



[2017]

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING AGRICULTURAL REPORT

Company: Nestlé/Olam

Country: Turkey

Crop: Hazelnut

Production Process: Harvesting

Assessment Locations: Kabatas (Ardic and Ikizce villages), Ordu

Monitors: Asya Control & Certifications

Assessment Dates: 19-21 August 2017

Number of assessed farms: 15

Total area covered: 592

Number of farmers interviewed: 15

Total number of workers: 130

Number of workers interviewed: 129

General comment: For hazelnut sourcing in Turkey, Nestlé works with two strategic suppliers, Olam being one of them. Both Nestlé and Olam 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 Olam having a more direct implementation role at field level.

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

Employment Relationship

Compliance Status

Section	Benchmark	Compliance status	Farms
Human Resource Management System	ER.1.1	Noncompliance	All Farms
	ER.2.1 (PR)	In compliance	
	ER.2.1.1(PR)	In compliance	
Recruitment and Hiring	ER.3.1	Noncompliance	All Farms
	ER.3.1.1	Noncompliance	All Farms
	ER.3.1.2	Noncompliance	All Farms
	ER.4	Noncompliance	Farm 2
	ER.5.1	Noncompliance	Farm 2
	ER.5.2	Noncompliance	Farm 2
	ER.5.3	In compliance	
	ER.6 (PR)	In compliance	
	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	Farm 2
	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	N/A	
	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	N/A	
	ER.11	Noncompliance	All Farms
	ER.12.1	Noncompliance	All Farms
	ER.12.1.1	In compliance	
	ER.12.2	N/A	
	ER.13.1	Noncompliance	All Farms
	ER.13.2 (PR)	In Progress	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	Noncompliance	All Farms
	ER.16.1	Risk of noncompliance	All Farms
	ER.16.2	In compliance	
	ER.17.2 (PR)	In Progress	All Farms
	ER.17.3 (PR)	In compliance	
	ER.17.4 (PR)	In compliance	
Worker Involvement	ER.18.1	In compliance	
	ER.18.2 (PR)	In Progress	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 (PR)	In Progress	All Farms
	ER.20.4	Noncompliance	All Farms
	ER.20.6	Noncompliance	All Farms
	ER.20.7	Noncompliance	All Farms

Work Rules and Discipline	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	Risk of noncompliance	All Farms
HSE Management System	ER.24.1.	Noncompliance	All Farms
	ER.24.2 (PR)	In compliance	
	ER.24.3	In compliance	
	ER.24.4 (PR)	In compliance	
	ER.24.4.1 (PR)	In compliance	
	ER.24.4.2 (PR)	In compliance	
	ER.24.4.3 (PR)	In compliance	
	ER.24.4.4 (PR)	In compliance	
	ER.24.4.5 (PR)	In compliance	
	ER.24.4.6 (PR)	In compliance	
	ER.24.5 (PR)	In compliance	
Grievance Procedures	ER.25.1 (PR)	In compliance	
	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.7.6: 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 all farms Noncompliance in one farm
Findings/Noncompliance Explanation:	<u>Proof of Age Documentation:</u> Monitors observed that farmers do not follow any documentation practices, such as maintaining proof of age of the workers, despite the fact they have received farmer handbooks from Olam. The farmers do not take the necessary precautions to ensure all workers are at least the minimum legal working age. Monitors observed two local child workers aged under 15 on one of the 15 visited farms. <u>Labor Contractors:</u> On one visited farm, the farmer recruited migrant workers through a labor contractor. Labor contractors deduct a commission from workers' daily wages (usually around 10%) meant to be a recruitment fee. When farmers pay the minimum wage according

	to the local commission guidelines, workers receive less than the minimum wage after deduction of the commission. The local law and commission guidelines require the commission of the labor contractors to be paid separately. <u>Source:</u> Interviews with workers, labor contractors and farmers; Documentation review; Visual inspection
Company Action Plan:	Labor contractors are key people in the seasonal agricultural labor. The most important problem is the lack of a database of agricultural intermediaries, which is necessary to solve the employment problems of agricultural workers, elimination of child labor, and for a traceable supply chain. For this purpose, under the "The Database of Labor Contractors Project," Olam partners with Pikolo Association to provide training in Şanlıurfa and Mardin, where the Turkish Employment Agency (İŞKUR) will also participate to register the labor contractors and make them get formal intermediary licenses. The license brings obligations on labor contractors to obey the responsible recruitment practices and forbids deductions from workers' earnings. Labor contractors' fees must be paid separately by the farmers. If the labor contractors are paid separately than the workers, this will prevent the cuts from the workers' salaries. During the 2018 harvest season, Olam's social workers are working in the field to provide 1 to 1 counseling to registered agricultural labor contractors. Olam aims to give counseling to two agricultural labor contractors and make contracts with at least two farmer owners and workers working in that specific farm in the Eastern black sea region. It will be a three-party contract among labor contractor, farmer, and workers. With these contracts, Olam aims to mitigate the risk of child labor in labor groups of contracted agricultural labor contractors. A worker list will be a part of the contract; Olam will recommend inclusion of the National identification number and birth dates of the workers. This list will enable recording the ages of the workers. As an annex to the contract, Olam will also prepare a salary payroll to be used by contractors. Olam will ensure the "Olam Young Worker Registration Form" is filled in all the contracting gardens. (Deadline: September 2018) In conclusion, Olam will provide two labor contractors 1 to 1 counseling in the short term, and in the medium and long-term, Olam will ensure all the labor contractors sign contracts with farmers and workers in Ordu region. Olam will pilot this project in the 2018 harvest, and if it is successful, it will have a positive effect on economic, social, and cultural rights of all the workers who have signed those contracts. In order to control the implementation of the project, Olam will conduct internal monitoring. At the end of the harvest of 2018, Olam will make an assessment and plan for the next period.
Deadline Date:	September 2018

Terms and Conditions

Benchmarks:

ER.1.1: Employer shall have written terms and conditions of employment, job descriptions, rules of compensation, and working hours for all positions. In the case of workplaces with informal labor structures, employers should be able to describe verbally all the above terms and conditions and clearly communicate them to workers.

