



[2014-15]

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING AGRICULTURAL REPORT

COMPANY: Nestlé / Balsu

COUNTRY: Turkey

PROVINCE: Düzce

DISTRICT/VILLAGES: Akcakoca / Balati, Cayagzi, Melenagzi

MONITOR: Asya Control / FLA

AUDIT DATE: 20 – 26 August 2014

PRODUCTS: Hazelnut

NUMBER OF GROWERS/WORKERS: 37 / 269

NUMBER OF GROWERS/WORKERS INTERVIEWED: 37 / 233

NUMBER OF FARMS VISITED: 37

TOTAL AREA COVERED IN AUDIT: 300 acres

PROCESSES: Harvesting

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

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Code Awareness:

GEN 1 Establish and articulate clear, written workplace standards. Formally convey those standards to Company Growers as well as to Seed Organizers.

Noncompliance

Explanation: The Company has established its own policies, procedures, and a Supplier Code covering all fundamental workplace standards. However, the Company has conveyed these standards to farmers and supply chain intermediaries in a limited manner, which has not been fully effective. An introductory training was organized for farmers earlier in the year and handbooks were distributed to explain the code elements. However, farmers could not recall many details of the training except for the concept of child labor and health & safety in addition to good farming practices. The Supplier Code has not been conveyed to labor contractors, who have no awareness of labor standards.

Source: Interviews with workers, farmers, Company representatives, and labor contractors; Observation; Records Review

Plan Of Action: In the agriculture sector, most of the farmers, labor contractors, and workers are introduced to the content Supplier Code covering the fundamental workplace standards for the first time in their life. Therefore, for an effective communication of the code, a prioritization of the topics has been established and the most critical parts such as the concept of child labor and health and safety were highlighted in the project meetings and trainings. Besides, the topics such as forced labor, employment relationships, human rights (fair and equal treatment), environmental sustainability, hazardous materials and product safety, resource consumption, pollution prevention, and waste minimization were also explained. In order to attract the attention of these stakeholders, good agricultural practices were also communicated after the social trainings. The feedback about the awareness of the farmers for the concept of child labor and health and safety is a good sign about our prioritization. For the next harvesting period the content of the topics will be extended, and the frequency of the trainings will be doubled. In the 2015 season, the topics that were covered in 2014 will be reviewed as well. For the new participating farmers, labor contractors and workers, 2014 topics will be explained in detail. In the 2015 season, the additional main topics highlighted will be young laborer's working conditions, hours of work (working time and rest days), wages and benefits compensation, nondiscrimination, harassment or abuse, fair and equal treatment, grievance mechanisms, housing conditions, and respect of privacy. In the 2016 season, the additional topics will be freedom of association and collective bargaining, anti-bribery, and the entire Supplier code will be reviewed.

In 2014, because of the Presidential Elections on August 10th, the arrival of the workers was delayed for almost 10 days, limiting the communication with the workers. In the 2015 harvesting season, a more frequent and widened training organization will be performed to increase the awareness about the Supplier Code covering all fundamental workplace standards.

Balsu will organize two training per village for farmers, one training for labor contractors and small group training at least once for each worker. *In 2015, the project will include four villages and the coverage will be progressive.* After the training, a survey will be carried out to receive feedbacks from the audience and measure the effectiveness of the trainings. This feedback will be used for reshaping the future social training methodology. *The supplier code will be distributed the attendees in their native language (Turkish, Kurdish or Arabic).*

Deadline Date: 1st March 2015- 15th September 2015

Code Awareness:

GEN 2 Ensure that all Company growers as well as Seed Organizers inform their workers about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by workers) and undertake other efforts to educate workers about the standards on a regular basis.

Noncompliance

Explanation: The Company, farmers, and intermediary traders did not orally inform workers of the workplace standards. There were some informative posters or boards visible in the villages or fields, but they were obviously hung the same morning of the IEM visits. While all workers seem to have basic Turkish reading skills, most of them are Kurdish migrant workers. The documents are not available in Kurdish.

The overall workers' awareness of the Supplier Code is very low.

