



[2017]

## FAIR LABOR ASSOCIATION

# INDEPENDENT EXTERNAL MONITORING AGRICULTURAL REPORT

**Company:** Nestlé/Balsu

**Country:** Turkey

**Crop:** Hazelnut

**Production Process:** Harvesting

**Assessment Locations:** Akçakoca-Kocaali (Balatlı, Koçar and Demiraçma Villages)

**Monitors:** Asya Control & Certification and two independent monitors

**Assessment Dates:** 9-17 August 2017

**Number of assessed farms:** 43

**Total area covered:** 1237 acres

**Number of farmers interviewed:** 43

**Total number of workers:** 511

**Number of workers interviewed:** 495

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

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

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

## Employment Relationship

### Compliance Status

Section	Benchmark	Compliance status	Farms
Human Resource Management System	ER.1.1	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 Farms
	ER.5.1	Noncompliance	All Farms
	ER.5.2	Noncompliance	All 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 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 Farm
	ER.25.3	In compliance	
	ER.25.4	In compliance	

### Employment Relationship Assessment Summary

Recruitment and Hiring	
<p><b>Benchmarks:</b></p> <p><b>ER.3.1:</b> 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><b>ER.3.1.1:</b> Employers shall take reasonable measures to ensure such documentation is complete and accurate.</p> <p><b>ER.3.1.2:</b> 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><b>ER.4:</b> 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><b>ER.5.1:</b> 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><b>ER.5.2:</b> 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><b>ER.7.6:</b> 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><b>Non compliance in all farms</b></p>
<p><b>Findings/Noncompliance Explanation:</b></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.</p> <p>Farmers do not take the necessary precautions to ensure all workers are at least the minimum legal working age. Monitors observed 57 migrant child workers aged under 15 on 22 farms out of 43 visited farms.</p> <p><u>Labor Contractors:</u></p> <p>Farmers recruit migrant workers through labor contractors. Labor contractors deduct a 10% commission from workers' daily wages meant to be a recruitment fee. When farmers pay the minimum wage according to the local commission guidelines, workers receive less than the minimum wage after deduction of the commission. The local law and commission guidelines require the commission of the labor contractor to be paid separately.</p>

	<p><b>Source:</b> Interviews with workers, labor contractors and farmers; Documentation review; Observation</p>
<p><b>Company Action Plan:</b></p>	<p>Balsu will give trainings to all related stakeholders (Muhtar, Manav, Producers, Family members of the producers) within the community through social workers about age verification. The training module is updated and shared with the producers in the programme (January 2018). The new training module includes National legislation and Balsu ethical policy on age verification responsibilities of employers.</p> <p>In addition, Balsu will provide training to producer’s families (women) on age verification and minimum age requirements. This will be done through modular trainings provided within the “strong women, strong agriculture” project (March-May 2018, Balatli, Beyoren, Altuncay villages in Akcakoca region, funded by USDOL project, led by Young Life Foundation).</p> <p>Balsu has developed a website and mobile platform to support sustainability activities and increase traceability within its supply chain. Producers are now able to log in to gobalsufarm.com and enter data regarding workers’ information hired during hazelnut harvest, including their age. Once hazelnut farmers enter the date of birth of a worker, he/she can see the age of the worker immediately. The application has been launched- farmers will receive trainings on how to use the system during the months of April–July 2018.</p> <p>Balsu will provide farmers with sample documentation on registration of age and include this in workers trainings as well to make them accept their ages being checked and recorded by farmers.</p> <p>Balsu will provide training to labor contractors and workers’ leaders in its supply chain. The training will take place during the month of February 2018 in Mardin City (Southeast region of Turkey where seasonal agricultural workers come from). This will be done with Young Life Foundation and local stakeholders.</p> <p><b>Activities with Labor Contractors</b></p> <p>Once workers arrive in the hazelnut-growing region, they do not know how long and under which producers they will work. So, Balsu will start activities t with farmers and provide them a sample agreement they can use to recruit workers. On the other hand, workers will be informed of their rights through Balsu social workers. Balsu will hire Kurdish speaking social workers to overcome the language barrier. Additionally, Balsu will share the local commission declaration at the hazelnut-growing region (in villages coffee houses) and inform both producers and producers’ families about this declaration. It is also important to inform workers and labor contractors on this issue. The training that will take place in the city of Mardin with labor contractors, worker heads, and seasonal agricultural workers’ families will inform them of how the wages are calculated, what they should expect, and how they should proceed with workers. Balsu will share the updated training module (specific for producers, workers and labor contractors) showing the calculation steps to ensure workers’ wage is not lower than the legal minimum wage.</p>

<p><b>Deadline Date:</b></p>	<p>September 2018</p>
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**Terms and Conditions**

<p><b>Benchmarks:</b></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><b>Noncompliance in all farms</b></p>
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**ER.9.1:** Workers should be made aware of the employment terms under which they are engaged.  
**ER.9.2:** Employment terms shall be those to which the worker has voluntarily agreed, provided those terms do not fall below:  
**ER.9.2.1:** provisions of national laws;  
**ER.9.2.3:** the FLA Workplace Code.  
**ER.11:** Employers shall ensure that all legally mandated requirements for the protection or management of special categories of workers, including migrant, juvenile, contract/contingent/temporary, casual, daily, home workers, pregnant or disabled workers, are implemented.  
**ER.12.1:** Employers shall regularly inform workers about workplace rules, health and safety information, and laws regarding workers' rights with respect to freedom of association, compensation, working hours, and any other legally required information, and the FLA Code through appropriate means, including posted in local language(s) throughout the workplace's common areas or in the surrounding community. In the case of workplaces with informal labor structures, these communication and awareness raising activities could be done with support from supply chain intermediaries such as cooperatives, organizers, tier one suppliers or the participating company.  
**ER.13.1:** Farmer, sharecropper or any kind of supervisor who is leading workers shall have knowledge of the local labor laws and the FLA Code.