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.9.2.3: 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,

**Noncompliance
in all farms**

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.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.

Findings/Noncompliance Explanation:

Olam organizes trainings and different initiatives to communicate workplace standards and workers' rights to farmers and workers, but these trainings have not yet reached all workers and farmers. Most of the interviewed stakeholders were not aware of these standards.

At the time of recruitment, workers are verbally made aware of the tasks, responsibilities, and working hours. However, workers are not told the exact wage they will get, since it depends on the wages paid by leading big farmers in the region and the exact commission amount the labor contractor will deduct from their wage. Labor contractors, supervisors, and farmers who are leading workers have limited knowledge of the local labor laws and the FLA Code. They do not know, for example, there are special regulations for the protection of young workers and pregnant workers.

The employment terms of the migrant workers fall below the provisions of national laws and FLA Code with regard to compensation and hours of work. More detail on those issues is available in subsequent parts of this report.

Source: Interviews with workers, supervisors, labor contractors, and farmers

Company Action Plan:

Seasonal migrant workers coming for the harvest season to the Ordu region are large in numbers, and they come from widespread geography. In order to reach more seasonal migrant workers, 4 to 6 weeks of harvest period is not enough. Therefore, Olam will expand its training activities to the cities of origin, such as Mardin and Şanlıurfa, to be able to reach more workers. Olam aims to reach 300 workers in Mardin and 150 workers in Şanlıurfa at the initial stage. The "Village Motherhood Program" will also enable Olam to train women migrant workers, and the "Labor Contractor Project" of Pikolo allows a more geographically widespread outreach. Olam will now provide trainings to both seasonal migrant workers and farmers for 12 months. Olam will provide training on FLA Code of conduct in origin cities of Mardin and Şanlıurfa on October 2018.

Furthermore, to better inform the workers on the daily wage, Olam will work in coordination with the village governors and local religious institutions for the announcement of the daily wage determined by the local commission through the sound system of the villages mosques at Kabataş district of Ordu (Deadline: August 2018).

Deadline Date:

October 2018

Wage Administration

Benchmarks:

ER.15.2.1: Advances must be properly documented and their receipt and accuracy must be confirmed by the recipient worker, in writing whenever possible (e.g. signature, thumbprint).

**Noncompliance
in all farms**

ER.16.1: Employers may not limit in any manner the freedom of workers to dispose of their wages.

**Risk of
Noncompliance
in all farms**

Findings/Noncompliance Explanation:

The workers receive advance payments from labor contractors when they need it. Most labor contractors are either relatives or acquaintances of the workers (such as resident of the same village), hence payment proceeds upon trust and verbal agreement. However, the workers and labor contractors do not document or confirm advance payments in writing, which creates a risk of deductions from their salaries.

	Additionally, farmers do not pay the wages directly to workers, but they pay the labor contractors or supervisors. This covers a risk that labor contractors or supervisors do not pay the exact wage to the workers. <u>Source:</u> Interviews with workers, farmers and labor contractors; Documentation review
Company Action Plan:	In collaboration with the Pikolo Association, Olam aims to provide certification to 50 labor contractors within the scope of “The Database of Labor Contractors Project,” and labor contractors are trained on the responsible recruitment principles and importance of employment contracts (Deadline: February 2018). Olam will give consultancy to two labor contractors in Ordu, who have received labor contractors’ certificate, to make contracts with the workers, which would include an article on management of advances and how the workers would like to receive their wages (through cash, wire transfer, labor contractor, mail etc.). Workers' wages will be clearly specified in the contracts, so they will be aware of the amount they will earn. The contract will be delivered to İŞKUR, the public institution, hence the risk of unjustified deductions from the wage will be reduced. The agreement contains the signatures of the workers with the information. Every worker will know the net wage she/he will receive. Olam aims to raise awareness on signing contracts among the farmer, labor contractor, and seasonal migrant workers and aims to increase the number of signed contracts over time (Deadline: September 2018). Olam aims to address the issues at multiple levels with multiple stakeholders under different projects/programs. Olam will address the payment/wage/cut offs topics under the "Village Motherhood Project", in cooperation with KEDV. All the village motherhoods have received intense training on financial literacy, how to calculate wages, how to keep record of the days they are working etc. They will be passing on this information in their house visits in Mardin. Women and their families actively involved in the hazelnut harvest were provided with extensive information, such as wage follow-up and individual recruitment of fees within the scope of the KEDV “Village Motherhood Project.” If there is an issue of advance, women know that they need to put it in writing and document in properly (Deadline: April 2018). Furthermore, Olam will distribute "Daily Wage follow-up cards" in a total of 10 villages in Ordu, so workers can calculate their total wages correctly without misconception and confusion. These follow-up cards are like a simple salary payroll (Deadline: September 2018). Olam will also advise all workers how to download the “FLA Support” app to their smart phones to reach to Hotlines, Emergency Contact Numbers, informative video, and related information.
Deadline Date:	September 2018

Work Rules and Discipline

Benchmarks:

- 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).
- ER.20.2:** Any person supervising workers shall be aware of the disciplinary rules and practices.
- 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.
- ER.20.6:** Disciplinary rules and practices shall be clearly communicated to all workers.
- ER.20.7:** Workers must be informed when a disciplinary procedure has been initiated against them.
- ER.20.8:** Workers have the right to participate and be heard in any disciplinary procedure against them.
- 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.

