



FLA Member/Affiliate Update

Nestle ended its membership as an FLA Participating Company in April 2025. The company's reports can still be found at Fairlabor.org



[2016]

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING AGRICULTURAL REPORT

Company: Nestlé/Balsu

Country: Turkey

Commodity: Hazelnut

Production Process: Harvest

Assessment Location: Duzce, Beyören

Monitor: Müge Tuna & Faruk Yalçın

Assessment Dates: 11-15 August 2016

Number of assessed farms: 15

Total area covered: 405 acres

Number of farmers interviewed: 23

Total number of workers: 120

Number of workers interviewed: 120

General comment: For hazelnut sourcing in Turkey, Nestlé works with two strategic suppliers, Balsu being one of them. Both Nestlé and Balsu are affiliated with the FLA and have respective monitoring and remediation programs. In Turkey, both companies closely collaborate to implement monitoring and remediation activities with Balsu having a more direct implementation role at field level.

This assessment was conducted in a portion of Balsu's supply chain that is supplying to Nestlé. Both companies consider remediation action as a collective plan in which Nestlé and Balsu act together according to their capacities and presence on the ground. Therefore, all the actions described below will be implemented by either Nestlé or Balsu with the objective to remedy the identified non-compliances and, ultimately, to improve the situation on the ground over the long-term.

To access the FLA Agriculture Monitoring Benchmarks, please visit [this page](#).

Employment Relationship

Compliance Status

Section	Benchmark	Compliance status	Farms
Human Resource Management System	ER.1.1	In compliance	
	ER.2.1 (PR)	Not Initiated	All Farms
	ER.2.1.1(PR)	Not Initiated	All Farms
Recruitment and Hiring	ER.3.1	Noncompliance	Farms 2,3,5,6,7,8,9,11,12,13,14
	ER.3.1.1	Noncompliance	Farms 2,3,5,6,7,8,9,11,12,13,14
	ER.3.1.2	Noncompliance	Farms 2,3,5,6,7,8,9,11,12,13,14
	ER.4	Noncompliance	All Farms
	ER.5.1	Noncompliance	All Farms
	ER.5.2	Noncompliance	All Farms
	ER.5.3	In compliance	
	ER.6 (PR)	In progress	All Farms
	ER.7.1	In compliance	
	ER.7.2	In compliance	
	ER.7.3	In compliance	
	ER.7.4	In compliance	
	ER.7.5	In compliance	
	ER.7.6	Noncompliance	All Farms
	ER.7.7	In compliance	
	ER.7.8	In compliance	
Terms and Conditions	ER.9.1	Noncompliance	All Farms
	ER.9.2	Noncompliance	All Farms
	ER.9.2.1	Noncompliance	All Farms
	ER.9.2.2	Noncompliance	All Farms
	ER.9.2.3	Noncompliance	All Farms
	ER.9.3	In compliance	
	ER.9.3.1	In compliance	
	ER.9.3.2	In compliance	
	ER.9.3.3	In compliance	
	ER.10	In compliance	
	ER.11	Noncompliance	All Farms
	ER.12.1	Noncompliance	All Farms
	ER.12.1.1	Noncompliance	All Farms
	ER.12.2	In compliance	
	ER.13.1	Noncompliance	All Farms
	ER.13.2 (PR)	Not Initiated	All Farms
	ER.13.3 (PR)	In progress	All Farms
Administration	ER.15.1	In compliance	
	ER.15.2	In compliance	
	ER.15.2.1	In compliance	
	ER.16.1	In compliance	
	ER.16.2	In compliance	
	ER.17.2 (PR)	In progress	All Farms
	ER.17.3 (PR)	In compliance	
	ER.17.4 (PR)	Not Initiated	All Farms
Worker Involvement	ER.18.1	In compliance	
	ER.18.2 (PR)	Not Initiated	All Farms
Right to Organize and Bargain	ER.19	In compliance	
Work Rules and Discipline	ER.20.1	Noncompliance	All Farms

	ER.20.2	Noncompliance	All Farms
	ER.20.3	Not Initiated	All Farms
	ER.20.4	Noncompliance	All Farms
	ER.20.6	Noncompliance	All Farms
	ER.20.7	Noncompliance	All Farms
	ER.20.8	Noncompliance	All Farms
	ER.20.9 (PR)	Not Initiated	All Farms
	ER.20.11	Noncompliance	All Farms
Access to Training for Family Members	ER.21	Noncompliance	All Farms
HSE Management System	ER.24.1.	In compliance	
	ER.24.2 (PR)	In progress	All Farms
	ER.24.3	In compliance	
	ER.24.4 (PR)	In progress	All Farms
	ER.24.4.1 (PR)	In progress	All Farms
	ER.24.4.2 (PR)	Not Initiated	All Farms
	ER.24.4.3 (PR)	Not Initiated	All Farms
	ER.24.4.4 (PR)	Not Initiated	All Farms
	ER.24.4.5 (PR)	Not Initiated	All Farms
	ER.24.4.6 (PR)	Not Initiated	All Farms
	ER.24.5 (PR)	Not Initiated	All Farms
Grievance Procedures	ER.25.1 (PR)	In progress	All Farms
	ER.25.2 (PR)	In progress	All Farms
	ER.25.3	In compliance	
	ER.25.4	In compliance	

