



[2016]

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL VERIFICATION REPORT

COMPANY: Nestlé/Olam
COUNTRY: Turkey
PROVINCE: Sakarya
VILLAGE: Kirazli, Kozluk
MONITOR: A. Kadir Tasdelen & Aslihan Zengin
AUDIT DATE: 17-19 August 2016
PRODUCTS: Hazelnut
NUMBER OF WORKERS: 101
NUMBER OF WORKERS INTERVIEWED: 95
NUMBER OF FARMS VISITED: 15
TOTAL AREA COVERED IN AUDIT: 27.95 ha
PROCESSES: Harvesting

IEM Reference Report:

- Nestle/Olam Sakarya Hazelnut, 2014

<http://portal.fairlabor.org/fla/go.asp?u=/pub/zTr5&tm=5&Rid=1559&Fdn=13&Fna=Nestle+Olam+Sakarya+Hazelnut+2014%2Epdf>

Context: In the Turkey hazelnut context, verification visits are conducted in the same farms or the same villages where previous assessments took place. In this verification visit, 4 of the same farms assessed in 2014 and 11 farms located in previously assessed villages and supplying to Nestle/Olam in 2014 were visited. Data was collected by means of interviews, observations, and record review at four levels: (1) the Company Internal Monitoring System (IMS) level, (2) farmers in the verified farms, (3) workers in the verified farms, and (4) other influential stakeholders at the community level.

To view more about the FLA's work with Olam and Nestlé, please visit the FLA website [here](#).

Non-compliances Overview and Table of Content

1. Code Awareness		Page
2014 IEM Findings		<u>4</u>
GEN 1	Establish and articulate clear, written workplace standards. Formally convey those standards to Company Growers as well as to supply chain Organizers.	
GEN 2	Ensure that all Company growers as well as supply chain Organizers inform their workers about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by workers) and undertake other efforts to educate workers about the standards on a regular basis.	
GEN 3	Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees, Supervisors and employees of supply chain organizers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	
2016 IEV Findings		<u>4</u>
2. Forced Labor		
2014 IEM Findings		<u>6</u>
F.4	Employment Terms/Prohibitions	
2016 IEV Findings		<u>6</u>
3. Child Labor		
2014 IEM Findings		<u>6</u>
CL.2	Child Labor	
CL.3	Proof of Age Documentation	
CL.5	Government Permits and Parental Consent Documentation	
CL.6	Employment of Young Workers	
CL.7	Hazardous Work for Young Workers	
CL.10	Removal and Rehabilitation of Child Laborers	
2016 IEV Findings		<u>6</u>
4. Harassment or Abuse		
2014 IEM Findings		<u>8</u>
H&A.3	Discipline/Worker Awareness	
H&A.12	Grievance Procedure	
2016 IEV Findings		<u>8</u>

5. Non-Discrimination		
2014 IEM Findings		<u>9</u>
D.1	General Compliance Non-Discrimination	
2016 IEV Findings		<u>9</u>
6. Health and Safety		
2014 IEM Findings		<u>10</u>
H&S.1	General Compliance Health and Safety	
H&S.2	Document Maintenance/Worker Accessibility and Awareness	
H&S.6	Access to Safety Equipment and First Aid	
H&S.15	Living Quarters	
2016 IEV Findings		<u>10</u>
8. Hours of Work		
2014 IEM Findings		<u>11</u>
HOW.1	General Compliance Hours of Work	
HOW.2	Rest Day	
2016 IEV Findings		<u>11</u>
9. Wages, Benefits and Overtime Compensation		
2014 IEM Findings		<u>12</u>
WBOT.1	General Compliance Wages, Benefits and Overtime Compensation	
WBOT.2	Minimum Wage	
WBOT.3	Timely Payment of Wages	
WBOT.6	Worker Wage Awareness	
2016 IEV Findings		<u>12</u>
Miscellaneous		
2014 IEM Findings		<u>14</u>
Misc.	Social Security Registration	
2016 IEV Findings		<u>14</u>

Code Awareness

2014 IEM Findings

To access the 2014 FLA findings and company action plans, please visit [this page](#).