**Noncompliance
in all farms**

Findings/Noncompliance Explanation:	Monitors cannot assure that farmers apply disciplinary measures in a fair and nondiscriminatory manner, as there is no control system or a management review of the actions imposed. The farmers do not have any disciplinary procedures, but are using verbal rules and practices based on local customs. The system therefore lacks a few important components, such as clear communication, hearing workers, third party witness, or appeal process. <u>Source:</u> Interviews with workers, supervisor, labor contractors, farmers and Olam IMS team; Documentation review
Company Action Plan:	Olam will prepare a Discipline Procedure that contains the rules that workers and farmers must follow as recommendation. A task force within the Olam's Sustainability Dept. has been formed to prepare this Discipline Procedure (Deadline: May 2018). Olam will also work on the development of a disciplinary procedure during this consultation. In this procedure, responsibilities of company, farmers, labor contractors, and workers will be specified (Deadline: August 2018). Olam will also advise all workers how to download the "FLA Support" app to their smart phones to reach to Hotlines, Emergency Contact Numbers, informative video, and related information. After the discipline rules are set and approved, Olam will distribute these procedures in 10 villages in 2018 in Ordu and Giresun. Additionally, the written procedures will be given as an annex to the harvest contracts that are signed among the farmer, labor contractor, and workers. (Deadline: October 2018)
Deadline Date:	October 2018
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 farmers on the farms.</i>	
Risk of Noncompliance in all farms	
Findings/Noncompliance Explanation:	Although farmer family members are invited to attend the trainings, they do not participate in the trainings. There might be various reasons, such as the awareness of benefits of the training is low, the female members have housework at time of training, the farmers are not comfortable having their female family members participating in the event at the village coffeehouse etc. Olam is not yet working on solving the obstacles preventing them to participate. <u>Source:</u> Interviews with workers, farmers and family members
Company Action Plan:	Olam will organize good social practices trainings (related to the FLA Code of Conduct) for the mothers of children in the active schools of the Gököy and Kabataş villages during winter period. Olam expands its training activities to 12 months and adds active schools to its target group to reach a greater crowd of women. Olam will reach out to mothers who are sending their kids to local schools by organizing trainings in the schools with the help of teachers and the local school administrations. Olam carries out the project of neighborhood work for women workers in cooperation with KEDV. This project is based on year-round training. In 2018, The Ministry of Labor and Social Security also aims to reach teachers to raise their awareness by distributing informative booklets. Therefore, Olam's trainings will also increase the impact when teachers' awareness of the topic increases thanks to the booklets that are distributed through the Ministry of National Education.

	In order to raise awareness of women producers through education, Olam and FISA started a project titled “Awareness-raising Program for Community Members Through Education on the Prevention of Child Labor in Hazelnut Agriculture in the Black Sea Region” in Ordu, Eastern Black Sea. FISA in partnership with Olam will organize good social practices trainings for the mothers involved directly or indirectly in agricultural production. We will reach out to mothers who are sending their kids to local schools by organizing trainings/seminars in the schools with the help of teachers and the local school administrations. Simultaneous workshops with the children and teachers at the school will also take place. Olam will organize seminars with FISA Association in two districts in Ordu, namely, Kabataş and Gököy. The seminar in Kabataş district will take place in the Primary School of Şehit Salih Keskin in April 2018 to reach 35 women family members and all the teachers enrolled in this school. The seminar in Gököy district will take place in the Primary School of Emirler in May 2018 to reach 35 women family members and all the teachers enrolled in this school (June 2018).
Deadline Date:	July 2018
HSE Management System	
Benchmarks: <i>ER.24.1: Health, safety and environmental rules shall be communicated to all workers in the local language or language spoken by workers if different from the local language.</i>	
Noncompliance in all farms	
Findings/Noncompliance Explanation:	In 2017, the harvest was delayed primarily due to weather conditions, hence the IEMs took place in the beginning stage of the harvest. At the time of the IEMs, health, safety, and environmental rules were not communicated to all workers efficiently, and not all workers attended the trainings in the 15 farms that were visited. Monitors were informed during the IMS that communication materials were prepared in Turkish and in Kurdish in the framework of USDOL-funded project on elimination of child labor and forced labor in the Turkish hazelnut sector. Yet, the dissemination of communication materials (posters) was limited during the time of monitoring. Monitors have not observed any communication material posted in the local language of the Kurdish migrant workers from East and Southeast Turkey. <u>Source:</u> Interviews with workers, supervisors, farmers and Olam staff; Observation
Company Action Plan:	Olam has brochures on Occupational Health and Safety in Agriculture. Under the USDOL Project, brochures for migrant workers in Turkish, Kurdish, and Arabic Language were prepared. These brochures were distributed during the last two weeks of the 2017 hazelnut harvest. Olam will distribute brochures again in Turkish, Kurdish, and Arabic languages to all the workers, targeting to reach about 2.000 workers in 20 villages during the 2018 harvest. Olam will distribute approximately 1.000 brochures in 10 villages in Ordu. Nestle will create a Best Practices Handbook and a video for Hazelnut Farming in Turkey for farmers, seasonal migrant workers, labor contractors, and other value chain actors. Main focus areas are H&S, good labor practices, labor rights, child labor, and access to services.
Deadline Date:	September 2018

