

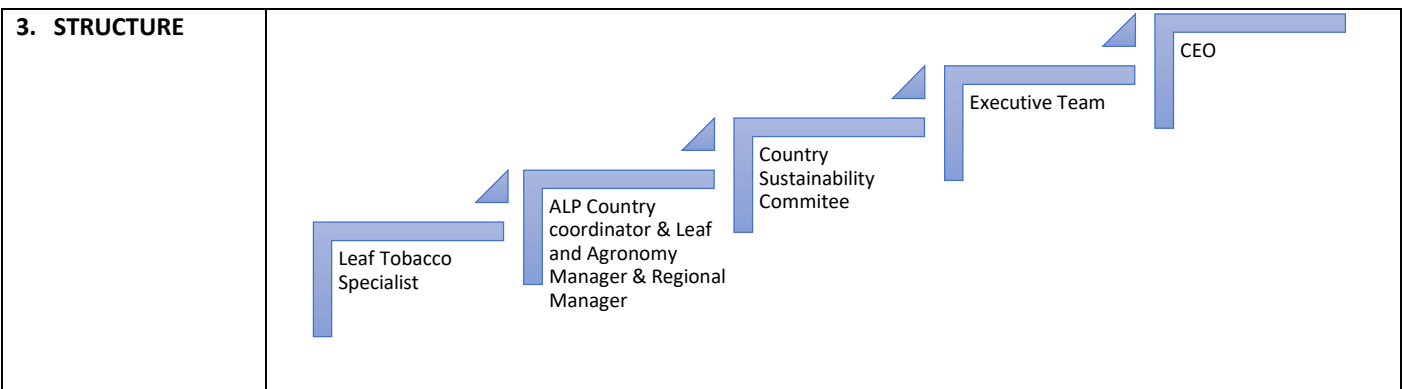
SOCOTAB

Leaf tobacco

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Revision No	2	Valid From	June 2024
Compiled by	Group Sustainability Committee	Approved by	Socotab Frana

1. PURPOSE	To define and document the procedure for Prompt Action Issues (PAI) related to the Agricultural Labor Practices (ALP) Program.
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2. SCOPE	From initial identification of a Prompt Action Issue on a farm through analysis, follow-up, resolution, escalation and recording processes.
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4. TERMS & ABBREVIATIONS	<p>ET: Executive Team – responsible for overall sustainability oversight and demonstrating the corporate commitment to sustainability.</p> <p>CSC: Country Sustainability Committee – responsible for identifying country-level sustainability priorities and setting country targets, assessing and addressing impacts and risks, monitoring progress and performance, maintaining and raising awareness, and understanding of SCDD best practice driving implementation of specific objectives.</p> <p>WG: Working Group – responsible for developing and maintaining action plans to address more broad systemic issues.</p> <p>LTS: Leaf Tobacco Specialist – responsible for farm monitoring during all growing stages, identifying issues, training the farmers, following up on the identified risks.</p> <p>ALP: Agricultural Labor Practices.</p> <p>STP: Sustainable Tobacco Program.</p> <p>PAI: Prompt Action Issues identified on the farm.</p> <p>NC: Non-Conformity.</p> <p>T2: Socotab’s ERP system used to capture all farm data.</p>
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5. RELATED DOCUMENTS	<ul style="list-style-type: none">• Socotab Group Human Rights Policy• Socotab Due Diligence Procedure• Socotab Suppliers Code of Conduct• ALP Code Defining ALP principles & standards• STP Guideline Agronomy guidelines issued by participating manufacturers
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6. RECORDS	<ul style="list-style-type: none">• PAI Form• PAI Database in T2
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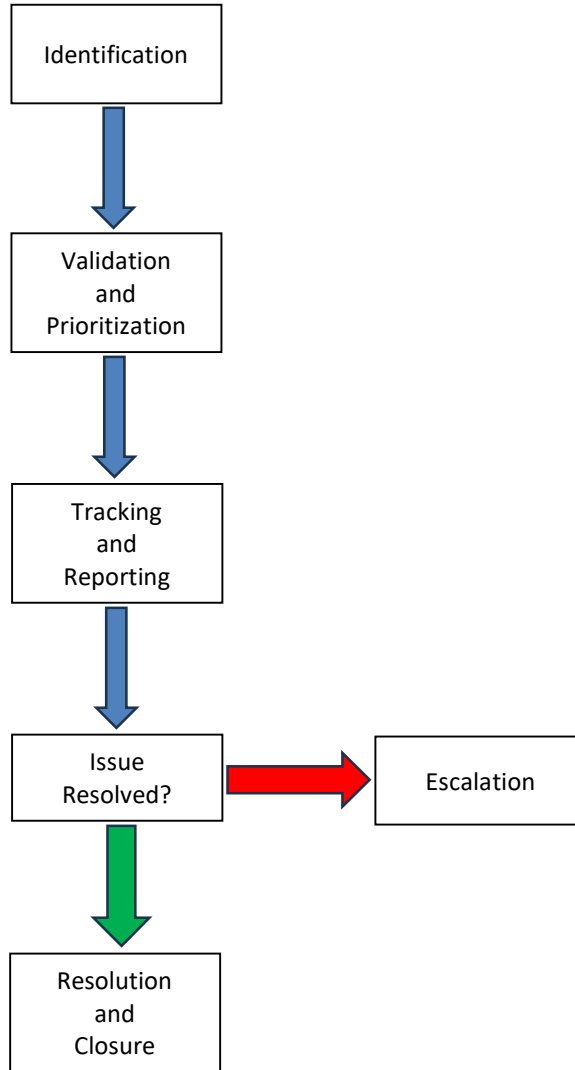
7. ACTIVITY	<p>7.1 RESPONSIBILITIES</p> <p>CSC</p> <ul style="list-style-type: none">• Provides guidance, allocates appropriate resources, verifies and validates priorities and action plans, and engages with external stakeholders.• Reviews issues escalated, determines alternatives, and takes final decisions. <p>WG</p> <ul style="list-style-type: none">• Agrees action plans with the ALP Coordinator.• Organizes regular meetings for discussion, follow-up, and feedback.• Records issues and status in meeting minutes.• Develops and maintains action plans to address more broad systemic issues.• The CSC reviews and approves action plans for systemic issues. <p>ALP Coordinator</p> <ul style="list-style-type: none">• Trains field staff on PAI and NC process and verifies understanding.• Ensures field staff has the necessary tools to address PAI and NC issues.• Prepares analysis of PAI data.• Resolves issues and determines escalation where needed.• Sends notification letters when needed.• Initiates meetings with STP CSC. <p>LTS</p> <ul style="list-style-type: none">• Trains farmers on the ALP Code.• Identifies on-farm issues.• Guides farmers in addressing and solving issues.• Agrees action plans with farmers to prevent occurrence or re-occurrence of issues and follows up.• Escalates issues according to the Escalation Procedure when required.• Records issues in T2.• Works with the farmers to understand and address the root cause.
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7.2 PROCESS