Employment Relationship Assessment Summary

Recruitment and Hiring		
Benchmarks: ER.3.1: Employers shall verify proof of age documentation for all young workers in the farm at the time of their employment and work towards collecting and maintaining all documentation necessary to confirm and verify date of birth of all workers, including long term and casual workers. ER.3.1.1: Employers shall take reasonable measures to ensure such documentation is complete and accurate. ER.3.1.2: In those cases where proof of age documentation is not readily available or unreliable, employers shall take all necessary precautions which can reasonably be expected of them to ensure that all workers are at least the minimum legal working age, including requesting and maintaining medical or religious records of workers, or through other means considered reliable in the local context. ER.4: Employers shall not use employment agencies/labor contractors that rely on any practice that is linked to: using false information to recruit workers; restricting workers' freedom of movement; requiring workers to pay recruitment and/or employment fees; withholding from workers a copy of their employment contract in their native language that sets forth the general terms and conditions of engagement and employment; retaining possession or control of workers identification and other documents like passports, identity papers, work permits, and other personal legal documents; punishing workers for terminating employment. ER.5.1: No worker hired by an employment agency or a labor contractor shall be compensated below the legal minimum wage. The same rights as provided for directly hired contract workers apply for workers hired via an employment agency or labor intermediary. ER.5.2: Fees associated with the employment of workers shall be the sole responsibility of employers. No worker hired via an employment agency or a labor contractor shall pay a fee or get a reduction by applying a fee over his salary. ER.7: Employers may hire temporary, casual, daily, seasonal or migrant workers only when: ER.7.6: contract, temporary, casual, daily, seasonal or migrant workers receive at least the minimum wage or the prevailing industry wage whichever is higher, and all legally mandated benefits such as social security, other forms of insurance, annual leave and holiday pay;		Noncompliance in 11 farms
Findings/Noncompliance Explanation: Balsu has distributed a "Producer Handbook" to the farmers as a guidance to raise awareness on how to verify age and keep records of workers. Although the training has been already provided, the usage of the handbook is still low by the farmers. As required by the legislations in force, farmers collect the ID copies of the workers and hand them to the village heads (muhtars), who must share the IDs of the migrant		Noncompliance in all farms

	workers with the local security forces. The process of collection of IDs of the workers is in place, but it is not used for age verification. Farmers give the IDs to the village headmen, without checking the birth dates of the workers. The general implementation for the migrant workers is that they are hired (though not legally) by the labor contractors, instead of farmers. Since the labor contractors know all workers in their city and find seasonal jobs for them easily, the workers also prefer to work with the labor contractors. There are no written contracts between the farmers and labor contractors or between the labor contractors and the workers, which causes the farmers to have no right to say anything to labor contractors or have any sanctions on them to interfere in workplace practices, even though labor rights violations occur in the seasonal work in agriculture, such as labor contractors service fee deductions. Labor contractors make 10% deduction over the income of every migrant worker as employment commission. This creates a non-compliance on the FLA requirement that there will not be any employment fee deductions over the workers' earnings. <u>Source:</u> Farmer interviews
Company Action Plan:	Balsu has been implementing the FLA programs for 3 years. In this process, Balsu provides trainings on a continuous basis, which covers Balsu Code of Conduct and corporate social responsibility standards. To improve farmers' knowledge on labor standards and recruitment and hiring practices, Balsu will increase the number of trainings and expand their scope and add a section on recruitment conditions. Training agenda includes eight villages in Sakarya and Duzce. Farm owners, families, workers, Manav (Middleman), and Muhtar (Village Headmen) are subject to training during the months of March 2017 and September 2017. Balsu will be piloting a system of labor contractor registration, as well, to address the minimum wage problem and cuts made from the payment by contractors. This year, the government, after an audit provided from İSKUR, provided authorization to Private Employment Agencies. Balsu plans to activate an Employment Agency in Duzce, so a system where workers are registered can be piloted. This year, Turkish government provides an incentive, so farmers need not pay a premium to government for the agricultural workers they hire. The only amount paid would be the commission for the employment agency. Balsu will pilot a project where workers know the advantages of being employed through an employment agency and farmers will be encouraged to hire them, giving them the confidence to do what is right with the help of the government incentive. Balsu believes it is very important to make many workers employed through agencies, so the government incentive could be designed accordingly. Registered workers could also receive unemployment benefits if they are registered long enough when they started travelling months before hazelnut harvest.
Deadline Date:	September 2017

Terms and Conditions

Benchmarks:

ER.9.1: Workers should be made aware of the employment terms under which they are engaged.

ER.9.2: Employment terms shall be those to which the worker has voluntarily agreed, provided those terms do not fall below:

ER.9.2.1: provisions of national laws;

ER.9.2.2: Freely negotiated and valid collective bargaining agreements; or

ER.9.2.3: the FLA Workplace Code.

ER.11: Employers shall ensure that all legally mandated requirements for the protection or management of special categories of workers, including migrant, juvenile, contract/contingent/temporary, casual, daily, home workers, pregnant or disabled workers, are implemented.

ER.12.1: Employers shall regularly inform workers about workplace rules, health and safety information, and laws regarding workers' rights with respect to freedom of association, compensation, working hours, and any other legally required information, and the FLA Code through appropriate means, including posted in local language(s) throughout the workplace's common areas or in the surrounding community. In the case of workplaces with informal labor structures, these communication and awareness raising activities could be done with support from supply chain intermediaries such as cooperatives, organizers, tier one suppliers or the participating company.

ER.12.1.1: Employers shall inform workers that any form of harassment or abuse in the workplace shall be subject to disciplinary measures.

ER.13.1: Farmer, sharecropper or any kind of supervisor who is leading workers shall have knowledge of the local labor laws and the FLA Code.

**Noncompliance
in all farms**

**Findings/Noncompliance
Explanation:**

All workers know the terms and conditions, such as tasks, responsibilities, working hour, and daily wages, and they are informed verbally by the farmers. However, this information is limited; it does not include the workers' legal rights, such as recruitment, wages with no deduction, grievance channels etc. There is neither written documentation nor any proof showing the workers have voluntarily agreed.

Although Balsu has prepared brochures that include workplace rules and labor standards, worker interviews showed the brochures have not been distributed to all workers during the trainings. Workers' awareness is low. The trainings have not gone beyond providing information on the basic health and safety and sanitation issues. Besides these, Balsu has placed posters at the entrance of some farms. However, the number of brochures is not sufficient, and they are not disseminated widely. This also contributes to low worker awareness on terms and conditions of the employment.

Regarding special categories of workers, the farmers have not gotten information on legal requirements of employing those workers.

Source: Farmer and worker interviews

Company Action Plan:

Balsu will distribute brochures on terms and conditions to all related stakeholders in 8 villages to the workers, labor contractors, farmers, village heads, and other relevant stakeholders. In addition to experienced agronomists in the field, this year, they will employ four social workers to communicate the legal rights of the workers, grievance channels, and compensation rights to farmers and workers. The Balsu ethic code and corporate social responsibility standards handbook will be communicated to farmers, local and seasonal workers, and labor contractors at the trainings.