Nondiscrimination

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	ND. 1	Noncompliance	All farms
Recruitment and Employment Practices	ND.2.1	Noncompliance	All Farms except farm 2
	ND.2.3	In compliance	
Compensation Discrimination	ND. 3	Noncompliance	Farm 2
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

General Compliance / Compensation Discrimination	
Benchmarks: ND.1: Employers shall comply with all national laws, regulations and procedures concerning nondiscrimination. 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 status (e.g. local workers vs. migrant workers), or membership in unions or other workers' representative bodies.	Noncompliance in one farm
Findings/Noncompliance Explanation:	A group of migrant workers was employed on one of the 15 assessed farms. On that farm, the farmer plans to pay them 60 TRY/day, while local workers in the area will receive about 70-80 TRY for the same job. The wage difference could not be explained via performance or based on tasks differences. The farmer provides migrant workers with accommodation and sometimes its utilities (water, electricity, etc.), but such wage difference cannot be justified with the accommodation conditions they get. Also, no clear and transparent cost calculation is done to justify a deduction. <u>Source:</u> Interviews with workers, supervisors, labor contractors, farmers, Olam staff and external stakeholders
Company Action Plan:	Olam will continue to provide trainings on issues such as equal pay for equal work. It is essential to work with local NGOs, other hazelnut exporters, local authorities, and national NGOs because the mindset should change, and it will be achieved by raising awareness from multiple stakeholders on multiple levels. Olam will continue to cooperate with local authorities in the Ordu province, especially in the Eastern Black Sea Region, which carries this risk. Experts will explain these issues during capacity building sessions in local authorities' meetings, which will be organized under the USDOL Project in the cities of Şanlıurfa, Mardin, Sakarya, Düzce, and Ordu in February 2018. This problem is traditional and related to people's perceptions. Information on national legislation and FLA Standards on nondiscrimination and working hours will be

	provided in trainings organized with farmers and workers. The farmers will be informed about the fact that the worker should not be paid a fee below the minimum wage (July 2018).
Deadline Date:	July 2018
Recruitment and Employment Practices	
Benchmarks: ND.2.1: Recruitment and employment practices shall be free from any type of discrimination.	
Findings/Noncompliance Explanation:	
Monitors understood during interviews that farmers of this region prefer working with local workers and want to avoid recruiting migrant workers from East & South East of Turkey mainly due to the latest political tension. <u>Source:</u> Interviews with workers, supervisors, labor contractors, farmers and Olam staff.	
Company Action Plan:	
Olam will continue to work, especially in the Kabataş region, to prevent all forms of discrimination. Preventing discrimination is a topic on Olam's good social practices trainings. In 2018, harvest Olam will focus in depth on this issue in the Kabataş district.	
Deadline Date:	October 2020

Forced Labor

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	F.1	In compliance	
Freedom in employment and movement	F.2	Risk of Noncompliance	All Farms
	F.3	In compliance	
	F.4.1	N/A	
	F.4.2	In compliance	
	F.5.3	In compliance	
	F.7.1	In compliance	
	F.7.2	In compliance	
	F.7.3	In compliance	
	F.7.4	In compliance	
	F.7.5	In compliance	
	F.7.6	In compliance	
	F.7.7	In compliance	
	F.8	In compliance	
Work of Family Members	F.6.1	In compliance	
	F.6.2	In compliance	
	F.6.3	Noncompliance	All Farms
	F.6.4	In compliance	
Personal Workers Identification and Other Documents	F.9	In compliance	

Freedom in Employment and Movement

Benchmarks:

F.2: All workers shall have the right to enter into and to terminate their employment freely.

**Risk of
Noncompliance
in all farms**

Findings/Noncompliance Explanation:

Workers have the right to terminate their employment freely from the farmers' side on each orchard. However, monitors reported a risk of non-compliance that migrant workers had no choice but to complete the harvest season as they have to wait for the entire group to complete the job, as labor contractors organize transportation back home all together at the end of the harvesting season.

Source: Interviews with workers, supervisors, labor contractors, farmers and Olam staff.

Company Action Plan:

First, Olam will do focus group interviews with workers to find out whether this issue limits freedom of work. Olam will organize this with FLA experts (May 2018).

Olam will train their Sustainability Department field staff (including the seasonal social workers who will work during harvest) to increase the promotion of the Olam Support Line. Olam will receive face-to-face feedback from workers through the interviews conducted by the social workers. In these interviews, public hotlines will also be introduced (September 2018).

Deadline Date:

September 2018

Work of Family Members

Benchmarks:

F.6.3: If more than one member from the same family/household is hired by the employer/producer on the same farm, each one should have separate contract with no linkage to other members.

**Noncompliance
in all farms**

Findings/Noncompliance Explanation:

Farmers pay the total amount of workers' wages to labor contractors, and labor contractors usually make payment to head of the family. Workers from the same family do not have separate payment arrangements or individual agreements.

Source: Interviews with workers, labor contractors and farmers

Company Action Plan:

In cooperation with the Pikolo Association, Olam will inform the labor contractors in depth and in details about the subject in the context of trainings under "The Database of Labor Contractors Project." Olam aims to reach 50 labor contractors who have received their certification after this project (Deadline: February 2018).