**Findings/Noncompliance Explanation:**

Workers' awareness of labor rights and workplace standards - for example, legal minimum wage without deductions - is low. Balsu did not communicate the workplace standards to the assessed workers and farmers through trainings or by distributing communication materials, like brochures.

At the time of recruitment, workers are verbally made aware of the tasks, responsibilities, and working hours. However, workers are not told about 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 and farmers who are leading workers have limited knowledge of the local labor laws and the FLA Code. They do not know, for example, there are special regulations for the protection of young workers and pregnant workers.

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

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

**Company Action Plan:**

The training module for producers and workers has been updated, where the importance of having a written agreement between producers and workers is highlighted.

Since harvest is taking place within 30-45 days in the whole region- and workers are mobile during the period - it is important to start trainings as soon as the workers start coming to the region. Balsu is working towards improving the training method. During the trainings, Balsu will provide "sample agreements" to workers and producers. Social workers will be in close contact with the workers until the end of the harvest. At the producers/labor contractors/workers' head training, it will be emphasized that workers should be aware of their rights, including wages they will receive and how it is calculated.

Balsu has updated its training modules for workers and producers, which now include information on national legislation and working conditions. The training module includes topics such as working conditions, wages, working hours, and specific regulations for young and pregnant workers. At the regional training that will take place in the city of Mardin (for labor contractors and workers' heads being active in Balsu supply chain), these issues will also be discussed with local stakeholders like İŞKUR, a private employment agency that will be invited to this training for legislation and good model applications.

**Deadline Date:**

September 2018



Wage Administration	
<b>Benchmarks:</b> <i>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).</i>	<b>Noncompliance in all farms</b>
<i>ER.16.1: Employers may not limit in any manner the freedom of workers to dispose of their wages.</i>	<b>Risk of Noncompliance in all Farms</b>
<b>Findings/Noncompliance Explanation:</b>	<p>Workers receive advance payments from labor contractors when they need it. The payment proceeds upon trust and verbal agreement since the labor contractors are either family member or acquaintances of the workers. However, the workers or labor contractors do not document or confirm advance payments in writing, which create a risk of wrong deductions from their salaries.</p> <p>Moreover, farmers do not pay the wages directly to workers, but they pay the labor contractors or supervisors, who then pay the workers. This covers a risk that labor contractors or supervisors don't pay the exact wage to the workers.</p> <p><u>Source:</u> Interviews with workers, farmers and labor contractors; Documentation Review</p>
<b>Company Action Plan:</b>	<p>Balsu will share sample document with producers indicating working conditions and employment relationship. The idea of “receiving / giving payment is subject to registration” will be shared during all worker and farmer trainings. On the sample contract, there is a section regarding advance payment indicating that they are interest free.</p> <p>At the regional training in Mardin, Balsu will train 30 labor contractors and share the sample contract with them. The below “public spot” will be shared at the trainings, which has been shot by the Turkish state concerning labor contractor’s responsibilities.</p> <p><a href="https://www.youtube.com/watch?v=Lj72Jr4sUPk">https://www.youtube.com/watch?v=Lj72Jr4sUPk</a></p>
<b>Deadline Date:</b>	September 2018
Work Rules and Discipline	
<b>Benchmarks:</b> <i>ER.20.1: Employers shall have disciplinary rules and practices that embody a system of progressive discipline (e.g. a system of maintaining discipline through the application of escalating disciplinary action moving from verbal warnings to written warnings to suspension and finally to termination).</i> <i>ER.20.2: Any person supervising workers shall be aware of the disciplinary rules and practices.</i> <i>ER.20.4: The disciplinary system shall be applied in a fair and nondiscriminatory manner and include a management review of the actions by someone senior to the manager who imposed the disciplinary action.</i> <i>ER.20.6: Disciplinary rules and practices shall be clearly communicated to all workers.</i> <i>ER.20.7: Workers must be informed when a disciplinary procedure has been initiated against them.</i> <i>ER.20.8: Workers have the right to participate and be heard in any disciplinary procedure against them.</i> <i>ER.20.11: The disciplinary system shall include a third-party witness during imposition, and an appeal process. In case of smallholder settings, existing appeal mechanism at community level is acceptable.</i>	<b>Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation:</b>	<p>Monitors cannot assure farmers apply the disciplinary system 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.</p> <p><u>Source:</u> Interviews with workers, supervisor, labor contractors, farmers and Balsu staff; Documentation review</p>

