

# ADDRESSING REGULATORY REQUIREMENTS ON SUPPLY CHAINS FOR MALAWI'S EXPORT CROPS

ECONOMICS ASSOCIATION OF MALAWI  
ANNUAL CONFERENCE

It starts in the usual places like the media  
Supply chains are in the spotlight



The CNN Freedom Project

## Our Mission

Since 2011 CNN has been shining a light on modern-day slavery.

Traveling the world to unravel the tangle of criminal enterprises trading in human life.

Amplifying the voices of survivors.

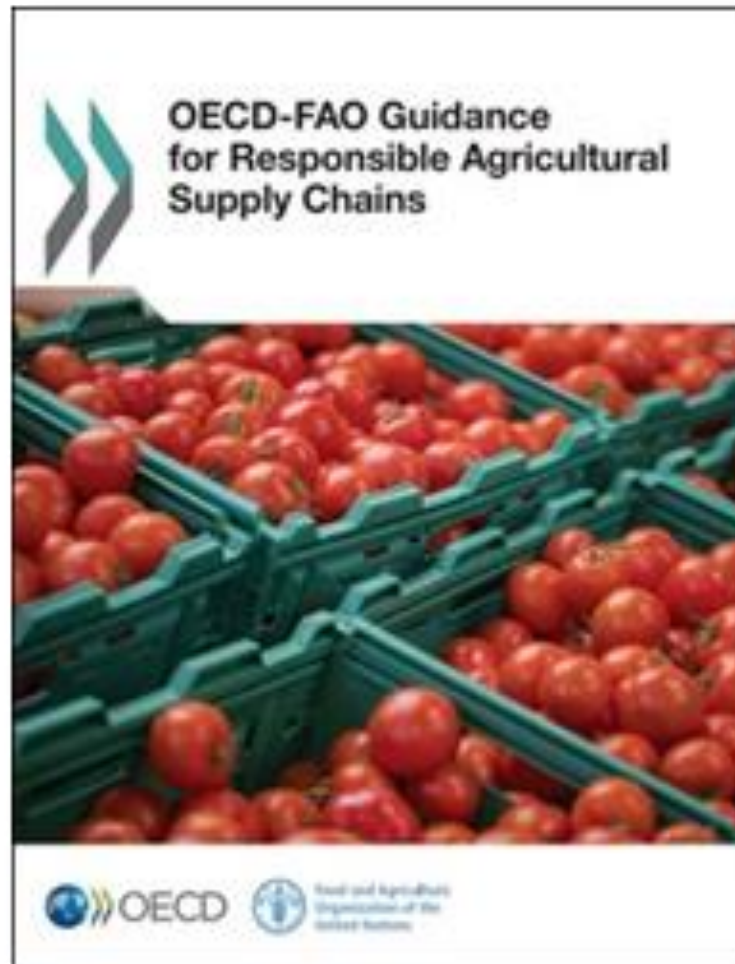
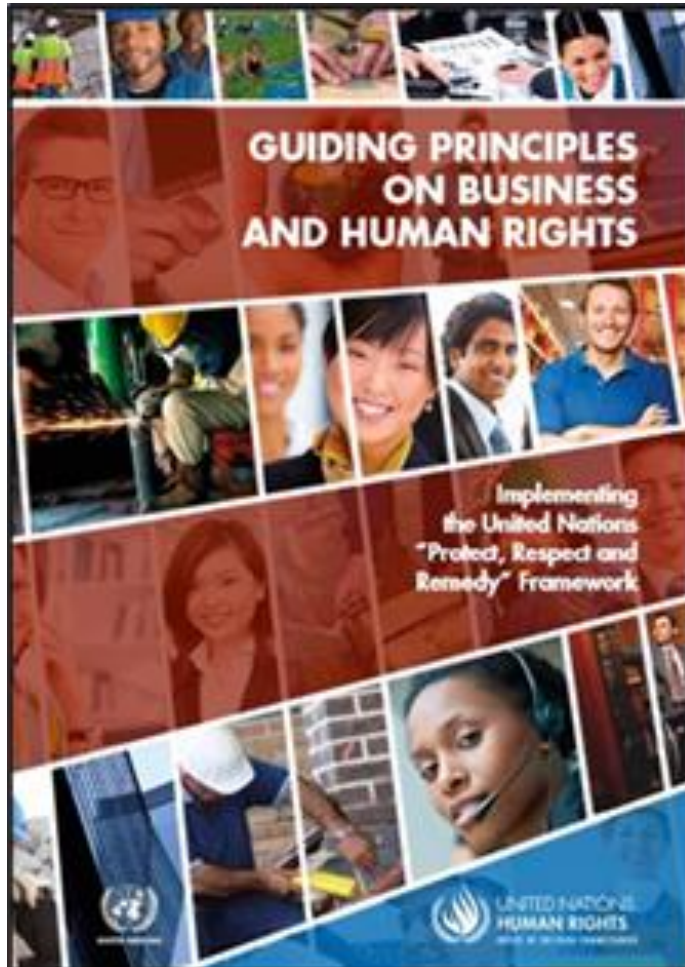
Holding governments and businesses accountable.