Source: Interviews with workers, farmers, intermediary trader, Company representatives; Observations from farm and villages tour; Records review

Plan Of Action: In 2014, because of the Presidential Elections, the arrival of the workers was delayed for almost 10 days, limiting the communication with the workers. Therefore, the boards containing the procedures and Supplier Code were posted at the entry of the orchards. In the 2015 harvesting season, more frequent and broadened training organization will be performed to increase the awareness about the Supplier Code with the prioritization described in the Plan of Action #1. Young Lives Foundation (YLF) trainers will visit the workers with their families in the evenings for social trainings. In 2015, Kurdish and Arabic speaking translators will participate in the project. The training sessions will be more intensive at the beginning of harvesting period to have maximum benefit throughout harvesting. The targeted period for the completion of the worker's training will be determined in the first week of August, when the amount of the hazelnuts and the seasonal worker potential will be more apparent.

Because of Middle East's chaotic social and political situation and Turkey's close geographical location, for the next season, the companies expect potentially seasonal workers with different nationality, origin and culture, which is difficult to predict today. In the 2015 season, Balsu will determine the demographic features of the migrant workers and their native languages in the first week of August 2015. Then, the documentation will be prepared in these identified languages. The code and procedures will be communicated through translators and/or brochures in the worker's native languages.

Deadline Date: March 2015- August 2015

Code Awareness:

GEN 3 Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees, Supervisors and employees of Seed organizers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.

Noncompliance

Explanation: A complaint line has recently been established as a mechanism for reporting grievances. However, it is not yet functioning properly, as workers were not informed of its existence, how to use it, and what measures are taken to ensure confidentiality against punishment or prejudice. Currently, farmers only use the line to share technical agricultural issues with the agronomist, who handles the line. The agronomist does not keep records.

The line also needs some further tuning so that workers can reach the officer 24/7 and leave their message within a short period of time without too much waiting.

Source: Interviews with workers, farmers, Company representatives; Observations; Records Review

Plan Of Action: The grievance channel was established in May 2014, and has started to be communicated with the stakeholders. The more frequently communicated farmers started the use of the channel for the consultancy. In all the posters and boards, the channel is announced. In the 2015 harvesting period, to motivate the use of the grievance channels by workers and/or middlemen, the grievance channel number, and the security that workers shall not be punished or prejudiced for using the channel, will be communicated during the trainings and through brochures and boards.

A new grievance system will be established so that the stakeholders can leave messages 24/7. Furthermore, a grievance procedure will be established describing the evaluation of the messages, analysis method for the grievances, identification of their root causes and the preparation of the action plan.

Deadline Date: January 2015-August 2015

Forced Labor: Employment Terms/Prohibitions

F.4 There can be no employment terms (including in written or verbal contracts or any other instruments or in any formal or informal recruitment arrangements) which specify that workers can be confined or be subjected to restrictions on freedom of movement; allow growers to hold wages already earned; provide for penalties resulting in paying back wages already earned; or, in any way punish workers for terminating employment.

Noncompliance

Explanation: There are verbal agreements between the farmers and labor contractors, and between the labor contractors and workers. The agreed employment terms allow farmers and labor contractors to hold the workers' earned daily wages until completion of the harvest on all farms. This practice limits the freedom of workers to dispose of their wages personally.

Source: Interviews with workers, farmers, intermediary trader, Company representatives and labor contractors; Records review

Plan Of Action: In Turkey, local commissions determine the wages for hazelnut harvesting. The commissions consists of different stakeholders, such as the Governor of Province and/or the Governor of District, President of Special Provincial Administration, Officer from Labor Placement Office, the Mayor of the Province and/or District, Local Director of the Ministry of Food, Agriculture and Livestock, President of the Chamber of Agriculture. They determine the harvesting prices and declare some hazelnut harvesting related rules. They also state that the rules that they declare are advisory and to be used as a guideline when there is conflict among the workers, labor contractors, and growers. For the payment, in most of the province and district, the rule is stated as follows: *"The payment of the workers must be performed after the completion of the work."* Nevertheless, the verbal agreements among the above-mentioned parties are different than this rule. Because of the scarcity of cash in agriculture the general verbal agreements between the farmers and labor contractors, and between the labor contractors and workers, are based on the payment of the wages after the harvesting, as soon as the products are sold.

In order to have progress toward better working conditions for workers, Balsu plans two fields of actions:

Local Commissions: Balsu will communicate with at least four influential members of the local commissions (the Governor of Province, The Governor of District, the Mayor of the Province and/or District, Director of the Ministry of Food, Agriculture and Livestock, President of the Chamber of Agriculture) for the declaration on the importance of daily payment for the workers.

