



[2016]

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING AGRICULTURAL REPORT

Company: Nestlé/Olam
Country: Turkey
Commodity: Hazelnut
Production Process: Harvest
Assessment Location: Sakarya, Karasu
Monitor: ASYA Control & Certification
Assessment Dates: 13-19 August 2016
Number of assessed farms: 15
Total area covered: 22.35 ha
Number of Farmers interviewed: 15
Total number of workers: 257
Number of workers interviewed: 257

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

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

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

Employment Relationship

Compliance Status

Section	Benchmark	Compliance status	Farms
Human Resource Management System	ER.1.1	In compliance	
	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	Farms 1,3,4,6,7,11 and 14
	ER.5.1	Noncompliance	Farms 1,3,4,6,7,11 and 14
	ER.5.2	Noncompliance	Farms 1,3,4,6,7,11 and 14
	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	Farms 1,3,4,6,7,11 and 14
	ER.7.7	In compliance	
ER.7.8	In compliance		
Terms and Conditions	ER.9.1	Noncompliance	All farms
	ER.9.2	In compliance	
	ER.9.2.1	In compliance	
	ER.9.2.2	In compliance	
	ER.9.2.3	In compliance	
	ER.9.3	In compliance	
	ER.9.3.1	In compliance	
	ER.9.3.2	In compliance	
	ER.9.3.3	In compliance	
	ER.10	In compliance	
	ER.11	In compliance	
	ER.12.1	In compliance	
	ER.12.1.1	In compliance	
	ER.12.2	In compliance	
	ER.13.1	Noncompliance	All farms
ER.13.2 (PR)	In progress	All farms	
ER.13.3 (PR)	In compliance		
Administration	ER.15.1	In compliance	
	ER.15.2	In compliance	
	ER.15.2.1	Noncompliance	All farms
	ER.16.1	In compliance	
	ER.16.2	Noncompliance	All farms
	ER.17.2 (PR)	Not Initiated	
	ER.17.3 (PR)	In compliance	
ER.17.4 (PR)	In compliance		
Worker Involvement	ER.18.1	In compliance	
	ER.18.2 (PR)	In compliance	
Right to Organize and Bargain	ER.19	In compliance	
Work Rules and Discipline	ER.20.1	Noncompliance	All farms
	ER.20.2	In compliance	All farms
	ER.20.3 (PR)	Noncompliance	All farms
	ER.20.4	Noncompliance	All farms
	ER.20.6	Noncompliance	All farms
	ER.20.7	Noncompliance	All farms
	ER.20.8	Noncompliance	All farms

	ER.20.9 (PR)	Not initiated	All farms
	ER.20.11	Noncompliance	All farms
Access to Training for Family Members	ER.21	In compliance	
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	
Grievance Procedures	ER.25.1 (PR)	In compliance	
	ER.25.2 (PR)	In progress	All farms
	ER.25.3	In compliance	
	ER.25.4	In compliance	