Within the USDOL grant, four social workers will be employed during peak season to give trainings, and there will be Training for Trainees (ToT) to enhance the training capacity of agronomists, program coordinators, and social workers.

Balsu aims to reach a minimum of 20 percent of all growers at 8 villages and track their data and relate it in terms of harvest type; once they have hired seasonal agricultural workers, all information, such as demographic, working and living conditions etc. will be paired between farmer and worker. Therefore, we will have a much clear idea about terms and conditions through surveys completed by farmers and workers.

Nestlé has shared the Responsible Sourcing Checklist with Balsu and have alignment regarding the expectations. (A document explaining the expectations of Nestlé on

	labor related issues) Responsible Sourcing Unit, working closely with the Procurement, this document has become a part of the global hazelnut contracts. Balsu reports to Nestlé every 2nd week of October on the issues of traceability, responsible sourcing, and future risk mapping. Nestlé works together, and supports suppliers to develop their capacity, and current programs. Nestlé will prepare a Responsible Sourcing Best Practice Handbook specific to Hazelnuts in Turkey specific to Hazelnuts in Turkey regarding the national laws, and good labor standards in gardens. Balsu and Nestlé will implement this together.
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Deadline Date:	September 2017
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Work Rules and Discipline

Benchmarks: <i>ER.20.1: Employers shall have disciplinary rules and practices that embody a system of progressive discipline (e.g. a system of maintaining discipline through the application of escalating disciplinary action moving from verbal warnings to written warnings to suspension and finally to termination).</i> <i>ER.20.2: Any person supervising workers shall be aware of the disciplinary rules and practices.</i> <i>ER.20.4: The disciplinary system shall be applied in a fair and nondiscriminatory manner and include a management review of the actions by someone senior to the manager who imposed the disciplinary action.</i> <i>ER.20.6: Disciplinary rules and practices shall be clearly communicated to all workers.</i> <i>ER.20.7: Workers must be informed when a disciplinary procedure has been initiated against them.</i> <i>ER.20.8: Workers have the right to participate and be heard in any disciplinary procedure against them.</i> <i>ER.20.11: The disciplinary system shall include a third-party witness during imposition, and an appeal process. In case of smallholder settings, existing appeal mechanism at community level is acceptable.</i>	Noncompliance in all farms
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Findings/Noncompliance Explanation:	There are no disciplinary rules and practices implemented at the farm level. Neither the supervisors nor the workers are aware of any disciplinary system. Since the supervisors are generally family member of the worker groups, no issues that require disciplinary action have been raised or recorded. <u>Source:</u> Supervisor and worker interviews
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Company Action Plan:	Balsu's new modular training system's social part will provide efficient trainings to farmers and workers; their understanding of disciplinary procedure will improve. In trainings, disciplinary issues will be mentioned; however, in the 2017 harvest, within USDOL project, we will draft a disciplinary procedure and incorporate it into trainings. The procedure will be available for farmers, village headman, labor contractors and workers to read and print out from the Balsu project website (namely, gobalsufarm.com) Balsu will distribute brochures with the hotline number to workers. Farmers will know we expect workers to use this hotline number for issues they might face in the field or during their time at their village through trainings. Farmers know workers are trained and encouraged to call the company grievance channel. Balsu, after ToT trainings, would like to seek help to draft a simple (easy to understand by farmer and worker) disciplinary plan for them to read and accept. With the second part of the traceability system, farmers will answer in a "yes" or "no" format to the question if they have read and understood the disciplinary procedure.
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Deadline Date:	September 2017
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Access to Training for Family Members

Benchmarks: <i>ER.21: Family members (spouses and adult children) involved directly or indirectly in agriculture production shall have access to all training and awareness raising activities conducted for the workers and growers on the farms.</i>	Noncompliance in all farms
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Findings/Noncompliance Explanation:	The trainings are being organized for the workers in accommodation areas where the workers live by the agronomists and HSE expert from Balsu; however, during those trainings, only farmers attend them; family members, such as spouses or adult children, do not attend. <u>Source:</u> Farmer interviews
Company Action Plan:	We want our farmers to be fully aware of the child labor issue and rights of seasonal agricultural workers. We are discussing with an NGO to start a project for developing Women at those villages. Women, who are wives, daughters, sisters, and daughters-in-law to farmers will be trained under COC. Child labor issue will be discussed with the help of professionals. Project details will be designed by NGO- Balsu will expand the project, rather than just providing trainings. This year, more women will be trained under COC and Child labor issue. Women have a great impact if a farmer believes 11-12 years old is not a child or if they discriminate against gender, ethics etc. Urfa activities will also affect workers and family trainings in terms of their attendance rate. MIM will provide women trainings at two villages.
Deadline Date:	September 2017

Nondiscrimination

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	ND. 1	In compliance	
Recruitment and Employment Practices	ND.2.1	In compliance	
	ND.2.3	In compliance	
Compensation Discrimination	ND. 3	Risk of Noncompliance	All Farms
Discrimination in Training and Communication	ND. 4	In compliance	
Marital or Pregnancy-Related Discrimination	ND.5.1	In compliance	
	ND.5.2	In compliance	
	ND.5.3	In compliance	
	ND.6.1	In compliance	
	ND.6.1.1	In compliance	
Health-Related Discrimination	ND. 7	In compliance	
	ND.8	In compliance	
	ND. 9	In compliance	
Respect of Culture and Religion	ND.11	In compliance	

Nondiscrimination Assessment Summary

Compensation Discrimination	
Benchmarks: ND.3: There shall be no differences in compensation for workers performing equal work or work of equal value on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group, ethnic origin, employment	Risk of Noncompliance

status (e.g. local workers vs. migrant workers), or membership in unions or other workers' representative bodies.

in all farms

Findings/Noncompliance Explanation:

The migrant and local workers are paid different wages in seasonal jobs, in general; however, the monitors have not observed any local workers at farms. According to farmer interviews, farmers believe local workers work better than the migrants, and they deserve more accordingly. Also, the local workers are not provided an accommodation, as the migrants are; as a result, local workers are paid higher than the migrant workers.