<b>Company Action Plan:</b>	<p>During the months of March-April, Balsu will seek consultancy support for the development of institutional policies and procedures in relation with the sustainability program. In that scope, Balsu will assess current quality management policy and procedures, provide inputs to improve overall quality Management, review our institutional policy and procedures related with sustainability, including Code of Conduct, CSR handbooks, and producer work standards, to integrate young labor, seasonal migrant agriculture labor, working hours, employment relation, and develop a discipline procedure. Labor contractors, workers’ heads, and farmers will be trained on the disciplinary system.</p> <p>The social workers will be in the field to disseminate a Balsu social module that will be revised to include disciplinary procedure and standards.</p>
<b>Deadline Date:</b>	September 2018
<b>Access to Training for Family Members</b>	
<p><b>Benchmarks:</b> <i>ER.21: Family members (spouses and adult children) involved directly or indirectly in agriculture production shall have access to all training and awareness raising activities conducted for the workers and farmers on the farms.</i></p>	<b>Risk of Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation:</b>	<p>Although Balsu invites family members of farmers to the trainings, they do not often 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 participate in the event at the village coffeehouse etc. Balsu does not yet work on solving the obstacles preventing them to participate.</p> <p><u>Source:</u> Interviews with workers, farmers and family members</p>
<b>Company Action Plan:</b>	<p>Balsu has reached out to almost 90 women hazelnut producers from four different villages prior to the 2017 harvest. Women received trainings on Good Agricultural Practices (GAP), Certification programmes in hazelnuts, OSH, public services available for disadvantaged groups (provided by Directorate of Akcakoca for Ministry of Family and Social). Moreover, women were included in the program for the hazelnut harvesting techniques seminar provided by Akcakoca District of Akçakoca District Public Education Directorate, and eight women in Balsu’s supply chain received their certificate in the month of November 2017.</p> <p>Balsu has a specific module developed for women producers and has collected feedback during 2017.</p> <p>To empower women in the hazelnut growing region of Duzce with Genc Hayat Vakfi, Balsu has developed a programme called “strong women, strong agriculture” (implemented in February – June 2018 in Balatli, Beyoren and Altuncay villages). This project aims to reach the women (40 to 50 women in total) farmers at the same time as family members of farmers in Balsu’s hazelnut supply chain to empower, build capacity, and support the visualization of their active and thriving participation to agricultural production for the benefit of other actors in the production process.</p> <p>Throughout the implementation, Balsu will be working with women to participate in social and economic life, considering the need of empowering women and sustainability of this initiative.</p>
<b>Deadline Date:</b>	June 2018
<b>HSE Management System</b>	

<b>Benchmarks:</b> <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>		<b>Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation:</b>	<p>At the time of the assessment, Balsu had not communicated the health, safety, and environmental rules to all workers efficiently. Not all workers attend the trainings, and the communication materials (posters) are not available in many places. There is also no 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 Balsu staff; Observation</p>	
<b>Company Action Plan:</b>	<p>Balsu has been giving OHS training to both workers and farmers since 2014 harvest. Moreover, within Balsu’s social training module, there is specific OHS information for children and young workers. Kurdish speaking trainers/social workers/agronomists were assessed as a need to provide these trainings. Therefore, Balsu will hire a Kurdish speaking social worker. Moreover, Balsu will post visual brochures and posters in village coffee houses as well as in workers’ shelters.</p> <p>Balsu has updated the OSH module to make it more effective- using more interactive and visual communication techniques and taking principles of adult education principles into account.</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&amp;S, good labor practices, labor rights, child labor, and access to services. Balsu will distribute and showcase them during the trainings provided in the workers’ place of origin and in the Western Black sea region.</p>	
<b>Deadline Date:</b>	September 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><b>Benchmarks:</b></p> <p><b>ND.1:</b> Employers shall comply with all national laws, regulations and procedures concerning nondiscrimination.</p> <p><b>ND.3:</b> 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><b>Noncompliance in all farms</b></p>
<p><b>Findings/Noncompliance Explanation:</b></p>	<p>There is discrimination in the work schedule hours 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, Balsu staff and external stakeholders</p>
<p><b>Company Action Plan:</b></p>	<p>Balsu will work with local stakeholders on the discrimination issue. Balsu social training module provided to producers includes an explanation about wage and hours of work discrimination. Balsu has held meetings in January 2018 with 65 producers (including traders, village headman, agricultural offices, local stakeholders) at four different locations. At some of these meetings, producers mentioned price difference between local and seasonal workers as "discrimination," which is a good indication of mindset change.</p> <p>Workers will also be informed of public services numbers (ALO 170), Balsu support line, and grievance channel to share any discrimination related issue after they have been trained.</p> <p>Additionally, the Nestlé Responsible Sourcing Best Practices Handbook will cover fair payment standards for workers, such as equal remuneration, which will be disseminated to workers.</p>
<p><b>Deadline Date:</b></p>	September 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	

### Freedom in Employment and Movement

**Benchmarks:**

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

**Risk of  
Noncompliance  
in all Farms**

*F.8: The imposition of overtime where workers are unable to leave the work premises constitutes forced labor.*

**Noncompliance  
in all Farms**

**Findings/Noncompliance  
Explanation:**

Freedom in Employment and Movement:

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 together at the end of the harvesting season.

Forced Overtime:

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.

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

**Company Action Plan:**

Balsu will train farmers, workers, workers heads, labor contractors, and families about working conditions, including forced labor indicators. Balsu updated its training module- the legislation about working hours is explained in detail- (wage calculation for excessive hours and voluntary issue).

Workers will also be informed of public services numbers (ALO 170), Balsu support line, and grievance channel to share any working hours related issues after they are trained.

Balsu will distribute sample agreements (contracts) between farmers and workers that will include information on working hours, wages, right to leave work etc. Balsu will share this sample contract with farmers during the trainings and explain the principles of the agreement.