Employment Relationship Assessment Summary

Recruitment and Hiring	
<p>Benchmarks:</p> <p>ER.3.1: Employers shall verify proof of age documentation for all young workers in the farm at the time of their employment and work towards collecting and maintaining all documentation necessary to confirm and verify date of birth of all workers, including long term and casual workers.</p> <p>ER.3.1.1: Employers shall take reasonable measures to ensure such documentation is complete and accurate.</p> <p>ER.3.1.2: In those cases where proof of age documentation is not readily available or unreliable, employers shall take all necessary precautions which can reasonably be expected of them to ensure that all workers are at least the minimum legal working age, including requesting and maintaining medical or religious records of workers, or through other means considered reliable in the local context.</p> <p>ER.4: Employers shall not use employment agencies/labor contractors that rely on any practice that is linked to: using false information to recruit workers; restricting workers' freedom of movement; requiring workers to pay recruitment and/or employment fees; withholding from workers a copy of their employment contract in their native language that sets forth the general terms and conditions of engagement and employment; retaining possession or control of workers identification and other documents like passports, identity papers, work permits, and other personal legal documents; punishing workers for terminating employment.</p> <p>ER.5.1: No worker hired by an employment agency or a labor contractor shall be compensated below the legal minimum wage. The same rights as provided for directly hired contract workers apply for workers hired via an employment agency or labor intermediary.</p> <p>ER.5.2: Fees associated with the employment of workers shall be the sole responsibility of employers. No worker hired via an employment agency or a labor contractor shall pay a fee or get a reduction by applying a fee over his salary.</p> <p>ER.7: Employers may hire temporary, casual, daily, seasonal or migrant workers only when:</p> <p>ER.7.6: contract, temporary, casual, daily, seasonal or migrant workers receive at least the minimum wage or the prevailing industry wage whichever is higher, and all legally mandated benefits such as social security, other forms of insurance, annual leave and holiday pay;</p>	<p>Noncompliance in all farms</p> <p>Noncompliance in seven farms</p>
<p>Findings/Noncompliance Explanation:</p> <p>Olam provided trainings to farmers on how to implement the age verification system. To increase documentation at the farm level, Olam also distributed a Farmers' Handbook in which farmers can record workers' name, age, and other relevant information. However, documentation practices are still low amongst hazelnut farmers. Assessed farmers were not verifying proof of age documentation for young workers in the farm at the time of their employment and work. Within the 15 assessed farms in the scope of the audit, there were young workers (including family workers) in 11 farms. There were no records on young workers' age, working hours, or family consent. Farmers did not take necessary precautions to ensure all workers are at least minimum legal working age.</p> <p>Farmers use labor contractors for finding workers. In practice, labor contractors</p>	

deduce a commission (10 %) from worker wages as a recruitment fee. As a result of this deduction, workers receive less than the minimum wage. The commission of the labor contractor needs to be paid separately by the farmer. It should not be deducted from the workers' earning.

Source: Interviews with workers, labor contractors and farmers. Documentation review. Visual inspections.

Company Action Plan:

Olam will continue providing farmers' trainings for increasing awareness on labor conditions. The social component of the training also covers under which circumstances young workers could be employed. In the 2017 season, farmers' training session content, concerning young workers' employment conditions, will be revised and explained.

Olam is a partner of the USDOL project, which aims to eliminate forced and child labor in hazelnut supply chain. With the cooperation of a local NGO, labor contractors will be trained in Şanlıurfa on workplace conditions, which will also cover young worker's employment conditions.

Increasing the documentation level amongst farmers is a challenging process; therefore, Olam will do a pilot study with 100 farmers and register farmers' information (including labor profile) into a traceability system. During this study, Olam will also assess the time and human resources needed for registering farmers' information.

Nestlé will kick off the Responsible Recruitment program with its suppliers in cooperation with the Ministry of Labor TR. This program will enable labor contractors and workers to get registered with the accredited employment agencies. With that program, we aim to avoid illicit work, and it will be a 1st step to avoid 10% commissions and have a record system. This program's framework is on the preparation procedure with the MoL, companies, and the FLA team.

Olam is providing training to farmers, which also covers the requirement to make a separate payment for labor contractors. This season, Olam will increase the number of trainings with farmers and workers (20 Villages) and will try to increase awareness on illegal deduction of wages. Commission deduction is a widespread problem in labor contracting practice. The Private Employment Agencies (established recently by the State) aim to formalize the agricultural labor sector; in this context, as a pilot study, Olam will facilitate the application to PEA for 10 farmers for finding harvest workers. If the practice successfully functions, Olam will promote the usage of PEAs in upcoming harvest seasons.

For facilitating the register of information on young workers, "Young Worker Registration Form" and "FLA Young Worker Family Permit Form" will be created and distributed to the producers in 10 villages in Karasu.

Deadline Date: 30 September 2017

Terms and Conditions

Benchmarks:
ER.9.1: Workers should be made aware of the employment terms under which they are engaged.
ER.13.1: Farmer, sharecropper or any kind of supervisor who is leading workers shall have knowledge of the local labor laws and the FLA Code.

**Noncompliance
in all farms**

Findings/Noncompliance Explanation: Both workers and supervisors have limited knowledge of labor rights and workplace standards. Workers are not made aware of the employment terms, which are determined via verbal agreements mainly between labor contractors and farmers. For

instance, the workers know they would be paid above the minimum wage announced by the local commission, but the exact wage would be set when the big orchard owners makes the first payment. In addition, verbal contract terms do not cover various necessary subjects, such as penalties, termination conditions, and provision of national law. Olam organizes mobile trainings during the harvest season for workers on workplace standards and workers’ rights, but these trainings have not reached all workers yet.