2016 Verification Findings

To increase awareness regarding company standards, Olam Progida (to be mentioned as Olam from now on) has organized trainings for farmers, labor contractors, and supply chain intermediaries, specifically for Manavs and Crackers. The farmers' trainings covered the Social Codes and Good Agriculture Practices (GAP). Olam has displayed the FLA Codes and GAP movies during trainings.

Olam has organized 17 farmers' trainings in Sakarya and 22 in Ordu, Giresun, and Samsun in December 2015. 2,445 farmers out of the NOP traceability list have attended these trainings. This is about 24 % of the overall number of farmers in the traceability list, 10,225 farmers in total. Monitors have verified farmers' participation in those trainings through the farmers' participation lists.

Olam has trained Manavs and Crackers of Sakarya region in December 2015 and in Ordu region in February 2016. Olam has distributed the Olam Suppliers Rules to Manavs and made them sign these for understanding and acceptance. Olam plans to distribute the same Suppliers Rules to the crackers this year.

Olam is organizing mobile trainings at various camps and villages to increase awareness of workers about workplace standards and their and family member's rights. Olam has planned 6 mobile trainings in Ordu and 9 mobile trainings in Sakarya for 2016 to be started on 09.08.2016. Monitors could check the training records of the last year during assessments. The participation numbers of the mobile trainings during 2015 were 234 workers (180 Male and 54 Female) and 73 children in Ordu and 482 workers (374 Male and 108 Female) and 161 children in Sakarya, which makes 716 in total. The overall number of workers in Ordu camps are around 10,000. Olam has organized 2 dinners during Ramadan in Sakarya and 2 dinners in Ordu for farmers and workers, and during these dinners, they presented the training sessions.

Monitors could trace back and verify the training dates in their Profindik Training Plan 2016 and the attendances in participation list records.

Olam has organized mobile trainings in villages and camp areas. Agronomists invite both farmers and workers' families and children for the trainings. The trainings are organized separately for parents and children after work hours. Female workers and children participated in big portion with these trainings. Olam distributes various materials, like hats, gloves, drink water, liquid soap, glasses, masks, and first aid kits (labor contractors and farmers), toys during these trainings.

Olam/Nestlé collaborated with stakeholders for increasing awareness. They have worked with the ILO Project Field Coordinator and the Department Manager at The Directorate of National Education, a ILO lecturer, someone from KEDV, the Hazelnut Research Centre, and other stakeholders Aflatoxins and good social practices. They have supported Olam with various trainings.

Olam has continued training farmers during the abovementioned trainings for efficiently using the distributed Growers' Handbooks. The handbooks are covering informative parts of all workplace standards that helps increase awareness and covers templates for age verification, recording hours of work, wages etc.

Olam/ Nestlé continued posting posters about company workplace standards at various places of villages and farms. Monitors detected during the assessments that some posters were posted on fence of various orchards, and the company agronomists continued posting during the assessments.

Olam/ Nestlé were considering what preparing and distributing Kurdish and Arabic communication material meant for migrant workers; however, this year, they do not want to work on these due to the increasing political tension. Olam/ Nestlé instead post the illustrated posters that may help in communicating workplace standards to everybody, including the people with language barriers, so everybody can easily understand the

message.

The toll-free line dedicated for grievances is working. Workers can raise complaints by calling in. The channel is confidential; the person need not give his/her ID details; it's free and easy to use. The calls are kept anonymous. Olam Sustainability Manager checks the calls every 24-48 hours and files the complaints/grievances weekly. When the caller leaves ID details and phone number and wants to be contacted, the Sustainability Manager makes the agronomist call the person and find out the source of the grievance; otherwise, the agronomist makes a general check in the village. When the grievance is about major issues, like child labor or abuse, the management is informed. They record and send by email to related staff.

Olam has defined the functionality and procedures of the line in their Profindik Request and Grievance Procedure.

Olam has communicated the toll-free line to workers, labor contractors, farmers, and intermediaries during trainings and on the communication material. They also communicate to workers that the caller will not be penalized. Olam has also asked assistance from stakeholders, like the Local Commission, to promote the toll-free line, so they can increase awareness.

