

EXAMINATION REPORT ON PROGIDA TARIM ÜRÜNLERİ SANAYİ VE TİCARET AŞ

Istanbul, 19 April 2019

I. SUBJECT MATTER OF THE COMPLAINT

Progıda Tarım Ürünleri Sanayi ve Ticaret AŞ (shall hereinafter be referred to as "Progıda") is an Olam Group Company (shall hereinafter be referred to as "Olam") entity.

Progıda has a headquarters located at the address of Iz Plaza Giz/ Eski Büyükdere Caddesi, No:9, K:1, D:4 34398 Maslak/ Sarıyer, an integrated facility located at the address of Maden Mah. No:84 28340 Piraziz / Giresun, nut cracking plants located at the addresses of Organize San. Bölgesi Karapınar Mah. 1166 No'lu Sk. No: 3/A 52200 Ordu and Yayla Mah. Sakarya Cad. No:122 54800 Kocaali / Sakarya, and a sesame processing facility located at the address of Organize Sanayi Bölgesi Yaşar Doğu Cad. No: 15 55330 Tekkeköy / Samsun.

The workplace subject to complaint is the one located at Giresun, Piraziz. Total 12 employees were dismissed at this workplace in February 2018. 9 of these employees allege that they were dismissed since they engaged in union activities and/or they were members to a trade union. In addition, it was alleged that the senior executives of the workplace gathered the employees and made statements against unionization during the process of dismissal of these employees, and that, furthermore, mid-level executives also exerted pressure on union-member employees.

Meetings were held with the Company management, Union management, the dismissed employees and an important part of the employees who work at the workplace, and the details are provided below in relation to these meetings.

II. LEGAL REGULATION

One should provide a brief explanation of the applicable legislation in Turkish law as regards the subject of the complaint before an assessment is made in relation to the foregoing issues.

Turkey is a member to International Labor Organization, has signed the most important conventions on trade union rights, and has already made it a part of its domestic law. The European Convention on Human Rights, European Social Charter, 87th Convention on Union Freedom and Protection of the Right to Organize, 98th Convention on the Right to Organize and Collective Bargaining, and International Covenant on Economic, Social and Cultural Rights are such a few examples to such conventions.

On the other hand, Article 51 of the Constitution of the Republic of Turkey reads as follows:

“Employees and employers have the right and freedom, without being subject to permission, to freely form unions and higher organizations, to become a member of or withdraw from membership from such organizations that aim to protect and improve the economic and social

rights and interests of their members in their labor relations. No one can be forced to join or withdraw from a union.

The right to form a union shall be solely restricted by law with the purposes of safeguarding national security and public order, preventing crime, protecting public health and public ethics, as well as the rights and freedoms of others.

The formalities, conditions and procedures to be applied in exercising the right to form unions shall be prescribed by law.....”

In parallel to this, (Art. 25 of) the Law dated 2012 and numbered 6356 prohibited discrimination in detail on the basis of union membership both during the recruitment stage and the continuation and termination of the employment contract, and thus secured both positive and negative union freedoms. Furthermore, the right to become and not to become a member to a trade union is also protected by sanctions governed by Article 118 of the Turkish Penal Code.

International documents and the national legal regulations secure the right to become a member to a trade union and select a trade union, in addition to the right not to become a member to any trade union and the right to resign from a union.

III. METHODOLOGY

Since the assessment aims to make a better examination and evaluation with respect to the issues related to the freedom of association at the plant subject to the complaint, it was deemed compulsory to hold meetings with the employees and the management both on-site or off-site, as well as with the union management and representations and the employees who were dismissed, who are subject to the complaint.

Site observations and document reviews were made in order to inspect the general activities of the plant, its policies and procedures. The examination and investigation performed by the auditing team are solely related to whether pressure is exerted in relation to union rights and whether compliance is ensured with FLA Workplace Code of Conduct and Compliance Benchmarks. This audit is not a general social audit.

In view of the importance of worker interviews, Terms of Reference ("TOR") required that the auditing team interview a sufficiently large number of workers to make reliable findings. The auditing team was also instructed to select workers to be interviewed through a random process to avoid the potential issue of pre-selection and coaching of workers by management.

Meetings were held collectively with the white-collar workers in two separate meetings. The management was warned about the strict prohibition on retaliation against workers who participated in the interviews and on coaching of workers. The auditing team was given latitude to conduct interviews within the plant or outside the premises if they believed the results would be compromised. Progida management agreed to fully cooperate with the audit and to provide

unfettered access to the facilities, employees and documents during the audit. This agreement was respected in full.

Because of the high number of people with whom interviews will be held and the requirement to avoid holding interviews haphazardly and to ensure that interviews are held in a healthy manner, Prof Ömer Ekmekçi added Atty. Özen Erdoğan and Atty. Zeynep Güver to the auditing team, who served as his assistants. The Auditing team first met Hakan Karakaş, General Manager, Ufuk Özongun, Country Manager, and Burcu Türkay, Sustainability Manager in Charge of FLA Affairs, who are all senior executives, on 26 November at the Company Headquarters and obtained background information on the issue.

After information was obtained from the representatives of Progıda, a meeting was held with Alpay Çelikel, representative of the Fair Labor Association, and information was obtained on the FLA's Code of Conduct and Benchmarks, the details of the complaint and about what happened between the Union and Progıda.

Then, a visit was paid to the workplace located in Giresun, Piraziz on 07-08 December, and one-to-one interviews were held with workers. Before the interviews started, it was explained to the workers that what was being done was an independent audit, and they were asked the following questions:

- Were you provided with guidance by anybody for the answers you will give in this meeting?
- Are you a union member?
- When did you become a member?
- Were you subjected to pressure for becoming a member to the Union?
- Were you subjected to pressure for not becoming a member to the Union or leaving Union membership?
- If yes, was it in the form of advice or threat?

In addition to the questions indicated above, questions asked included those on how long the workers worked at the workplace, at which unit they worked at, whether they had any complaint about the working conditions, whether the company pays their legal rights, and whether there are suitable addressees to which they could communicate any problems that arise as required by the progress of the interviews.

Interviews were held on one-to-one basis. First, the auditors provided information to the workers on why they were there, before these questions were asked. In addition, permissions were obtained from the workers before they were asked questions, and it was stated that there were no audio or video recording devices, that they could check it themselves if they liked, that they could ask questions about the identity of the auditors, that they could ask them to show their identity, that they would not be asked their names, that this would not be recorded even if they say their names, that they were free to respond or not, and that they could also add any comments they like in addition to the questions asked.

The auditing team tried to be available at the workplace at the end of each shift, and tried to hold interviews with many people as much as possible. However, it was not possible to talk to workers who went out of their night shift and were scheduled to come to work again in the morning and wished to go home as soon as possible.

After the meetings were completed both during the first and the second day, a plant tour was taken throughout the entire workplace and the working conditions were observed. In addition, the cafeteria, social areas, locations where complaint boxes were kept and the announcement boards were physically examined.

In addition, a document review was done in relation to the policies and procedures maintained by the Human Resources department of Progıda.