Source: Farmer interviews

Company Action Plan:

Balsu will get in contact with the Ministry of Labor and Social Security on the minimum wage requirements of seasonal workers. Working conditions, such as working hours, their transportation, rest hours, should be declared by one entity inside the ministry and should cover all seasonal agricultural workers at all regions. Monitoring Authority of Seasonal migrant agricultural workers' declarations will be communicated immediately with farm owners and workers, both verbally and in writing. We know the declaration would set a minimum wage, and farmers would pay the minimum wage. We will get in contact with the local commission and inform them on the problem of compensation discrimination in hazelnut harvest.

Balsu believes it is very important to discuss payments of seasonal agricultural workers at trainings, so we believe farmers will be ready to cooperate once/if Ministries get involved in declaration of minimum wages. Balsu ethic code and corporate social responsibility standards handbook, which includes a section on compensation discrimination and right to minimum wage, will be conveyed to farmers, local and seasonal workers, labor contractors at the trainings.

Nestlé Responsible Sourcing Best Practices Handbook will cover the equal remuneration, fair treatment, and no-tolerance to discrimination. The mentioned handbook will be shared with the supply chain actors: manavs/middleman, suppliers, farmers, labor contractors, workers. These actors and officials will be visited, and requirements will be communicated by Nestlé and Balsu.

Deadline Date:

September 2017

Child Labor

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	CL.1	Noncompliance	Farms 2,3,5,6,7,8,9,11,12,13,14
Minimum Age	CL.2	Noncompliance	Farms 2,3,5,6,7,8,9,11,12,13,14
Immediate family members	CL.3	In compliance	
Right to education	CL.4.1 (PR)	In progress	Farms 1,6, 9,11 send the children to summer schools.
Young Workers	CL.5	Noncompliance	All Farms
	CL.6.1	Noncompliance	All Farms
	CL.6.2	Noncompliance	All Farms
	CL.7	Noncompliance	All Farms
Apprenticeships and	CL.8.1 (PR)	Not Initiated	All Farms

Vocational Training	CL.8.2 (PR)	Not Initiated	All Farms
Children on Premises	CL.9	In compliance	
Removal and Rehabilitation of Child Laborers	CL.10.1	Noncompliance	Farms 2,3,5,6,7,8,9,11,12,13,14
	CL.10.2 (PR)	In progress	All Farms

Child Labor Assessment Summary

General Compliance/Minimum Age	
Benchmarks: CL.1: Employers shall comply with all national laws, ratified international conventions, fundamental labor rights, regulations and procedures concerning the prohibition of child labor. CL.2: Employers shall comply with ILO Convention 138 and shall not employ anyone under the age of 15 or under the age for completion of compulsory education, whichever is higher. If a country has a specified minimum age of 14 years due to insufficiently developed economy and educational facilities, employers might follow national legislations but must work to progressively raise the minimum age to 15 years.	Noncompliance in 11 farms
Findings/Noncompliance Explanation:	All farmers know child labor is forbidden, and they should check the IDs of workers; however, there is a lack of implementation. As a legal requirement, farmers get the ID copies and submit them to the village headmen (muhktars), without checking the birth dates of youngsters. Monitors have observed a total of 20 migrant children, between the ages of 10 and 15, in the farms. All migrant child workers were from Southeastern Turkey. They are sharing the same working conditions with adult workers in hazelnut harvest. <u>Source:</u> Farmer interviews and farm observation and workers (children) interviews
Company Action Plan:	Balsu will establish MIM in Beyoren and Balatli villages, and the second part of the traceability scheme will help us improve the labor data registration process in farm level dramatically. Balsu commits to improve the company traceability system. The company plan for the 2017 harvest includes data collection to have a huge positive effect related to the identification of child labor at the farm level. Social workers will be responsible for age-verification on the farms. As a new regulation, ID copies of the migrant workers collected by the gendarmerie will be uploaded to an online platform. This data will be accessible online and will present farm-level ID copies of the migrant workers. Hence, the ID copies will be used for age-verification. Awareness raising activities will continue through new modular training systems' social component. Labor contractors were given trainings on child labor issues and other issues in Urfa. Balsu plans for the 2017 harvest to include data collection, which will have a huge positive effect related to identification of child labor at the farm level. Each Farmer would have a unique QR Code, including agricultural and social activities taken, methods of harvest, and worker profile. Farmers will be aware of this fact through trainings. Farmers will be delivered "Good Farmer" cards, including a QR code and their reference number. They will know Balsu can identify every child during the harvest. The message will be delivered clearly to farmers, and school project will be communicated both with farmers and workers. In 2017, Balsu will have four social workers and each social worker will be responsible for two villages. Muhktar will be the person in charge when/if the social worker identifies a child in the field. The social worker will give information to families about summer school projects and public education centers. Farmers and labor contractors will be asked to remove children from the field and trained under CoC. Nestlé and Balsu will continue to attend advocacy meetings to develop the labor

	standards in gardens and to increase the garden inspections for the west part of the Black sea region by government officials in Ordu province in 2016 summer. Nestlé Responsible Sourcing Checklist (Document explaining the expectations of Nestlé on labor related issues) requires a written commitment from suppliers, including Balsu. Regarding this issue, Nestlé and Balsu continue to engage with local authorities for collaboration.
Deadline Date:	September 2017

Young Workers

Benchmarks:

C.5: Employers shall abide by all relevant rules and procedures where the law requires government permits or permission from parents as a condition of employment of young workers.

CL.6.1: Employers shall comply with all relevant laws that apply to young workers, (e.g., those between the minimum legal working age and the age of 18) including regulations related to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime.

CL.6.2: Employers shall maintain a list of all young workers, their entry dates, proof of age and description of their assignment.

CL.7: No person under the age of 18 shall undertake hazardous work, i.e., work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of persons under the age of 18. Such work includes, but is not limited to, the application of agricultural chemicals, pesticides, and fertilizers, use of farm equipment tools and machinery, lifting or moving of heavy materials or goods, or carrying out hazardous tasks such as underground or underwater or at dangerous heights. Every activity performed by a young worker must be supervised by an adult.

