

Reuters (Oct. 24, 2018)

U.S. appeals court revives Nestle child slavery lawsuit

Tina Bellon

A U.S. federal appeals court on Tuesday reinstated a lawsuit by a group of former child slaves accusing the U.S. unit of Nestle SA, the world's largest food maker, and Cargill Co of perpetuating child slavery at Ivory Coast cocoa farms.

Judges of the 9th U.S. Circuit Court of Appeals in Pasadena, California, said in a unanimous decision that the group could proceed with its claims despite the alleged abuses having occurred overseas.

“In sum, the allegations paint a picture of overseas slave labor that defendants perpetuated from headquarters in the United States,” the court wrote.

The court did not rule on the merits of the plaintiffs' claims.

The plaintiffs, originally from Mali, are contending that the companies aided and abetted human rights violations through their active involvement in purchasing cocoa from Ivory Coast (Cote d'Ivoire).

They originally sued Nestle USA, Archer-Daniels-Midland Co and Cargill Inc in 2005. Archer-Daniels-Midland was dismissed from the lawsuit in 2016, according to court records. The case has since made its way to the U.S. Supreme Court, which in 2016 rejected the companies' bid to have the lawsuit thrown out.

The companies have denied the allegations.

Nestle said in a statement on Tuesday that it had explicit policies against child labor and was working to combat the global problem. The company said it disagreed with the 9th Circuit decision and was assessing appellate options.

“Regrettably, in bringing such lawsuits, the plaintiffs’ **class action lawyers** are targeting the very organizations trying to fight forced labor,” Nestle said.

Cargill did not reply to a request for comment.

A district court in Los Angeles dismissed the lawsuit twice, most recently in March 2017. That court found that the former child slaves’ claims were barred by U.S. Supreme Court decisions that have made it harder for plaintiffs to sue corporations in U.S. courts for alleged violations overseas.

According to those rulings, violations elsewhere must “**touch and concern**” U.S. territory “**with sufficient force.**”

The 9th Circuit said on Monday that the plaintiffs’ **claims fulfilled those requirements as the alleged violations fell outside the scope of the companies’ ordinary business conduct.**

The former child slaves alleged that the companies provided financial and technical assistance to local farmers to guarantee the cheapest source of cocoa.

The federal appeals court said that those “**kickbacks**” were supported by regular inspections of Ivory Coast cocoa farms by U.S. company employees who allegedly knew of and upheld the financing arrangements.

Cote d’Ivoire is the world’s leading cocoa grower. Other leading producers of cocoa include Ghana, Indonesia, Nigeria and Cameroon.