On 8 December 2018, upon special request by Mustafa Türkel, President of Tek Gıda-İş Union, interviews were held with 9 dismissed workers together with Adem Çıngıl, Headquarters Manager of the Union, and Ali Öner, Branch Manager of the Union, at Ramada Hotel, which is nearly 5 km. to the Progıda workplace. Furthermore, the workers who could not wait for interviews at the end of their shift in the morning and went home, or workers who refrained from holding interviews, and even some of the workers with whom interviews were held before, also came to the hotel.

Then, a meeting was held with Mr. Alpay Çelikel, FLA officer, and information was obtained from him about the stance of FLA on the issue.

Afterwards, a meeting was held in Istanbul with Mustafa Türkel, President of Tek Gıda-İş Union.

The audit team also audited the compliance of the information and documents obtained during the audit with the applicable legislation including mainly the Labor Law, as well as compliance of Progıda with FLA Workplace Code of Conduct Standards and Compliance Benchmarks. According to the FLA Workplace Code of Conduct Standards, the FLA Rule "Freedom of Association and Collective Bargaining Agreement" reads as follows: "Employers shall recognize and respect the right of employees to freedom of association and collective bargaining". Considering the Compliance Benchmarks related to this article, the audit team investigated the suitability of the following compliance benchmarks for said complaint.

FOA.1 General Compliance Freedom of Association

Employers shall comply with all national laws, regulations and procedures concerning freedom of association and collective bargaining.

FOA.2 Right to Freely Associate

Workers, without distinction whatsoever, shall have the right to establish and to join organizations of their own choosing, subject only to the rules of the organization concerned, without previous authorization. The right to freedom of association begins at the time that workers seeks employment and continues through the course of employment, including eventual termination of employment, and is applicable as well to unemployed and retired workers.

FOA.5 Anti-Union Discrimination/Dismissal, Other Loss of Rights, and Blacklisting

FOA.5.1 Employers shall not engage in any acts of anti-union discrimination or retaliation, i.e. shall not make any employment decisions which negatively affect workers based wholly or in part on a workers' union membership or participation in union activity, including the formation of a union, previous employment in a unionized facility, participation in collective bargaining efforts or participation in a legal strike.

IV. EXAMINATION OF THE COMPANY STRUCTURE

A) DEPARTMENTS OF THE WORKPLACE AND NUMBER OF EMPLOYEES

Olam Group, to which Progida is a member, was founded in 1989. According to the information obtained, Olam is an agricultural company which supplies food and industrial raw materials today to various customers around the world. The Group has around 72,000 employees in 66 countries.

Olam carries out its operations in the categories of a wide range of agricultural products such as cocoa, coffee, dried nuts and fruits, hazelnuts, sesame, spices, rice and sugar, and its field of operation consists of the supply of dried nuts and fruits and related products to its customers nearly all around the world, and processing and distribution of these goods. Progida joined Olam Group in 2011.

As of 14 January 2019, the headquarters employs 19 people, whereas Ordu, Sakarya - Kocaali, Giresun - Piraziz and Samsun plants employ 94, 209, 696 and 110 people, respectively.

The workplace subject to complaint is Progida's integrated plant located in Giresun, Piraziz. The structure and position of this plant needed to be addressed in detail as it is important for the examination.

Accordingly,

Piraziz plant consists of the departments of Administrative Unit, Technical Unit, Production Unit (contains two separate departments: Natural and Roasted), Laboratory and Supply Chain.

The Administrative Unit, Technical Unit, Natural Part of the Production Unit, Roasted Part of the same unit, Laboratory and Supply Chain Unit employ 49, 19, 112, 401, 39 and 76 people, respectively.

While this is the case, the number of employees working in the Natural Production and Roasted Production units varies depending on season as will be explained further.

The number of people with whom interviews were held by the auditing team on 7 and 8 December is as follows classified by their gender, seniority, department and tasks.

	NUMBER	RATE
TOTAL NUMBER OF WORKERS*	564	
TOTAL NUMBER OF INTERVIEWED WORKERS	437	
WHITE-COLLAR	41	9.38%
BLUE-COLLAR	396	90.62%
TOTAL NUMBER OF FEMALE INTERVIEWED WORKERS	323	73.91%
TOTAL NUMBER OF MALE INTERVIEWED WORKERS	114	26.09%
DISABLED EMPLOYEES	12	2.75%
EMPLOYEES WITH A SENIORITY OF 0-5 YEARS	226	51.72%
EMPLOYEES WITH A SENIORITY OF SERVICE OF 5-10 YEARS	133	30.43%
EMPLOYEES WITH A SENIORITY OF SERVICE OF 10-15 YEARS	35	8.01%
EMPLOYEES WITH A SENIORITY OF SERVICE OF 15-20 YEARS	17	3.89%
EMPLOYEES WITH A SENIORITY OF SERVICE OF 20 YEARS OR MORE	26	5.95%
TECHNICAL UNIT	10	2.29%
ADMIIINISTRATIVE UNIT	26	5.95%
PRODUCTION (ROAST.-NAT.)	314	71.85%
LABORATORY	31	7.09%
SUPPLY CHAIN	56	12.81%

It should be noted that the total number of employees working at the workplace is 703. The number of workers remaining upon the deduction of the shifts that have been inactive for the last one-month period starting from the beginning of December, in which the audit took place,

the workers on sick report and the workers on leave was determined as 564. Interviews were held with 437 people, which corresponds to 77.4% of such number. As regards the remaining 127 people, it was determined that 33 were on duty outside the plant and were not called to the workplace to avoid disruptions in the operations, that 38 workers were not present at the workplace as they were either on leave or sick report, that almost 10 or 15 workers did not want to wait in the morning as they had finished their night shifts and as an excuse, they said they had things to do for their children, and that the remaining workers did not attend the interviews as they either did not want to wait or did not have information about the interview.

B) WORKING AND SHIFT ORDER OF THE WORKPLACE

The Administrative units of the workplace work in a single shift 5 days between 8:00 a.m. and 6:00 p.m., while the Technical Unit, Roasted Production, Natural Production, Laboratory and Supply Chain units work in three shifts of 7:00 a.m.-3:00 p.m., 3:00 p.m. -11:00 p.m. and 11:00 p.m.-7:00 a.m.

However, the plant employs seven-shift system, and thus employees are prevented particularly from working more than 7.5 hours at night or exceeding the legal working time limit, and thus, compliance is ensured with the legislation. The seven-shift system results in employment of high number of workers.

On the other hand, it should be also noted that the product processed at the workplace is of seasonal nature as this is important in terms of the examination. Hazelnut, which is usually grown in Black Sea Region in Turkey, is harvested annually on dates varying from the beginning of August until the end of the same month and sometimes within September depending on the conditions of the region, and is delivered to cracking plants once the required drying and sorting procedures are completed.

On the other hand, processing can be carried out at the workplace upon receipt of orders. Thus, the production demand and number of employees at the workplace vary depending on the season and orders.

According to the information obtained from the employer, there are 4 workers' representatives at the plant. Interviews were held with all workers' representatives during the audit.