7.3 IDENTIFICATION

During farm visits and when recording farmer declarations, the LTS monitors and observes according to the ALP and STP codes.

Any identified issues and potential risks are then classified as a NC, PAI, or Extreme Breach.

Special attention is paid to the following cases:

- A PAI that needs to be addressed immediately, or
- A NC to be resolved to avoid a future PAI, or
- An Extreme Breach to be escalated immediately (see Extreme Breach Procedure).

Annex 1 shows the variation of issues that can be observed on tobacco farms.

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7.4 VALIDATION AND PRIORITIZATION

During validation, the LTS will identify whether:

- There are rightsholders belonging to the most vulnerable groups of people at risk:
 - children
 - pregnant women
 - elderly
 - workers exposed to inappropriate working conditions.
- Workers are free to leave their jobs.
- There are serious risks to the environment and people's physical and mental well-being.

The LTS should question all participants about the identified issue, to triangulate information from many sources and to ultimately determine if immediate action or escalation is required.

If the issue is persistent or a violation of basic human rights, it is automatically escalated.

7.5 TRACKING AND REPORTING

Once further escalation has been excluded, the LTS should:

- Speak with the farmer to understand the root cause of each issue and decide on a corrective action plan with the farmer.
 - **For Type 1 PAI:** the LTS should put an immediate end to the identified issue and agree on a resolution with the farmer to prevent a recurrence of the situation.
 - **For Type 2 PAI:** the LTS should assess the situation and agree on an action plan with the farmer to address the situation and corrective action needs to be aligned / linked with the identified root cause(s) to effectively address the issue.
 - **For any NC:** the LTS should explain the danger and negative consequences (health risks, danger, legal liability, etc.) to the farmer by using our toolbox (leaflets, brochures, safety, or other relevant materials).

Extreme breaches are always handled according to our extreme breach procedure.

- The LTS should record the observations in T2, including details such as: situation, opening date, root cause, action agreed with farmer, as well as the type of issue determined by LTS.
- At least one unannounced follow-up visit must be taken within less than 6 weeks from a PAI report date providing a similar activity, e.g., application of CPA, does not recur during the same season. In such situations, the PAI will stay open until the following season.
- A follow-up visit cannot take place on the same day that the PAI was opened.
- A follow-up visit needs to take place within a period that allows the LTS to assess the situation in similar circumstances to those reported.
- A visit should take place during the same crop stage, if the issue is determined to be directly related to a specific stage, e.g., hired workers harvesting without PPEs, people working at height without safety equipment, etc.