**Slavery is not a thing of the past.**



# Non-binding guidelines are put in place

## Helping businesses to be accountable for their impacts



# Litigation starts to follow

## Increasing the risk profiles

Home / Live news

## UK conglomerate sued over rape allegations by Malawi tea workers



Issued on: 28/03/2021 - 13:08



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## Vedanta, to be sued in London for pollution by Zambia's subsidiary



By Chancia Plaine  
Jurist in environmental law  
Huglo Lepage Avocats

Published on May 1 2019

It's a first! The ruling could set a precedent and reverse the balance of power between local populations who have to suffer from pollution generated by African subsidiaries of mining companies headquartered in England. Chancia

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## Vedanta mine settles Zambian villagers' pollution claim

19 January

# The game changes when it impacts trade

## Here is an example of SCDD impacting trade



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6 Nov 2019  
Geneva Sands, CNN

Article

## Malawi: Customs and Border Protection issues withhold release order on tobacco from Malawi on allegations of forced labor

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'US suspends tobacco imports from Malawi over forced child labor allegations' 1 November 2019

The United States on Friday suspended imports of all tobacco and tobacco products from Malawi for alleged forced labor practices -- including child labor. Customs and Border Protection, which holds the authority to detain imports, has recently ramped up its efforts to hold companies and suppliers accountable for forced labor practices. The agency issued a "Withhold Release Order" on tobacco from Malawi on Friday, allowing it to detain goods believed to have been produced with forced labor.

... Forced labor in Malawi has been well documented. Despite some advancement in preventing child labor, children in Malawi are still engaged in the worst forms of child labor, including in the harvesting of tobacco and in commercial sexual exploitation, according to the US Department of Labor. Children working with tobacco risk illness from nicotine absorption, including "green tobacco sickness," the Labor Department states. They are also

CBP Modifies Withhold Release Order on  
Imports of Tobacco from Malawi

US Bans Imports of All Products  
Containing Cotton and Tomatoes  
from China's Xinjiang Region

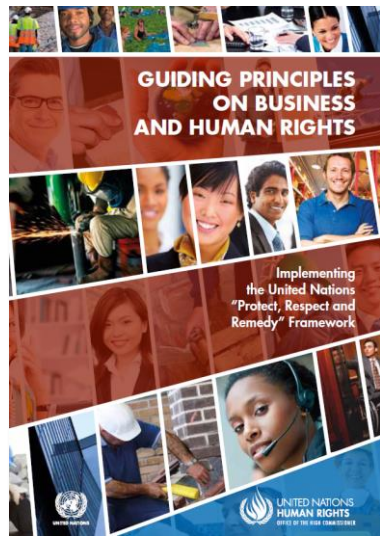
# Towards a mandatory Supply Chain Due Diligence