<b>Deadline Date:</b>	September 2018
<b>Work of Family Members</b>	
<b>Benchmarks:</b> <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>	
<b>Noncompliance in all Farms</b>	
<b>Findings/Noncompliance Explanation:</b>	<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><u>Source:</u> Interviews with workers, supervisors, labor contractors, farmers and Balsu staff</p>
<b>Company Action Plan:</b>	<p>Balsu social training module has been updated to include payment related issues and legislation stating workers should be paid in person, rather than through labor contractors or family heads etc. Balsu will communicate this to labor contractors during the trainings that will be given in Mardin, one of the cities in Southeast Turkey where the migrant workers come from.</p> <p>In the training module, the below public spot will be screened to producers and workers, which includes details about payment, how it should be paid, and individual payment principle.</p> <p><a href="https://www.youtube.com/watch?v=Lj72Jr4sUPk">https://www.youtube.com/watch?v=Lj72Jr4sUPk</a></p>
<b>Deadline Date:</b>	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	Noncompliance	All Farms
	CL.10.2 (PR)	In Progress	All Farms

### Child Labor Assessment Summary

<b>General Compliance / Minimum Age</b>	
<b>Benchmarks:</b> <i>CL.1: Employers shall comply with all national laws, ratified international conventions, fundamental labor rights, regulations and</i>	
<b>Noncompliance in all farms</b>	

*procedures concerning the prohibition of child labor.*

**CL.2:** Employers shall comply with ILO Convention 138 and shall not employ anyone under the age of 15 or under the age for completion of compulsory education, whichever is higher. If a country has a specified minimum age of 14 years due to insufficiently developed economy and educational facilities, employers might follow national legislations but must work to progressively raise the minimum age to 15 years.

**Findings/Noncompliance Explanation:**

Although most of the farmers and labor contractors know child labor is forbidden, they do not implement any age verification process. As a result, monitors observed a total of 57 migrant child workers, 34 girls and 23 boys from South East of Turkey aged under 15 on 22 of the 44 visited farms. 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. They work the same long hours as all other workers. Most of these children continue their education in their hometown.

Source: Interviews with workers, supervisors and labor contractors; Observation

**Company Action Plan:**

Balsu will continue taking actions to combat child labor in hazelnut harvesting through both preventive and intervention activities.

First, the physical and social risks faced by the children during work are communicated in detail to producers and workers in the social training module. It is also communicated that the nature of seasonal agricultural work exposes families to all types of risks, to which children are the most vulnerable.

Balsu will sign a protocol with Young Life Foundation (YLF) for the implementation of Balsu child labor prevention and sustainable development programme during 2018 harvest. The objective of this agreement between Balsu and Young Life Foundation is to improve the access and quality of services, such as advocacy, stakeholder engagement, and sustainable development in Balsu’s hazelnut supply chain. According to this agreement, YLF will be responsible for the implementation of the children’s’ referral to rehabilitation and access to education centers (summer schools) during 2018. Balsu’s social workers will be in direct contact with YLF and closely collaborate with them. YLF has developed a “child protection policy” that will be shared and adapted to Balsu’s policies. Balsu aims to open two summer schools in the Akcakoca region (Melenagzi and Beyoren Villages during 2018 harvest with a target to reach about 150 children in total).

Balsu social workers will visit seasonal agricultural workers as soon as they arrive in the hazelnut-growing region to work. Children will be identified, and according to need assessment, they will be referred to summer schools or public services in the region.

In addition, there is a possibility that the opening date of the official schools and the harvest season would coincide with the changing harvest season due to climatic changes. Therefore, Balsu will arrange an awareness rising session on procedures to enroll migrant children to local schools as guest students at the harvest areas and explain why this is important for children of seasonal agriculture families.

Balsu has a step plan once there is identification of child labor during the harvest:

**Meeting** – once the child laborer is identified, Balsu social worker will contact the family of the child (Balsu social workers in 2017 received various trainings on child labor case management).

**Preliminary assessment** - what needs to be changed?

**Planning** - will be done with YLF, the families and children.

**Implementation** -

**Final evaluation** - efficiency of steps will be evaluated.

In December 2017, Balsu paid a visit to the mayor of Akcakoca with the aim to activate locally and nationally available resources for child labor mitigation for a more sustainable and long-term implementation of the project activities; they will be authorized to receive a grant from Ministry of Social Security through METİP that is announced on April 2017. According to this scheme, in the cities where seasonal agricultural workers and their families arrive, there is government funding granted to the local authorities to improve working and living conditions of the workers. Within the grant, Balsu discussed the opportunity of cofounding a summer school for seasonal agricultural workers in Akcakoca region. According to METİP, education centers, such as summer schools, can be activated through involvement of NGOs that are active in the region and area for 3 years. Balsu visited the municipality with YLF. There will be a second visit in February 2018 to discuss activities that can take place, such as opening a summer school within METİP grant.

For advocacy and training activities, Balsu has updated all training modules to include children’s rights and details about legislation for producers, workers etc.

Throughout the year, Balsu will train labor contractors and supervisors on child labor in collaboration with YLF.

**Deadline Date:** August 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:**

Monitors observed young workers on 26 of the 43 assessed farms, including family members of the farmers. 205 young workers (127 females and 78 males) were from seasonal migrant worker groups, and 2 females were family workers. The young workers represent 40.5 % of the total workforce in the assessed areas, and they were observed to be working 10.5 hours a day and 7 days a week and under the same conditions as their adult family members. Along with picking hazelnut, it is observed that especially the male young workers were also engaging in hazardous tasks, such as carrying heavy bags of hazelnut. They were not provided any legally required special conditions for young workers.

The ILO 182 Convention ratified by Turkey describes the agricultural seasonal work between the ages of 16 and 18 as one of the worst form of child labor.

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

**Company Action Plan:**

Concerning young workers working conditions, Balsu provides training about legislation to all stakeholders on the field. Details about young labor working conditions are outlined in the social module and OSH training module.