The efficiency of farmers' training is still limited; not all farmers and labor contractors know the local labor laws, the FLA Code, and labor rights.

Source: Interviews with farmers and labor contractors.

Company Action Plan: Training content will be revised to cover all issues in terms of labor conditions. Illustrative examples and activities will be added to facilitate adult learning. To reach more workers, the number of trainings will be increased. In this context, Olam will cooperate with 2 local NGOs to expand the scope of the trainings. According to the training plan, in 2017, at least 20 villages will be covered through trainings (both in Ordu and Sakarya).

During the internal monitoring, if farmers are found incompliant with labor standards, they will be provided a warning; if they are under the premium or any certification scheme, they will be excluded.

Within the scope of the USDOL project, workers and labor contractors will also be provided trainings on workplace conditions (including young workers’ employment requirement) in their town of origin.

Deadline Date: 30 September 2017

Wage Advances

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

Noncompliance in all farms

Findings/Noncompliance Explanation: Depending on their needs, workers can receive advance payments from labor contractors if they request it. Most labor contractors are either relatives or acquaintances of the workers (such as resident of the same village), hence payment proceeds upon trust and verbal agreement. They do not document or confirm advance payments in writing, which creates a risk of unreasonable deductions from their salaries.

Source: Interviews with workers, labor contractors. Documentation Review

Company Action Plan: Before the harvest season, Olam will contact Commission members and provide its written proposals for labor conditions. The non-compliant issues, due to the gap between local decisions and FLA Code, will be discussed. Within the framework of the USDOL project, the number of workers’ training will be increased and will take place in their towns of origin.

Workers’ contract frames will be provided to labor contractors and farmers who are under the pilot study for the traceability system. With a written contract system, workers will have written record of their debts and salaries, which will allow them to follow up and avoid unreasonable interest rates.

Within the USDOL project, a local NGO will provide trainings to labor contractors. During the trainings, they will emphasize that business relations should be in written

	format. 40 contractors are targeted for training activities.
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Deadline Date:	30 September 2017
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Work Rules and Discipline

<p>Benchmarks:</p> <p><i>ER.20.1: Employers shall have disciplinary rules and practices that embody a system of progressive discipline (e.g. a system of maintaining discipline through the application of escalating disciplinary action moving from verbal warnings to written warnings to suspension and finally to termination).</i></p> <p><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></p> <p><i>ER.20.6: Disciplinary rules and practices shall be clearly communicated to all workers.</i></p> <p><i>ER.20.7: Workers must be informed when a disciplinary procedure has been initiated against them.</i></p> <p><i>ER.20.8: Workers have the right to participate and be heard in any disciplinary procedure against them.</i></p> <p><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></p>	<p>Noncompliance in all farms</p>
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Findings/Noncompliance Explanation:	<p>There are no disciplinary rules or systems in the farms. Therefore, none of the supervisors or workers are trained on disciplinary process. Since there are no systems in place, it is not possible to assess whether farmers are applying fair and non-discriminatory rules for disciplinary practices.</p> <p><u>Source:</u> Interview with farmers and Olam staff and documentation review</p>
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Company Action Plan:	<p>A discipline procedure that determines the employment relations between the employee and the employer will be written and distributed to our farmers in a total of 20 villages. This procedure will be updated with the FLA in March with the USDOL project.</p>
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Deadline Date:	30 September 2017
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HSE Management System