Once Olam reaches the targeted awareness level, Olam will ensure the workplaces of certified labor contractors have individual contracts with the farmers and workers through the three-party contract, where each farmer will sign it separately. Olam targets to reach two farmers who have individual contracts between them and their workers in Ordu. Currently, the contract can be made between farmers and labor contractors. In this respect, it is Olam's priority to make a contract for migrant workers with the farmers. Olam targets that the farmers pay wages directly to the workers, and workers will state how they would like to receive their wages through cash, wire transfer, mail etc. (September 2018).

Deadline Date:

September 2018

Child Labor

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	CL.1	Noncompliance	All Farms
Minimum Age	CL.2	Noncompliance	All Farms
Immediate Family Members	CL.3	In compliance	
Right to Education	CL.4.1 (PR)	In Progress	All Farms
Young Workers	CL.5	In compliance	
	CL.6.1	Noncompliance	All Farms
	CL.6.2	Noncompliance	All Farms
	CL.7	Noncompliance	All Farms
Apprenticeships and Vocational Training	CL.8.1 (PR)	N/A	
	CL.8.2 (PR)	N/A	
Children on Premises	CL.9	Noncompliance	All Farms
Removal and Rehabilitation of Child Laborers	CL.10.1	Risk of Noncompliance	All Farms
	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 all farms
Findings/Noncompliance Explanation: The monitors assessed 15 farms and have detected two child workers, 1 girl and 1 boy of 13-14 years of age, employed on one farm. These children were local seasonal workers performing the usual hazelnut collection from the ground in the same conditions as adult workers. <u>Source:</u> Interviews with workers, supervisors and labor contractors; Visual inspection	
Company Action Plan: Through the supplier management plan, all intermediaries in the hazelnut supply chain will be informed of the Olam Supplier Code (which includes elimination of child labor). Every year, Olam organizes Supplier Meetings in both West and the East Black Sea Regions and invites all their suppliers. Olam held the Annual Suppliers' Meeting in the East Black Sea Region in the city of Ordu in January 2018. This year's theme was "Eliminating Child Labor – Children are at School Not in the Farms." The Suppliers' Meeting brought together hazelnut traders who played an intermediary role between the company and the farmer in the process of exporting hazelnut. Every year, a guest speaker is invited to address the theme of the year. In this year's meeting, Prof. Dr. Zeynep ŞİMŞEK has been invited as a guest speaker. She gave a speech on how to eliminate child labor in hazelnut farming, the health and safety issues during harvest, and mitigating risk in the farms. There was a detailed presentation of the Olam Supplier Code and Olam Turkey. All the participants were asked to sign the Olam Supplier Code. Intermediaries play a key role in relation to farmers. Also, intermediaries are farmers themselves. Therefore,	

	the Supplier's meeting enabled intermediaries to be aware of the issue of child labor and work with farm owners to eliminate child labor in their farms. In the 2017 harvest, Olam opened a Summer School in Ordu in İkizce in coordination with Young Life Foundation. Selahattin Tiryaki Primary School in Ordu İkizce is 5 km away from the county centre. 79 students are enrolled between the ages of 5 and 10 within the regular education period. However, during the harvest, the school becomes a summer school, so that parents do not have to care for their children while working, as this can inadvertently mean that children start to engage in labour activities. To avoid any issues of discrimination, the migrant worker children join the same summer classes as the local children. Under the "Renovations Project," Olam-Progıda and Nestle have renovated the library of this primary school, which has allowed the children to develop their reading skills and their imaginations to flow. Olam will increase training sessions for workers and farmers and expand their coverage. If child labor is detected during internal and external monitoring visits, Olam will remove farmers from certification / premium programs and will start the immediate child removal and referral procedure. Olam will increase the number of internal audits conducted in Kabataş (September 2018).
Deadline Date:	September 2018
Young Workers	
Benchmarks: 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:	Olam trains farmers on the implementation of an age verification system and distributes handbooks where they can record the details of each worker. Farmers can also access information about workplace rules and terms for young workers in the handbook. However, the assessed farmers were not verifying and requesting proof of age documentation. Monitors found 21 young workers working on the orchards, which represent 16 % of the total workforce. Those young workers were from the local workers (8), migrant workers (4), and family workers groups (9). They were working the same working hours and under the same conditions as adult workers. Young workers are also involved in hazardous work; monitors observed one young female worker carrying a heavy jute bag. The ILO 182 Convention ratified by Turkey describes the migratory agricultural seasonal work between the ages of 16-18 as one of the worst forms of child labor. <u>Source:</u> Interviews with workers, labor contractors and farmers; Visual observation
Company Action Plan:	Under the project of "The Database of Labor Contractors Project" implemented by the Pikolo Association, the labor contractors will be informed of the working conditions of young workers. Olam will distribute "Young Worker Registration Form" and "Young Worker Family Permission Form" to the farmers in five villages in the Kabataş district. Olam will check through the social workers during their internal monitoring visits that the forms have