Overall conclusion of the verification: significant progress observed but still need sustainable improvements

Olam/Nestle have conveyed the standards in a more structured manner. Despite the good initiatives and the increasing awareness levels, results still show gaps. The awareness of manavs and intermediaries are high, while the awareness level is the lowest among workers. The awareness of farmers and labor contractors is building, compared to past years, but since the trainings or the word of mouth has not reached many farmers and labor contractors, the level of their awareness is still below reasonable levels.

It is understandable that preparation and distribution of Kurdish/Arabic communication material is more difficult now with the increasing political tension in the country. Olam/Nestle can think about alternative methods for communicating the workplace standards to workers with language barriers, like better illustrated posters, audio records on memory sticks, movies on social media etc.

The toll-free line is working, but awareness of the line among workers was still low. Olam/Nestle must communicate the number and its functionality more during trainings and use the number on more distributed communication material, like on hats, t-shirts, etc.

Company follow-up Action Plan:

To communicate the Olam/Nestle labor standards better, Olam will organize trainings for farmers during March-July and for workers in the harvesting period. Olam will also provide information on labor standards to labor contractors as a training session in March as part of the USDOL project. 40 Labor contractors will be trained within the framework of USDOL project. Olam will increase the number of villages where the trainings are organized and will try to ensure the information reaches more people by organizing these trainings in various villages. 20 villages will be covered with the trainings. There are approximately 35 villages in Nestle supplier list. As with Ordu, the company aims to cooperate with the municipality in the Sakarya Region, aiming to raise awareness by hanging banners in the most visible places of the city. It is observed that the majority of the incoming workers know Turkish (there is no scientific data at our disposal). A survey will be conducted on this subject, and the rate of language knowledge of the workers will be calculated (Research will be carried out among the workers to be selected by random sampling method in 10 villages in Karasu Region). This year, an educational audio recording that explains the working conditions in Turkish (and in Kurdish if can be ready on time), prevention of child labor, and occupational health and safety in agriculture will be prepared and distributed to labor minibuses. (10 target villages and 1000 producers in Karasu). Olam aims to increase the visibility of the complaint line in promotional items distributed to farmers and workers by hanging banners/posters in villages.

Deadline Date:

30.09.2017

Forced Labor: Employment Terms/Prohibitions

2014 IEM Findings

To access the 2014 FLA findings and company action plans, please visit [this page](#).

2016 Verification Findings

Each farmer is paying the labor contractors when work on his/her orchard is completed. The worker's wage for picking is agreed on daily basis, and the workers agree with farmers through the labor contractors at beginning of the work that they will receive their earned wages after work on the orchard of specific farmer is completed. Monitors could verify during assessments that workers voluntarily agreed on this term and they know they could receive advanced payments any time from labor contractors when they need to spend money for daily needs. Monitors checked with the Local Commission whether this term of payment after each orchard is in line with their decision, and Monitors could verify their decision was that payments could be done on completion of the work.

Overall conclusion of the verification: issue closed

Child Labor

2014 IEM Findings

To access the 2014 FLA findings and company action plans, please visit [this page](#).

2016 Verification Findings

This year, monitors detected during assessments 6 child workers (4 girls and 2 boys) and 36 young workers (21 females and 15 male) on assessed 15 orchards among 6 seasonal migrant worker groups, while in 2014, they had detected 11 child workers and 46 young workers on 10 assessed orchards among 4 seasonal migrant worker groups. The number of child workers and young workers has decreased, despite increase of assessed farms (7.64% % of child workers were found in 2014 and 5.94% % in 2016).

Olam has taken various actions to increase awareness regarding child labor and to decrease number of child workers on field. Olam has organized mobile trainings in villages and camps for workers, farmers, labor contractors, and supply chain intermediaries to increase awareness on child labor and young workers.

Olam has continued distributing and training the farmers for efficiently using the Growers' Handbooks and the consent letters. The handbooks, besides the informative parts of workplace standards, also cover templates recording workers' age. Olam is with this, encouraging farmers to keep list of workers, apply an age verification, and provide consent letters for young workers.