**Noncompliance
in all farms**

Findings/Noncompliance Explanation:

44 young workers between the ages of 15 and 18 were observed during the farm visits working weekly overtime - over 60 hours a week. They were observed working the same hours and under the same conditions as their adult family members. They work for 10,5 hours a day and 7 days a week. With picking hazelnut, it is observed that especially the male young workers were also engaging in hazardous tasks, such as carrying heavy bags of hazelnut. They were not provided 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), and the consent letters were missing that should be obtained from the parents. There was no list maintained by the farmers to keep their entry dates, proof of ages, and description of their assignment.

Source: Farm observation and worker interviews

Company Action Plan:

This year, with the improvement of the traceability system, we will see the workers' profile to take actions. We can acquire lists of young workers at the farm level and assess their working conditions. Thanks to the interest of local government officials, this year, we will use public education centers more efficiently, especially for young workers, through a referral mechanism. A brochure will be distributed to families to explain the courses takes place at those centers, how they can register etc. Trainings will also include requirements on the working conditions and legal working hours for the young workers. We will inform the local commission on the legal requirements of hiring young workers, concerning hours and conditions.

Deadline Date: September 2017

Removal and Rehabilitation of Child Laborers

Benchmarks:

CL.10.1: If a child laborer is found working on a farm, all relevant downstream suppliers, including the participating company, shall immediately assess the situation at the child's household level and shall engage with relevant stakeholders to find a sustainable remediation solution that is in the best interest of the child.

**Noncompliance
in 11 farms**

Findings/Noncompliance

Balsu has a project for removal and rehabilitation of children in coordination with

Explanation:	Young Life Foundation (YLF). YLF runs a summer school in the village for the children of the migrant workers and child workers detected in the farms. The aim of the school is to keep children out of the orchards and provide them with some physical and psychosocial activities. Another major objective of the school is to remove child workers from the orchards when detected. However, some observed there was a lack of communication between the company and the foundation to remove children from the farms. The agronomists provide trainings in accommodation areas where the workers live, and although several children were observed in those houses, the YLF was not aware of this. <u>Source:</u> Interviews with workers, Young Life Foundation
Company Action Plan:	Balsu is excited to see the results of the USDOL activities taken in Urfa, where local contractors were trained and teachers in Urfa were also trained to reach families of children. This season, with the improvements in worker data registration and establishment of MIM, Balsu aims to detect every child labor related issue immediately, especially in pilot villages. Within the USDOL project, trained social workers will be active in the field to check and report immediately. Balsu carries out a school project that proved its success since 2014. Many workers and children reach out to the NGO to ask whether the project would continue. This season, there will be a double-checking mechanism; the process includes, once detecting the child labor, directing children or young worker to schools or public education centers and making sure remediation and rehabilitation activities take place and continue. Workers and families will receive brochures and have the information on local opportunities for their children during harvest period.
Deadline Date:	September 2017

Health, Safety and Environment

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	HSE.1.	Risk of Noncompliance	All Farms
Documents, Permits and Certificates	HSE.2 (PR)	In progress	All Farms
	HSE.3.1	In compliance	
	HSE.4 (PR)	In progress	All Farms
Evacuation Requirements and Procedure	HSE.5.1 (PR)	Not Initiated	All Farms
	HSE.5.2	Noncompliance	All Farms
Safety Equipment and First Aid	HSE.6.1 (PR)	In progress	Farms 6, 9, 11
	HSE.6.2 (PR)	Not Initiated	All Farms
	HSE.16.3 (PR)	Not Initiated	All Farms
Personal Protective Equipment	HSE.7 (PR)	In progress	All Farms
	HSE.8	In compliance	
Chemical Management	HSE.9.1	In compliance	
	HSE.9.2	Noncompliance	All Farms
	HSE.9.2.1	Noncompliance	All Farms
	HSE.10	In compliance	
	HSE.11.1	In compliance	
	HSE.11.2 (PR)	Not initiated	
Protection Reproductive	HSE.12.1	In compliance	

Health	HSE.12.2 (PR)	Not initiated	
Infrastructure	HSE.13 (PR)	In compliance	
	HSE.17.1	In compliance	
	HSE.17.2 (PR)	Not Initiated	All Farms
	HSE.19 (PR)	In progress	All Farms
	HSE.21 (PR)	In progress	All Farms
	HSE.22 (PR)	Not Initiated	All Farms
Machinery Safety	HSE.14.1	In compliance	
	HSE.14.2	In compliance	
	HSE.14.3	In compliance	
	HSE.14.4	In compliance	
Ergonomics and Medical Facilities	HSE.15.2 (PR)	In progress	All Farms
	HSE.16.2	Risk of Noncompliance	All Farms

HSE Assessment Summary

General Compliance		
Benchmarks: <i>HSE.1: Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.</i>		Risk of Noncompliance in all farms
Findings/Noncompliance Explanation:	Balsu and the farmers take no measures to mitigate the risks related to means of transport to prevent accidents or injuries. Workers are carried on tractors between their settlements to the fields. Tractors go on very steep roads, and sometimes, workers must sit on top of full loaded tractors. Due to local Occupational Health and Safety Law (6331) and the articles 4, 5, 7 and 10, the employers should identify the risks, conducting a detailed risk assessment, and take the required measures, providing the trainings to the workers. <u>Source:</u> Interviews with workers and farmers, and filed observation	
Company Action Plan:	At our second year of OHS trainings in Beyoren, Balsu is happy to see progress made in the field. Balsu ethic code and corporate social responsibility standards handbook will be communicated with farmers, local and seasonal workers, and labor contractors at the trainings. Training material will be revised and strengthened. In trainings, emphasis on national laws, regulations, and procedures concerning health, safety, and the environment will be strengthened.	
Deadline Date:	September 2017	
Evacuation Requirements and Procedure		
Benchmarks: <i>HSE.5.2: Where appropriate, workers shall be trained in evacuation procedures at least once per year.</i>		Noncompliance in all farms
Findings/Noncompliance Explanation	The farms are an open area and easy to evacuate in case of fire, but the workers have not been provided training for safe evacuation by Balsu or the farmers. Even though the risk of fire is significantly low in open areas, like farms, evacuation training and procedures needs to be provided to farmers and workers to be prepared for any natural disaster, such as flood, earthquake, or fire. <u>Source:</u> Interviews with worker	

