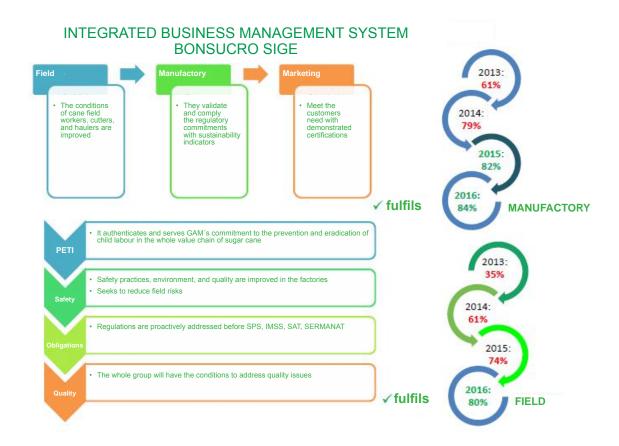
The training and awareness activities were directed to field supervisors and workers. The NGO *Solidarity* and the International Labour Organization (ILO) were the official BONSUCRO's strategic partners; the former serving as the sponsor of the project, the latter as its leading body.

The type of human resource management adopted in the field favoured contractual relationship with day labourers and cutters, with specific reference to zero tolerance for child labour and hazardous child work. Audits allow to verify systematically that the established procedures are implemented.



4. A(HIEVEMENTS AND (ONTRIBUTION

- The business owners of Lazaro Cardenas consider no longer product quality the sole driver of business sustainability of sugarcane. Industrial processes conducted in a healthy and safe environment and social responsibility have become fundamental, since today consumers prefer to use products that comply with the law, respect human rights, the environment, and the occupational safety of workers.
- From a 61%, the Company successfully achieved a rate of 85%, awarded by an external audit, and is expected to receive a certification in August 2016. Four new projects promoted by other sugar factories are interested in obtaining BONSUCRO certification. The experience of Lazaro Cardenas is proving to sugarcane organizations that it is possible to prevent and eliminate child labour from the value chain.



Sec. 6. 100

- The diagnosis of BONSUCRO standards permits to conduct a baseline investigation.
- Although no baseline data are available for child labour statistics, to date there are no records of children or adolescents involved in the field production of the Company - certified by BONSUCRO because everyone is required to have an official identification; the payroll process requires it since the recruitment.
- As the project progressed, concern for the prevention and eradication of child labour spread in the various areas the Company operates in, both in the field and within the factory. The same concern to eradicate child labour in Michoacan is spreading across providers of sugarcane raw material.
- The Chamber of Sugar Producers of Mexico, that accompanied the whole process, has generated policies and guidelines and has introduced institutionalized practices among its members. An example is the Declaration of Zero Tolerance for Child Labour in the value chain of the Sugar Industry.

5. SUSTAINABILITY

In order to preserve the outcomes achieved in child labour prevention and eradication in the cane harvest, it is indispensable to work along with the trade unions of sugarcane producers, as they represent 95% of the workforce.

BONSUCRO certification ensures a continuous monitoring and compliance with the targets the Company has to achieve, including respect for human rights and, thus, rejection of child labour.

6. LESSONS LEARNED

Demonstrating that it is possible to eliminate existing paradigms has been the major learning achievement. Initially, the attitude of labourers and workers of the sector was believed to be deeply rooted in their culture, thus hard to be challenged. Nevertheless, results obtained proved otherwise.

In addition, planning has proved to be indispensable in order to render this change feasible and systemic. It is necessary to make things happen in practice, documenting the process, checking with auditors, and acting when there are deviations from what planned in advance.

7. NE(ESSARY ENABLING (ONDITIONS

This practice was encouraged by the concern of the company to improve the quality of its processes and products. While these are developed in compliance with the law, everyone can benefit from the respect for the environment, safety, human rights and social responsibility: final consumers, business and customers (i.e. companies that requires sugar for their production).

