



FLA Member/Affiliate Update

of ended its membership as an FLA Participating Company in January 2026. Nestle ended its membership as an FLA Participating Company in April 2025. The company's reports can still be found at Fairlabor.org



[2017]

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING AGRICULTURAL REPORT

Company: Nestlé/Olam

Country: Turkey

Crop: Hazelnut

Production Process: Harvesting

Assessment Locations: Akcakoca (Ugurlu, Aydogan, Dilaver and Yenice villages) and Gumusova (Derekoy and Esmahanim villages)

Monitors: Asya Control & Certifications and two independent monitors

Assessment Dates: 10-13 August 2017

Number of assessed farms: 31

Total area covered: 842 acres

Number of farmers interviewed: 31

Total number of workers: 502

Number of workers interviewed: 479

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.

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	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	All 13 Akcakoca farms
	ER.5.1	Noncompliance	All 13 Akcakoca farms
	ER.5.2	Noncompliance	All 13 Akcakoca farms
	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	All 13 Akcakoca 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	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
	ER.20.8	Noncompliance	All Farms

	ER.20.9 (PR)	Not Initiated	All Farms
	ER.20.11	Noncompliance	All Farms
Training	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	
<p>Benchmarks:</p> <p>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.</p> <p>ER.3.1.1: Employers shall take reasonable measures to ensure such documentation is complete and accurate.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Non compliance in all farms</p> <p>Non compliance in Akcakoca farms</p>
<p>Findings/Noncompliance Explanation:</p> <p><u>Proof of Age Documentation:</u></p> <p>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 62 migrant child workers aged under 15 on 18 of the 31 visited farms in the region.</p> <p><u>Labor Contractors:</u></p> <p>In Akcakoca district, the assessed farmers recruit migrant workers through labor contractors. 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</p>	

	<p>minimum wage after deduction of the commission. The local law and commission guidelines require that the commission of the labor contractors need to be paid separately.</p> <p><u>Source:</u> Interviews with workers, labor contractors and farmers; Documentation review; Observation</p>
<p>Company Action Plan:</p>	<p>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.</p> <p>During the 2018 harvest season, Olam’s social workers who are working on the field will provide 1 to 1 counseling to registered agricultural labor contractors. Olam targets to give counseling to two agricultural labor contractors and make contracts with at least two farmers in the Sakarya and Düzce region. These contracts will be signed among the workers, labor contractors, and farmers. 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)</p> <p>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 the Sakarya and Düzce region. Olam will pilot this project in the harvest of 2018. If this pilot work succeeds, it will also positively affect other inappropriate situations in working life. 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.</p>
<p>Deadline Date:</p>	<p>September 2018</p>

Terms and Conditions

<p>Benchmarks:</p> <p><i>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.</i></p> <p><i>ER.9.1: Workers should be made aware of the employment terms under which they are engaged.</i></p> <p><i>ER.9.2: Employment terms shall be those to which the worker has voluntarily agreed, provided those terms do not fall below:</i></p> <p><i>ER.9.2.1: provisions of national laws;</i></p> <p><i>ER.9.2.3: the FLA Workplace Code.</i></p> <p><i>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.</i></p> <p><i>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</i></p>	<p>Noncompliance in all farms</p>
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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.

Findings/Noncompliance Explanation:

Olam organizes trainings for workers and farmers about workplace standards and workers’ rights, but these trainings have not reached workers and farmers in the assessed area, as it is a new production region for Olam.

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 (when workers are hired through labor contractors) 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:

Olam will expand its training activities to the cities of origin, such as Mardin and Şanlıurfa, to be able to reach more workers. Olam plans to reach about 300 workers in Mardin and 150 workers in Şanlıurfa. For this purpose, Olam cooperates with the Foundation for the Support of Women's Work (KEDV) in a project entitled “Neighborhood Motherhood Programme,” where workers are being trained on FLA Code and daily wages. Similarly, labor contractors receive CoC and responsible recruitment training in collaboration with Pikolo association. Trainings have taken place in Urfa and Mardin since the beginning of 2018. Olam will provide training on FLA CoC in origin cities of Mardin and Şanlıurfa in October 2018.