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- During a follow-up visit, the LTS checks the status of the agreed action plan with the farmer and whether the situation has been resolved. The recorded issue can be marked as closed in T2 only if the following conditions are met:
 - no recurrence is observed during the follow-up visit;
 - the agreed action has been implemented; and
 - the field technician believes and documents why such a situation would likely not recur on the same farm.
- Continuous checks should be done during subsequent visits to see if corrective action is still in place.
- The LTS decides if the issue needs to be escalated should the farmer persist to avoid corrective action.

7.6 ESCALATION

The LTS can face difficult situations where farmers may not be willing to acknowledge and / or address a PAI. In such situations, the PAI is escalated to the ALP Country Coordinator to define the action to be taken.

For any PAI related to situations where there is a severe risk to life, limb, or liberty of an individual, which may be related to forced labor, modern slavery, human trafficking, severe and systematic abuse, and worst forms of child labor, are all classified as Extreme Breach and they are escalated as described in our Extreme Breach Procedure.

In case of repeated issues and PAIs, the issue is escalated within the structural hierarchical chart in point 3 above.

7.7 RESOLUTION AND CLOSURE

Final decisions taken regarding each issue are reported in T2 by the LTS and include the following:

- Agreed status of action.
- Date of the follow-up visit.
- Date of closure.
- Explanation as to why the LTS believes a similar situation would likely not recur on the same farm.

The ALP coordinator has the possibility of rejecting or accepting the closure and can intervene at any time after recording an issue. In addition, the ALP coordinator analyzes the results and informs the Local Sustainability team regarding the results.

7.8 CONTRACT REVIEW

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	If the farmer shows a lack of commitment to corrective actions or is persistently unwilling to take the necessary steps to change practices, the LTS will assess the case and guide further action during the regular sustainability meetings.
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Annexes

Annex 1: Definitions of validation process

		Definition	General Action
Prompt Action Issue (PAI)	Type-1 Less than 6 weeks	In situations where a person's physical or mental integrity is at risk, children, or a vulnerable group (i.e., pregnant women and/or nursing mothers) are working and in danger, or workers might not be free to leave their job on a tobacco farm.	In these situations, the LTS must stop the action immediately , taking the opportunity to educate/advise and support the farmer to define and make specific and durable changes to prevent their recurrence.
	Type-2 More than 6 weeks	Situations where workers' well-being is at risk because minimum wage standards are not being met or the accommodation provided is not safe or adequate as per legal legislation or our internal standards. This is when the wages are not being calculated in line with the minimum wage or are delayed and do not meet legal requirements.	When these kinds of situations are identified, the LTSs must act promptly, educate/advise and support the farmer to fully identify and acknowledge the problems. The LTSs can then recommend specific and durable changes to address the issue and prevent recurrence. Type 2 PAI relates specifically to accommodation, minimum wage and written contracts for farmworkers.
Non-Conformity (NC)	Self-declaration NC	Declaration from the farmer, spouse, or worker (for their own children) confirming the occurrence of an issue (equivalent to a PA), although not witnessed/observed by LTSs. (e.g., a farmer declares his 14 years old child harvests tobacco)	This type of NC should be reported as self-declaration and flagged in T2 for follow-up. This group of farmers should be prioritized when un-announced visits are planned.
	Risk NC	Observations or declarations that represent a risk which, if not addressed, could potentially evolve into a PA.	These situations do not confirm the occurrence of an issue however, the risk should be flagged to proactively take action to mitigate them (e.g., the farmer is not aware of the minimum working age, or a child declares that they work on the farm).
Extreme Breaches		Situations where there is an intentional severe risk to life, limb, or liberty of an individual which may relate to forced labor, modern slavery, human trafficking, severe and systematic abuse, and worst forms of child labor.	These situations should be immediately escalated, following the escalation procedure explained below. Within T2, this will be recorded as a PAI.

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Annex 2: Prioritization of ALP issues – the 7 measurable standards