Support of the authorities is another indispensable factor. It permits to standardize and regulate the performance of the sugarcane organizations and promote social investment.

Visionary entrepreneurs know that sustainability does not depend on products only: social responsibility and a healthy and safe environment are both drivers for a sustainable business activity.

8. REFERENCES (AVAILABLE IN SPANISH ONLY)

- Presentación "Gestión empresarial para la sostenibilidad: experiencia del Ingenio Lázaro Cárdenas"
- Proceso en la cadena de valor y suministro del Grupo Azucarero México
- Folleto Sistema de Gestión de Calidad
- <u>Una guía sobre BONSUCRO</u>





BEST PRACTICE FROM MEXICO

ZERO TOLERAN(E FOR (HILD LABOUR IN THE VALUE (HAIN OF SUGAR(ANE AGRIBUSINESS IN MEXI(O

1. IDENTIFI(ATION DATA

EXECUTIVE INSTITUTION:

National Chamber of the Sugar and Alcohol Industries

CONTACT:

Name: Maximiliano Cameirus Vazquez - Legal Director of the Chamber E-mail: <u>mcamiro@cniaa.mx</u> Phone: +52 (55) 5062-1380, extension 1383 Address: Calle de Rio Niagara No. 11, Colonia Cuauhtemoc, Cuauhtemoc, CP 06500, Mexico DF.

TYPE OF PRACTICE:

The best practice of the National Chamber of Sugar and Alcohol Industries (Sugar Chamber) is part of a program called "Declaration of zero tolerance for child labour in the value chain of the sugarcane agribusiness in Mexico", a sectoral strategy, which translates into a policy and a tool to prevent and eliminate child labour.

Created in 1942, the Sugar Chamber is an organization of business representation spread throughout Mexico and represents the general interests of the industry.¹

LEVEL OF BEST PRACTICE:

The experience of the Sugar Chamber is still underway, but preliminary results are available.

RECIPIENTS:

The direct beneficiaries are children and adolescents who work in the value chain of agro-industry, mainly in the cane harvest (in court), especially the sons and daughters of migrants who participate in the harvest. The indirect beneficiaries are, on the one hand, adult cane cutters, many of whom are parents of the children involved and, on the other hand, the other members of the sector (farmers, transporters, factory workers, labourers and organizations that represent them) as participants of the value chain of agribusiness, being the ultimate goal a chain of production free of child labour.

The Sugar Chamber has set a goal to eliminate child labour in cane fields by 2020, applying zero tolerance policy for all forms of hazardous child labour (cane cutting is considered one of the worst forms of child labour).

LOCATION / SCOPE:

The program is implemented in 15 states of the Mexican Republic where sugar cane production is particularly developed: Campeche, Chiapas, Colima, Jalisco, Michoacan, Morelos, Nayarit, Oaxaca, Puebla, Quintana Roo, San Luis Potosi, Sinaloa, Tabasco, Tamaulipas and Veracruz.

2. BA(KGROVND AND (ONTEXT

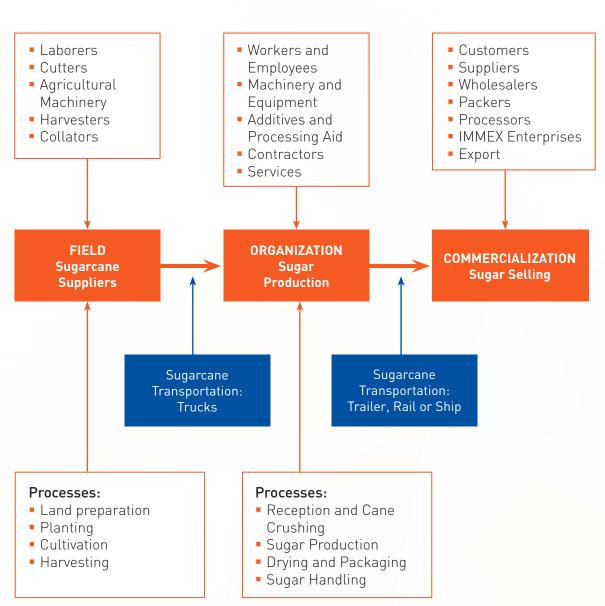
Mexican sugarcane agribusiness is formed by the farmers who plant and harvest sugarcane and supply it as a raw material to the factories that transform it into sugar. It is present in 15 states of the Mexican Republic and in 227 municipalities. It accounts for more than 750 hectares of cultivation, where more than 55 million tons of cane are harvested and approximately 6.6 million tons of sugar are produced.²