Project Stakeholders: The farmers, labor contractors, and workers will be advised in the meetings and trainings, the pay workers on a daily basis whenever possible.

Deadline Date: March 2015-August 2015

Child Labor: Child Labor

CL.2 Growers shall not employ children younger than 15 (or 14 where the law of the country of production allows) or younger than the age for completing compulsory education in the country of production where such age is higher than 15.

Noncompliance

Explanation: Labor contractors are recruiting families with working children younger than 15 years old. 30 child workers were identified during the IEM visit. They were collecting hazelnuts from the ground and filling the buckets. Children are brought to the farms by the labor contractors and their families in order to earn more money.

Source: Interviews with workers, farmers, intermediary trader, Company representatives and labor contractors; Observations from farm tour

Plan Of Action: In the 2015 harvesting season, more frequent and widened training will be performed with all the stakeholders in order to eliminate child labor.

In 2014, Balsu implemented the summer school project in collaboration with Young Life Foundation that aims to keep child workers away from hazelnut harvest and raising awareness on the issue at the local and national level. In 2015, it will be extended to more villages and more schools (four villages and three schools) so that it can be a model for the government to implement similar projects on a nation-wide scale. The training program includes academic training, communication skills, knowing themselves and each other, social inclusion activities, and anti-bias methodology for children.

For the 2015 summer school organization, the participation of other global companies will be encouraged. Providing a scholarship program to the children will compensate for the decrease in the income of the workers due to the elimination of the child labor in the orchards. The school-attendance-based scholarship will increase the education level of the children participating in the program. The poverty and the child labor problem of the seasonal agricultural workers is a heritage from one generation to the other, because of the discontinuous attendance to the school. Since they are need for seasonal agricultural work, the children of the seasonal workers are not well educated, and equipped with skills and craft, thus have less income. With the school-attendance-based scholarship Balsu aims to break the unfortunate poverty heritage chain and promise a better future for the children.

With the elimination of children from the orchards, the need of manpower for hazelnut harvesting can be prevented by automation and technical improvements in agriculture. The Ministry of Agriculture has intensive programs for automatic harvesting machines. This aid will be communicated with the farmers to motivate them to embrace technical developments and good agricultural practices in farmer trainings.

Deadline Date: March 2015-August 2015

Child Labor: Proof of Age Documentation

CL.3 Company will assist the grower in maintaining proof of age documentation for all young workers in the farm and is recommended to maintain proof of age documentation for all workers in the farm, including long term and casual workers.

Noncompliance

Explanation:	<p>There is no age verification system implemented by the labor contractors and farmers, and no proof of age documentation available on the farms.</p> <p><u>Source:</u> Interviews with workers, farmers, intermediary trader, Company representatives and labor contractors; Observations from farm tour</p>
Plan Of Action:	<p>The farmers, labor contractors and workers will be communicated to in the meetings and trainings, to ensure that project participants and auditors can prove the age for all workers from their official documentation in the farm. The farmers will be asked to keep the copies of worker's national ID cards. Wherever it is not possible to have the official documentation in the farm for any reason, a notebook suitable for the orchards will be distributed to the growers so that they can keep the records of their workers, including their date of birth.</p>
Deadline Date:	<p>April 2015-August 2015</p>

Child Labor: Government Permits and Parental Consent Documentation

CL.5 Growers shall abide by all the relevant rules and procedures where the law requires government permits or permission from parents as a condition of employment.

Noncompliance

Explanation: According to the Turkish labor law, children 15 years old or older can work in certain jobs, provided the employers obtain a consent letter from their families. However, no consent letters could be found during the farm visits despite the presence of 35 young workers. There is no awareness of this requirement. Even though there is a tacit consent from families who are working together with their children, the consent letters should be systematically collected by the labor contractors and farmers.

Source: Interviews with workers, farmers, intermediary trader, Company representatives and labor contractors; Observations from farm tour; Records review

Plan Of Action: The farmers, labor contractors and workers will be communicated to in the meetings and trainings, about the Turkish labor law, which allows children being 15 years old or older to work in certain jobs provided the employers obtain a consent letter from their families. In case of this condition, the labor contractors and farmer will be encouraged to ask for the consent letters systematically. A special notebook suitable for the orchards (as mentioned in the Plan of Action #6) will be distributed to the farmers so that they can keep the records of their young workers and the permission and signature of the parents as their consent letter.