Within the scope of the USDOL Project, Olam will revise all training materials and methodologies and will receive consultancy to update training modules. Olam’s Sustainability Department delivers trainings to the farmers, intermediaries, and seasonal migratory agricultural workers in its supply chain.

In addition to the above-explained programs, Olam will work with the local authorities to establish welcome centers at the entrance of Akçakoca and Gümüşova districts, where Olam Sustainability Department Staff and the local authorities will inform migrant workers on working conditions, employment terms, working hours, wages, and local Commission decisions (Deadline: August 2018).

Moreover, to better inform the workers on the daily wage, Olam will work in coordination with the village heads and local religious institutions to announce the declared daily wage from the sound system of the village mosques in Gümüşova and Akçakoca (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).

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

Noncompliance in all farms

Risk of

		Noncompliance in all farms
Findings/Noncompliance Explanation	<p>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 wrong deductions from their salaries.</p> <p>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.</p> <p><u>Source:</u> Interviews with workers, farmers and labor contractors; Documentation review</p>	
Company Action Plans:	<p>In collaboration with Pikolo Association, Olam aims to provide certification to 50 labor contractors within the scope of “The Database of Labor Contractors Project” (Deadline: February 2018).</p> <p>Olam will give consultancy to four labor contractors, who have received labor contractors’ certificate to make contracts with the workers, which would include an article on advances, how the workers would like to receive their wages (through cash, wire transfer, labor contractor, mail etc.), 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. After this first step, all the details of the annual report to be presented by the Local Employment Agency (İŞKUR) will be included (Deadline: September 2018).</p> <p>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 will be provided with extensive information, such as wage follow-up and individual payment of fees within the scope of the KEDV “Village Motherhood Project.” If there is an issue of advance, women know they need to put it in writing and document it properly (Deadline: April 2018).</p> <p>Furthermore, Olam will distribute "Daily Wage follow-up cards" in a total of 10 villages in Sakarya and Düzce region, so workers can calculate their total wages correctly without misconceptions and confusion. These follow-up cards are like a simple salary payroll (Deadline: September 2018).</p> <p>Olam will also advise all workers to download the “FLA Support” app to their smart phones to reach to Hotlines, Emergency Contact Numbers, informative video, and related information.</p>	
Deadline Date:	September 2018	
Work Rules and Discipline		
Benchmarks:	<p><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></p>	Noncompliance in all farms

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.

Findings/Noncompliance Explanation: Monitors cannot assure 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.
Source: 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 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 the Düzce and Sakarya region. 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:
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.

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 obstacle preventing them to participate.
Source: 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 Gümüşova and Uğurlu 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.

	<p>Village Motherhood Program</p> <p>Village Motherhood is a program where the women are trained as village mothers and provides one-to-one support to the other mothers living in the same village in observing their children’s development and responding to their development and educational needs and in accessing available services and programs through house visits and when needed outside activities. Village Motherhood program takes place in the city of Mardin, where most of the seasonal migrant workers live (their hometown).</p> <p>In order to raise awareness of women producers, 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. We will reach out to mothers who are directly or indirectly involved in the agriculture production and 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 three districts in Sakarya and Düzce (June 2018).</p>
Deadline Date:	July 2018
HSE Management System	
<p>Benchmarks:</p> <p><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></p>	Noncompliance in all farms
<p>Findings/Noncompliance Explanation:</p>	<p>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 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.</p> <p><u>Source:</u> Interviews with workers, supervisors, farmers and Olam staff; Observation</p>
Company Action Plan:	<p>Olam has developed brochures on Occupational Health and Safety in Agriculture. Under the USDOL Project, brochures for migrant workers in Turkish, Kurdish, and Arabic language were produced. 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 (Deadline: October 2018).</p> <p>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: October 2018).</p>
Deadline Date:	October 2018