Olam/Nestle continued posting posters covering messages about child labor at various places of villages and farms.

Olam has worked out the Profindik Child Labor Action Plan. The purpose of this action plan is to take initiatives that will decrease the child labor at hazelnut orchards. They update this action plan every year, so they can trace the status of child labor on field during years. Olam has summarized the initiatives they have

taken for fighting child labor in their Report of 2015 Activities for Prevention of Child Labor.

Olam staff immediately talks to the farmer, when they detect a child labor case, and then brings the issue to the family and tries to convince them to keep the child away from work and keep the child engaged with closest possible educational activities.

Olam/Nestle has cooperated with stakeholders for keeping children away from farm work and spending quality education time. Olam/Nestle has contributed the last year in schooling and gaming activities. Here, Olam/Nestle has renovated the village school at Esma Hanim Village at Akcakoca and operates this for schooling activities during the summer. This is a good example of keeping children off orchards and rehabilitating them with quality time. Olam is hiring the teachers, giving lessons, provides drinks, sandwiches or cookies for lunch, organizing transport of the children with their own bus, maintaining the building and garden. The children attending classes are mixture of migrant and local families, which give these children of two parts of the Turkey a good opportunity to understand and learn from each other. Olam is working on contributing in more projects like this one. Olam also cooperates with ILO, who are engaged with summer schools at camps. Olam supports them financially by providing meals, material, and tents. Olam with ILO are also keeping parent meetings about child labor to convince them to keep their children at camps and attending the summer schools. Olam is also working with USDOL, Genc Hayat Vakfi, Akcakoca Governorship, Balsu, and Nestle for opening and operating the summer school at Melenagzi, Akcakoca.

Olam has organized a Stakeholders Meeting on 4 November in Ordu, where they discussed the conditions of child labor and young workers with the participants.

Olam has continued training the farmers and labor contractors for collecting consent letters for young workers. The farmers or labor contractors obtain verbal consent from the parents of the young workers; however, no consent letters could be found during the farm visits, despite 36 young workers. The awareness on this requirement is still low.

Monitors observed during the assessments that young workers were again working the same hours and under the same working conditions as adults. This is 9,5 hours/day for local and 10,5/day for migrant seasonal workers. The working hours are more than the legal overtime of 60 hours in a week. The farmers were not keeping any list of young workers and were not providing them any special conditions, as legally required for young workers (e.g., hours of work will not exceed 8 hours a day and 40 hours a week).

All young workers do the same work as adult workers. Monitors reported the male young workers are carrying heavy bags of hazelnuts (40/50kg).

Overall conclusion of the verification: there is progress but still need sustainable improvements

Olam/Nestle has further increased trainings about prevention of child labor and condition of young workers to workers, labor contractors, farmers, and stakeholders. Olam/Nestle has increased and diversified its initiatives to prevent child labor. The number of child workers has decreased compared to 2014 findings.

Consent letters for young workers are not available, despite presence of 36 migrant seasonal young workers detected. The awareness of this requirement is still low. Even though there is tacit consent from families working with their children, the consent letters should be systematically collected by the labor contractors and farmers.

The farmers are not keeping any list of young workers and are not providing them any special conditions, as legally required for young workers. Instead, young workers are still working the same hours and under the same working conditions as adults. The working hours of young workers are more than the legal overtime of 60 hours in a week. Young workers perform the same work as adult workers, where the male young workers carry heavy bags of hazelnuts.

Farmers were employing child workers and paying these children TL 25/40 a day with the argument that the children were not working efficiently enough.

Company follow-up Action Plan:

The working conditions of the young workers included in the "Regulation on the procedures and principles of the employment of children and young workers" will be converted into banners and posted on the project villages. Before the trainings to be held in March-July, the farmers will be interviewed to create a garden risk analysis for the young workers, and these risks will be mentioned along the producers, agricultural intermediaries, and workers' trainings.

Olam will revise the removal of child labor procedure and try to develop a system in which local authorities could be reached directly or involved efficiently in the removal of children from farm activities.