## Increased regulatory requirements around SCDD



# Emerging SCDD legislation

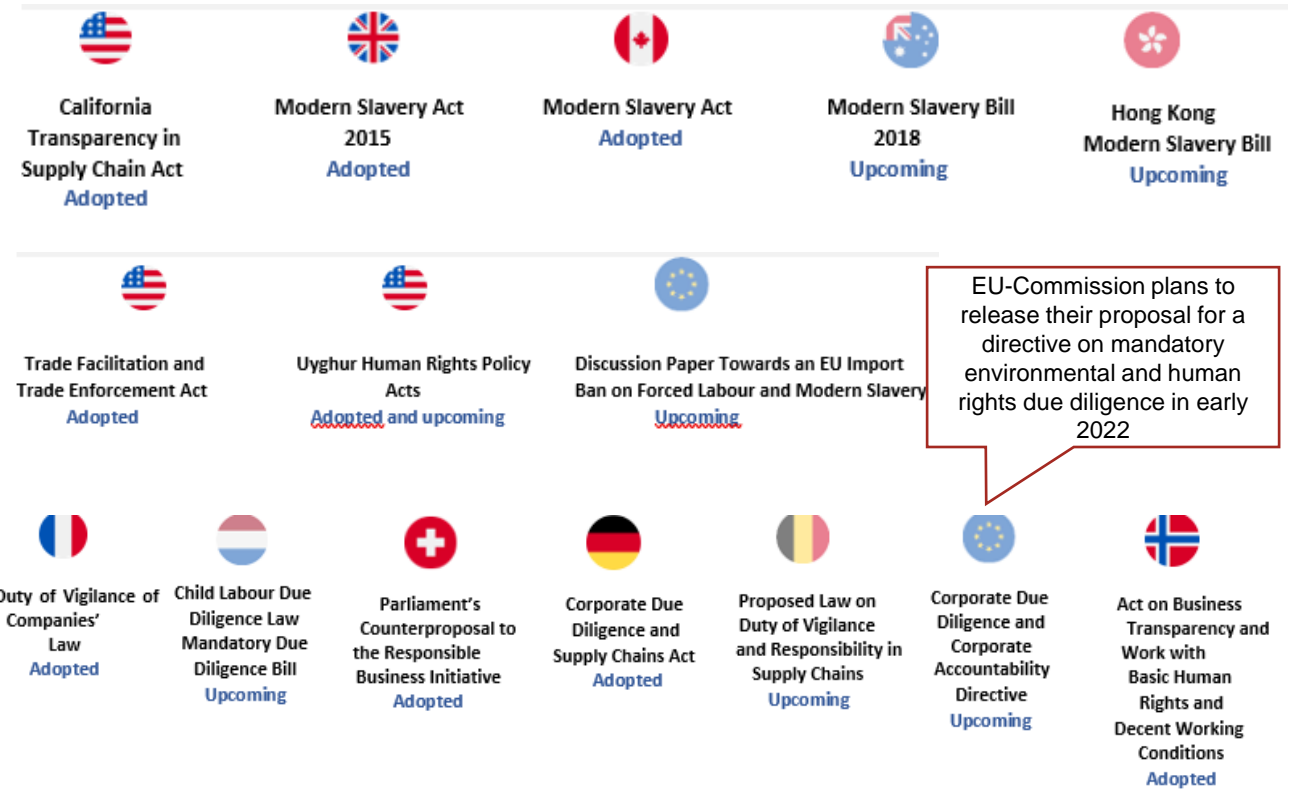
Clear trend towards mandatory due diligence based on UNGP's



Regulations that require reporting on internal policies and due diligence processes for **specific topics**