Deadline Date: March 2015-August 2015

Child Labor: Employment of Young Workers

CL.6 Growers shall comply with all relevant laws and regulations that apply to young workers, i.e., those between the minimum working age and the age of 18, including those relating to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime.

Noncompliance

Explanation: 35 young workers were observed during the farm visits working weekly overtime - more than 60 hours in a week. They were observed working the same hours and under the same conditions as their adult family members. They were not provided any special conditions as legally required for young workers (e.g. hours of work shall not exceed 8 hours a day and 40 hours a week).

Source: Farmer and young worker interviews; Observations from farm tour

Plan Of Action: The knowledge and awareness about the conditions of young workers (e.g. legal working hours of max. 8 hours a day/ max. 40 hours a week, prevention of their overtime, not doing the same tasks as the adults do like hazardous and strenuous work) is very low in agriculture. As mentioned in the Plan of Action #1, 2015 season's trainings will cover the topics "young labor's working conditions, hours of work (working time and rest days)" as well. The farmers, labor contractors and workers will be communicated in the meetings and trainings, about the prevention of the child labor and the legal working conditions of the young labors according to the Turkish labor law in order to raise awareness.

Deadline Date: March 2015-August 2015

Child Labor: Hazardous Work for Young Workers

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. Young workers between the ages of 15 to 18 years will not be involved in strenuous and hazardous work. Such work includes the application of agro 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, or any other activity which may cause harm or would affect the well being of the young worker.

Noncompliance

Explanation: All young workers do the same work as adults. They work the same hours and perform all of the same hazardous and strenuous tasks (e.g. carrying heavy bags of hazelnuts).

Source: Farm walkthrough and observations

Plan Of Action: As mentioned in the Plans of Action #1 and #8, the knowledge and awareness about the conditions of young workers will be increased with 2015 Season's trainings which will cover the topics "young labor's working conditions, hours of work (working time and rest days)." Prevention of doing the same tasks as the adults do like hazardous and strenuous work will be highlighted. The short term and long term impact of this work to the young workers in terms of health, safety, physical, mental, and moral development will be communicated in the meetings and trainings with the farmers, labor contractors and workers. The tasks and works that the young labors are allowed to do will be described in detail. The health and safety awareness will be increased; the hazardous, strenuous works and tasks that the young labor shouldn't perform will be emphasized in order to raise awareness.

Deadline Date: March 2015-August 2015

Child Labor: Removal and Rehabilitation of Child Laborers

CL.10 If a child laborer is found working on the farms, the grower and the company shall ensure that the child is immediately removed from the farm and is rehabilitated and brought into the mainstream school system. The grower and company will make efforts to make this rehabilitation sustainable.

Noncompliance

Explanation:	<p>The Company and its partners currently do not have a system in place that undertakes removal of children from the farms.</p> <p><u>Source:</u> Farm walkthrough; Interviews with farmers, trader and Company representatives</p>
Plan Of Action:	<p>The mainstream schools are in holiday during hazelnut harvesting period. But, in order to create an alternative model for the elimination of child labor in hazelnut orchards, Balsu and its stakeholders established a volunteer based summer school as described in detail in the Plan of Action #5.</p> <p>Furthermore, Balsu has designed a procedure to remove the children observed during Internal Monitoring, periodic field visits and FLA IEM's, away from the orchards and rehabilitate them. If a child is observed in the hazelnut orchards, the project responsible will immediately communicate with Young Life Foundation (YLF) for the availability of the summer schools for this child. Then, the YHF staff will contact and motivate the families of the child for their involvement in the schools.</p> <p>Besides, in the meetings and trainings, the families of the growers, labor contractors and workers and their children in the region have been and will be motivated to participate the summer school program.</p>
Deadline Date:	April 2015-August 2015

Harassment or Abuse: Discipline/Worker Awareness

H&A.3 Grower will follow disciplinary practices that are fair and are clearly understood by the workers. The grower will take necessary steps to ensure that the farm's disciplinary procedure is clearly understood by the workers.

Noncompliance

Explanation: There are no disciplinary procedures available at the farm level. The farmers and workers are not trained on fair disciplinary procedures and practices.