	been filled out (September 2018). Olam will explain in details and with examples to farmers that young workers can work in light work. Olam will inform farmers that, if young workers work in hard conditions, they might have a lot of psychological and physical problems (July 2018). Olam will do internal monitoring in 20 villages that are in Nestle's supply chain in the cities of Ordu, Sakarya, and Düzce. During the internal monitoring, Olam will distribute the "Young worker registration form" and the "Young worker family permission form" (September 2018).
Deadline Date:	September 2018
Children on Premises	
Benchmarks: <i>CL.9: The employer shall ensure that children (including those residing on the farm and those of migrant workers) are not exposed to dangerous agriculture production activities, including exposure to chemicals/pesticides.</i>	
	Noncompliance in all farms
Findings/Noncompliance Explanation:	Children of migrant/local worker groups and of the farmers who do not work but accompany their parents or help their farmer father with light jobs are exposed to natural risks, such as falling down at steep places or being bitten by insects. There is no precaution taken to try to mitigate those risks. <u>Source:</u> Interview with workers and observation during visits.
Company Action Plan:	Olam will give information to the farmers and workers on the risks that "Children may be exposed to in the farms" in its training (especially in the recent trainings during the harvest). Also, Olam will organize "Creating Safe Place for Children" Trainings for women working as cooks in the Ordu camp areas (September 2018).
Deadline Date:	September 2018
Removal and Rehabilitation of Child Laborers	
Benchmarks: <i>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.</i>	
	Risk of Noncompliance in all farms
Findings/Noncompliance Explanation:	Olam carries out an intensive program to combat child labor in their supply chain. With the social workers of the USDOL project, the Olam team visits the families at their households and tries to create awareness regarding child labor and convince the children to attend the summer schools. Olam cooperates with stakeholders on child labor prevention. Olam has a child labor removal and rehabilitation procedure described in their social audit manual, but the policy lacks key remediation components. It does not include assessment of the situation at the child's household level nor the need to engage with relevant stakeholders to find a remediation solution that is in the best interest of the child. Given the gaps, there is risk that the children are not properly removed and rehabilitated when observed working in the orchards. <u>Source:</u> Interviews with workers, supervisors, child labor's families, Olam staff; Observation
Company Action Plan:	Olam has a "Procedure of Prevention of Child Labor". In this procedure, the tasks of both Olam field staff and managers roles and responsibilities are defined. Additionally, Olam has a Child Labor Action Plan and Internal Social Audit Manual, where removal and rehabilitation of child laborers are explained. Olam will ensure these procedures are up to date and more efficient for Olam employees and the

	relevant stakeholders before the harvest season of 2018 (September 2018).
Deadline Date:	September 2018

Health, Safety and Environment

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	HSE.1.	Noncompliance	All Farms
Document Maintenance, 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	In compliance	
Safety Equipment and First Aid	HSE.6.1 (PR)	In Progress	All Farms
	HSE.6.2 (PR)	Not Initiated	All Farms
	HSE.16.3 (PR)	In Progress	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	Risk of Noncompliance	All Farms
	HSE.9.2.1	In compliance	
	HSE.10	In compliance	
	HSE.11.1	In compliance	
	HSE.11.2	In compliance	
Protection Reproductive Health	HSE.12.1	In compliance	
	HSE.12.2 (PR)	In compliance	
Infrastructure	HSE.13 (PR)	N/A	
	HSE.17.1	In compliance	
	HSE.17.2 (PR)	In Progress	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	In compliance	

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>		Noncompliance in all farms
Findings/Noncompliance Explanation:	The monitors noticed workers are carried on tractors, sometimes on very steep roads, and they sometimes have to sit on loaded tractors, and the drivers are not always careful. Olam and farmers have not taken the required measures to mitigate the risks related to means of transport to prevent accidents or injuries.	

	<u>Source:</u> Interviews with workers and farmers, and filed observation	
Company Action Plan:	Olam will make a risk assessment for vehicles used for transportation to the hazelnut farms. According to these risk results, Olam will work on preventive measures and solutions that are in line with all national laws, regulations, and procedures concerning health and safety and the environment. Olam will prepare educational material about the topic. Olam aims to give information to farmers in 10 villages in the Kabatas district of Ordu. Olam will collaborate with the local governorships of Kabataş district to redo the unsafe village roads, provide traffic signals, speed limits, and warnings signs that go to hazelnut farm with the labor contractors.	
Deadline Date:	September 2018	
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>		Risk of Noncompliance in all farms
Findings/Noncompliance Explanation:	It is not a common practice for the hazelnut farmers to have special chemical storage rooms; they usually store chemicals in their usual storages or basements with other stuff. Olam has placed special containers in villages for disposal of chemicals. However, farmers’ interviews showed their awareness in using these containers is not high yet. <u>Source:</u> Interviews with farmers and Olam staff. Visual inspections	
Company Action Plan:	Olam placed approximately 30 chemical waste containers and pesticide preparation areas in Ordu, Sakarya, and Düzce provinces. In Olam’s good agricultural practices trainings, Olam gives information to the farmers and workers on how to dispose empty agricultural pesticide boxes and bottles. In addition, within the scope of Good Agricultural Practices Project, Olam placed pesticide storage cabinets for farmers who store pesticide for more than 1000 producers. In 2018, Olam will continue to give pesticide cabinets to its new project farmers (July 2018). Olam will continue to give biodiversity trainings in 2018 in coordination with the Middle East Technical University. Olam will specifically refer to environmental and waste management issues in these trainings (July 2018). Furthermore, Olam will prepare a document on the harm of commonly used pesticides on human health. Olam will distribute it to farmers with a list of pesticides forbidden by the Ministry of Food, Agriculture and Livestock (July 2018).	
Deadline Date:	July 2018	

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	In Progress	All Farms
	HOW.4.3	In compliance	
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	In Progress	All Farms
	HOW.7	Noncompliance	All Farms
Public Holidays and Leave	HOW.8.1	In compliance	
	HOW.8.2	In compliance	
	HOW.9	N/A	
	HOW.10.1	N/A	
	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 / Overtime

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.