New enforcement mechanism related to **customs control on imports**

Regulations that mandate the adoption of **general due diligence processes**

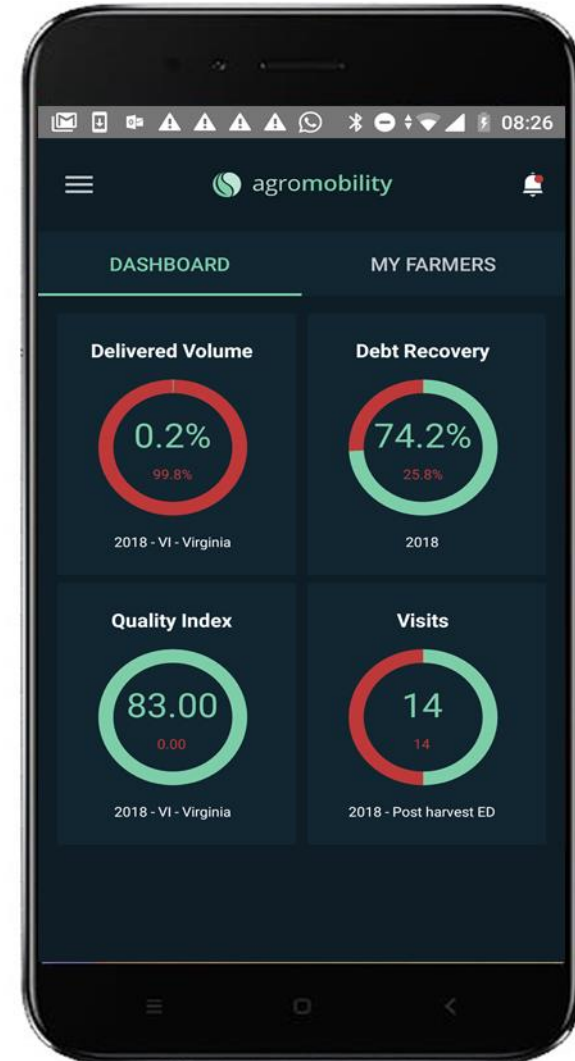


A close-up photograph of green leaves with water droplets, with rain falling in the background. The image has a dark, moody aesthetic with a teal/green color palette. There are two solid black rectangular boxes: one in the upper right and one in the lower left.

**MAKING SUPPLY  
CHAINS TRANSPARENT  
IS THE KEY TO  
SUSTAINABILITY**

# A traceable supply chain through grower contracting

*US\$3million annually to deliver extension services*

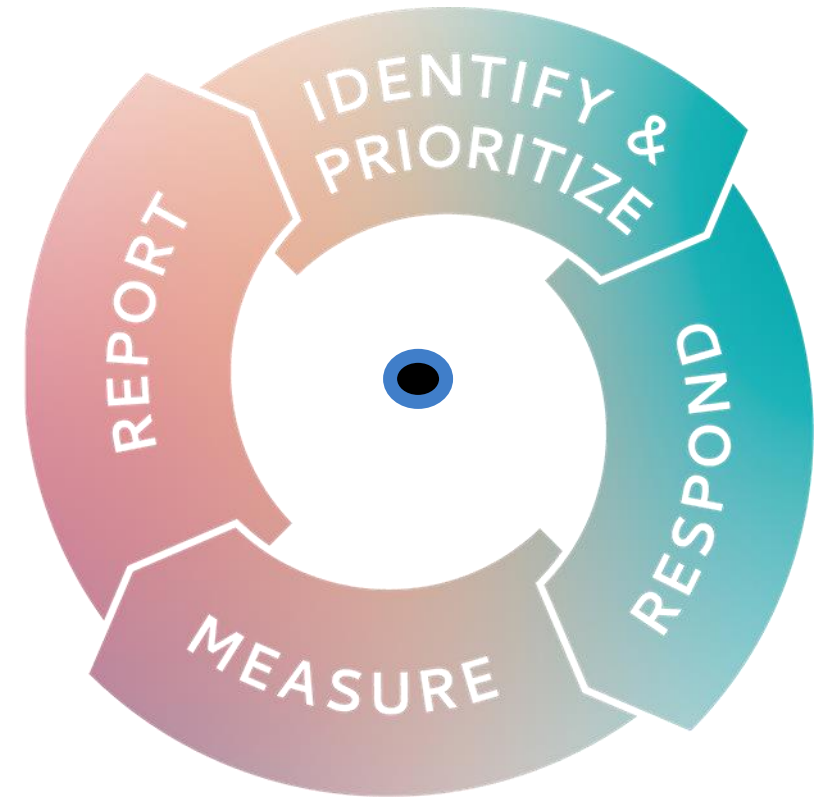


# A case study of how JTI is managing SCDD

## Supply chain impact assessments

JTI commissioned this supply chain impact assessment in order to have a comprehensive understanding of the human rights impacts within our tobacco supply chain in Malawi, and that we have responses in place to address the prioritized impacts;