Registration of workers is updated in Balsu’s social module as of January 2018. Balsu is planning to disseminate a sample form for registry details during harvest to farmers. This form will be similar to gobalsufarm registry details. Producers can log in with a username and password to the project website –gobalsufarm- to register the workers and do the age verification. However, it will take almost five years to train farmers to



	use this system. Balsu will provide hard copies of the forms for registration purposes to farmers. This will help have knowledge about where young workers are once the harvest starts and then social workers would monitor them during harvesting.
<b>Deadline Date:</b>	September 2018
<b>Children on Premises</b>	
<p><b>Benchmarks:</b>  <i>CL.9: The employer shall ensure that children (including those residing on the farm and those of migrant workers) are not exposed to dangerous agriculture production activities, including exposure to chemicals/pesticides.</i></p>	
<b>Noncompliance in all farms</b>	
<b>Findings/Noncompliance Explanation:</b>	<p>Children of migrant/local worker groups and of the farmers who do not work but accompany their parents or help their family with light jobs are exposed to natural risks, such as falling down at steep places or be bitten by insects. There is no precaution taken to try to mitigate those risks.</p> <p><u>Source:</u> Interview with workers and observation during visits</p>
<b>Company Action Plan:</b>	<p>Balsu has a hazardous waste management system to eliminate pesticide risk from workers and producers, which is explained during OHS training. The producers' training has been updated with information on the necessity for producers to communicate to workers about possible risks at garden level. Children will be referred to summer schools or other public services according to Balsu children protection programme that will be implemented with Balsu social workers and YLF.</p> <p>One-time risk training will be given to children by the H&amp;S specialist. The content of this training may be the introduction of animals, such as snake and scorpions, what they should do when an insect bites them, and how they should transfer their learnings about insect bites to their families.</p>
<b>Deadline Date:</b>	September 2018
<b>Removal and Rehabilitation of Child Laborers</b>	
<p><b>Benchmarks:</b>  <i>CL.10.1: If a child laborer is found working on a farm, all relevant downstream suppliers, including the participating company, shall immediately assess the situation at the child's household level and shall engage with relevant stakeholders to find a sustainable remediation solution that is in the best interest of the child.</i></p>	
<b>Noncompliance in all farms</b>	
<b>Findings/Noncompliance Explanation:</b>	<p>Balsu works with stakeholders on a child labor prevention and remediation project. However, monitors observed there are some shortcomings in the implementation of the project. In spite of the presence of child workers on the farms, monitors did not observe any child removal action from the company. The project mainly targets the younger children who stay at the accommodation areas, and there is no functioning child removal mechanism in place.</p> <p><u>Source:</u> Interviews with workers, supervisors, child labor's families, Balsu staff; Observation</p>
<b>Company Action Plan:</b>	<p>When child labor is observed during harvest, Balsu social workers start examining the situation to understand the socio-economic, psychosocial, and educational causes and consequences of child labour. They also assess the socio-economic situation of the parents to assess their awareness and attitude towards child labour with an aim to recommend remedial action.</p> <p>In this frame, directing the child to a safe area is Balsu's first priority. During the 2018 harvest, internal policy and standards in regards to child removal will be reevaluated. YLF's child prevention policy will be examined and adopted. Balsu has a 6-step child removal procedure, which is as follows:</p>

	<p><b>Meeting</b> - once the child laborer is identified, Balsu social worker develops an efficient relationship with family and child. Planning starts.</p> <p><b>Preliminary assessment</b> - what needs to be changed?</p> <p><b>Planning</b> - will be done with YLF, families and children.</p> <p><b>Implementation-</b></p> <p><b>Final evaluation</b> - efficiency of steps will be evaluated</p> <p><b>Monitoring -</b></p> <p>After these steps, children either would be placed in the safe places with their families, referred to summer schools (common case), or referral to public services will be made. Balsu will work towards effective implementation and monitoring of the child removal procedure.</p>
<b>Deadline Date:</b>	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	
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	
	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	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	In compliance	
	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	
	HSE.14.1	In compliance	
	HSE.14.2	In compliance	
	HSE.14.3	In compliance	
Ergonomics and Medical Facilities	HSE.14.4	In compliance	
	HSE.15.2 (PR)	In Progress	All Farms
	HSE.16.1	In compliance	
	HSE.16.2	Noncompliance	Farm 1 ( Balatli)

## HSE Assessment Summary

General Compliance	
<p><b>Benchmarks:</b>  <i>HSE.1: Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.</i></p>	
<b>Noncompliance in all farms</b>	
<p><b>Findings/Noncompliance Explanation:</b></p>	<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. Balsu 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>
<p><b>Company Action Plan:</b></p>	<p>Balsu has updated its social and OHS training modules for producers and workers, including legislation and consequences of transfer with remarks and patpats. Explanation on legislation and fines were added to the training modules. Workers will be informed of Balsu support and grievance channel, as well as related ministry offices hotlines, to share any information about this issue.</p> <p>Within the USDOL project, a risk mapping was outlined for workers, and visuals will be shown during workers trainings.</p>
<p><b>Deadline Date:</b></p>	<p>2018 September</p>
Chemical Management	
<p><b>Benchmarks:</b>  <i>HSE.9.2: All chemicals and hazardous substances shall be properly labeled and stored in secure and ventilated areas and disposed of in a safe and legal manner, in accordance with applicable laws. Where relevant, Material Safety Data Sheets (MSDS) must be available as well.</i></p>	
<b>Noncompliance in all farms</b>	
<p><b>Findings/Noncompliance Explanation:</b></p>	<p>Not all farmers store their chemicals in proper storage rooms, but they store these in their usual storages or basements with other products and material. The proper labelling and MSDSs for chemicals are missing at the farm level. Balsu has placed special containers in villages for disposal of chemicals. However, farmer's awareness in using these containers is not high yet.</p> <p><u>Source:</u> Interviews with farmers and Balsu staff; Observation</p>
<p><b>Company Action Plan:</b></p>	<p>Since the 2016 harvest, Balsu is working with the Ministry of Food, Agriculture and Livestock, and Balsu farmers are receiving a Turkish Good Agricultural Certificate. During 2017 harvest, almost 500 Balsu farmers were certified (4 times more than what it has been in 2016) according to Turkish GAP certification. Balsu provides guidance to farmers on storing pesticides. Balsu will update this guidance with more visuals, have it printed out, and will share copies with farmers during monitoring visits. This will help farmers to meet their duties under relevant pesticide legislation. According to Turkish GAP certification rules, it is a must for farmers to have and use a locked chest/cabinet; also, an agronomist and OHS specialist provide information for the usage of pesticides. Balsu has set up targets to expand its GAP programme and increase certified number of hazelnut farmers in the coming years.</p> <p>Producers and workers will be also informed of Balsu support and grievance channel to report hazardous waste they might come across. At 38 villages, Balsu has put containers for hazardous waste management and informed stakeholders about their usage.</p>