Nondiscrimination

Compliance Status

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

General Compliance / Compensation Discrimination	
<p>Benchmarks:</p> <p>ND.1: Employers shall comply with all national laws, regulations and procedures concerning nondiscrimination.</p> <p>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.</p>	<p>Noncompliance in all farms</p>
<p>Findings/Noncompliance Explanation:</p>	<p>There is discrimination in the hours of work schedule and wages between local and migrant workers employed on hazelnut orchards in the region. The migrant workers have to work from 7am to 7pm, while local workers work from 7am to 6pm (one hour less). This is based on the belief that migrant workers work less efficiently than local workers.</p> <p>Additionally, the farmers plan to pay migrant workers 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.</p> <p><u>Source:</u> Interviews with workers, supervisors, labor contractors, farmers, Olam staff and external stakeholders</p>
<p>Company Action Plan:</p>	<p>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.</p>

	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. The content of the trainings will include compensation and non-discrimination. Information on national legislation and FLA Standards on working hours will be provided in trainings organized with farmers and workers (July 2018).
Deadline Date:	July 2018

Harassment or Abuse

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	H/A.1.1	In compliance	
	H/A.1.2	In compliance	
Discipline	H/A.2	In compliance	
	H/A.3	In compliance	
	H/A.4	In compliance	
	H/A.5	In compliance	
	H/A.6	In compliance	
	H/A.7	In compliance	
	H/A.13	In compliance	
Violence	H/A.8.1	Noncompliance	Farm 6 in Gumusova
	H/A.8.2	Noncompliance	Farm 6 in Gumusova
	H/A.8.3	In compliance	
Sexual Harassment	H/A.9.1	In compliance	
	H/A.9.2	In compliance	
	H/A.9.3	In compliance	
	H/A.9.4	In compliance	
Security Practices	H/A.10	In compliance	
	H/A.10.1	In compliance	
	H/A.10.2	In compliance	

Harassment or Abuse Assessment Summary

Violence	
<p>Benchmarks:</p> <p><i>H/A.8.1: Employers shall ensure that the workplace is free from any type of violence, harassment or abuse, be it physical, sexual, psychological, verbal, or otherwise. This also applies to workers who are brought to the farm by employers, labor contractors or service providers.</i></p> <p><i>H/A.8.2: Employers shall refrain from any action, and shall take all appropriate action to ensure that all workers refrain from any action, that would result in an intimidating, hostile or offensive work environment for workers.</i></p>	<p>Noncompliance in one farm</p>
<p>Findings/Noncompliance Explanation</p>	<p>In one of the visited farms in the Gumusova Region, monitors found that the workers' supervisor was giving workers a hard time by constantly yelling at them to work harder and faster.</p> <p><u>Source:</u> Interview with workers and farmers</p>
<p>Company Action Plans:</p>	<p>Olam will organize trainings for farmers on violence, especially in the village of Gumusova. Olam will add the topic of violence to the content of its trainings, targeting farmers and workers. The topic of violence will not only cover physical</p>

	<p>violence, but it will cover eliminating all forms of harassment and discrimination. Olam formed a taskforce within its Sustainability Department and in consultation with the national NGO titled “Nonviolent Education and Research Association based in Turkey” in order to work on this issue (Deadline: July 2018).</p> <p>Pikolo during the labor contractors’ trainings and KEDV during Village Motherhood Program will add the issue of eliminating all forms of violence in their trainings (April 2018).</p>
Deadline Date:	July 2018

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	Noncompliance	All Farms
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	

Forced Labor Assessment Summary

Freedom in Employment and Movement	
<p>Benchmarks:</p> <p><i>F.2: All workers shall have the right to enter into and to terminate their employment freely.</i></p>	<p>Risk of Noncompliance in all farms</p>
<p><i>F.8: The imposition of overtime where workers are unable to leave the work premises constitutes forced labor.</i></p>	<p>Noncompliance in all farms</p>
<p>Findings/Noncompliance Explanation:</p>	<p><u>Freedom in Employment and Movement:</u></p> <p>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. On one visited farm in the Gumusova region, monitors reported that the hired group of young workers had no other choice than to complete the whole harvest season in the region, as their</p>