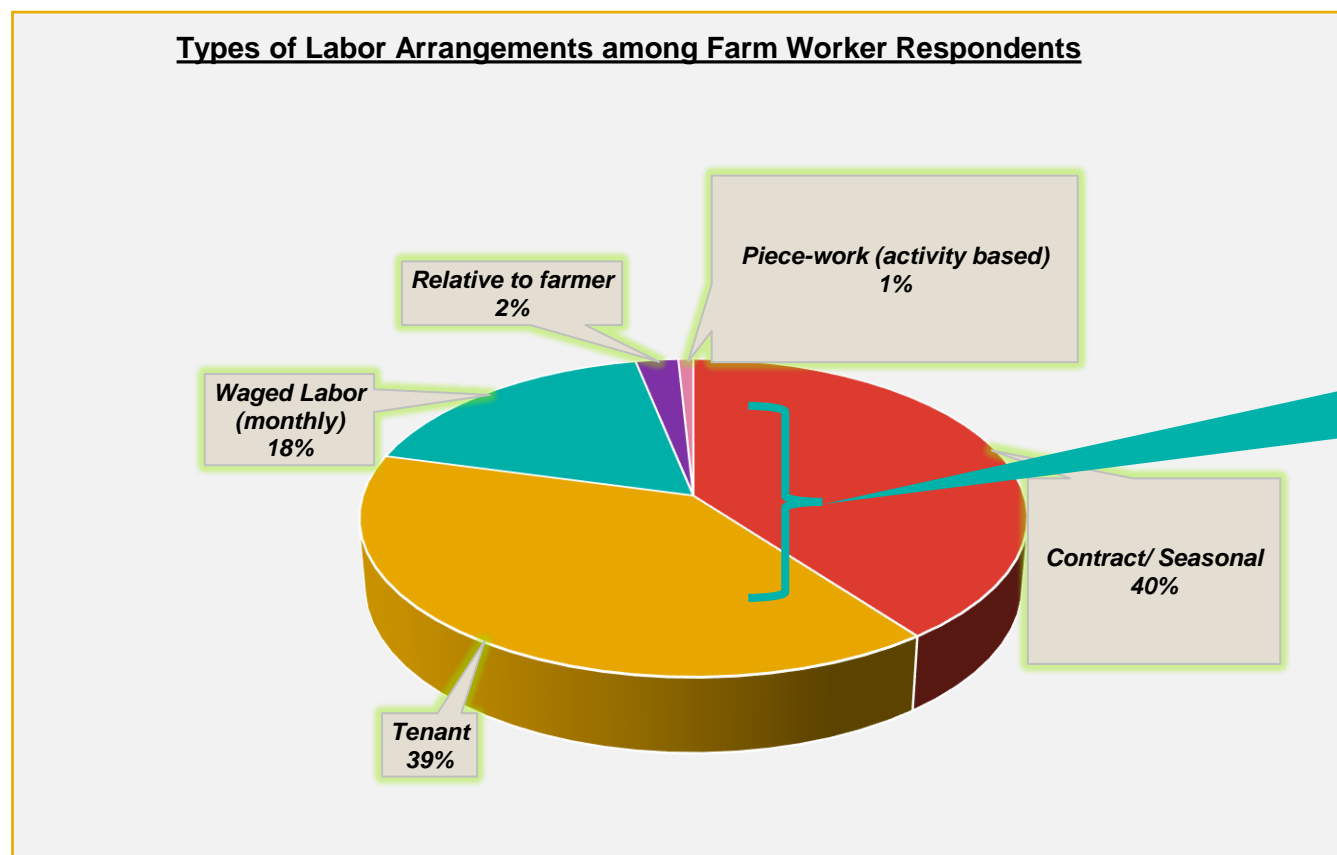
1. **Tenancy labour and workers rights**
2. **Gender issues like lack of economic empowerment and various abuses**
3. **Child labour persists and lack of youth development opportunities**
4. **Diminished community resilience**