It is the nation's largest agribusiness and accounts for 9.7% of Gross Domestic Product (GDP) of agriculture, forestry and fishing sector; 8.6% of GDP in the food industry; 1.8% of manufacturing GDP, and 0.32% of the national GDP.³

This sector generates 451,000 direct jobs (about 9% of the agroindustrial workforce), 80,000 of which correspond to cane cutters, who are hired by sugar cane producers or by their local associations. Approximately, 20 thousand hewers reside in localities where cane is harvested and 60,000 are migrants. Of these, about 6,000 come accompanied by their families, usually consisting of two or three minors. Cane

cutters who are older and who work in the harvest of sugar cane are affiliated to the Mexican Social Security Institute.⁴

For several years, the agricultural industry has been involved in a continuous process to improve productivity and competitiveness and strengthen social dialogue among stakeholders, with the goal of introducing the promotion of decent work in the integration agenda.



SUGARCANE VALUE CHAIN

Nevertheless, the sector still faces major challenges, including the persistence of child labour mainly observed during the cane harvest, when underage children and adolescents work along their parents and/

Source: CNIAA's elaboration

⁴ Action plan for an agribusiness sugarcane industry free of child labour in Mexico - Page 1 - National Chamber of the Sugar and Alcohol Industries - ILO

or family in the field. This situation, which is not accounted for by recruitment policies, appears related to socioeconomic and cultural features of families that contribute to the persistence of child labour in the Mexican society as a whole.

In 2010, the Chamber proposed to help prevent and eliminate child labour in the sugarcane value chain. Although child labour in not observed in sugar and alcohol producing factories, it is recurrent in other stages of the value chain. Specifically, the bulk is to be found in activities of planting, harvesting and cultivation of sugarcane carried out by independent farmers who provide raw material to the mills.

3. ACTION - WHAT HAS BEEN DONE AND HOW -

The Chamber implemented two strategies that have enabled it to contribute to the prevention and eradication of child labour: a) The Declaration of Zero Tolerance for Child Labour and b) the Action Plan to Prevent and Eradicate Child Labour.

A. THE DECLARATION OF ZERO TOLERANCE FOR CHILD LABOUR

The basic principle adopted by the Chamber with respect to the relations of the members of the sugarcane value chain is the recognition of mutual responsibility in the prevention and eradication of child labour, with a focus on seeking solutions rather than blame.

To this end, it promoted the establishment of a Working Group with the two national organizations of sugarcane suppliers, subsequently joined by the national trade union representing workers in the mills. This Working Group has received technical and financial assistance from the International Labour Organization (ILO).

The Declaration of Zero Tolerance for Child Labour in the Sugarcane Value Chain was signed by all members of the Working Group, on June 12th 2013. In the Declaration they pledged not to allow child labour in sugarcane production and generate similar commitments with suppliers of goods and services.

Companies as La Joya, La Gloria and Lazaro Cardenas already signed similar agreements, although the Declaration itself applies to all factories.

The Declaration was the result of the collaboration of all the members of the agribusiness value chain, who worked with the perspective to promote awareness and social dialogue; first with the leaders and then with the steering committees of the Chamber's members.

Within the framework of the Declaration, awareness campaigns and training activities were organized for national sugar mills, affiliated and unaffiliated to the Chamber, as to promote policies aimed at child labour prevention and eradication.