Source: Farmer and worker interviews; Observation; Record review

Plan Of Action: The disciplinary procedures that are applied in the industries are not fully applicable on a farm level in the agriculture sector. For the adoption of the globally accepted and respected disciplinary procedures to the hazelnut agriculture in 2015, Balsu will organize meetings with the growers, farmers and workers. Balsu will explain the global disciplinary procedures and ask them for their comments, ideas, experiences, disciplinary problems they face in the orchards. With this common mind, Balsu will prepare a disciplinary procedure that will be a part of its Social Responsibility Management System, issue it to the related parties and explain it verbally in social trainings.

Deadline Date: April 2015-August 2015

Harassment or Abuse: Grievance Procedure

H&A.12 Company shall have in place grievance procedures that allow first an attempt to settle grievances directly between the worker and the grower but, where this is inappropriate or has failed, it is possible for the worker to have the grievance considered at one or more steps, depending on the nature of the grievance and the structure and size of the enterprise. Company shall ensure that workers know the grievance procedures and applicable rules.

Noncompliance

Explanation: The Company has not established a grievance procedure allowing settling any grievances directly between workers and farmers. There is a newly created toll free number to be called to raise grievances directly to the Company. However, not all farmers are aware of it and it has not been communicated to the workers. There is no procedure for the grievance system and the recording of the complaints.

Source: Interviews with IMS, Company's agronomists, workers and farmers; Records Review; Observations from farm tours

Plan Of Action: As described in the Plan of Action #3, the grievance channel was established in May 2014 and has started to be communicated with the stakeholders. The more frequently communicated to farmers started the use of the channel for the consultancy. In all the posters and boards, the channel has been announced.

In the 2015 harvesting period, Balsu will design a grievance procedure that allows first an attempt to settle grievances directly between the worker, labor contractor, and the grower. Whenever this is inappropriate, or has failed, workers will have a 24/7 grievance-channel that will be considered by the Balsu team. In order to encourage the use of the grievance channels by workers and/or middlemen, the grievance channel number and the security that workers will not be punished or prejudiced for using the channel will be communicated in the meetings and trainings.

With the new grievance system that will be established in 2015, the stakeholders will be able to leave messages 24/7. All the complaints will be recorded. The grievance procedure will define the evaluation of the messages, analysis method of the grievances, identification of their root causes, and the preparation of the action plans.

Deadline Date: January 2015-August 2015

Non-Discrimination: General Compliance

D.1 Growers shall comply with all local laws, regulations, and procedures concerning non-discrimination.

Uncorroborated Noncompliance

Explanation: Migrant workers are subject to wage discrimination as compared to local workers. Even though no local workers were met during the IEM, farmers and supply chain intermediaries clearly stated that local workers get higher wages than migrant workers. Migrant workers are paid the daily minimum wage (TL 38 to 40) while local workers are paid above it (TL 45 to 60) to do the same job. Farmers pay them less, stating that they do not perform as well as local workers and they are provided with accommodation.

Source: Interviews with workers, farmers, intermediary traders and Company representatives; External information sources

Plan Of Action: In the hazelnut sector, the wages of the local and migrant workers are different as per cultural practice. In some cases, the cost of migrant workers to the growers is higher compared to local workers, because, migrant workers are provided with accommodation, energy, and basic needs by the farmers. Besides, there is a perception for migrant workers about the difference of performance such as harvesting fewer amounts and creating damage to the trees.

In order to overcome this perception and discrimination about the wages, Balsu will have the following actions:

Balsu will arrange meetings with the stakeholders to find solutions to this wage discrimination problem, and ask them for their comments, ideas and suggestions.

As described in Plan of Action #4, in Turkey, local commissions determine the wages for hazelnut harvesting. They determine the harvesting prices and declare some hazelnut harvesting related rules. They also state that the rules that they declare are advisory and to be used as a guideline when there is conflict among the workers, labor contractors and growers. For the resolution of the wage discrimination problem, Balsu will communicate with the members of the local commissions (at least four influential members), receive their suggestions and also ask them for a declaration of the importance of the prevention of wage discrimination between the local and migrant workers.

The farmers, labor contractors and workers will be communicated in the meetings and trainings, about all kinds of non-discrimination, including wage discrimination problem. The stakeholders will be motivated for the payment of the workers with the same wage for local and migrant workers.

Deadline Date: May 2015-August 2015

Health and Safety: General Compliance Health and Safety

H&S.1 Growers shall comply with all local laws, regulations, and procedures concerning health and safety. In any case where local laws and the Workplace Code of Conduct are contradictory, the higher standards will apply. The grower will possess all legally required permits.