Company Action Plan:	We will include Evacuation Requirements and Procedures in our training content. Training material will be supported with visuals, videos, and brochures to increase the effectivity. Balsu ethic code and corporate social responsibility standards handbook will be communicated with farmers, local and seasonal workers, and labor contractors at the trainings.
Deadline Date:	September 2017
Chemical Management	
Benchmarks: <i>HSE.9.2: All chemicals and hazardous substances shall be properly labeled and stored in secure and ventilated areas and disposed of in a safe and legal manner, in accordance with applicable laws. Where relevant, Material Safety Data Sheets (MSDS) must be available as well.</i> <i>HSE.9.2.1: Labels shall be placed in the local language and the language spoken by workers, if different from the local language. Where workers are illiterate, the labels and instructions for their handling should be depicted by pictograms.</i>	Noncompliance in all farms
Findings/Noncompliance Explanation:	
	The proper labelling and MSDSs for chemicals are missing at the farm level. The farmers throw out the chemicals after using them, although Balsu has provided a container for the chemicals to prevent pollution; however, the awareness of this is low. <u>Source:</u> Farmer interviews
Company Action Plan:	We will include Chemical Management in our training content. Training material will be supported with visuals, videos, and brochures to increase the effectivity. We have a specific module for chemical management that is provided to farmers; the module can be downloaded from the project website. Balsu ethic code and corporate social responsibility standards handbook will be communicated with farmers, local and seasonal workers, and labor contractors at the trainings.
Deadline Date:	September 2017
Ergonomics and Medical Facilities	
Benchmarks: <i>HSE.16.2: Medical facilities shall be established and maintained as required by applicable laws. In case of no local law, the employer shall ensure that the workers are able to utilize local service providers in case of medical emergencies and have the local medical officer's contact address available to the workers. In the case of a medical emergency, e.g., injury or sudden illness, growers will not unreasonably delay allowing a worker to have access to medical treatment.</i>	Risk of Noncompliance in all farms
Findings/Noncompliance Explanation:	
	There is a village health clinic close to farms or hospitals at the town center (15 km to the village), and they are reachable in a reasonable timeframe, but the workers are not aware of the procedure and do not know what to do in case of emergency. <u>Source:</u> Interviews with workers.
Company Action Plan:	This year, with the help of improvement in the registration system, we will have a much better picture of the status of seasonal workers. To communicate Ergonomics and Medical Facilities, trained social workers within the USDOL project will deliver information at the trainings. Brochures will be prepared and distributed. Labor contractors will be trained about communication needs in the village, hospitals, the numbers to call etc.
Deadline Date:	September 2017

Hours of Work

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	HOW.1.1	Noncompliance	All Farms
	HOW.1.2	Noncompliance	All Farms
	HOW.1.3	Noncompliance	All Farms
	HOW.1.4	Noncompliance	All Farms
Rest Day	HOW.2	In compliance	
Meal and Rest Breaks	HOW.3	In compliance	
Protected Workers	HOW.4.1	Noncompliance	All Farms
	HOW.4.2 (PR)	Not Initiated	All Farms
	HOW.4.3	Noncompliance	All Farms
Overtime	HOW.5.1	Noncompliance	All Farms
	HOW.5.2	Noncompliance	All Farms
	HOW.6.1	Noncompliance	All Farms
	HOW.6.2	Noncompliance	All Farms
	HOW.6.3 (PR)	Not Initiated	All Farms
	HOW.7	Noncompliance	All Farms
Public Holidays and Leave	HOW.8.1	In compliance	All Farms
	HOW.8.2	In compliance	
	HOW.9	In compliance	
	HOW.10.1	In compliance	
	HOW.11 (PR)	In compliance	
	HOW.12.1 (PR)	In compliance	
	HOW.12.2 (PR)	In compliance	
	HOW.13	In compliance	
	HOW.14	In compliance	
	HOW.15 (PR)	In compliance	
	HOW.16 (PR)	In compliance	

Hours of Work Assessment Summary

General Compliance		
Benchmarks: HOW.1.1: Employers shall comply with all national laws, regulations and procedures concerning hours of work, public holidays and leave. HOW.1.2: In countries where local law does not set out hours of work specific to the agriculture sector, the participating company shall consult with local stakeholders representing the employers (farmers), workers and civil society to define the hours of work. As a general principle, the total hours of work: (1) shall not exceed the number of work hours freely (individually and/or collectively) agreed upon by workers, including that all overtime work is consensual; (2) shall not adversely affect workers' physical and mental health; (3) shall allow for adequate breaks and rest periods during a working day, as determined by the workers, including at least 24 consecutive hours of rest in every seven-day period; and (4) shall be fully compensated according to legal requirements or worker agreements, whichever is more favorable to workers. HOW.1.3: Other than in exceptional circumstances or during short-term seasonal work as described under HOW.2, the total weekly work hours (regular work hours plus overtime) shall not exceed 60 hours per week or the legal limit, whichever is lower. The upper limit during a working day shall not exceed 12 hours. HOW.1.4: When workers' accommodations and transport is organized by the employer, or when workers are transported from one site to another during a working day, travel time to the field shall be part of working time calculation.		Noncompliance in all arms
Findings/Noncompliance Explanation:	Since the harvesting season is 1 month, migrant workers have to work as much as they can, so they can earn more, which means the more farms they work for, the more money they earn. For the 2016 harvest, the local commission declared the	