Workers data will be followed up with a pilot traceability study supported by USDOL project (100 farmers). Young workers data will also be included into this system.

Olam will run three summer schools during 2017 harvest. Esmahanım summer school project will continue in collaboration with ILO and public education centers. Two other summer schools will be run in collaboration with Young Life Foundation, one in Sakarya region and another in Ordu region. The child workers detected in the orchards will be referred to these summer schools. In the framework of the USDOL projects, labor contractors were given training on child labor. The worker families and teachers in Şanlıurfa will be trained on child labor and on the ways to keep children enrolled in school.

Deadline Date:

30.09.2017

Harassment or Abuse

2014 IEM Findings

To access the 2014 FLA findings and company action plans, please visit [this page](#).

2016 Verification Findings

Olam/Nestle has an internal documented code of conduct that covers various procedures, but they do not have written or commonly accepted disciplinary procedures available at farm level. However, the practice of work has spontaneously created some unrecorded disciplinary procedures, without informing workers in advance on the possible disciplinary actions. If the work finishes late in the evening when it starts late in the morning, farmers warn workers to resume work after the breaks when workers delay to do so; worker receives half wage when he/she leaves work for personal reasons, etc. Workers are informed by the farmer through the labor contractor on these unrecorded disciplinary procedures and practices.

Olam has established a grievance procedure that allows workers, labor contractors, farmers, intermediaries, or any other party to settle their grievances with the company. However, since Olam/Nestle has no direct link with farmers, it is difficult to intervene in direct grievance between worker and farmer. The key person here in solving such direct grievances is the labor contractor. The labor contractor represents the workers, and he/she assists workers in all matters. Olam is giving importance in increasing awareness of labor contractors. Olam is organizing trainings for labor contractors and supports initiatives of stakeholders in this aspect. Nestle reports the company CSR team has participated in training activities for labor contractors to observe the effectiveness and the points of improvements in these trainings.

Olam has communicated the toll-free line to workers, labor contractors, farmers, and intermediaries during trainings. They are communicating this line on training materials and on posters and informing workers during trainings that the callers of the line will be kept anonymous and will not be punished.

Olam has defined the functionality and procedures of the grievance system in the Profindik Request and

Grievance Procedure. The procedure and system covers record keeping of complaints. The Sustainability Manager checks the calls every 24-48 hours and files the calls weekly, and they record all incoming calls and complaints and send these by email to the related staff.

Overall conclusion of the verification: still need sustainable improvements

Farmers or Olam/Nestle took no initiatives to prepare commonly accepted fair disciplinary procedures at farm level.

Olam has established a toll-free line and a grievance procedure, allowing workers to share their grievances with them. Besides the labor contractor who settles grievances directly between workers and farmers, there are no other direct lines available between workers and farmers.

Olam is taking initiatives for increasing awareness about the toll-free line and the grievance procedure. There is now a procedure available for the grievance system, and the complaints are recorded.

Company follow-up Action Plan:

Under the USDOL project, Nestle and Olam will establish disciplinary procedures in cooperation with the FLA and ensure these rules are announced in workers', agricultural intermediaries', and producers' training. The visibility of the complaints line will be increased with more training sessions and visual materials, such as posters, and detailed information will be provided about our complaints mechanism during the trainings. In addition, a clear chart of our complaints mechanism will be made and distributed in the trainings.

Deadline Date:

30.09.2017

Non-Discrimination

2014 IEM Findings

To access the 2014 FLA findings and company action plans, please visit [this page](#).

2016 Verification Findings

Discrimination regarding wages and hours of work against migrant workers continue to be an issue according to this year's assessment results. Farmers pay migrant seasonal workers less, stating they do not perform as well as local workers, and they are provided with accommodation. Monitors have assessed 15 farms and interviewed 6 migrant groups. These migrant workers were expecting to receive TL 55, while monitors reported local workers were expecting to be paid TL 70 for the same work. Workers are not paid equally for equal work. Migrant workers earn less, compared to local workers doing the same work. Monitors understood from some farmers during assessments they explain the difference in wages with the accommodation they provide for migrant workers. However, this explanation is hard to be the excuse for the wage gap.