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

**Noncompliance
in all farms**

<i>obtaining (verbal / written) consensus from the workers.</i>	
Findings/Noncompliance Explanation:	The local commission provided guidelines on working hours, which are between 7am and 6pm, and workers are entitled to 1 hour of lunch break and 30 minutes of rest breaks. As a consequence, workers work 9,5 hours a day. In this case, weekly working hours become 66,5 hours. Although it varies, depending on the distance of the orchards, the workers may spend up to an hour travelling on roads during the day. It is not fixed whether this travelling time is calculated in or excluding working hours. It changes per each case, but most of the time, it is not calculated as part of working time. The local commission guidelines in terms of working hours exceed national regulations, FLA, and the Olam Code of Conduct, and workers end up working excessive hours that are not considered as overtime. Workers informed monitors that they find the working hours very long and exhausting. They accept these working terms at beginning of the season because they have no other choice. <u>Source:</u> Interviews with workers, farmers, Olam and external stakeholders
Company Action Plan:	Olam will talk about working hours in the training of farmers and workers. In addition, Olam will organize trainings for workers with PIKOLO and KEDV at their place of origin (Şanlıurfa and Mardin). Olam will give information to authorities on the relevant issues at the Ministries Coordination Meetings held under the USDOL Project. Olam will also make visits at the Central government level after the USDOL project ends (June 2018). In Olam's labor contractors' pilot project, Olam will make arrangements so working hours can be followed daily in the workers' lists attached to the seasonal agricultural contracts. During internal monitoring, Olam will also follow-up on completing the contracts and will continue to give the information about working hours in trainings (September 2018).
Deadline Date:	September 2018
Protected Workers	
Benchmarks: HOW.4.1: <i>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.</i>	
Noncompliance in all farms	
Findings/Noncompliance Explanation:	The monitors did not observe any nursing or pregnant women in the assessed farms. However, the young workers and child workers were observed doing the same job and working same 9,5 hours as the adults, and monitors were informed that pregnant or nursing women would have the same working conditions. The pregnant, nursing, and young workers should have differentiated work schedules. According to local law and FLA benchmarks, young workers should not work more than 40 hours a week. <u>Source:</u> Interview with workers, supervisors, farmers and Olam staff; Observation
Company Action Plan:	Olam will distribute the "Young worker registration form" in 6 villages in Ordu. Olam will inform the farmers how to fill this form, and Olam Sustainability department field staff will control it during the internal monitoring (September 2018). Olam will create some forms for tracking pregnant and nursing women. These forms will include some information about age and tasks. Then Olam will add these forms in the revised Quality Management System (QMS) (June 2018).

	A description of light work and heavy work will be made. The jobs that pregnant, nursing, and young workers should not do will be identified, and information will be given information to the migrant workers and farmers.(See Child Labor Section, Young Workers' CAP - September 2018). In order to raise awareness of women producers through education, Olam and FISA started a project titled "Awareness-raising Program for Community Members Through Education on the Prevention of Child Labor in Hazelnut Agriculture in the Black Sea Region" in Ordu, Eastern Black Sea. FISA in partnership with Olam will organize good social practices trainings for the mothers of children in the active schools.
Deadline Date:	September 2018

Compensation

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	C.1.1	In compliance	
	C.1.2	Noncompliance	Farm 2
	C.1.3	In compliance	
	C.1.4	In Progress	All Farms
Minimum Wage/Fair Compensation	C.2.1	Noncompliance	Farm 2
	C.2.2	In compliance	
	C.2.3	In compliance	
	C.2.5 (PR)	In Progress	All Farms
	C.2.6 (PR)	In Progress	All Farms
	C.3	N/A	
Farmer/Producer Income	C.4	In Progress	All Farms
Wage Payment and Calculation	C.6	In compliance	
	C.7.1	In compliance	
	C.7.2	In compliance	
	C.7.3 (PR)	In Progress	All Farms
	C.7.4 (PR)	Not Initiated	All Farms
	C.7.5	Noncompliance	All Farms
	C.8.1	Noncompliance	All Farms
	C.8.2	N/A	
	C.8.3	Noncompliance	All Farms
	C.8.4	Not Initiated	All Farms
	C.9	N/A	
	C.10.1	N/A	
	C.10.1.1	N/A	
	C.10.2	N/A	
	C.10.3	N/A	
Workers Awareness	C.11.1.1	Noncompliance	All Farms
	C.11.1.2	N/A	
	C.11.1.3	In compliance	
	C.11.1.4	N/A	
	C.11.1.5	Noncompliance	All Farms
	C.13 (PR)	In compliance	
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	N/A	