	<p>supervisor requested it.</p> <p>Forced Overtime:</p> <p>Migrant workers are working an hour longer than local workers and have no choice to refuse and stop working. This can be considered as forced overtime since working time exceeds the limits of national legislations and the FLA Code.</p> <p>Source: Interviews with workers, supervisors, labor contractors, farmers and Olam staff</p>
Company Action Plan:	<p>First, Olam will do focus group interviews with workers to find out whether this issue really limits freedom of work. Olam will organize this with FLA experts (May 2018).</p> <p>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).</p> <p>Olam will give more weight to their new suppliers' farmers joined newly to their Sustainability program and to raise awareness in these regions. Gümüşova is the district in Düzce that Olam will first focus on (July 2018).</p>
Deadline Date:	September 2018
Work of Family Members	
<p>Benchmarks:</p> <p><i>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.</i></p>	
Noncompliance in all farms	
Findings/Noncompliance Explanation:	<p>The workers who are from the same family do not have individual agreements and do not receive a separate payment. The farmers pay the wages in total for all workers to the labor contractors or supervisors, who then pay the head of the family.</p> <p>Source: Interviews with workers, labor contractors, supervisors and farmers</p>
Company Action Plan:	<p>In cooperation with the Pikolo Association, Olam will inform the labor contractors in depth and in detail 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).</p> <p>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. Currently, the contract can only 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).</p>
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	
<p>Benchmarks:</p> <p>CL.1: Employers shall comply with all national laws, ratified international conventions, fundamental labor rights, regulations and procedures concerning the prohibition of child labor.</p> <p>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.</p>	<p>Noncompliance in all farms</p>
<p>Findings/Noncompliance Explanation:</p>	<p>Monitors observed a total of 62 child workers on 18 of the 31 visited farms in the region, 31 girls and 31 boys aged between 13 and 15 years, all seasonal migrant workers (56 from Southeast Turkey and 6 Syrian refugees). These children came to hazelnut picking areas with their families and perform the same tasks of the adult workers, i.e., collecting hazelnuts from the ground and filling their buckets. On one farm, two children were distributing water to other workers. They work the same long hours as all other workers. Some of them dropped out of school, but most of them continued their education in their hometown.</p> <p><u>Source:</u> Interviews with workers, supervisors and labor contractors; Observation</p>
<p>Company Action Plan:</p>	<p>Through the supplier management plan, all intermediaries in the hazelnut supply chain will be informed of the Olam Supplier Code (which includes also elimination of child labor). Every year, Olam organizes Supplier Meetings in both West and the East Black Sea Regions and invites all their suppliers.</p> <p>Olam held the Annual Suppliers' Meeting in the West Black Sea Region in the city of Sakarya in February 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 farmers in the process of exporting hazelnut.</p> <p>An expert on child labor was invited to the supplier meeting. 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. The suppliers are key people in the field who can greatly influence the farmers. Achieving a certain awareness of child labor by the suppliers in the first place will greatly increase the level of awareness of the farmers.</p>

There was a detailed presentation of the Olam Supplier Code and Olam Turkey. All the participants were asked to sign the Olam Supplier Code.

Olam also organizes social projects to mitigate the risks of child labor. In the 2015 harvest season, Olam reinstated the unused village school in Esmahanım Village of Akçakoca and brought it back to the use of village people. Olam has been implementing a summer school project to eliminate child labor in hazelnut farming in cooperation with Akçakoca National Education Directorate and International Labor Organization (ILO) in every harvest season since 2015 in this school. In the harvest of 2017, Olam increased the number of Summer Schools to two in the Sakarya regions by opening up summer schools in Akçakoca and Kirazlı in coordination with ILO and Young Life Foundation.

During the 2017 harvest season, the Gümüşova district was added to Olam’s supply chain. Therefore, this monitoring report became a baseline for Olam to give an opportunity to implement social projects to eliminate child labor. Regarding Olam’s previous experiences with Summer Schools in other regions, the influence of the summer school project on child labor is well-known.