It was determined that the workers' representatives took office via a democratic election process carried out independently. During the election of workers' representatives, it was stated that those who wanted to be a representative were requested to notify the Human Resources unit of their names, and that the election date was determined once the candidates were determined. It was stated that election was held by means of casting secret ballots, that the ballot box was opened under the supervision of the worker representative on duty, 2 authorized representatives from the Human Resources Department and the Facility Manager and the results were recorded in a report issued, and that the number of votes cast for each candidate was written in such report and was then hung on announcement boards for all employees to see the results, and the latest election report located on the announcement board during the audit was seen and photographed by the audit team. During the audit, it was determined that the workers' representatives had a

job description available and this job description was examined. It was determined that the Workers Representatives attended the following regular meetings: Occupational Health and Safety Committee Meeting , the meeting of the Disciplinary Board, Accident Committee meeting. The Worker's Representatives also witness the opening of the Recommendation, Grievance and Complaint Box and the Legal Issues Box, as well as the issuance of reports for such opening procedure, that he/she had a right to vote in all committees he/she participated and that he/she attended the trainings held at the company. The latest workers' representative election was held on 3 - 5 October 2018. As a result of the election, it was seen that the report containing the number of votes cast for each candidate were hung on announcement boards in a manner to be visible by all workers.

V. INFORMATION ON TEK GIDA-İŞ UNION (THE UNION OF TOBACCO, ALCOHOLIC BEVERAGE, FOOD AND RELATED INDUSTRY WORKERS OF TURKEY)

The union which wants to organize at Progıda is Tek Gıda-İş Union, which is engaged in the business segment No. 02 as specified in the Regulation on Business Segments. According to the July 2018 Business Segment Statistics, the number of its members across Turkey is 27,190, and its membership ratio is 4.97%. This union has a significant place for the Turkish worker movement with its activities and actions. Dating back to 1950s, the Union established a new organization in 1968 and was given its current name. The organization structure of the Union is observed to consist of a headquarters, 16 Branches, 6 Regional and Provincial Representative Offices, and 3 Liaison Offices. Thus, the Union operates both in its business segment and across the entire country. Tek Gıda İş Union, which is organized in many workplaces in its business segment, is known for its positive approach.

VI. ASSESSMENT OF THE STATEMENTS AND COMPLAINTS

A) INFORMATION IN RELATION TO THE MEETINGS HELD BETWEEN THE UNION AND PROGIDA AND BETWEEN THE UNION AND THE PLANT

Before starting the interviews with workers, the audit team obtained information on the meetings that took place between the Union and Progıda and between the Union and the Plant management. Accordingly, it was learned that the representatives of Tek Gıda-İş Union and Progıda contacted each other in good faith, and came together in two separate meetings, whose details are provided below, which was also attended by FLA as a third party.

The first meeting was held at the Headquarters of Tek Gıda İş Union on 4 May 2018 with the participation of Mustafa Türkel, İbrahim Ören, Mehmet Yaşar Yıldız, Atty. Nilgün Hanım and Ahmet Uygun, General Manager, on behalf of Tek Gıda İş Union, and Alpay Çelikel and Gülden Türker on behalf of FLA, and Burcu Türkay, Hakan Karakaş and Atty. Ceren Gültekin on behalf of Progıda, and that the discussion topics were as follows:

- Acquaintance phase
- Hearing of the Union's allegations by the parties
- Hearing of Progıda's allegations by the parties

- Importance of maintaining good faith and dialogue, and making a suggestion by the parties for them to reach a consensus on a position
- Giving an end to the defamation of Progıda by the Union on the media and social media
- Ending the complaints raised by the Union to Progıda’s customers, which may cause harm to Progıda’s reputation
- Request for not carrying out any organization activity by the union reps. during the working hours at Progıda’s plant.

The second meeting was held at the Levent Workinton Building on 29 June 2018 with the participation of Kemal Köse, Damla Demir, Atty. Nilgün Hanım and Mehmet Yaşar Yıldız on behalf of Tek Gıda İş Union, Alpay Çelikel on behalf of FLA, and Burcu Türkay and Atty. Ceren Gültekin on behalf of Progıda, and that the discussion topics were as follows:

- Acquaintance phase
- Hearing of the proposal made by the Union to Progıda and submission of such proposal to the senior management of Progıda for their evaluation.

As a result of the meetings, the authorized representatives of Progıda stated that the dismissed workers gathered in front of the plant and explicitly threatened the company through various media organizations, that, still, Progıda made a proposal in good faith to all workers for the payment of their reinstatement compensation, that after the proposals were made, the two dismissed employees spread rumors across the plant and thus intimidated all workers, that after the workers complained of such situation, they noted that said proposals could not be renewed, that they respect union rights and that the plant does not exert any pressure for forcing the workers to become or not to become a member to the trade union; and in return, Tek Gıda-İş Union told Progıda that these rumors were the personal opinion of the workers and that they, as the Union, did not approve the same, and that they try to stay away from personal statements and actions as much as possible. It was seen that the dialogue process was ended this way.

B) MEETING WITH THE SENIOR MANAGEMENT OF PROGIDA

In the relevant meeting, the audit team was first provided with information on the complaint filed by the union with FLA and its scope, as well as Olam's FLA membership, the social standards it has to meet pursuant to such membership, the mechanism related to complaints by third parties and the background of events.

The senior management stated that Progıda was a global agriculture company respecting the rights of all employees in all location with its Fair Employment Policies, that it is fully compliant with the conventions of International Labor Organization (ILO) and United Nations Global Compact that provide guidance on human rights and labor principles, that it respects the principle of freedom of association, that it does not intervene in the right of any of its employees to found trade unions and other associations, or to join them and their rights to collective bargaining pursuant to the Conventions No. 87 and 98 of the International Labor Organization

(ILO), and that Olam provides all its white-collar and blue-collar employees with sufficient training to ensure compliance with all international standards.

In response to the allegations made in the complaint, they said that the volume of the work increases between September and December because of sectoral reasons, that the demand particularly for seasonal workers decreases because of the significant reduction in orders between December and March, that, therefore, the employment contracts of total 45 workers had been terminated at Piraziz plant in the relevant period upon the issuance of management-related decisions, which consist of the dismissal of 6 workers in November 2017, 27 workers in December 2017 and 12 workers in 2018 February, but only 9 workers filed the application subject to complaint from among those workers, that 2 workers became a member to the union after they were dismissed and this was done only with the purpose of benefiting from the pecuniary consequences of union compensation, that the dismissed workers gathered in front of the plant and explicitly threatened the company through various media organizations, that, still, the company made a proposal in good faith to all workers for the payment of their reinstatement compensation, that after the proposals were made, the two dismissed employees spread rumors across the plant and thus intimidated all workers, that after the workers complained of such situation, they noted that said proposals could not be renewed, that they respect union rights and that the plant does not exert any pressure for forcing the workers to become or not to become a member to the trade union.