	<p>Body risk mapping will also be used to show the effects of chemicals on the human body.</p> <p>Balsu will also distribute personal protective equipment to workers and farmers during 2018 hazelnut season.</p>
<b>Deadline Date:</b>	September 2018
<b>Medical Facilities</b>	
<i>Benchmarks:</i>	
<p><i>HSE.16.2: Medical facilities shall be established and maintained as required by applicable laws. In case of no local law, the employer shall ensure that the workers are able to utilize local service providers in case of medical emergencies and have the local medical officer's contact address available to the workers. In the case of a medical emergency, e.g., injury or sudden illness, farmers will not unreasonably delay allowing a worker to have access to medical treatment.</i></p>	
<b>Noncompliance in one farm</b>	
<b>Findings/Noncompliance Explanation:</b>	<p>During the IEM visit in Balatli, monitors encountered the case of a pregnant worker who had been bitten by a tick. The worker informed her supervisor and labor contractor, but nobody took her to the hospital to check if the tick could be infectious. There was no awareness of the medical risks – especially for a pregnant woman – and no procedure in place to ensure access to medical treatment.</p> <p><u>Source:</u> Interview with workers, supervisor and labor contractor; Observation</p>
<b>Company Action Plan:</b>	<p>Workers will be informed of Balsu support and grievance channel, as well as hotline numbers for the region. They will be also informed of their right to seek for help. In Mardin city, during the trainings, the labor contractors and supervisors will be informed of what should they be doing in medical emergency cases.</p> <p>In the harvesting villages, Balsu has placed medical emergency numbers on containers, coffeehouses, and shelters where seasonal agricultural workers stay.</p> <p>Balsu staff will visit the gardens to fill out a risk assessment form prepared before the harvest season to identify the facilities and the risks. The farmers will be asked to put a mark on dangerous places. Balsu will provide signboards to farmers in case of need. Balsu staff will also distribute a brochure describing what to do in case of bug bites and snakebite. Farmers, labor contractors, and workers will be trained on emergency procedure.</p>
<b>Deadline Date:</b>	September 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.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:**

FLA benchmarks require that maximum daily working hours cannot exceed 12 hours daily and 60 hours weekly including overtime. The local commission declared the working hours are between 7am and 7pm, and workers are entitled to 1 hour of lunch break and 30 minutes of rest breaks. 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's decree exceeds national regulations, FLA and Balsu Code, and 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



	<p>they have no other choice.</p> <p><u>Source:</u> Interviews with workers, farmers, Balsu and external stakeholders</p>
<b>Company Action Plan:</b>	<p>Balsu will keep having strong communication about working hours with local stakeholders and farmers.</p> <p>Within the “Strong women, strong agriculture” project, women producers will be trained about this during the months of February–June 2018. In 2018 harvest, Balsu will communicate with the workers of these farmers to measure the effectiveness of the trainings. Balsu believes we have to reach the women—the farmers’ wives, their sisters, their daughters—because they are influential or even decision makers about working conditions of seasonal agricultural workers.</p> <p>Balsu has a traceability system in place, but it involved Excel sheets and other hard copy forms. Within the scope of this project, Balsu has developed a <b>traceability software system called GoBalsuFarm</b>, which allows to track agricultural and social activities and record geographical information. The most important feature of this new system is the <b>ability to combine supply chain traceability with workforce traceability</b>. Company staff can record workers’ profiles, including their age and gender, working conditions, hours, payments, as well as the GPS coordinates of their working areas.</p> <p>Balsu has tested the system for 15 days during the 2017 harvest, monitoring 88 hazelnut gardens and entering the details of 351 workers. Balsu will continue working towards expanding the scope of use of this software system in 2018.</p> <p>Balsu training modules now contain more details on ethic code, FLA CoC, and legislation about working hours. Moreover, working hours will be added to the sample agreement document between farmers and workers.</p> <p>During the trainings, Balsu communicates about the fact that productivity level decreases when working hours increase. This issue has been linked to the OHS module suggesting possible work accidents if the daily working hours limit is exceeded.</p>
<b>Deadline Date:</b>	September 2018
<b>Protected Workers</b>	
<p><b>Benchmarks:</b></p> <p><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></p>	
	<b>Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation:</b>	<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, farmers and Balsu staff; Observation</p>
<b>Company Action Plan:</b>	<p>For the workers in special conditions, such as pregnant women and young workers, farmers will be trained according to the updated Balsu social module. In the sample registry form, farmers will be able to identify workers with special conditions.</p> <p>As stated above, project website gobalsufarm.com will directly link farmers with their workers. Therefore, Balsu will be able to monitor the progress through Balsu social workers.</p>