	working hours are between 7 am and 7 pm, and workers are entitled to 1 hour of lunch break and 30 minutes of rest breaks. As a consequence, workers work 10,5 hours a day. If they work 6 days, the weekly working hours reach 63 hours. It is usual that workers work 7 days a week to maximize their income. In this case, weekly working hours become 73,5 hours. The local commission only declares daily working hours, but does not specify any weekly maximum working hours or rest-day provision. The local commission guidelines in terms of working hours exceed FLA and the Company Code of Conduct. <u>Source:</u> Interviews with workers, farmer and company
Company Action Plan:	Farmers' and workers' modular trainings will include declarations from the Monitoring authority of seasonal migrant agricultural workers, both verbally and in writing. Farmers will be entitled to input data into the Balsu traceability system on how many hours workers stay in the field. Balsu has a traceability system in place to track farmers' information. In 2017, we will include labor data into this system, as well. Farmers' practices in terms of hours of work will be registered in this system. With the help of agronomists, social workers will be collecting this data. This way, we will be able to verify their compliance status and create remediation activities. Balsu has been working on creating responsible sourcing principles for hazelnuts since 2013. Based on the data in the traceability system, Balsu will be able to categorize and prioritize its suppliers.
Deadline Date:	September 2018
Protected Workers	
Benchmarks: HOW.4.1: The workplace shall comply with all applicable laws governing work hours regulating or limiting the nature, frequency and volume of work performed by pregnant or nursing women or young workers. HOW.4.3: If not provided by law, employers must provide protection to workers who allege violations of laws governing work hours limiting the nature, frequency and volume of work performed by pregnant or nursing women or young workers.	
Noncompliance in all farms	
Findings/Noncompliance Explanation:	Monitors have observed 44 young workers between the ages of 15 and 18 during the assessments. It is observed that these young workers work longer than the legally required limits of maximum 8 hours daily and 40 hours weekly. They work under the same conditions as the adult workers in hazelnut harvest. There is no system in place to distinguish the young workers in the field. <u>Source:</u> Field observation, workers and farmer interviews
Company Action Plan:	Balsu has a traceability system in place to track farmers' information. In 2017, the company will include labor data into this system to be able to identify the young workers and protected workers in the field. With the help of agronomists, social workers will be collecting this data. This way, Balsu will be able to verify their compliance status and create remediation activities. Balsu will engage and involve with local commissions continually for decision-making and to set guidelines for the young workers. During the harvest, social workers will be given trainings on the legal requirements of employing young workers to workers, labor intermediaries, and farmers, while monitoring the working conditions of the young workers.
Deadline Date:	September 2018

Overtime

Benchmarks:

HOW.5.1: Where national laws, regulations and procedures allow it, employers may calculate regular hours of work as an average over a period of longer than one week, provided all formal and procedural requirements attached to such calculation are met (for instance, obtaining official permission from the relevant authorities or observing limits to the period during which such calculations can be made). However, for overtime calculation, regular hours of work may not exceed 48 hours per week, irrespective of whether national law provides or not a limitation.

HOW.5.2: Payment of overtime rates is unaffected by a calculation that spreads total hours over more than one week.

HOW.6.1: Employers shall not require workers to work more than the overtime hours allowed by the law of the country where the workers are employed.

HOW.6.2: All overtime work shall be voluntary.

HOW.7: Employers shall be able to provide explanation for all periods when the exceptional circumstances exception has been used. Clear communication and consultation will be held with workers and any extended hours of work will be levied upon obtaining (verbal / written) consensus from the workers.

**Noncompliance
in all farms**

Findings/Noncompliance Explanation:

FLA benchmarks require that maximum working hours cannot exceed 12 hours daily and 60 hours weekly with overtime. In the case of hazelnut harvest in Duzce, according to local commission declaration, workers need to work 10,5 hours per day. Considering they work the whole week, weekly working hours reach 73.5 hours. Monitors also reported the workers might work more than 10,5 hours a day if the farmer demands it. There is no mechanism to verify that workers consent to working overtime, and it is reported that they are not compensated for the overtime they work.

Source: Farmer and worker interviews

Company Action Plan:

Farmers and workers' modular trainings will include declarations from Monitoring authority of seasonal migrant agricultural workers, both verbally and in writing. We will activate social trainings within our new modular system. Balsu has a traceability system in place to track farmers' information. In 2017, the company will include recording of labor data into this system, as well. Farmer's practices in terms of overtime will be registered in this system. With the help of agronomists, social workers will be collecting this data. This way, the company will be able to verify their compliance status and create remediation activities. Balsu has been working on creating responsible sourcing principles for hazelnuts since 2013. Based on the data in the traceability system, Balsu will be able to categorize and prioritize its suppliers. Balsu will be engaged and involved with local commissions continually for decision-making and get in touch with local commission about long working hours' guidelines they develop and try to align them with national laws.

Deadline Date:

November 2017

Compensation

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	C.1.1	In compliance	
	C.1.2	In compliance	All Farms
	C.1.3	Noncompliance	All Farms
	C.1.4 (PR)	Not Initiated	All Farms
Minimum Wage/Fair	C.2.1	Noncompliance	All Farms

Compensation	C.2.2	In compliance	
	C.2.3	In compliance	
	C.2.4 (PR)	Not to be answered by monitors. The FLA is working on analysis the situation based on real wage data collected during IEMs.	
	C.2.5 (PR)	Not Initiated	All Farms
	C.2.6 (PR)	Not Initiated	All Farms
	C.3	In compliance	
Farmer/Producer Income	C.4 (PR)	In compliance	
Wage Payment and Calculation	C.6	Risk of Noncompliance	All Farms
	C.7.1	In compliance	
	C.7.2	Noncompliance	All Farms
	C.7.3 (PR)	Not Initiated	All Farms
	C.7.4	Not Initiated	All Farms
	C.7.5	Noncompliance	All Farms
	C.8.1	Noncompliance	All Farms
	C.8.2	In compliance	
	C.8.3	In compliance	
	C.8.4 (PR)	Not Initiated	All Farms
	C.9 (PR)	In compliance	
	C.10.1	In compliance	
	C.10.1.1	In compliance	
	C.10.2	In compliance	
	C.10.3	In compliance	
Workers Awareness	C.11.1.1	In compliance	
	C.11.1.2	In compliance	
	C.11.1.3	In compliance	
	C.11.1.4	Noncompliance	All Farms
	C.11.1.5	In compliance	
	C.13 (PR)	Not initiated	
Fringe Benefits	C.12.1	In compliance	
	C.12.2 (PR)	Not Initiated	All Farms
	C.12.3	In compliance	
	C.12.4	In compliance	
	C.12.5	In compliance	