It was asked according to which criteria the employees were dismissed, and it was stated that the workers with low performance were selected with a view to ensuring justice since staff inflation took place because of significant reduction in orders, but it was observed that the selected workers could not be provided with a concrete performance record. The last 12 months' termination notices were observed on a retroactive basis starting from the date of the termination of the employment contracts of the people who alleged to have been dismissed for union-related reasons. It was seen that a total of 56 people were dismissed between 1 February 2017 and 28 February 2018, that among them only those whose employment agreement was terminated for a just cause were provided a termination ground, those whose agreement were not terminated for a just cause were not provided any termination grounds. When asked the Progida management who evaluated the dismissed workers' performances as low, Progida management stated that the Human Resources department has carried out the termination process on the basis of observations made by Production Manager, Supply Chain Manager and Quality Manager.

It was asked whether there was any audit performed by Progida at the plant within the last 12 months, and it was seen that Sedex Audit was performed by SGS on 16 July 2018 - 17 July 2018, that no non-compliance was observed as a result of the audit. Also BSCI Audit was performed between 30 July 2018 and 2 August 2018, that the audit report revealed that some emergency exits in the production area were sliding doors, that a second emergency exit should be built in the women's dressing room, and that lack of a child nursing unit or an agreement for child nursing unit at the plant was written down as non-compliances. It was seen that forms for corrective actions were completed for these non-compliances.

Additionally, audits were performed at the plant many times by the Ministry of Labor and Social Security. The first audit was on 17 October 2016 revealed that the amount of Minimum Living Allowance of only one employee contained an error and no other non-compliance was observed, and that said error had been corrected during the audit.

The report of the second audit performed on 6 June 2018 - 7 June 2018 indicated the number of workers as of the date of audit, that there was no union organized at the workplace, that the workers whose employment contract had been terminated on 14 February 2018 - 16 February 2018 had filed a lawsuit with Istanbul 26th Labor Court with a request for reinstatement and trade union compensation.

During the third audit performed on 17 October 2018 - 22 October 2018 by the Ministry, it was stated that the weekend holiday issue, which was described by the workers as "deduction of two days' wages for absence of one day" was the subject of complaints, and evaluations on this issue were made, and the report revealed that there was no union available at the work place, that the documents were examined with random selection method, and that no non-compliance was determined.

C) MEETINGS WITH THE WHITE-COLLAR WORKERS OF PROGIDA

Meetings were held collectively with the white-collar workers of Progida (41 people in total) in two separate meetings.

White-collar workers were asked about whether the senior management exerts any union-related pressure on blue-collar workers, and it was stated that there was no such pressure being exerted. White-collar workers stated that Progida has an open-door policy, and that all workers were free to consult and communicate with them. They stated that a sharp polarization has developed between the union member and non-member workers, that they believe that this polarization is caused by the union continuously provoking workers by means of provision of false information, that a stage was reached where it was almost impossible to carry out operations at the plant because of this problem, and that they want this problem, which they believe was caused by the union, to be resolved as soon as possible.

These people were asked about what kind of polarization exists between the union-member and non-member workers and why they believe that this problem is caused by the union, and they replied, with a view to giving concrete examples, that no worker who stated that they were union members had come to them for complaint or any other reasons, but that some workers in their teams, who were not union members, had come to them and told them that union members are harassing them by saying "soon the union will arrive, and we will kick you all out of this plant", and thus decreased their motivation.

White-collar workers also stated that they frequently received complaints, particularly from female workers, indicating that they were exposed to persistent requests and pressure by union officers for making them members to the union, that they requested the senior management to find a solution to this but the company made no attempt to prevent the union from adopting such an approach in response to such pressure, that the workers criticized the employer's such

stance, and that this was why the union acted freely and had the chance to spread any rumors they liked.

C) INTERVIEWS WITH THE BLUE-COLLAR WORKERS OF PROGIDA

The subject of the audit for which the audit team was assigned is mainly the state of the working conditions at the workplace, the relationship between the workers and management, whether the employment contracts of the workers were terminated because of union-related reasons and whether the workplace exerts pressure on the basis of union-related matters.

1) Therefore, in the interviews held with 396 blue-collar workers, the workers were asked about whether the workplace exerts pressure on the basis of union-related matters, and

a) the ratio of the blue-collar workers who stated they were totally dissatisfied with the employer to all blue-collar workers is 9%. 58% of these people stated that they were union members, whereas 42% of them said that they were not union members.

(aa) 19.4% of the 9% of blue-collar workers who stated that they were dissatisfied with the employer stated that they were **exposed to the pressure exerted directly by** the employer. When these workers were asked to provide concrete examples for the allegation of pressure, they said that managers exerted pressure on them and that some managers made statements against the union, that they complained about working conditions, and that meals were terrible.

(ab) 80.6% of the 9% of blue-collar workers who stated that they were dissatisfied with the employer stated that they were **exposed to the pressure exerted indirectly by** the employer about the union. When they were asked about the basis of the indirect pressure allegation, they said that they were afraid because of dismissals and also the meetings held by the employer, that pressure was not exerted on themselves but that they heard that other colleagues of them were exposed to pressure. When they were asked about how the pressure exerted on their other colleagues took place, they could not provide any concrete example.

(ac) These people were asked about the working conditions at the workplace, and as explained in further detail below, many people said that they did not have any complaint about the wages and insurance, that the workplace pays all their rights but does not have any practices such as night-shift compensation or bonus, that the wages were low, that this is why they want the union to enter the workplace, that when the union enters the workplace, they would receive bonus salaries 4 times a year, that compulsory "offs" would come to an end, that two days' deductions would not be made when they do not work for one day, and that the employer would not be able to dismiss workers any more.

b) the ratio of the blue-collar workers, who clearly stated that they were satisfied with the employer and were not subjected to any pressure about their membership to the union, to all blue-collar workers is %91. 16.1% of these people said that they were union members, whereas 68.4% of them said they were not union members and 15.5% of them did not state any opinion about whether they were union members or not.

(ba) Those who were not union members were asked why they did not become a union member, and they replied that the union was not credible, that their undertakings were not realistic, that the union tries to deceive people that all such promises would come true at once, that the union consistently calls and bothers them and that some of the workplaces in the near surroundings went bankrupt upon unionization.

(bb) The workers who stated that they were satisfied with the workplace were asked about the reason of their satisfaction, and nearly all of these workers stated that the workplace was the best of all those in the near surroundings, that they were paid their rights in full, that their insurance was shown over the full amount, that they were free to contact the employer any time, that the employer listens to their complaints and for example a prayer room was built, that the menus were changed in accordance with their request after they filed a complaint about it, that the social facilities were good and that they were free to express their problems at any time to the workplace management and the General Manager.

2) One of the questions the workers were asked was whether they were exposed to any pressure at the workplace about becoming or not becoming a member to the union. As regards the issue,

(a) a significant part of those who are not union members stated that they were always called by phone, that they were subjected to union propaganda over the phone, that they were invited to meetings via text messages, that the husbands of certain female workers were uncomfortable with it, that those who were union members at the workplace continuously bothered the others for making them members to the union and caused polarization, that they wanted these calls and insistence to come to an end, and that the management stays silent about it.

(b) An important part of the workers who stated that they were union members explained that there was no difference in terms of implementation of the working conditions at the workplace, and on the other hand they were afraid from time to time. They said that the reason for this fear was the statements made by the Company General Manager and that they believe those dismissed were dismissed since they were union members.