In addition, migrant workers are asked to work an hour longer than local workers; local workers work until 6 pm, while migrant workers until 7 pm. This practice is also against legislations and the decree of the Local Commission.

Olam/Nestle worked closely with stakeholders to increase awareness against the discrimination on wages and study the possible solutions. Olam/Nestle has contacted the following stakeholders: the Province and District Governorship, Iskur (Turkish Employment Organization), Chamber of Commerce, ILO, FLA and Seasonal Agricultural Workers Association. Olam has also organized a meeting for all related stakeholders on 4 November 2015 in Ordu, where non-discrimination on wages and work hours was one subject discussed during

this meeting.

Overall conclusion of the verification: still need sustainable improvements

Despite the initiatives Olam/Nestle have taken with stakeholders, discrimination regarding wages and hours of work against migrant workers continues to be an issue. Migrant workers earn less compared to local workers for same work, and they work an hour longer. The trainings for farmers had no positive effect on farmers and the situation has not changed.

Company follow-up Action Plan:

Nestlé/OLAM will continue to do advocacy meetings, regarding this issue with government officials and local authorities.

Within the USDOL project, the Responsible Recruitment Program pilot aims to avoid discrimination regarding wages, with cooperation with labor contractors and 3rd parties. Olam will include a section on compensation discrimination in the general training content. These trainings will be given to farmers, labor contractors, and workers. Olam will organize a separate training on the principle of equal pay for equal work in Kabataş region, where compensation discrimination is more widespread.

Deadline Date:

30.09.2017

Health and Safety

2014 IEM Findings

To access the 2014 FLA findings and company action plans, please visit [this page](#).

2016 Verification Findings

The farmers are transporting the workers on tractors and mini tractors, locally called “pat pat.” These are the only vehicles available that can transport passengers and goods on the steep and narrow mountain roads. The pat pats are more dangerous compared to tractors, as these are smaller, weaker, and less stable. Tractors can also be dangerous, but since there are no better alternatives, there are no other options other than walking the long distance to and from the farm. This can be difficult, especially on return way from work, when the workers are already tired and the workers want to save their free time. The Local Commission also advises these vehicles are not used for passenger transport, but the authorities did not initiate a safer alternative.

Olam/Nestle have taken health and safety initiatives, like distribution of PPE. Olam/Nestle have distributed PPE on the assessed farms, but there are still many farms where no distribution took place yet. Workers are not consistently using PPE, as they are not fully aware of their importance and utility. The farmer informs workers on the health and safety issues at the beginning of the work, like wearing a hat/scarf during work. Olam organizes mobile trainings in camps and villages where they inform workers of these issues. The issues are also illustrated on the posters, which were posted at farms. However, Olam could cover just a small portion of the workers with these trainings, and they could hang posters on small part of the farms, so the awareness is increasing, but not all workers are aware yet.

Farmers have first aid kits at their houses or in their cars or tractors, and Olam/Nestle distributed first aid kits to farmers. However, Olam/Nestle could just distribute kits to a minority of farmers. All assessed farmers had first aid kits; however, many farmers in the region do not possess first aid kits, and the workers on orchards far away from the houses and tractors do not have kits in reaching distance.

Migrant workers in the assessed farms were staying in the houses provided by the farmer. 60 % were satisfied with the house supplied, while the other 40 % complained that the house was semi-constructed, walls with no plaster, missing toilet or bathroom door, not in good shape, cold, crowded rooms etc. The Local Commission has clearly defined the provided houses should be healthy, safe, and suitable to human dignity. Olam/Nestle has discussed this with stakeholders during the stakeholders' meeting they organized.

Overall conclusion of the verification: still need sustainable improvements

Workers are carried on small tractors, called pat pats, between their settlements and the fields on steep mountain roads. However, there is no better alternative available.

There are no health and safety documents available at farm level, but information boards are available, and awareness on health and safety issues, particularly PPE, is increasing.

First aid kits are available but not with all farmers and not in reachable distance on all orchards.

The houses provided by farmers are not all adequate, comfortable, and safe.