# A case study of how JTI is managing SCDD

## *Evidence based approaches*

**FIGURE 4: TYPES OF LABOR ARRANGEMENTS IN JTI CONTRACTED FARMS (AS REPORTED BY FARM WORKERS)**



80% of workers are in tenant like work conditions

Five response plans that deal with the identified issues

*Addressing the issues from the rightsholder perspective*

**5** GRIEVANCE MECHANISMS

**4** AWARENESS CAMPAIGNS

**3** FARM EMPLOYEE'S BOOKLET

**2** FARM EMPLOYEES REGISTER

**1** CONTRACTS

# FARM EMPLOYEE'S BOOKLET

## EMPLOYEE'S BOOKLET

Name of employer \_\_\_\_\_

Name of farm \_\_\_\_\_

Location of farm \_\_\_\_\_  
(T/A, District, Village, EPA)

Name of employee \_\_\_\_\_

Gender (M/F) \_\_\_\_\_

Date of birth \_\_\_\_\_

District/Country of origin \_\_\_\_\_  
(T/A, District, Village, EPA)

National ID number \_\_\_\_\_

Ticket or monthly \_\_\_\_\_

### PAY SLIP

Employer Name \_\_\_\_\_

Employee Name \_\_\_\_\_

Pay period \_\_\_\_\_

Earnings/ Malipiro	MK	Deductions/ Zochotselana	MK
Basic Pay :		Medical	
Cash			
Food			
Housing			
Other allowance		Loan	
GROSS PAY		NET PAY	

Employee's Signature/ Thumbprint \_\_\_\_\_

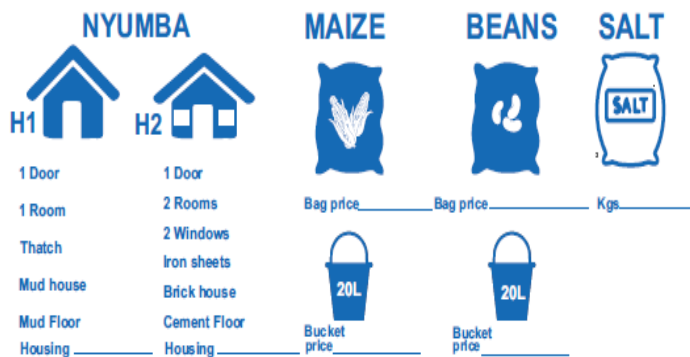
Employer's Signature/ Thumbprint \_\_\_\_\_

Date of payment \_\_\_\_\_

# FARM EMPLOYEES REGISTER

[illegible]

### KEY



**EMPLOYER:**

## REGISTER

**or on Ticket contracts**

[illegible]

# AWARENESS CAMPAIGNS (`Its their right`)



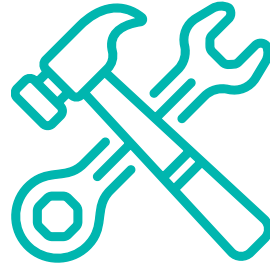
# Achieving Reduction of Child Labour through Support of Education – ARISE

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## Education

30 Classrooms built

6,400 children in school



## Economic empowerment

5,500 households targeted for Income Generating Activities and Financial Literacy Trainings (Women specifically targeted)

## Policy advocacy

Over 11,000 community members mobilized on child labour and formation of Village Child Labour Committees



# Concluding thoughts ...

1. Which value chains need support?
  2. Which markets do we sell to ?
  3. What are their requirements ?
- 