A minority of the workers stated that they were exposed to pressure since they were union members. While they were asked about the concrete basis of this pressure allegation, they mentioned the statements of the General Manager and, in addition, that those who were union members were not called for work, that some workers were favored on the issue, that those who are close to certain managers were called for work, that sometimes they were returned from the door even if they had been called for work, that they could not be entitled to weekend holiday when they did not come to work for one day within a week, that their wages were too low, that they were forced to work on the night shift, that they were forced to work overtime, that their wages were decreased, that it is too hot in summer and too cold in winter at the workplace, that while some departments were provided with polar cardigans some were not, that work accidents were concealed, that money was deducted from the workers for the social events organized, that the Human Resources Department was not interested in them at all and did not satisfy any of their requests, that an expert was brought to the workplace whom they did not know who she

was and that this person stated that they did not have rights to night-shift compensation and mentioned similar events as supporting justification.

It should be noted that most of the foregoing complaints related to the working conditions were expressed by both those who are union members and those who are not. If a complaint is expressed by both those who are union members and those who are not, **then this should not be assessed as discrimination made on the basis of union membership or evidence of pressure on the basis of union-related reasons, but should be treated as complaint about the working conditions.**

The percentage ratios related to the responses given by the workers to the questions provided in the annex as a result of the interviews held with the workers are provided in the table below.

	Yes	No	Not stated
Were you provided with guidance by anybody for the answers you will give in this interview?	0%	100%	
Are you a union member?	% 19.90	% 65.15	% 14.89
Were you subjected to pressure for becoming a member to the Union?	% 20	% 38	% 41.91
Were you subjected to pressure for not becoming a member to the Union or leaving Union membership?	9%	% 91	
If you were subjected to pressure for becoming a member to the Union,			
Was it in the form of a threat?	% 12.50		
Was it in the form of advice?	% 87.50		
If you were subjected to pressure for not becoming a member to the Union or leaving the Union membership,			
Was it in the form of threat?	% 19.40		

Was it in the form of advice?	%80.60		
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(c) Thus, to make an assessment of the subjects of complaint in terms of allegations of pressure at the workplace on the basis of union-related matters:

One of the most common subjects of complaint is that workers are not called for work in an adequate manner after the season ends, and that injustice exists in relation to the procedure of calling for work and the order arranged for calling workers for work. While this is shown by workers who are union members as an evidence that they are subjected to injustice, some other workers expressed the same issue as a general subject of complaint. All of these workers were asked about whether this was a change in their working conditions, or in other words, they were asked how they used to work before, and all of the workers said that this was how they were recruited and that they knew these working conditions. No change was made subsequently in the new working conditions. According to their own statements, this has already been their way of working from the beginning.

We should note that in order for such practice to be considered as a means of pressure related to union-related matters, this should be a practice implemented for those who are union members with the aim of discouraging them. However, most workers complained about the very same issue.

While they were asked about the reason of such complaint, the employer stated that the workplace engaged in seasonal activities and therefore the period between September and December is high season, that the work generally diminished after December and therefore there is a decrease in the number of workers called for work, that most of the workers called for work are female and that women have other engagements other than this job, that these women also take care of their children, spouses, families and house work, that the employer keeps the number of invited workers high since each worker called up for work does not come, and that a list is made in alphabetical order by name and last name when workers are called for work.

The statements made by the employer suggesting that the number of people called for work varies depending on the nature of the work were found satisfactory. It was determined that this practice is due to the nature of the work, and that no discrimination was made or pressure was exerted for union-related reasons. In addition, the shift records related to the last six months were scanned, and it was seen that alphabetical order was followed. Even though there are some partial irregularities in some lists, it was concluded that when workers were called in alphabetical order, this was not a typical practice aiming to engage in discrimination on the basis of union-related matters.

(d) Another common complaint is the issue about whether actually the workers become entitled to weekend holiday or not, which is interpreted by the workers as "two days' wages are deducted

when they do not come to work for one day in a week". This is also not a special practice implemented for only union members, and is a cause of common worker complaints.

In the light of such information, it is possible to make evaluations with respect to two aspects:

First of all, rarely some workplaces implement wage deduction penalty. When the worker commits particular acts or fails to perform some works, deduction is made from his/her wage up to two days. This corresponds to a penalty deduction exactly. This is because the wages earned by the worker are deducted. Even though the Turkish labor legislation allows that, deduction of an amount from the wage earned by the workers is an outdated practice. The practice described by the workers as "deduction of two days' wages for absence of one day" is not a penalty deduction. In this connection, we should first and mainly highlight that there is no deduction made as penalty.

However, in the present case examined, rather than a deduction made as penalty, the workers cannot be entitled to their weekend holiday wages. This is not in violation of the law. This is because Article 46 of the Labor Law No. 4857 provides that workers should have worked fully during the weekdays before the weekend in order to become entitled to receive the weekend wage. Since workers may not complete 45 hours works of service if they work for 7,5 hours for five business days or less, they also cannot become entitled to receive the weekend wage. **Actually, it is not deductions that are made, but they cannot become entitled to the wage of the seventh day as fail to come work for the sixth day and complete 45 hours of working hours.**

This is not in violation of the law, ethics or equitability. This is because both the Turkish Labor legislation and the comparative law require the worker to work for a particular period of hours/days/weeks/months/years in order to become entitled to certain payments (e.g. a worker working for a particular period during the week becoming entitled to paid weekend holiday, or the worker who has a length of service for one year becoming entitled to paid annual leave, etc.). All workers may not be claimed to be entitled to weekend holiday wages regardless of their duration of work within one week. On the contrary, such a claim would violate the principle of equity. In fact, the workers who brought forward such issue is complaining about failure to work for sufficient time in a year because of seasonal changes, rather than allegation of unlawfulness of such practice.

The second issue, which is also important, is that this practice may not be taken as the basis for discrimination made for union-related reasons. This is because this does not apply to a particular group, but applies to the entire employees instead.

On the other hand, it was seen that it is mostly female workers who complained most about night shifts. This is generally the complaints of female workers. The workplace operations are on shift basis, and the daytime and night shifts need to change every week or at least every two weeks as required by the law. In workplaces working on shift basis, it is not possible to adjust the shift order according to people's private lives.

Company was asked for information on the above-specified complaints, and they provided the information that the monthly average working time of the seasonal employees, calculated on the basis of the recent three months' average number of SSI days, was 25.8 days including weekend wage.

On the other hand, the Company made the following explanation about the workers' complaints related to deficient working time:

"The Turkish labor legislation provides that working times exceeding 45 hours a week are defined as overtime work. In addition, it is not possible to work consecutively for 7 days. Since the workers engaged in selecting hazelnuts are 100% female, the absence rate is around 30%. Thus, a spare shift was arranged in order to ensure that the plant works 7 days and carry out the planned production. Workers working in this status are thus working in turns in order to ensure compliance with the laws. Besides, the company adhered to said system pursuant to SEDEX and BSCI social audits. It is using this working method to meet the requirements of these certificates. According to these systems, strict compliance must be ensured with Turkish labor laws..."