<b>Deadline Date:</b>	September 2018
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## Compensation

### Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	C.1.1	In compliance	
	C.1.2	Noncompliance	All Farms
	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	Noncompliance	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 (PR)	N/A	
	C.10.1	N/A	
	C.10.1.1	N/A	
	C.10.2	N/A	
	C.10.3	N/A	
C.11.1.1	Noncompliance	All Farms	
Workers Awareness	C.11.1.2	N/A	
	C.11.1.3	In compliance	
	C.11.1.4	N/A	
	C.11.1.5	Noncompliance	All Farms
	C.13 (PR)	In compliance	
Fringe Benefits	C.12.1	In compliance	
	C.12.2 (PR)	Not Initiated	All Farms
	C.12.3	In compliance	
	C.12.4	In compliance	
	C.12.5	N/A	

### Compensation Assessment Summary

General Compliance	
<b>Benchmarks:</b> <i>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.</i>	<b>Noncompliance in all farms</b>

<p><b>Findings/Noncompliance Explanation:</b></p>	<p>Labor contractors who play an intermediary role between workers and farmers during the recruitment process deduct a recruitment commission about 10 % from workers' wage. This is against the regulation that requires farmers to pay this commission to labor contractors separately. Although the farmer makes a total payment to labor contractors including his recruitment commission, labor contractors continue deducting their commission from worker's wages.</p> <p><u>Source:</u> Interviews with workers, labor contractors, farmers, Balsu staff and external stakeholders</p>
<p><b>Company Action Plan:</b></p>	<p>According to the Balsu social training module for farmers and labor contractors, having an agreement (contract) with workers and putting wages and payment conditions on the agreement will be emphasized. Balsu social workers will be in strong communication with workers and farmers and disseminate the Balsu support and grievance channel, as well as related ministry offices' hotline number, to report any wage related issues.</p> <p>In March 2018, YLF will organize trainings for labor contractors in Mardin. Labor contractors, workers head, and farmers will watch the public spot.</p> <p><a href="https://www.youtube.com/watch?v=Lj72Jr4sUPk">https://www.youtube.com/watch?v=Lj72Jr4sUPk</a></p>
<p><b>Deadline Date:</b></p>	<p>September 2018</p>

**Minimum Wage/Fair Compensation**

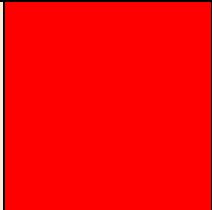
<p><b>Benchmarks:</b></p> <p><i>C.2.1: Employers shall pay workers at least the legal minimum wage, the prevailing industry sector wage, or the wage pursuant to Collective Bargaining Agreements that are in force, whichever is higher, for regular working hours (not including overtime). Hourly or daily 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.</i></p>	<p><b>Noncompliance in all farms</b></p>
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<p><b>Findings/Noncompliance Explanation:</b></p>	<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 worker 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, Balsu staff and CSOs</p>
<p><b>Company Action Plan:</b></p>	<p>All related legislation about workers' rights and related mandate for labor contractors indicating details about commission is communicated to farmers and workers at the trainings. Trainings will be provided in Mardin for regional labor contractors and workers' supervisors. In Mardin, Balsu will also reach seasonal agricultural workers families with Young Life Foundation, and this content will be communicated to the families as well.</p>
<p><b>Deadline Date:</b></p>	<p>September 2018</p>

**Wage Payment and Calculation**

<p><b>Benchmarks:</b></p> <p><i>C.7.2: FLA-affiliates shall ensure that farmers/producers receive payments and certification premiums through a traceable and reliable payment system.</i></p>	<p><b>Noncompliance in all farms</b></p>
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**C.7.5:** No one can receive wages on behalf of a worker, unless the worker concerned has, in full freedom, authorized in writing for another person to do so.  
**C.8.1:** Employers shall compensate workers for all hours worked.  
**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.  
**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.



**Findings/Noncompliance Explanation:**

The farmers pay the labor contractors or supervisors as the head of the group on behalf of all workers. Monitors could not confirm that all workers have been authorized to do so and whether they will receive their own earned wages directly at the end of the work.

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.

Source: Interviews with workers, farmers, Balsu staff and external stakeholders

**Company Action Plan:**

In Balsu social training modules for farmers, labor contractors, workers heads and workers, the importance of having an agreement and putting wages and payment conditions on the agreement in accordance with hours/days worked will be emphasized. Balsu has a traceability system in place, which allows to track agricultural and social activities and record geographical information. The most important feature of this new system is the **ability to combine supply chain traceability with workforce traceability**. Company staff can record workers' profiles, including their age and gender, working conditions, hours, payments, as well as the GPS coordinates of their working areas.

Balsu social workers will be in strong communication with workers and farmers and disseminate Balsu support and grievance channel, as well as the related ministry offices hotline number.

Balsu will make labor contractors, workers' head, and farmers to watch the public spot.

<https://www.youtube.com/watch?v=Lj72Jr4sUPk>

**Deadline Date:**

September 2018

**Workers Awareness**

**Benchmarks:**

**C.11.1:** Employers shall make every reasonable effort to ensure workers understand their compensation, including:  
**C.11.1.1:** the calculation of wages,  
**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.