Noncompliance

Explanation: The Company, farmers and labor contractors did not adopt responsible measures to mitigate the risks related to means of transport to prevent accidents or injuries. Workers are carried on tractors between their settlements to the fields. Tractors go on very steep roads and sometimes workers have to sit on top off full loaded tractors with nuts.

Source: Interviews with workers, farmers, intermediary traders, external information sources and Company representatives; Observations from farm tours

Plan Of Action: The wide geographical location of the hazelnut orchards with different altitudes; the lack of asphalt-paved or gravel roads create transportation related risks for the farmers, workers and labor contractors. The stakeholders are not aware of the potential risks and their legal obligation in case of accident and the possibility of exposure to fines and penalty of imprisonment.

Balsu's health and safety specialist will perform risk analysis and the outcomes of the analysis, risks, precautions; preventive measures will be shared with the farmers, growers and labor contractors in 2015 season's health and safety trainings. The legal obligations and the risk of fines and penalty of imprisonment will be communicated in the meetings and trainings. The farmers, labor contractors and workers will be communicated and be motivated to mitigate the risks related to means of transport to prevent accidents or injuries.

Deadline Date: March 2015- August 2015

Health and Safety: Document Maintenance/Worker Accessibility and Awareness

H&S.2 All documents required to be available to workers and growers by applicable laws (such as health and safety policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language(s) spoken by the workers if different from the local language. If the workers are illiterate, the company shall make an effort to provide pictorials that the workers can easily understand.

Noncompliance

Explanation:	<p>There are not any health and safety documentation or information boards available at farm level. There are some health and safety initiatives taken like distribution of Personal Protective Equipment (PPE), but no documentation or procedure is available. Consequently, workers are not consistently using PPE as they are not fully aware of their importance and utility.</p> <p><u>Source:</u> Interviews with Company representatives, workers and farmers; Records review; Observations from farm tours</p>
Plan Of Action:	<p>In 2015 season, the documentation about health and safety will be issued to all of the farms; and the health and safety brochures will be distributed on a wider scale in the native languages of the workers and labor contractors.</p> <p>With the feedbacks of the 2014 season, PPE's and first-aid kits will be redesigned and the number of PPE's and first aid kits that will be distributed in 2015 will be documented per orchard in detail. The usage of PPE's and the presence of health and safety materials in the orchards will be investigated during internal monitoring and the results will be recorded.</p> <p>The workers will be motivated to use PPE with trainings by emphasizing their importance and utility. This training will be a part of social training given by YLF. But, if we see that PPE's are not used in a certain orchard during internal monitoring audits, the training will be repeated during rest period of the workers.</p>
Deadline Date:	May 2015- August 2015

Health and Safety: Access to Safety Equipment and First Aid

H&S.6 Company should ensure that growers and workers have access to safety equipment and first aid.

Noncompliance

Explanation: Although first aid kits were provided to farmers by the Company during the recent training, it was observed that most of these kits are kept at the farmers' house (2-3 km away from the farms), which undermines the effectiveness of this action.

Source: Farm walkthrough and farmer interviews

Plan Of Action: As described in the Plan of Action#15, with the feedbacks of the 2014 season, first-aid kits will be redesigned and improved. A water-proof first-aid kit, that can be hung on the trees or possible resting places, will be provided so that it could be kept in the orchards, rather than houses. In the meetings and trainings about health and safety, the stakeholders will be asked for their opinions about first aid kits and their suggestions for definite presence of health and safety materials in the orchards.

The number of first aid kits that will be distributed in 2015 will be documented per orchard in detail. The presence of health and safety materials in the orchards will be investigated during internal monitoring and the results will be recorded. If necessary, remediation actions will be determined.

The growers will be motivated during trainings and meetings to keep the health and safety materials in the orchards instead of their houses without undermining the risk of not having the first aid kit in an emergency case. The awareness for health and safety will be improved. The first aid kit will be given to a responsible person in each orchards and the record will be kept. The responsible will be chosen from people who already had health and safety training (such as driving license owners). In the case of the absence of such a person, a responsible will be chosen and trained for H&S. If any material is used in the safety kit, the responsible person will call the grievance channel for renewing the missing item in the kit. The missing item will be completed in latest 24 hours. The location of the first aid kits will be determined with the responsible person and the workers will be informed about the presence of the kit. For orchards greater than 1 ha, two or more test kits will be placed with a red flag on the tree/resting place. A part of social training both for the farmers and workers will include health and safety and first aid procedures as well.