Company follow-up Action Plan:

Olam will provide information on the need for workers to be transported by reliable means, during farmers' training to be held in March-July, and in labor conditions trainings to be held in March as part of the USDOL project. Olam will conduct a garden risk assessment by coming with the producers. (For example, to build protection materials to the machines that are not protective) Olam will use the results of these risk assessments in all trainings and try to ensure they are an example for other manufacturers. We will include the importance of hygiene, access to sanitation, and decent accommodation to the training content. By designing a lease agreement on accommodation, we will try to ensure the producers consider the minimum living conditions for the workers in these accommodation houses.

In 2016 harvest, Nestlé sent 30.000 PPEs, including drinkable water, for workers to both suppliers. Nestlé Responsible Sourcing Manager has monitored the suppliers' teams in the field level and received reports and KPIs regarding all field activities.

After Nestlé got in touch with workers on their needs and with the help of USDOL projects research on workers profiling, Nestlé is planning to develop the PPEs regarding the needs assessment with a focus on gender-based needs. More trainings and more materials will be distributed during the trainings and/or at the farms.

Deadline Date:

30.09.2017

Hours of Work

2014 IEM Findings

To access the 2014 FLA findings and company action plans, please visit [this page](#).

2016 Verification Findings

Local seasonal workers still work 9,5 hours and migrant workers work 10,5 hours a day as regular working hours. The daily hours for local seasonal workers, considering the decree of The Local Commission about normal working hours as 9,5 hours a day, look within limits, whereas migrant seasonal workers are working 1 hour a day overtime. However, when considering local and seasonal workers are working consecutive days without a week rest day, in this case, the local workers work 66,5 hours and migrant workers work 73,5 hours in a consecutive work week. These working hours are above the legal limits of weekly normal working

hours of 45 hours and the weekly 60 hours including overtime.

The interviewed migrant workers informed that they were not voluntarily choosing to work these long hours; instead, they found the working hours too long and tiring. They are not paid overtime for the time worked more than the legal limits.

The picking season is short and lasts for a week of 3-4. Farmers want continuous work, so the workers work consecutive days voluntarily, as they know that a rest day is not paid, and they want to earn as much as possible.

Overall conclusion of the verification: still need sustainable improvements

Workers continue working long working hours. Especially the migrant seasonal workers are subject to excessive working hours. They are not paid any overtime wages for the hours exceeding the legal working hours.

New Finding:

Working hours for pregnant or nursing women or young workers are the same as for regular workers and are not regulated specifically for these groups.

Company follow-up Action Plan:

Olam will meet local commissions on this issue of excessive working hours and will recommend to add a decision, particularly for special group of workers. In addition, Nestle will implement a pilot practice to ensure fair recruitment conditions.

It is all referenced to the Responsible Recruitment Program carried out with the MoL TR and Nestlé.

This system will enable workers, and labor contractors' registration, and within that, it will be a first step to work on the deductions on the wages, working hours.

Deadline Date:

30.09.2017

Wages, Benefits and Overtime Compensation

2014 IEM Findings

To access the 2014 FLA findings and company action plans, please visit [this page](#).

2016 Verification Findings

According to farmer interviews, they are planning to pay TL 55/day to migrant seasonal workers and TL 70/day to local seasonal workers. Both wages are in line with the minimum legal gross wage of TL 54,90 and the minimum daily wage announced by the Local Commission as TL 55. However, it is understood from the interviews with migrant workers and labor contractors that labor contractors would again deduce a 10 % commission from migrant workers' wages. This means the labor contractor will receive TL 55 daily wages from farmers on behalf of workers and then pay workers about TL 50. Migrant workers continue receiving below the minimum legal gross wage of TL 54,90 and the min announced by the Commission as TL 55.

Workers are not paid for overtime work, while overtime is occurring during the entire harvesting period (local

workers work 66.5 hours a week and migrant workers 73.5 hours a week). Anything above 45 hours/week should be paid as overtime according to local laws. The local commission calculates wage rates taking the legal minimum wage divided by 30. It does not consider the long hours worked to complete harvesting and the overtime premium.