"The company provides alternative working options because of the periodic decrease in orders in order to avoid victimization of the employees. For example, the employees selected out of the roasting line were referred to the natural line since the volume of work decreased in roasting production line but the natural production line had still a high volume, however the employees did not prefer working in this department even if it was inside the same plant. Thus, their revenue decreased as they could not accept the alternative option offered. Some employees have also a high rate of absence on Saturdays and Sundays and have continuously deficient working days, and thus face a decrease in their monthly revenue. On the other hand, some employees do not work particularly in the 11:00 p.m.-7:00 a.m. shift because of various reasons. Their 7 days' wages decrease when they do not come to work for one week."

These grounds specified by the employer were found to be compliant with the law. It is not possible to regulate the professional life in accordance with the private lives of individual workers.

An outstanding fact has been determined during the interviews in which these complaints were heard. All departments of the workplace are located within the same garden, and are very close to each other. The interviews have revealed that an important part of the workers considered being invited for working in the department called "Natural Production" as "demotion". The examination made at the workplace revealed that all departments are identical to each other, and that the working conditions and working environment are the same. The employer was asked about whether a reduction is made in the workers' wages while they transferred to the Natural unit, and it was determined that the workers were called for work when needed and with the same rights being provided. It was concluded that there was no reason or grounds for the workers who complained about not being called for work, and consider being invited to work in the Natural unit as "demotion".

(e) Likewise, the complaints that the workplace heat is too high in summer and too low in winter, that not everybody is provided with polar cardigans and the other aforementioned complaints are all related to working conditions, and do not qualify as discrimination on the basis of union-related matters or pressure-related complaints.

(f) Upon the complaints that work accidents are concealed, the employer stated that once a work accident takes place, this is immediately notified to the SSI as work accident, that there is no work accident notified to them but not reported to the officials, and thus said allegation is unfounded and false. It is not possible for the audit team to inspect this, and since it is also not the subject of the audit, it was not deemed necessary to carry out a detailed investigation about it.

(g) The allegation that working hours were excessive were found to be isolated. This is because the general complaint is about decreased working times, rather than extreme overtime.

Examination of complaints suggesting that there was injustice involved in the process of calling workers for work, that the Human Resources department was not interested in them, that the managers were closer to some people together with the facts that the Company had an open door policy, that there were complaint boxes available and that workers were being called in alphabetical order reveals that these complaints are rather personal complaints which reflected some emotional assessments about the working conditions caused by the working environment, and sometimes related to the private lives of people.

(h) At this point, what draws attention is that the expression of such kind of complaints actually indicates that the workers do not have sufficient and correct information about their rights and the practices implemented.

3) Likewise, another argument raised suggesting that the employer is against unionization is that the company General Manager makes statements at the workplace, which intimidate workers. When they were asked about how this intimidation took place, they replied that instead of saying "you will lose your job if you become a union member", or using similar sentences, the General Manager said that they had not come to the table with the union yet and had not invited the union to the workplace, and that this was how they concluded that the employer did not want the union.

Documents were requested in relation to the meetings held by the Company General Manager with the workers, and that the written and visual documents submitted reveal that Company General Manager Hakan Karakaş delivered the first speech on 2 July 2018 at 3:00 p.m., that 316 people listened to this speech, and that these people were the employees working on the shifts of 8:00 a.m. - 6:00 p.m., 7:00 a.m. - 3:00 p.m. and 3:00 p.m. and 11:00 p.m.

It was seen that Company General Manager Hakan Karakaş delivered his second speech on 29 November 2018 at 3:00 p.m., that 417 people listened to this speech, and that these people were the employees working on the shifts of 8:00 a.m. - 6:00 p.m., 07:00 a.m. - 3:00 p.m. and 3:00 p.m. and 11:00 p.m.

This was discussed with the company General Manager. General Manager said that all his statements were clear and available for examination by anybody, that during his talks, he said that he met two times with the union, including one meeting with the legal consultant of the union and that he clearly noted this, that the union officers outside were trying to deceive workers by saying that "they know the plant manager personally, that the plant manager invited them and they were coming to the table with the workplace", that this was not the case, that no one had invited the union, that it had become hard to continue the working in such atmosphere because of ungrounded allegations of the union, that some people made unjustified accusations claiming that the workplace spoke softly but carried a big stick, that their door was open to all employees as always to prevent information pollution, that the rumor that the union was authorized is not true, that the rumor that those who were union members would be dismissed is a lie, that no one would be dismissed on the basis of their language, religion, race or union membership, that everybody was free to become or not become members to the union, that the Company does not know who is a union member and who is not, that what they said were reported after being twisted, that some of his statements were cherry-picked, that the practice of deduction of two days' wages for one days of absence was tried to be used against the Company in an unjustified manner, but the inspectors that came to the workplace upon the complaint filed with the Ministry of Labor had examined the issue, and found the practice right, that this issue must be resolved, and that 2019 fiscal year would be a challenging one.

Finally, General Manager said that the employer respects not only the workers' right to become union member, but also not to become union member, that it would not tolerate some people harassing those who do not want to become union members, that the union must avoid trying to deceive workers using statements which they did not make in fact but were shown as if they were their own words, that they received frequent complaints that the union disturbed the workers even when they were resting at home and that as employers they were being accused of not doing anything in return, that the employer did not have the obligation to organize the union, and that they made no negative attempts against unionization.

These speeches were watched from video records, and it was seen that none of these speeches contain any direct or indirect statement suggesting that the union is not wanted at the workplace, or that those to become union members would be dismissed. Therefore, it is not possible to consider these statements as "pressure related to union-related matters".

On the other hand, nearly all of the workers who said they were union members alleged that several mid-level managers had exerted pressure on them for resignation from the union and engaged in unfair acts against them. When these people were asked about the scope of this injustice and pressure, they said that this was generally in the form of arguments or harsh words, that in addition to statements such as "you will see if this workplace is closed when the union arrives", or "those who don't want to work go and become union members", sometimes bad words or bad language were also used. When interviews were held again with the medium-level managers who were alleged to have used these words, they said that bad language was never used, and that they did not engage in any unfair acts against anybody.

These interviews held with blue-collar workers also revealed that a complaint was filed with the public prosecutor's office against Musa Ceylan, Songül Yakut, Nazan Şimşek and Nazlı Şenel on the grounds of allegations of threat, defamation and the prevention of union rights. The investigation on the issue is still pending, and a potential lawsuit will reveal what kind of words were used by these people against whom complaints were filed, whether they actually exerted pressure on the complainants, and whether they threatened them.

Normally, the allegation of prevention of union activities is generally raised against senior managers of workplaces such as general manager. However, the people against whom complaints were filed at this point are Shift Supervisor Musa Ceylan who do not hold any managerial position, Laser Operator Songül Yakut, and Quality Control staff Nazan Şimşek and Nazlı Şenel. The examination of Human Resources documents of Progıda reveals that white-collar workers are only office employees and managers, and that blue-collar workers are people working on a shift basis for production. People holding managerial positions are department heads and supervisors, who are called mid-level managers.

What should be addressed here is whether the employee named Musa Ceylan, against whom the workers who are interviewed complained that he is exerting pressure for union-related reasons, holds a position allowing him to exert pressure for union-related issues by means of using his authority over the workers.