An institutional video was created and additional materials were distributed to support awareness campaigns and training (for more information, see References).

B. ACTION PLAN FOR THE PREVENTION AND ERADICATION OF CHILD LABOUR

In addition to the Zero Tolerance Declaration, an action plan for the prevention and eradication of child labour was drafted. Among its main activities it included:

- A theoretical and practical national workshop attended by representatives of 33 mills and 26 local organizations of cane suppliers, with a total of 52 operating sugar mills. The workshop was replicated in four supplying areas (La Gloria, La Joya, Santa Clara and Huixtla).
- The creation of a website to discuss and share experiences related to the prevention and eradication of child labour in the sugar sector (for more information, see References).
- The creation of a Sugarcane Form, to conduct a census of cutters and their families at the beginning of each harvest. The system consolidates information from each wit to obtain data and statistics on population. This tool permits to collect reliable information directly from the field which facilitates decision-making and implementation of programs (for more information, see References).

Information is recorded online by farmers or mills' operators. The website automatically processes data; only interested companies are provided with detailed information, in order to preserve personal data that cannot be publicly disseminated by law.

• Signature of a collaboration agreement with the National Chamber of the Bread Industry to take advantage of synergies and cooperate on creating alternatives to child labour for adolescents and their families.

The agreement includes the provision of training for women and vulnerable adolescents. In partnership with the same institution, a pilot is being developed to create a bakery in Wit Huixtla and La Gloria to foster employability of cane cutters' wives. The project will improve family income and serve as a means to prevent children from working. The project is expected to start in September 2016.

- Inclusion of specific clauses for child labour prevention and eradication in the Standard Contract that governs all the phases of Sugarcane production processes (documents are signed by each cane provider with the corresponding company), and in the Collective Agreement (Contract Law which governs labour relations in the mills).
- In both agreements the parties commit not to permit child labour in their production processes, to fulfil labour standards that protect adolescents above minimum working age, to ensure that their suppliers comply with the rules applicable in this matter, and to report any breach to the Bipartite Committees constituted in each factory and to labour authorities (for more information, see References).

Since 2014, the Chamber introduced a specific clause on the prevention and eradication of child labour⁵ in all contracts entered into with suppliers and consultants in any field. Under this clause, the parties commit not to use children in the activities regulated by the contract and to respect labour rights of adolescents above working age, being the breach of these obligations cause for termination of the contract. The Chamber has recommended to factories and other actors of the value chain to include similar clauses in the contracts entered into with suppliers.

4. A(HIEVEMENTS AND (ONTRIBUTIONS

- The inclusion of standards related to child labour prevention and eradication in the legal documents drafted by the Chamber allowed to integrate the issue in the legal and organizational framework of the sugar agro-industrial sector. Clauses against the resort to child labour and for the protection of adolescents above minimum working age were included in the Collective Contract applicable to all companies (Legal Contract of the Sugar and Alcohol Industries) and in the Standard Contract for Sugarcane Sale for suppliers, along with the third point of the Zero Tolerance Declaration. Similarly, the Committees for Sugarcane Production and eradication of child labour with factories and sugar cane suppliers, in compliance with the third point of the Zero Tolerance Declaration.
- The associations, members of the Working Group that signed the Zero Tolerance Declaration introduced a policy and a tool to develop strategies aimed at the prevention and eradication of child labour.
- In Mexico, sugar cane agribusiness has had the first value chain in the field to formulate an action program for the prevention and eradication of child labour applicable at national level.
- Thirteen of the fifty Committees for Sugarcane Production and Quality signed ad hoc agreements to commit to avoid child labour in cutting.
- The National Chamber of Sugar and Alcohol Industries (Sugar Chamber) was recognized by the Secretariat of Labour and Social Welfare of Mexico during the 2015 edition of "Mexico Free of Child Labour", and as one of the 28 best practices nationwide. This enabled 10 factories to develop similar institutional policies and run for the 2016 edition.
- Methods and tools for the prevention and eradication of child labour were elaborated and later placed at the service of the Chamber.