Farmers provide transport for all workers to, from, and between orchards, and they claim no payment from workers for this service. It is a local practice that farmers voluntarily contribute to the travel costs of migrant workers from their home town. Some farmers pay one way, some pay return, and some pay nothing. During interviews with migrant groups, monitors understood that about 20 % of the workers were promised to be reimbursed their one-way expenses.

Each farmer pays the labor contractor when work on his/her orchard is finished. The wage is daily based, but the workers agree with farmers through labor contractors at beginning of the work they will be paid after work of the orchard is completed. The size of orchards owned by farmers in the region are small, between 1 to 10 ha. The picking work of each farmer is not more than a week, which means the workers will receive their wages latest within a week. This is also in line with the Turkish legislation that advises payments to be fulfilled not later than one month and in line with the decree of the Local Commission that advises payments should be done on completion of the work. The workers can receive advanced payments for daily expenses from labor contractors, who can receive the same advanced payments from farmers.

Olam is organizing mobile trainings at various camp and villages to increase awareness of workers, labor contractors, and farmers about workplace standards and rights of workers. During interviews, monitors reported the awareness of workers about the legal minimum wage and the overtime conditions are still low.

Overall conclusion of the verification: still need sustainable improvements

The migrant seasonal workers recruited through labor contractors are paid below the legal minimum gross wage, as the labor contractors are deducting a 10% commission from the workers' daily wage.

The workers are not paid for the overtime hours they work that exceed the legal maximum working hours.

Farmers are fulfilling their duties of providing workers' daily travel facilities for free.

Workers' payments on completion of the job on the orchard is in line with the legal standards.

The awareness of workers about the legal minimum wage and the overtime conditions are still very low.

Company follow-up Action Plan:

Olam will make verbal and written proposals that will affect the commission decisions in terms of wage cuts, wage inequality, long working hours, and non-payment of overtime payments. Olam will then raise the awareness of both employers and workers in the training of farmers to be organized under the USDOL, the training of producers to be organized between March and July, and the training of workers to be organized during the harvesting period. Considering the mistakes, especially when calculating the daily wage, a fairer daily wage may arise.

Within our meetings with the MoL TR, there is a possibility to attend the commissions. Also, in case of commissions announcing wages lower than minimum wages, MoL will get involved. We will train the workers and labor contractors on the illegal deductions. Olam is also planning to pilot the system of recruiting workers through a private employment agency. The objective of the pilot is to formalize the employment relations through written contracts, registering workers to social security system. Another objective is to control the illegal deductions from worker's earnings.

Deadline Date:

30.10.2017

Miscellaneous / Social security

2014 IEM Findings

To access the 2014 FLA findings and company action plans, please visit [this page](#).

2016 Verification Findings

At the time of the assessment, the farmers were planning to pay migrant seasonal workers TL 55 and local seasonal workers TL 70. Both wages are above the legal min daily wage of TL 54,90, based on the legal minimum gross salary.

In Turkey, social security for seasonal agricultural workers is voluntary. The government has left this to the choice of the seasonal worker. When the seasonal agricultural worker wants to be covered by the social security system, he/she can pay his/her premium to the social security institutions themselves. The worker then presents the document showing payment of premium to the employer, where after, the employer is responsible to pay the premium back to these workers. The farmers are paying workers based on gross salary, which covers the social security portion, so the payment part is in line with the standards. However, it is Olam/Nestlé's responsibility to inform farmers and seasonal workers that the seasonal workers are not exempted from the social security system. Monitors understood from workers during assessments they were not aware of this right and how the application system is working.

Overall conclusion of the verification:

Company follow-up Action Plan:

Most workers have green cards. They do not want to register with SSI. (As they think they will lose the right to the Green Card if they have registered with the SSI). A training material on the way to register with the SSI will be created and will be conveyed to workers, producers, and labor contractors during the trainings.

There is no cancellation of green card. The MoL is paying the 775 tl premium for each agricultural worker if they want to register with the accredited employment offices. Nestlé will accelerate this with its suppliers within the Responsible Recruitment Program.

Deadline Date:

30.09.2017