Compensation Assessment Summary

General Compliance		
Benchmarks: C.1.2: Other than lawfully required deductions, no other deductions may be made from a worker's compensation without the written consent of the worker. Financial disciplinary measures are prohibited.		Noncompliance in one farm
Findings/Noncompliance Explanation:	Labor contractors deduct a recruitment commission (about 10 %) from the migrant workers' wage. This is against the regulation that requires farmers to pay this commission to labor contractors separately.	
Company Action Plan:	Olam will disseminate training activities throughout the year (12 months). Within the scope of the USDOL Project in 2018, Olam will arrange two training courses in Şanlıurfa and Mardin in collaboration with the PİKOLO Association. Olam will also inform them about the necessary regulations, ILO Conventions, and FLA Standards and Code of Conduct in these trainings. Immediately after the training, the labor contractors can have their agricultural employment certificate in cooperation with İŞKUR (February 2018).	
Deadline Date:	February 2018	
Minimum Wage/Fair Compensation		
Benchmarks: 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 one farm
Findings/Noncompliance Explanation:	The local commission announced the daily minimum wage as TRY 59,25, and farmers pay migrant workers' wages as TRY 60 to their labor contractors. The labor contractors deduct a 10 % commission from the workers' wages, which then reduces the workers' wages to TRY 54, below the legal minimum wage. Additionally, the Ministry has announced the minimum legal wage for 8 hours while the local commission uses the same wage for 9,5 hours. This reduces the hourly wage, and the rate used contradicts the national laws and FLA standards where overtime payment should be considered. <u>Source:</u> Interview with workers, supervisors, farmers, Olam staff and CSOs.	
Company Action Plan:	Olam will organize training for farmers in Ordu in terms of working conditions. Olam will also discuss the details about hours of work and wage deductions in the training of migrant workers and labor contractors, which we will organize with the help of local NGOs. Through the Database of Labor Contractors Project of the Pikolo Association, Olam already informed labor contractors about the employment contract in agriculture. The registration of the labor contractors to İşKur is important for the improvement of the employment conditions. In the trainings, the labor contractors will be informed, especially on the fight against child labor and their legal responsibilities. The presence of a registered workforce will allow workers to receive wages they are entitled to and to be under social security. Labor contractors' fees must be paid separately by the farmers. If the labor contractors are paid separately than the	

	workers, this will prevent the cuts from the workers' salaries. Olam will also give information to authorities on the relevant issues at the Ministries Coordination Meetings held under the USDOL Project as well as making visits at the Central level after the USDOL project ends.
Deadline Date:	September 2018
Wage Payment and Calculation	
Benchmarks: <i>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.</i> <i>C.8.1: Employers shall compensate workers for all hours worked.</i> <i>C.8.3: Workers shall be informed in writing or orally where necessary, in language(s) spoken by workers, about overtime wage rates prior to undertaking overtime.</i>	Noncompliance in all farms
Findings/Noncompliance Explanation:	The farmer pays the labor contractor as the head of the group on behalf of all workers. Monitors could not get it confirmed that all workers have full freedom to do so and whether they will receive their own earned wages directly at the end of the work. Workers in this cluster work 9,5 hours a day. This is above the national law and FLA benchmarks. According to the law and benchmarks, the farmer should compensate workers for all hours worked, and these excess hours must be calculated as overtime. However, farmers pay workers the minimum legal daily wage announced by the Ministry for a 9.5-hour working day. <u>Source:</u> Interviews with workers, farmers, Olam staff and external stakeholders
Company Action Plan:	Olam will organize training for farmers in Ordu about working conditions. Olam will also talk about hours of work and payment of wages in the training of migrant workers and labor contractors, which will be organized with the help of NGOs. In collaboration with the Pikolo Association, Olam aims to provide certification to 50 labor contractors within the scope of "The Database of Labor Contractors Project" (Deadline: February 2018). Olam will give consultancy to four labor contractors, who have received a labor contractors' certificate to make contracts with their farmers and workers and write annual reports to the Local Employment Agency (İŞKUR). Olam aims to raise awareness on signing contracts among the farmer, labor contractor, and seasonal migrant workers and aims to increase the number of signed contracts (Deadline: September 2018).
Deadline Date:	September 2018
Workers Awareness	
Benchmarks: <i>C.11.1: Employers shall make every reasonable effort to ensure workers understand their compensation, including:</i> <i>C.11.1.1: the calculation of wages,</i> <i>C.11.1.5: Employers shall communicate in writing or orally where necessary to all workers all relevant compensation information in the local language or language spoken by the workers, if different from the local language.</i>	Noncompliance in all farms
Findings/Noncompliance Explanation:	The monitors noticed during interviews that workers did not know the exact wage they would receive. They just knew it would be close to the announced minimum legal wage. <u>Source:</u> Worker interviews
Company Action Plan:	In collaboration with Pikolo and KEDV, Olam will provide information on the legal

	wage (which the local commission discloses) at the workers' trainings and labor contractors' trainings, which will be organized in Mardin and Şanlıurfa. Nestle will create a Best Practices Handbook and a video for Hazelnut Farming in Turkey for farmers, seasonal migrant workers, labor contractors, and other value chain actors. Main focus areas are H&S, good labor practices, labor rights, child labor, and access to services. Olam will design brochures and banners about workers' wages decisions of the local commissions and distribute those brochures in the villages. The commission meets every year in July. Olam will distribute those brochures before September 2018.
Deadline Date:	September 2018

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%	100%	100%	0%	100%	100%	100%	
Farm No. 1	22	2	0	2	7	0	2	10	5	50
Farm No. 2	26	2	0	2	7	0	2	10	7	56
Farm No. 3	22	2	0	2	7	0	2	10	5	50
Farm No. 4	22	2	0	2	7	0	2	10	5	50
Farm No. 5	22	2	0	2	7	0	2	10	5	50
Farm No. 6	22	2	0	2	7	0	2	10	5	50
Farm No. 7	22	2	0	2	7	0	2	10	5	50
Farm No. 8	22	2	0	2	7	0	2	10	5	50
Farm No. 9	22	2	0	2	7	0	2	10	5	50
Farm No. 10	22	2	0	2	7	0	2	10	5	50
Farm No. 11	22	2	0	2	7	0	2	10	5	50
Farm No. 12	22	2	0	2	7	0	2	10	5	50
Farm No. 13	22	2	0	2	7	0	2	10	5	50
Farm No. 14	22	2	0	2	7	0	2	10	5	50
Farm No. 15	22	2	0	2	7	0	2	10	5	50
TOTAL	334	30	0	30	105	0	30	150	77	756