For this reason, Olam will open a summer school in the Dereköy Village of Düzce's Gümüşova district during the hazelnut harvest season of 2018. Olam aims to collaborate with the ILO and the Public Education Center for this summer school. Olam will direct children to this school in the Dereköy village during the harvest season. In this way, they will not be far away from education when they are away from their origin (September 2018). In the projects with Pikolo and KEDV, the issues will be covered in all the trainings organized for the workers, labor contractors, and farmers.

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 monitoring conducted in Gümüşova (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. The training content covers workplace rules and terms for young workers, such as age limit and suitable tasks for young workers. However, documentation practices are low among hazelnut farmers. Assessed farmers were not verifying and requesting proof of age documentation. Monitors found 163 young workers – 89 girls and 74 boys - working on the orchards, representing 19% of the total workforce. All of them are seasonal migrant workers from Southeast Turkey (154) and Syrian refugees (9). They were working in the same circumstances as adult workers and working 10,5 hours a day. Young workers, especially the boys, are involved in hazardous work, such as carrying

	<p>heavy jute bags.</p> <p>The ILO 182 Convention ratified by Turkey describes the migratory agricultural seasonal work between the ages of 16 and 18 as one of the worst forms of child labor.</p> <p><u>Source:</u> Interviews with workers, labor contractors, supervisors and farmers; Observation</p>
Company Action Plan:	<p>Under the project “The Database of Labor Contractors Project,” the labor contractors will be informed of the working conditions for young workers.</p> <p>Olam will distribute "Young Worker Registration Form" and "Young Worker Family Permission Form" to the farmers in five villages in the Gümüşova district. Olam will check through the social workers working in its Sustainability department during their internal monitoring that the forms have been filled out (September 2018).</p> <p>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).</p> <p>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).</p>
Deadline Date:	September 2018

Children on Premises

Benchmarks:

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.

Noncompliance in all farms

Findings/Noncompliance Explanation:

Children of migrant groups and the farmers who do not work but accompany their parents were 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.

Source: 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 trainings. Olam will talk to families about the necessity to orientate their children to our summer schools, especially in the Gümüşova and Düzce districts (September 2018).

In order to ensure that children can live with their families, Olam made renovations of some workers' houses in the Karasu and Akçakoca districts during the harvest season of 2017 (five houses in total - three of these were renovated through the USDOL Project budget, and two of them were renovated from the joint budget of Nestlé and Olam). Before the harvest season of 2018, Olam will continue to renovate two workers' houses in Esmahanım Village of Akçakoca district (July 2018).

Deadline Date:

September 2018

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.

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

	<p>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 on the orchards.</p> <p><u>Source:</u> Interviews with workers, supervisors, child labor's families, Olam staff; Observation</p>
Company Action Plan:	<p>Olam has a "Procedure for the Prevention of Child Labor". In this procedure, the tasks of 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).</p>
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	
Protection Reproductive Health	HSE.11.2 (PR)	In compliance	
	HSE.12.1	In compliance	
Infrastructure	HSE.12.2 (PR)	In compliance	
	HSE.13 (PR)	N/A	
	HSE.17.1	Noncompliance	Farm 5 in Akcakoca
	HSE.17.2 (PR)	In Progress	All Farms
	HSE.19 (PR)	In Progress	All Farms
	HSE.21 (PR)	In Progress	All Farms
Machinery Safety	HSE.22 (PR)	Not Initiated	All Farms
	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	
<p>Benchmarks: HSE.1: Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.</p>	
Noncompliance in all farms	
Findings/Noncompliance Explanation:	<p>Workers are carried on tractors on very steep roads. 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.</p> <p><u>Source:</u> Interviews with workers and farmers; Observation</p>
Company Action Plan:	<p>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 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 the 10 villages at Karasu district of Sakarya and 10 villages at Kabatas district of Ordu. Olam will collaborate with the local governorships of the Gümüşova and Akçakoca districts to redo the unsafe village roads, provide traffic signals, speed limits, and warnings signs that go to hazelnut farms with the labor contractors.</p>
Deadline Date:	September 2018
Chemical Management	
<p>Benchmarks: 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.</p>	
Risk of Noncompliance in all farms	
Findings/Noncompliance Explanation:	<p>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.</p> <p><u>Source:</u> Interviews with farmers and Olam staff; Observation</p>
Company Action Plan:	<p>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 of 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 to more than 1000 producers. In 2018, Olam will continue to give pesticide cabinets to its new project farmers (July 2018).</p> <p>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).</p> <p>Furthermore, Olam will prepare a document on the harm of commonly used</p>