**Findings/Noncompliance Explanation:**

The monitors noticed during interviews that workers did not know the exact wage they would receive. They only knew it would be close to the announced minimum legal wage.

Source: Worker Interviews

**Company Action Plan:**

Balsu shares the local commission declaration at the hazelnut growing regions (in villages coffee houses) and inform both producers and producers' families about this declaration. On the other hand, it is important to inform workers and Labor contractors on this issue. We know the local commission advised rate for 2018 harvest approximately for seasonal migrant workers who will be working in the

	<p>Akcakoca and Duzce regions. The training that will take place in the city of Mardin with labor contractors, worker heads, and seasonal agricultural workers families will include information on how the wages are calculated, what they should expect, and how they should proceed with workers.</p> <p>Balsu will share its updated training module (specific for producers, workers and labor contractors) showing that workers' wages shall not be lower than the legal minimum wage. During the trainings, the regulation for workers to get paid directly will be communicated.</p> <p>Balsu will hire a Kurdish speaking social worker to strengthen the communication with workers during harvest trainings.</p>
<b>Deadline Date:</b>	September 2018

### Overview - Farms vs. Non-compliances -

**Total number of Farms: 13**

**IEM No. 1 Balatlı Village**

	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
<b>% of farms with non-compliances or risk of non-compliances</b>	100%	100%	0%	100%	100%	0%	100%	100%	100%	
Farm No. 1	26	2	0	3	7	0	3	10	9	60
Farm No. 2	26	2	0	3	7	0	2	10	9	59
Farm No. 3	26	2	0	3	7	0	2	10	9	59
Farm No. 4	26	2	0	3	7	0	2	10	9	59
Farm No. 5	26	2	0	3	7	0	3	10	9	60
Farm No. 6	26	2	0	3	7	0	2	10	9	59
Farm No. 7	26	1	0	3	7	0	2	10	9	58
Farm No. 8	26	1	0	3	7	0	2	10	9	58
Farm No. 9	26	1	0	3	7	0	2	10	9	58
Farm No. 10	26	1	0	3	7	0	2	10	9	58
Farm No. 11	26	2	0	3	7	0	2	10	9	59
Farm No. 12	26	2	0	3	7	0	2	10	9	59
Farm No. 13	26	2	0	3	7	0	2	10	9	59
<b>TOTAL</b>	<b>338</b>	<b>22</b>	<b>0</b>	<b>39</b>	<b>91</b>	<b>0</b>	<b>28</b>	<b>130</b>	<b>117</b>	<b>765</b>



### Overview - Farms vs. Non-compliances

Total number of Farms: 15										
IEM No. 2 Kocar Village										
	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
<b>% of farms with non-compliances or risk of non-compliances</b>	100%	0%	100%	0%	100%	0%	100%	100%	100%	
Farm No. 1	26	2	0	3	7	0	2	10	9	59
Farm No. 2	26	2	0	3	7	0	2	10	9	59
Farm No. 3	26	2	0	3	7	0	2	10	9	59
Farm No. 4	26	2	0	3	7	0	2	10	9	59
Farm No. 5	26	2	0	3	7	0	2	10	9	59
Farm No. 6	26	2	0	3	7	0	2	10	9	59
Farm No. 7	26	2	0	3	7	0	2	10	9	59
Farm No. 8	26	2	0	3	7	0	2	10	9	59
Farm No. 9	26	2	0	3	7	0	2	10	9	59
Farm No. 10	26	2	0	3	7	0	2	10	9	59
Farm No. 11	26	2	0	3	7	0	2	10	9	59
Farm No. 12	26	2	0	3	7	0	2	10	9	59
Farm No. 13	26	2	0	3	7	0	2	10	9	59
Farm No. 14	26	2	0	3	7	0	2	10	9	59
Farm No. 15	26	2	0	3	7	0	2	10	9	59
<b>TOTAL</b>	<b>390</b>	<b>30</b>	<b>0</b>	<b>45</b>	<b>105</b>	<b>0</b>	<b>30</b>	<b>150</b>	<b>135</b>	<b>885</b>

### Overview - Farms vs. Non-compliances -

Total number of Farms: 13										
IEM No. 3 Demiraçma Village										
	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
<b>% of farms with non-compliances or risk of non-compliances</b>	100%	0%	100%	0%	100%	0%	100%	100%	100%	
Farm No. 1	26	2	0	3	7	0	2	10	9	58

Farm No. 2	26	2	0	3	7	0	2	10	9	58
Farm No. 3	26	2	0	3	7	0	2	10	9	58
Farm No. 4	26	2	0	3	7	0	2	10	9	58
Farm No. 5	26	2	0	3	7	0	2	10	9	58
Farm No. 6	26	2	0	3	7	0	2	10	9	58
Farm No. 7	26	2	0	3	7	0	2	10	9	58
Farm No. 8	26	2	0	3	7	0	2	10	9	58
Farm No. 9	26	2	0	3	7	0	2	10	9	58
Farm No. 10	26	2	0	3	7	0	2	10	9	58
Farm No. 11	26	2	0	3	7	0	2	10	9	58
Farm No. 12	26	2	0	3	7	0	2	10	9	58
Farm No. 13	26	2	0	3	7	0	2	10	9	58
Farm No. 14	26	2	0	3	7	0	2	10	9	58
Farm No. 15	26	2	0	3	7	0	2	10	9	58
<b>TOTAL</b>	<b>390</b>	<b>30</b>	<b>0</b>	<b>45</b>	<b>105</b>	<b>0</b>	<b>30</b>	<b>150</b>	<b>135</b>	<b>885</b>