Examination of the personal file of Shift Supervisor Musa Ceylan reveals that he started working on 13 March 1995 as grounding operator, that he was appointed as Shift Supervisor in 2005, and that he still works as shift supervisor as of the date of the audit. The allegation that this person was promoted because of his approach against unionization has been considered to be false. This is because this person became shift supervisor on 2005.

Again, the signed version of the job description of Musa Ceylan has been examined during the audit, and a copy thereof was added to the audit documents. It was determined that Musa Ceylan did not have duties&responsibilities such as recruitment, dismissal, etc., or responsibilities such as assessing the performance of people working on shifts, promoting them, granting them annual leave, or addressing complaints.

As regards making job descriptions known to the workers, Human Resources method was investigated, and it was learned that once the job description of employees is created, it is signed by the supervisors to which the employee directly reports, that the controlled copy of the job description is then given to the employee, and a signature of the employee is affixed, and the name is written on the back of the original copy. A copy of such document was obtained and put among the audit documents for exemplary purposes.

In addition, it was determined that no complaint was filed with the employer by the workers against Musa Ceylan, and that the first complaint filed against such person is a criminal complaint filed with the Chief Public Prosecutor's Office. The fact that Tek Gıda-İş Union and the workers have filed complaints against the mid-level managers and other workers instead of the senior executives reveals that they are not exposed to pressure exerted by senior executives.

In this connection, it would be more appropriate to say that rather than a systematic pressure exerted by the Company on the issue, a conflict, an opposition and a battle of words exist between the workers who want the union and the workers those who do not.

4) Again, as one of the leading complaints, questions were asked about the allegation that the employer invited its own people to the workplace and tried to impose certain information, and the employer stated that these people were invited to the plant in the light of the complaints, opinion and suggestions received from the workers, and for example, a legal practitioner was invited to the workplace for responding to the employees' legal questions, and a public accountant was invited for responding to the employees' questions on salary calculations and payrolls.

Then, records related to complaint, opinion and suggestion boxes were examined.

The examination of the past 12 months' records related to complaint, opinion and suggestion boxes reveals that these boxes were opened with a report to be issued by a committee including the workers' representative also, that the complaints, opinion and suggestions were entered into records, that the employer made adjustments and provided trainings in line with the requests of the employees, and finally there was no complaint related to pressure on the basis of union-related matters.

5) Finally, it was determined that the employer organizes social activities at certain intervals for all workers. (e.g. World Cleaning Day event, spring ball, New Year's party, painting contest, or bowling tournament)

E) INTERVIEWS WITH THE UNION OFFICERS, DISMISSED EMPLOYEES AND THE WORKERS WHO CAME TO INTERVIEW AGAIN

1) In the interviews held with the Union officers at the hotel, information was obtained about the union's efforts to organize. In the interviews, it was stated that there were warm relations between the union and the employer for some time, that meetings were held, but then the relations got worse while everything was going fine.

Two of these dismissed workers, could not find a job since then and that they suffered from the situation to a great extent, told that there was a positive environment between the Union and the employer until recently, but the press statement made against the employer in front of the the plant and the false rumors spread at the workplace destroyed this atmosphere. They were asked why they just did not go to the workplace quietly if they needed their job this much, and the workers responded that their purpose was not to work but to start a union struggle at the workplace, and that they would never keep silent. This reaction and the statements made to the local press were understood to represent individual acts rather than the decision made by the union. These statements were made as a result of individual reactions.

2) One of the main subjects of complaint was the allegation that the employment contracts of 9 workers had been terminated because they were union members.

The examination of the termination letters dated February 2018 related to these people reveal that such letters contain the phrase "*your employment contract was terminated*" without any grounds being specified. The contracts of these workers were terminated on 14-15-16 February 2018. The information provided by Mr. Mustafa Türkel, President of Tek Gıda-İş Union, in relation to the membership dates of these workers is as follows:

- Tolga Türker on 5 November 2017
- Yavuz Özçakır on 9 November 2017
- Tuncer Kutlu on 10 November 2017
- Ömer Tarhan on 21 November 2017
- Osman Henden on 28 November 2017
- Leyla Aksu on 22 December 2017
- Nazlı Kalafat on 23 December 2017
- Arzu Kılıç on 13 February 2018
- Haşim Turan on 16 February 2018

Out of these people, Haşim Turan, who filed a lawsuit against the employer, became a member to the union on the date his employment contract was terminated.

Termination for convenience is an option only for workers not subject to job security in line with the law. However, these workers whose employment contracts were terminated are subject to the provisions of job security. Art. 18 et seq. of the Labor Law No. 4857 and the established case law on the issue provide that termination is invalid if no grounds are specified for the termination of employment contract, and thus provisions related to reinstatement or compensation shall be applicable. Thus, it is almost beyond doubt that a decision will be made for announcement of the termination as invalid as a result of the litigation.

The workers whose employment contract was terminated filed a reinstatement case on the grounds that termination is based on union-related matters in addition to the invalidity of termination. In the interviews carried out in the plant, the people who worked at the workplace and said that they were union members stated that these 9 people were dismissed since they were union members, and a part of the people who stated that they were not union members or remained silent said that they did not know why these 9 people were dismissed or that they did not know these 9 people, while another part of these people said that these dismissed 9 people caused polarization at the workplace, were too lazy to work and used the union as a shelter, and had a disagreeable nature, and so on. In the meeting held with the dismissed workers in the evening of the second day, they naturally said that they were dismissed on the grounds of union-related reasons. **The workers who were union members and those who were not union**

members made totally opposite statements. Even though the dismissed employees alleged, in relation to the termination, that the meeting or meetings held in a location where the union's officers were also available were recorded and the records were provided to the employer, it is impossible to assess such kind of allegations on the basis of declarations made by individuals. Besides, there was no determinant factor which can justify selection of either one of the allegations, which were the contrary of each other.

On the other hand, the court to hear these lawsuits will make a decision on the basis of a process rather than a single instance. The court will hear the witnesses to be designated by the parties, and will perform surveys when needed. In addition, the court will ask questions if needed while the witnesses are heard, and will be able to compare the witness statements. Likewise, the parties' counsels will also have the chance to ask questions to each other. In addition, the parties will take oaths when required and will give their statements under the legal and penal liability of such oaths. Furthermore, it is also obvious that the witnesses will be more comfortable and act impartial while they are under the protection of the court. Thus, while it is impossible to conclude that the dismissals were based on the union-related reasons on the statements of the dismissed employees and those who stated they were union members, it is also impossible to conclude from the opposite statements made by others that the dismissals were not based on union-related reasons.

Even though the authorized representatives of the union alleged that the workers were afraid of speaking up, as mentioned above, the auditors obtained the permission of the workers, said that there were no audio and video recording devices, that they could check it themselves if they liked, that they could ask questions about the identity of the auditors if they liked, and that they could ask the auditors to show their identity, and thus showed sensitivity to the maximum extent as required for the workers to provide sound statements.