	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
Access to Water	
<i>Benchmarks:</i> HSE.17.1: Safe and clean potable water for drinking shall be freely available at all times, within reasonable distance of the workplace.	
Noncompliance in one farm	
Findings/Noncompliance Explanation:	Potable water is made available to workers on all assessed farms, except one farm where workers complain about the water being dirty. The water is coming from the city supply, but probably, their lines are damaged and need maintenance. The farmers and labor contractors are not taking any measure to provide an alternative source of potable water to the workers. <u>Source:</u> Interview with workers
Company Action Plan:	Olam will provide the necessary guidance to the local authorities, especially to the Public Health Directorate in collaboration with the labor contractors about the problem in the hazelnut farm, which is mentioned in Uğurlu Village. Olam will give the authorities information on how dirty water can be converted into clean drinking water by filtration. Olam will guide farmers to apply the Public Health Directorate to obtain chlorine (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 (PR)	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 (PR)	In Progress	All Farms
	HOW.7	Noncompliance	All Farms
Public Holidays and Leave	HOW.8.1	In compliance	
	HOW.8.2	In compliance	
	HOW.8.3	In compliance	
	HOW.9	N/A	
	HOW.10.1	N/A	
	HOW.11 (PR)	N/A	
	HOW.12.1 (PR)	N/A	

HOW.12.2 (PR)	N/A	
HOW.13	In compliance	
HOW.14	In compliance	
HOW.15 (PR)	N/A	
HOW.16 (PR)	N/A	

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 obtaining (verbal / written) consensus from the workers.

**Noncompliance
in all farms**

**Findings/Noncompliance
Explanation:**

The local commission's decree regarding working hours exceeds national regulations, FLA and Olam's Code of Conduct. The local commission declared working hours as from 7am to 7pm, with 1,5 hours break during the working day. As a consequence, migrant workers work 10,5 hours a day, and 73,5 hours a week, and local workers 9,5 hours a day, and 66,5 hours a week. The local commission does not recognize overtime.

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.

Workers informed monitors that they find the working hours very long and exhausting. They accept these working terms at the beginning of the season because they have no other choice.

Source: 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 (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	
<i>Benchmarks:</i>	
<i>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.</i>	
Noncompliance in all farms	
Findings/Noncompliance Explanation:	<p>The monitors did not observe any nursing or pregnant women in the assessed farms. However, the young workers and child workers were working in same conditions as adult workers, such as working 10,5 hours a day. 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.</p> <p><u>Source:</u> Interview with workers, supervisors, labor contractors, farmers and Olam staff; Observation</p>
Company Action Plan:	<p>Olam will distribute the "Young worker registration form" in 20 villages in Sakarya, Ordu, and Düzce. 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).</p> <p>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).</p> <p>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 to the migrant workers and farmers (See Child Labor Section, Young Workers' CAP - September 2018).</p> <p>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. 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 three districts in Sakarya and Düzce, namely, Kocaali, Akçakoca, and Gümüşova. The seminars will take place in April-May 2018 in the local primary schools of Kirazlı, Uğurlu, and Community Center of Gümüşova. In these seminars, Olam will distribute brochures about nursing and pregnant women workers' labor standards to about 30 women farmers in each location and all teachers enrolled in the schools (June 2018).</p>
Deadline Date:	September 2018