		Prompt Action	NC Self-Declaration	NC Risk
ALP code Principles	ALP Measurable Standards	<i>The LTSs observes the following situations</i>	<i>The LTSs gets statements through Interviews</i>	<i>The LTSs observes or verifies the following</i>
Principle 1: Child Labor	1.1 There is no employment or recruitment of child labor. The minimum age for admission to work is not less than the age for the completion of compulsory schooling and, in any case, is not less than 15 years or the minimum age provided by the country's laws, whichever affords greater protection. ¹³	Any tobacco-related work for under 15 hired children (or 14 – exception for developing countries).	Children under 15 are hired for tobacco tasks, as declared by the farmer, spouse or worker (for their own children) confirming the occurrence of an issue.	<ul style="list-style-type: none"> • School-age children not attending school and are present on the farm (during school hours) without a valid reason. • School records for children, if available. • Evidence from third party implementing initiatives on the ground. • Farmer not aware of:
	1.2 No person under 18 is involved in any type of hazardous work.	Any hazardous activity conducted by children under 18.	Children under 18 perform any hazardous tobacco tasks, as declared by the farmer, worker or spouse (for their own children).	<ul style="list-style-type: none"> - Minimum age for working. - Hazardous and light work tasks. - Consequences of child labor.
	1.3 In the case of family farms, a child may only help on his or her family's farm provided that the work is light work, and the child is between 13 and 15 years or above the minimum age for light work as defined by the country's laws, whichever affords greater protection.	Any tobacco-related work for under 13 (or 12 – exception for developing countries – ILO 138).	Children under 13 are involved in any tobacco task, as declared by the farmer, worker or spouse (for their own children).	<ul style="list-style-type: none"> - Applicable Local and national laws. • Farmer not checking workers' ages. • Children present in tobacco working areas (although they are not working) are exposed to hazardous situations such as barns, fields, parents working while carrying a child on their back.
Principle 2: Income and Working Hours	2.1 Wages of all workers (including temporary, piece rate, seasonal, and migrant workers) meet, at a minimum, national legal standards.	Workers' wages (including temporary, piece rate, seasonal and migrant workers) do not meet the legal minimum wage.	Farmer is not using payment/slip copy, as prescribed by law or LTSs could not verify the payments status from the interview (or triangulation where possible) if farmer is	Farmer or worker not aware of the legal minimum wage. (Even if the farmer complies with the law).

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			paying the minimum wage.	
			Farmer not issuing working contract/agreement to workers, as prescribed by the law.	Farmer does not know how to calculate working hours and/or payments.
Principle 3: Fair Treatment	All measurable standards under Principle 3.	These situations are identified by the LTSS through interviews or self-declarations by workers.	Not Applicable.	Evidence from third party implementing initiatives on the ground.
Principle 4: Forced Labor and Human Trafficking	All measurable standards under Principle 4.	These situations are identified by the LTSS through interviews or self-declarations by workers.	Not Applicable.	Evidence from third party implementing initiatives on the ground.
Principle 5: Safe Work Environment	5.1 No person is permitted to top or harvest tobacco, or to load barns unless they have been trained on and taken adequate protection to avoid green tobacco sickness.	Person(s) has no access to PPE for handling green tobacco.	Farmer, worker or spouse declare handling green tobacco without, or with incomplete or damaged PPE.	Person(s) handling green tobacco with no awareness or training on GTS prevention and the associated risks.
		Person(s) exposed to GTS without protection or incomplete / damaged PPE.		PPE for GTS is available at the farm but with no evidence of use e.g., PPE is still in the sealed bag.
	5.2 No person is permitted to use, handle or apply crop protection agents (CPA) or other hazardous substances such as fertilizers, without having first received adequate training and without using the required personal protection equipment. Persons under the age of 18, pregnant women, and nursing mothers must not handle or apply CPA.	Person(s) has no access to PPE for applying CPA.	Farmer, worker or spouse declare handling or applying CPA without, or with incomplete or damaged PPE.	Person(s) applying or handling CPA with no awareness or training on safe CPA application and the associated risks PPE for CPA available at the farm but with no evidence of use e.g., PPE is still in the sealed bag.
		Person(s) handling or applying CPA without PPE.		
		Person(s) handling or applying CPA with incomplete or damaged.		
		Pregnant women/nursing mothers handling or applying CPA.		

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	5.3 Accommodation, where provided, is clean, safe, meets the basic needs of workers, and conforms to the country's laws.	Accommodation, where provided, is clean, safe, meets the basic needs of workers, and conforms to the country's laws. Please refer to the list of PAs in the "Global Accommodations Standards: Standards for Agricultural Workers' Accommodation (2020)".	All NCs listed in "Global Accommodations Standards: Standards for Agricultural Workers' Accommodation (2020)" are NC Self-declaration. Please refer to the list of PAs in the "Global Accommodations Standards: Standards for Agricultural Workers' Accommodation (2020)".	Not applicable.
Principle 6: Freedom of Association	All measurable standards under Principle 6.	Not applicable.	These situations are identified by the LTSS through interviews or self-declarations by workers and should be considered as NC self-declaration.	Not applicable.
Principle 7: Terms of Employment	7.1 At the time of hire, farmers have informed workers of their legal rights, the essential aspects of the work relationships and workplace safety such as work to be performed, working hours, wages paid, period of hire, and all legally mandated benefits.	Not applicable.	These situations are identified by the LTSS through interviews or self-declarations by workers and should be considered as NC self-declaration.	Not applicable.
	7.2 Farmers and workers have entered into written employment contracts when required by a country's laws and workers receive a copy of the contract.	When there is not a written employment contract when it is required by the country's law.	Farmer and workers declare that they have signed a written employment contract, but the worker hasn't received a copy yet.	Not applicable.