Compensation Assessment Summary

General Compliance/ Minimum Wage		
Benchmarks: C.1.3: In countries where local law does not specify compensation specific to the agriculture sector, the participating company shall consult with local stakeholders representing the employers (farmers), workers, local government and commissions, and civil society to define the appropriate wage level. As a general principle, employers shall follow the minimum wage standards set for other sectors in the same region. C.2.1: Employers shall pay workers at least the legal minimum wage, the prevailing industry sector wage, or the wage pursuant to Collective Bargaining Agreements that are in force, whichever is higher, for regular working hours (not including overtime). Hourly or daily compensation shall be calculated based on the basis of the legal minimal wage, the prevailing industry sector wage, or the wage pursuant to Collective Bargaining Agreements that are in force, whichever is higher. Workers should also be informed by the employer about the legal minimum wage applicable to them.	Noncompliance in all farms	
Findings/Noncompliance Explanation:		Employers comply with local commission decisions for the payment of compensation to workers; however, since the labor contractors do not work legally, they deduct their own commission from the workers' salaries. Migrant workers do not receive the legal minimum wage after the deduction of the 10% commission by labor contractors. The Directorate of Agriculture has announced TRY 54 as the minimum

	daily wage for seasonal agricultural workers. Migrant workers are paid TRY 54, but the labor contractors deduce a 10% commission from their daily wage. Therefore, these workers are not getting the legal minimum wage. Since the daily wages are defined by the chamber of agriculture and village headmen, Balsu takes no place within that commission or consults with any other CSOs. <u>Source:</u> Interviews with workers and farmers and company
Company Action Plan:	Balsu will pilot a system of labor contractor registration to address the minimum wage problem and cuts made from the payment by contractors. This year, the government, after an audit provided from İSKUR, provided authorization to Private Employment Agencies. Balsu is still trying to activate a private employment agency in Duzce, so we can pilot a system where workers would be registered. This year, the Turkish government provides an incentive, so farmers do not have to pay a premium to government for the agricultural workers they hire. The only amount that would be paid would be the commission for the employment agency. Balsu is trying to pilot a project where workers will be aware of the advantages of being employed through an employment agency and farmers would hire them, giving them the confidence to do what is right with the help of government incentive. Balsu believes it is very important this year to employ as many workers as possible through agencies, so the government incentive could be designed accordingly. The registration through the employment agency does not address a solution for cut made by labor contractor. However, it would bring benefits, such as pension rights, unemployment benefits, whilst increasing farmer's awareness on the issue. Nestlé's pilot project on labor intermediary registration and payment will provide a solution to the root-cause.
Deadline Date:	September 2017
Wage Payment and Calculation	
Benchmarks: C.6: All wages, including payment for overtime, shall be paid within legally defined time limits. Where no time limits are defined by law, compensation shall be paid at least once a month or upon completion of a seasonal task which takes less than a month. When workers are hired through contractors, brokers or external agencies, employers shall make sure that workers are paid according to the benchmark requirements.	
C.7.2: FLA-affiliates shall ensure that farmers/producers receive payments and certification premiums through a traceable and reliable payment system. C.7.5: No one can receive wages on behalf of a worker, unless the worker concerned has, in full freedom, authorized in writing for another person to do so. C.8.1: Employers shall compensate workers for all hours worked.	
Findings/Noncompliance Explanation:	Farmers pay the workers' earnings at the end of the completion of the harvest to labor contractors. Labor contractors are responsible for paying each worker's earnings, and workers are paid at the end of harvest season, which usually lasts around one month. Since the farmers do not directly pay compensation of workers, but by the labor intermediaries, there is no system in place to verify if workers received the exact amount they earned. Although the farmers employ the workers based on the daily 10.5 hours defined by the chamber of agriculture, it causes the workers to work more than 48 hours a week, and they are not compensated for any overtime payment. Regarding payments made to the farmers, there is no procedure or system in place to trace the payments. There is no contract farming in hazelnut production in Turkey. Farmers sell the hazelnut to crackers and manavs, and these intermediary bodies make the payment to the farmers. Balsu does not have any control over or

	information on the payment made to farmers. <u>Source:</u> Worker and farmer interviews
Company Action Plan:	Nestlé's pilot project on labor intermediary registration and payment will provide a solution to the root-cause. With the second part of the traceability system in 2017, we will track labor data. Farmers' and labor contractors' practices in terms of wage payment and calculation will be registered in this system. With the help of agronomists, social workers will be collecting this data. This way, we will be able to verify their compliance status and create remediation activities
Deadline Date:	September 2017
Workers Awareness	
Benchmarks: <i>C.11.1: Employers shall make every reasonable effort to ensure workers understand their compensation, including:</i> <i>C.11.1.4: bonuses they are entitled to at the workplace and under applicable laws.</i>	
Findings/Noncompliance Explanation:	
	There is a voluntary social security system for the workers who work in agricultural jobs. This is not the responsibility of the employer but the workers if they want; however, the workers are not aware they can register themselves to social security and pay their premiums on their own. The workers are not provided training or an explanation about this. <u>Source:</u> Worker interviews
Company Action Plan:	To increase workers' knowledge on their opportunities in the social security system, we will increase the number of trainings and expand their scope and add a particular section on the recruitment conditions and social security system.
Deadline Date:	September 2017

**Noncompliance
in all farms**

Overview - Farms vs. Non-compliances

Total number of Farms: 15

	Employment Relationship	Non-discrimination	Harassment or Abuse	Forced Labor	Child Labor	Freedom of Association and Collective Bargaining	Health, Safety and Environment	Hours of Work	Compensation	Total
% of farms with non-compliances or risk of non-compliances	100%	100%	0%	0%	100%	0%	100%	100%	100%	
Farm 1	21	1	0	0	4	0	5	11	7	49
Farm 2	24	1	0	0	7	0	5	11	7	55
Farm 3	24	1	0	0	7	0	5	11	7	55
Farm 4	21	1	0	0	4	0	5	11	7	49
Farm 5	24	1	0	0	7	0	5	11	7	55
Farm 6	24	1	0	0	7	0	5	11	7	55
Farm 7	24	1	0	0	7	0	5	11	7	55
Farm 8	24	1	0	0	7	0	5	11	7	55
Farm 9	24	1	0	0	7	0	5	11	7	55
Farm 10	21	1	0	0	4	0	5	11	7	49
Farm 11	24	1	0	0	7	0	5	11	7	55
Farm 12	24	1	0	0	7	0	5	11	7	55
Farm 13	24	1	0	0	7	0	5	11	7	55
Farm 14	24	1	0	0	7	0	5	11	7	55
Farm 15	21	1	0	0	4	0	5	11	7	49
Total	348	15	0	0	93	0	75	165	105	801