The employer stated that the union first raised claims and complaints about 7 workers at first, then 2 workers whom they believed that they had persuaded were also added to the complaint upon the completion of their union membership, and therefore 2 workers subject to the complaint had been registered with the union as members after the date of termination, that even this situation on its own shows that these people had not been dismissed because of union membership, and that anyway they also did not know about the union membership of the workers working at their plant and it was not possible for them to know this.

3) In this connection, failure to specify termination grounds in the termination notice renders the termination invalid, but this does not prove on its own that termination is based on union-related reasons.

F) MEETING WITH THE PRESIDENT OF TEK-GIDA İŞ UNION

During the meeting held with Mr. Türkel, President of Tek Gıda-İş Union, it was stated that they preferred to engage in a dialogue, that employees were dismissed by the workplace because of union-related reasons, that meetings were held with the employer before for the reinstatement of at least some of the employees who filed a lawsuit, that the meetings were held amicably in

fact but relations got worse later, that the employer exerted pressure on the workers, that a criminal complaint was filed against the company General Manager on such grounds, that the General Manager said that no union could not enter that workplace, that he said that the union deceives workers, that the Union did not intend to cause trouble at the workplace and attached importance to the growth of the company, and that they would welcome any meeting requests to be made by the employer.

G) EXAMINATION OF THE RELEVANT DOCUMENTS

An examination was made on the documents related to the policies and procedures maintained by the Human Resources department of Progida. The full list of the documents obtained from the employer is shown attached to this audit report.

It was determined that there was no deficiency in these documents and procedures.

VII. CONCLUSION AND SUGGESTIONS

As explained in detail above,

A) The most important issue in the case subject to audit is to determine whether the dismissals are based on union-related grounds. While one of the parties alleges that the dismissals are based on union-related reasons and that pressure was exerted at the workplace on the basis of union-related matters, the other party makes entirely opposite allegations. In the present case, there are not sufficient evidence that would justify the admission of the allegation of a single party. Termination for convenience is not sufficient on its own for concluding that terminations are based on union-related grounds. It is necessary to wait for the conclusion of the lawsuits being tried on the issue. According to the result of the reinstatement lawsuits, the employer will undoubtedly have the option to choose between the alternatives of reinstating the workers or paying the amounts specified in the court awards. However, it is important, in terms of ensuring the desired environment of peace and order at the workplace, not to reinstate these people, to pay them the amounts specified in the court award and to close the issue. Indeed, as set forth on Page 25 of the Report, considering that the workers whose employment contracts were terminated were told that there was a positive environment between the Union and the employer until recently, but the press statement made against the employer in front of the employer's workplace and the false rumors spread at the workplace destroyed this atmosphere and were asked why they just did not go to the workplace quietly if they needed their job this much, and the workers responded that their purpose was not working but starting a union struggle at the workplace, and that they would never keep silent, it is concluded that if these people are reinstated, the tension would rise and polarization would take place at the workplace again. The aim in the next step is to ensure the reconstruction of the relationship between the parties. According to the wishes of the parties, it would be appropriate not to include the attitudes and behaviors that disrupt the reconstruction process. In this case, the reinstatement of dismissed workers would not serve this purpose. In addition, it is clear that if the court rules of the reinstatement of the dismissed workers and only some of the workers will be invited to work

and some of them will only be paid for the compensation claims, it will cause inequality allegations between the dismissed workers.

B) It is not possible to speak of a systematic pressure exerted by the employer. At this point, it has been determined that the complaints of people caused by the implementation of the working conditions are not sufficient for justification of the allegation of pressure related to union membership. There are some difficulties encountered at the workplace, which are caused by the seasonal nature of production activities.

C) Likewise, the statements made by the General Manager do not contain threats and intimidation towards the union-member workers. At this point, it is possible to speak of certain faults related to the information flow from the workplace to the union.

D) It is not a legal obligation for the employer to hold a meeting with the Union in the event that the union was not authorized at the workplace. Even though the parties came together before as required by the FLA Code of Conduct and Compliance Benchmarks, it was concluded that this was not caused by an obligation but was rather optional, and that still the parties could meet at any time in accordance with the principle of good faith.

E) The employer embodies practices that are compliant with the legislation in terms of working conditions. However, it was concluded that faults were made in explaining the same to the workers, that sufficient efforts were not spent, and therefore an issue of trust arose between a group of workers and the employer. In order to overcome this problem, it is recommended that the employer hold trainings for the workers at least four times a year providing them with information on their rights, particularly FLA Code of Conduct and Compliance Benchmarks, as well as freedom to associate, collective bargaining agreements and union rights, and distribute the Company Manual to the workers against signature until the third quarter of 2019.

F) While the disciplinary, performance and other procedures of the company listed above are appropriate, what is important is to ensure that they are implemented in real life rather than having this set of principles and rules only on paper. Towards this end, it is recommended that the employer hold trainings for everyone working at Human Resources Department, providing them with information on particularly FLA Code of Conduct and Compliance Benchmarks, as well as Human Resources Policies and Procedures, freedom to associate, collective bargaining agreements and union rights, train these people in a competent manner, and complete these trainings by the end of 2019.

G) It is suggested to provide the mid-level managers and white-collar administration staff (supervisors and managers) with trainings on Problem Solving Techniques, General Communication Skills, Empathy and Emotion Handling and Leadership Skills with a view to improving their general management skills. It is recommended that trainings are held on particularly FLA Code of Conduct and Compliance Benchmarks, as well as freedom to associate, collective bargaining agreements and union rights.

H) It is suggested that, with a view to ensuring that workers use Complaint, Suggestion and Opinion boxes more actively and employment relationship is rendered compliant with the FLA Code of Conduct and Compliance Benchmarks, workers be notified, during the training suggested to be provided within 2019, that these boxes are taken into consideration by the employer and they be encouraged to use these boxes in a more efficient manner.

I) In order to decrease the tension between the union-member and non-union member workers, it is recommended that the employer prevent creation of an environment of fight and fear, and thus words and acts be avoided during the trainings to be provided to the workers in 2019, which could result misunderstandings between them or which could be offensive for them, and that an environment of peace be encouraged.

J) It is suggested that the company create an internal audit system and perform such audit in an active manner, and that necessary works be carried out for correction of the deficiencies and non-conformities observed during these audits within at least one year starting from the date they were observed.

K) It would be appropriate to be transparent with respect to calling blue-collar workers for work, and to make necessary adjustments on the issue. In addition, the reason of the complaints suggesting that managers favor some workers while they call workers for work should also be investigated by Progıda, and necessary actions should be taken urgently in accordance with the result of the investigation.

L) The employer needs to ensure that workers are periodically provided with information about all practices, these meetings should have a periodic nature, and the employer must clearly explain why the working conditions are determined in such manner, and a system based on the principle of merit should be established. In this connection, the performance system which was said would be established just recently needs to be made more functional, and it is mandatory to assess performance on the basis of objective criteria.

M) The audit performed has revealed that there was no Annual Leave Committee at the workplace. It is recommended that a Leave Committee be established at the workplace within 2019, that the Committee consist of the representatives of both the employer and the workers elected by democratic methods and the Committee be commissioned as set forth in the Labor Law.

Yours sincerely,

Prof. Ömer Ekmekçi