⁵ The clause states: PREVENTION AND ELIMINATION OF CHILD LABOUR. In accordance with international targets for child labour prevention and eradication, the SERVICE PROVIDER commit not to hire, under any circumstances, individuals under 18 years of age for the performance of activities regulated by this contract. In case, for the activities covered by this contract, it is essential to hire individuals between 16 and 18 years of age, the SERVICE PROVIDER commit to comply with the provisions of the Constitution of the United Mexican States, the Federal Labour Act and Convention 182 of the International Labour Organization. Any breach or contempt for what agreed in this clause will result in the immediate termination of the contract, in which case the CHAMBER will have the right to require the SERVICE PROVIDER to repair and compensate for the damages caused by the violation of the obligations contained in this instrument. In order to verify the compliance with this clause, the CHAMBER may, at any time, solicits from the SERVICE PROVIDER a copy of the appropriate documentation, or visit its facilities, in which case the CHAMBER is required to give written notice at least 5 business days before the date and time of the intended visit, specifying the subject of inspection.

 The Secretariat of Labour and Social Welfare incentivizes touristic and restaurateur sectors to adopt the "Zero Tolerance Declaration" promoted by the Sugar Chamber, contributing to public policies nationwide.

5. SUSTAINABILITY

As part of this experience, the fifty Local Committees on Sugarcane Production and Quality are called to develop local plans for child labour prevention and eradication that adapts to their circumstances and needs. The goal is to eliminate child labour in cane fields by 2020, with zero tolerance for all forms of hazardous child work.

It should be noted that the Mexican Government has been involved in different stages of the process, especially through the distinctive "Mexico Free of Child Labour", which requires the country to adopt a policy for child labour prevention and eradication and to formulate plan for its implementation, in order to safeguard the rights of adolescents above working age.

6. LESSONS LEARNT

- The success of the practice was determined by the establishment of a Working Group composed by the representatives of all stakeholders (employers, workers and farmers), which was responsible for project implementation, regardless of whom was in charge of the project management.
- Social dialogue helped involve various actors of the value chain in the discussion, finding common
 points of work, despite divergent interests. The dialogue facilitated the management of the process
 and helped identify a feasible solution, fostering a consensual agreement. The definition of clear
 common objectives facilitated the process of designing and adopting the Zero Tolerance Declaration
 among the members of the value chain.
- The creation of bonds of trust among the members of the Working Group let ideas flow easily and facilitated the achievements of objectives.
- The ILO technical assistance and its continuous involvement in the process eased the work of the Working Group and reconciled positions of social actors.
- The absence of a measuring instrument was the major weakness. It would have helped produce information on how many children and adolescents were victim of child labour, how many were withdrawn from work, and how many adolescents above minimum working age moved to legally permitted work as a result of the practice.

7. ENABLING (ONDITIONS

The value chain of the Mexican sugarcane agribusiness is very old (sugar production in the country started around 1524). Its strict regulation and well-developed organization facilitated social dialogue, a practice already present in the sector.

Addressing the persistence of child labour and hazardous adolescent work in the sugar cane sector by tackling actors individually is not a viable nor sustainable solution. In particular, most of suppliers are poor farmers who lack adequate resources.

The support and technical advice during the process of an actor external to the institution, as was the case for the ILO, is a crucial factor. Its intervention is fundamental to involve the actors, build capacity and channel efforts.

Solid and permanent relations among the actors of the value chain result in an effective social dialogue that, in turn, amplifies the success of the practice.

8. REFEREN(ES (AVAILABLE IN SPANISH ONLY)

- <u>Video de sensibilización</u>
- Declaración Cero Tolerancia
- <u>Cláusulas de contratos</u>
- Plan de acción de la práctica
- Ficha de registro para acompañante menor de edad
- Ficha de registro para trabajadores/as