Deadline Date: May 2015- August 2015

Health and Safety: Living Quarters

H&S.15 In case the workers reside on the farms, the growers will ensure that living quarters are adequate, safe and do not pose any risk to the workers or their families.

Noncompliance

Explanation:	<p>Not all living quarters are adequate, comfortable and safe. Farmers offer their discarded houses/rooms to accommodate the migrant workers. In some cases, these houses are semi-finished and are missing windows or doors. This is problematic especially when there is heavy rain.</p> <p><u>Source:</u> Interviews with IMS, Company staff, workers and farmers; Record Review; Observations from farm tours</p>
Plan Of Action:	<p>In 2015 season, at least 50 growers will be visited for the due diligence of the living quarters where the seasonal workers will stay during harvesting. If necessary, the growers will be advised to make improvements about living quarters. The related data will be recorded. In the Internal Monitoring, the same living quarters will be inspected again to observe and record the progress. With 2015 data, Balsu will prepare a more intensive plan of action about the improvement of living quarters.</p> <p>Furthermore, the farmers, labor contractors and workers will be communicated in the meetings and trainings, about better living quarters arrangement wherever possible.</p>
Deadline Date:	May 2015- August 2015

Hours of Work: General Compliance

HOW.1 Growers shall comply with all local laws, regulations, and procedures concerning hours of work, public holidays, and leave.

Noncompliance

Explanation: Daily and weekly working hours are excessive. Migrant workers hired on those farms work 10.5 hrs/day and they work 7 consecutive days a week without any rest day. Weekly working hours are far above the legal limits with 73.5 hours for those migrant workers (against 45 hours for normal working hours and 60 hours for overtime as per the law requirements). Those 73.5 hours are considered as normal working hours without any overtime payment.

Source: Interviews with workers, farmers, supply chain intermediaries and Company representatives

Plan Of Action: As described in the Plan of Action #4, in Turkey, local commissions determine the wages and the rules for hazelnut harvesting. They determine the harvesting prices and declare some hazelnut harvesting related rules. They also state that the rules that they declare are advisory and to be used as a guideline when there is conflict among the workers, local contractors and growers. In these guidelines, it is stated that the working hours are between 07:30 – 19:30 with one and a half hours of break time. That results into a 10.5 hours per day working time. When the workers work for 7 days (i.e. 73,5 hours/week), it exceeds the legal working hours limit.

In order to increase awareness about labor laws and regulations and have progress toward better working conditions for workers, Balsu plans two fields of actions:

- i. Local Commissions: Balsu will communicate with at least four influential members of the local commissions (the Governor of Province, the Governor of District, the Mayor of the Province and/or District, Director of the Ministry of Food, Agriculture and Livestock, President of the Chamber of Agriculture) for the clarification of the legal working hours and overtime payment. The seasonal workers should have one day rest every week and shouldn't work for 7 consecutive days a week without any rest day. According to the Turkish labor law, working hours exceeding 45 hours/week are considered as overtime and must be paid %50 higher than the normal wage. Therefore, the commission members will be advised to declare these regulations in their declaration about the harvesting wages and harvesting related rules.

Project Stakeholders: The farmers, labor contractors and workers will be informed in the meetings and trainings about the legal working hours, not working 7 consecutive days a week without any rest day, legal payment and rest days, and they will be requested to obey the related items of the Turkish Labor Law.

Deadline Date: May 2015- August 2015

Wages, Benefits and Overtime Compensation: General Compliance

WBOT.1 Growers shall comply with all local laws, regulations and procedures concerning the payment of wages and benefits, including overtime compensation. In any case where laws and the FLA Workplace Code of Conduct are contradictory, the standard that provides the greatest protection for workers shall apply. Where provisions are lacking, growers shall take measures to reasonably accommodate matters concerning the payments of wages and benefits, including overtime compensation.

Noncompliance

Explanation: [The workers are not compensated for overtime work. When working more than 45 hours a week, workers should be paid for overtime at the legal applicable premium rate.](#)

[Source: Interviews with workers, farmers, intermediary trader, labor contractors and Company representatives](#)

Plan Of Action: [The Plan of Action for this noncompliance is as stated in the Plan of Action #18.](#)

Deadline Date: [May 2015- August 2015](#)

Wages, Benefits and Overtime Compensation: Minimum Wage

WBOT.2 Growers shall pay workers, the legal minimum wage or the prevailing regional wage, whichever is higher.