Compensation

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	C.1.1	In compliance	
	C.1.2	Noncompliance	All farms in Akcakoca
	C.1.3	In compliance	
	C.1.4 (PR)	In Progress	All farms
Minimum Wage/Fair Compensation	C.2.1	Noncompliance	All farms
	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 (PR)	In progress	All farms
Wage Payment and Calculation	C.6	In compliance	
	C.7.1	In compliance	
	C.7.2	In compliance	All farms
	C.7.3 (PR)	In Progress	All farms
	C.7.4	Not Initiated	All farms
	C.7.5	Noncompliance	All farms
	C.8.1	Noncompliance	All farms
	C.8.2	Noncompliance	All farms
	C.8.3	Noncompliance	All farms
	C.8.4 (PR)	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	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.	Non compliance in Akcakoca farms
Findings/Noncompliance Explanation:	In Akcakoca, where migrant workers are recruited through labor contractors, the labor contractors are deducting a commission of 10 % from workers as an intermediary fee. The local regulation requires farmers to pay this commission to labor contractors separately. However, farmers make a total payment to labor contractors that covers workers wage, labor contractors commission, and supervisor salaries. Hence, labor contractors continue deducting their 10% commission from the

	<p>daily wages, and the amount could even be higher since the payment system is not transparent.</p> <p><u>Source:</u> Interviews with workers, labor contractors, farmers, Olam staff and external stakeholders</p>
Company Action Plan:	<p>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 PiKOLO 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. We also aim to achieve a solution of the problem by ensuring the wages are given to the workers directly (February 2018).</p>
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 all farms**

Findings/Noncompliance Explanation:	<p>The migrant workers do not receive the legal minimum wage after deduction of the 10% commission from the labor contractors. The Ministry and the local commission announced the daily minimum wage as TRY 59,25, and farmers pay TRY 60 per workers per workday to labor contractors. However, migrant workers will only receive TRY 54 after the deduction, which is below the legal minimum wage.</p> <p>Additionally, the Ministry has announced the legal minimum wage for an 8-hour working day, while the local commission uses the same wage for 10,5 hours. This reduces the hourly wage, and the rate used contradicts the national laws and FLA standards, where overtime payment should be considered.</p> <p><u>Source:</u> Interview with workers, supervisors, labor contractors, farmers, Olam staff and CSOs</p>
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Company Action Plan:	<p>Olam will organize training for farmers in Ordu, Sakarya, and Düzce 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.</p> <p>Through the Database of Labor Contractors Project of the Pikolo Association, Olam already informed 277 labor contractors about employment rules/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.</p> <p>The presence of a registered workforce and labor contractors 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.</p> <p>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 government level after the USDOL project ends.</p>
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Deadline Date:	September 2018
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Wage Payment and Calculation

<p>Benchmarks:</p> <p>C.7.2: FLA-affiliates shall ensure that farmers/producers receive payments and certification premiums through a traceable and reliable payment system.</p> <p>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.</p> <p>C.8.1: Employers shall compensate workers for all hours worked.</p> <p>C.8.2: Employers shall comply with all applicable laws, regulations and procedures governing the payment of premium rates for work on holidays, rest days, and overtime. There might however be specific working schemes voluntarily agreed by the workers to work on holidays and rest days for short-term seasonal work, which would make this provision not applicable.</p> <p>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.</p>	Noncompliance in all farms
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<p>Findings/Noncompliance Explanation:</p> <p>The farmers pay the labor contractors or supervisors 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.</p> <p>Migrant workers work 10,5 hours and local workers 9,5 hours a day, which is above 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 10,5 or 9,5 hour working day.</p> <p><u>Source:</u> Interviews with workers, farmers, Olam staff and external stakeholders</p>	
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<p>Company Action Plan:</p> <p>Olam will organize trainings for farmers in Sakarya and Düzce 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 local NGOs.</p> <p>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).</p> <p>Olam will give consultancy to four labor contractors, who have received 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 over time (Deadline: September 2018).</p>	
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Deadline Date:	September 2018
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Workers Awareness

<p>Benchmarks:</p> <p>C.11.1: Employers shall make every reasonable effort to ensure workers understand their compensation, including:</p> <p>C.11.1.1: the calculation of wages,</p> <p>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.</p>	Noncompliance in all farms
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<p>Findings/Noncompliance Explanation:</p> <p>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.</p> <p><u>Source:</u> Interview with workers</p>	
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<p>Company Action Plan:</p> <p>In collaboration with Pikolo and KEDV, Olam will inform workers that the local commission determines the minimum daily wages, and they shall not receive less</p>	
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	<p>during workers' trainings and labor contractors' trainings in Mardin and Şanlıurfa.</p> <p>Olam will design brochures and banners about worker's wages decisions of the local commissions and distribute those brochures in the villages throughout the harvest.</p> <p>Olam will work with the local authorities to establish welcome centers at the entrance of Akçakoca and Gümüşova districts, where Olam Sustainability Department Staff and the local authorities will inform migrant workers on working conditions, employment terms, working hours, wages, and local Commission decisions (Deadline: August 2018).</p> <p>Moreover, to better inform the workers on the daily wage, Olam will work in coordination with the village heads and local religious institutions to announce the declared daily wage from the sound system of the village mosques in Gümüşova and Akçakoca (Deadline: August 2018).</p>
Deadline Date:	September 2018

In Akcakoca location, covering Ugurlu, Aydogan, Dilaver and Yenice villages:

Overview - Farms vs. Non-compliances

Total number of Farms: 13

	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	26	2	0	3	7	0	2	10	8	58
Farm No. 2	26	2	0	3	7	0	2	10	8	58
Farm No. 3	26	2	0	3	7	0	2	10	8	58
Farm No. 4	26	2	0	3	7	0	2	10	8	58
Farm No. 5	26	2	0	3	7	0	3	10	8	59
Farm No. 6	26	2	0	3	7	0	2	10	8	58
Farm No. 7	26	2	0	3	7	0	2	10	8	58
Farm No. 8	26	2	0	3	7	0	2	10	8	58
Farm No. 9	26	2	0	3	7	0	2	10	8	58
Farm No. 10	26	2	0	3	7	0	2	10	8	58
Farm No. 11	26	2	0	3	7	0	2	10	8	58
Farm No. 12	26	2	0	3	7	0	2	10	8	58
Farm No. 13	26	2	0	3	7	0	2	10	8	58
TOTAL	338	26	0	39	91	0	27	130	104	755

In Gumusova location, covering Derekoy and Esmahanim villages:

Overview - Farms vs. Non-compliances

Total number of Farms: 18

	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%	6%	100%	100%	0%	100%	100%	100%	
Farm No. 1	22	2	0	3	7	0	2	10	7	53
Farm No. 2	22	2	0	3	7	0	2	10	7	53
Farm No. 3	22	2	0	3	7	0	2	10	7	53
Farm No. 4	22	2	0	3	7	0	2	10	7	53
Farm No. 5	22	2	0	3	7	0	2	10	7	53
Farm No. 6	22	2	2	3	7	0	2	10	7	55
Farm No. 7	22	2	0	3	7	0	2	10	7	53
Farm No. 8	22	2	0	3	7	0	2	10	7	53
Farm No. 9	22	2	0	3	7	0	2	10	7	53
Farm No. 10	22	2	0	3	7	0	2	10	7	53
Farm No. 11	22	2	0	3	7	0	2	10	7	53
Farm No. 12	22	2	0	3	7	0	2	10	7	53
Farm No. 13	22	2	0	3	7	0	2	10	7	53
Farm No. 14	22	2	0	3	7	0	2	10	7	53
Farm No. 15	22	2	0	3	7	0	2	10	7	53
Farm No. 16	22	2	0	3	7	0	2	10	7	53
Farm No. 17	22	2	0	3	7	0	2	10	7	53
Farm No. 18	22	2	0	3	7	0	2	10	7	53
TOTAL	396	36	2	54	126	0	36	180	126	956