Noncompliance

Explanation: Migrant workers do not receive the legal minimum wage after the deduction of the 10% commission from the labor contractors. The Directorate of Agriculture has announced TL 37.80 as the minimum daily wage for seasonal agricultural workers. Migrant workers are paid TL 38 to 40 but the labor contractors deduct a 10% commission from their daily wage. Therefore these workers are not getting the legal minimum wage at the end of the day. Some farmers cover workers' transportation costs but some others request the workers to pay for it.

Source: Interviews with workers, farmers, labor contractors and Company representatives; Records review

Plan Of Action: As described in the Plan of Action #4, in Turkey, local commissions determine the wages and the rules for hazelnut harvesting. They determine the harvesting prices and declare some hazelnut harvesting related rules. They also state that the rules that they declare are advisory and to be used as a guideline when there is conflict among the workers, local contractors and growers. According to these rules, the minimum wage in Turkish Lira per day is declared, and the payment must be performed directly to the worker after the completion of the work. In most of the provinces/districts the payment to the labor contractor is not clearly defined. Therefore, the labor contractor deduct %10 of the worker's wages. In the commissions' declaration, it is stated that the transportation costs have to be covered by workers.

In order to increase awareness about labor laws and regulations about minimum wage and fair payment of the workers, Balsu plans two fields of actions:

Local Commissions: Balsu will communicate with at least four influential members of the local commissions (the Governor of Province, the Governor of District, the Mayor of the Province and/or District, Director of the Ministry of Food, Agriculture and Livestock, President of the Chamber of Agriculture) for the clarification of the hazelnut seasonal workers' payment terms. The payment for the service of the labor contractors should be clearly defined and must be differed from the payment of the workers in the declaration. The authorities should highlight the requirement for direct and daily payment of the worker without intermediary payment to the labor contractor.

Project Stakeholders: The farmers, labor contractors and workers will be informed about the minimum legal wage payment on a daily basis as stated by the local commissions without deduction of 10% commission for labor contractors.

Deadline Date: May 2015- August 2015

Wages, Benefits and Overtime Compensation: Timely Payment of Wages

WBOT.3 All wages, including overtime compensation shall be paid within legally-defined time limits. When law does not define time limits, compensation shall be paid at least once a month or as agreed between the worker and the grower.

Noncompliance

Explanation: According to the Chamber of Agriculture, the workers should be paid daily, or at least weekly, for their daily wages. However, the workers are paid only after the harvesting season. They receive their wages only when harvesting is over in every field (all farmers in the region) before going back home.

Source: Interviews with workers, farmers, labor contractors, intermediary trader and Company representatives; Records review

Plan Of Action: The Plan of Action for this noncompliance is as stated in the Plan of Action #20.

Deadline Date: May 2015- August 2015

Wages, Benefits and Overtime Compensation: Worker Wage Awareness

WBOT.6 Grower/Organizer/Company will make an effort to educate workers so that the terms of employment, wages, benefits and deductions shall be clearly understood and acceptable by the worker.

Noncompliance

Explanation:	Workers are not informed of the legal minimum wage. They are also not aware of overtime payment and conditions prior to undertaking overtime. <u>Source:</u> Interviews with workers, farmers, intermediary trader, labor contractors and Company representatives
Plan Of Action:	The Plan of Action for this noncompliance is as stated in the Plans of Action #4, #18 and #20.
Deadline Date:	May 2015- August 2015

Miscellaneous

Social Security Registration

Noncompliance

Explanation: Workers' Social Security (SS) registration is not made whereas agricultural workers should not be exempted of it. As per the annex 5 of Act No 5510, when farmers employ seasonal agriculture workers every year on a regular basis, they should not be considered as temporary workers and be registered to SS.

Source: Interviews with workers, Company staff, farmers and external information source; Records Review

Plan Of Action: In Turkey, all the workers, including agricultural workers, temporary workers, house workers, babysitters, etc., should be registered in the National Social Security (SS) system. Nevertheless, there is a severe lack of awareness about this legislation. If there is an accident, then the employer learn the legislation and have fines and/or penalty of imprisonment.

In the meetings and trainings, workers, labor contractors and farmers will be informed about the legal obligation of registration of workers to SS. The risk of fines and penalty of imprisonment will be communicated.

Deadline Date: May 2015- August 2015