<p>Benchmarks:</p> <p><i>ER.24.1: Health, safety and environmental rules shall be communicated to all workers in the local language or language spoken by workers if different from the local language.</i></p>	<p>Noncompliance in all farms</p>
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Findings/Noncompliance Explanation:	<p>Olam organizes mobile training for workers on labor rights and workplace standards. The training content also covers health and safety issues (such as heavy lifting, transport safety, usage of PPE), yet the scope of training has not reached all workers. While most workers had basic knowledge about general safety issues, most workers are not aware of health and safety requirements on agriculture that could have been better communicated through trainings</p> <p><u>Source:</u> Interviews with workers and Olam staff. Documentation review.</p>
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Company Action Plan:	<p>The number of workers training will be increased and the training content on the health and safety section will be revised according to a risk assessment study conducted within the framework of the USDOL project. 20 villages will be covered with the training program.</p> <p>Within the scope of the USDOL project, 4 social workers will be employed and provide labor practice trainings.</p> <p>Nestlé will prepare a Responsible Sourcing Best Practice Handbook specific to Hazelnuts in Turkey, regarding the national laws and good labor standards in gardens. After it's finished, it will be shared with all parties.</p> <p>The mentioned handbook and video shall cover all the fair labor requirements to</p>
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	<p>make sure best practices are in place in the garden level. A visuals intensive handbook is needed because of the diversity of the workers.</p> <p>The target groups: Tier1 suppliers, middleman (manavs), farmers, labor contractors, workers, and children.</p> <p>The topics will cover the requirements below; please note that more topics can be added.</p> <ul style="list-style-type: none"> • Minimum working age: Considering the local law. Young Labor, child labor, family workers • Working hours, and break times • Equal remuneration • Fair treatment with no discrimination • Working environment: H&S, equipment, hazardous material, and product safety • Task mapping: heavy vs. for light work for young workers, women, pregnant women, people with disabilities • Access to water, food, toilet facilities • Housing conditions, respect for privacy • Access to grievance mechanisms/ reporting violations • Access to summer schools • Access to registered employment: For labor contractors, the steps to be registered and contract with the farmers. Also, for farmers, making contract with the labor contractors or workers. • Know the origin: Where does the product come from?
Deadline Date:	30 September 2017

Nondiscrimination

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	ND. 1	In compliance	
Recruitment and Employment Practices	ND.2.1	Noncompliance	Farms 1,2,3,4,5,6,7,10,11 and 14
	ND.2.3	In compliance	
Compensation Discrimination	ND. 3	Noncompliance	Farms 1,2,3,4,5,6,7,10,11 and 14
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	
Health-Related Discrimination	ND.6.1.1	In compliance	
	ND. 7	In compliance	
	ND.8	In compliance	
Respect of Culture and Religion	ND. 9	In compliance	
	ND.11	Noncompliance	Farm 2

Nondiscrimination Assessment Summary

Recruitment and Employment Practices	
Benchmarks: <i>ND.2.1: Recruitment and employment practices shall be free from any type of discrimination.</i>	
Noncompliance in ten farms	
Findings/Noncompliance Explanation:	<p>When the yield is low, the farmers prefer to do the picking by family members, relatives, or friends, but due to the lack of labor force in the region, when the yield is high, the number of local workers cannot meet the demand. During the interviews, farmers stated they prefer local workers and consider migrant workers as the last option by indicating that migrant workers are less efficient in picking hazelnuts. Considering that migrant workers have been collecting hazelnut for years in the region, and it is not possible to generalize work performance based on workers' origin, workers' selection is being done based on subjective criteria by farmers, which could easily lead to discrimination.</p> <p><u>Source:</u> Interviews with workers and farmers</p>
Company Action Plan:	<p>Farmers will be trained on the non-discrimination criteria during the labor conditions trainings. 10 villages will be covered with these trainings.</p> <p>Local commission will be contacted and informed on the non-discrimination on selection of workers. They will be recommended to add a decision on equality principle on the selection of workers.</p>
Deadline Date:	30 September 2017
Compensation Discrimination	
Benchmarks: <i>ND.3: There shall be no differences in compensation for workers performing equal work or work of equal value on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group, ethnic origin, employment status (e.g. local workers vs. migrant workers), or membership in unions or other workers' representative bodies.</i>	
Noncompliance in ten farms	
Findings/Noncompliance Explanation:	<p>Monitors have visited 15 farms, and there were 10 farms in which farmers employed migrant workers. According to the interviews, workers state local workers will receive minimum TRY 70, while migrant workers are paid TRY 55 for the same tasks. The wage difference could not be explained via performance or based on tasks differences. The benchmark for equal payment for equal work is not in compliance.</p> <p><u>Source:</u> Interviews with workers, labor contractors, farmers, Company Staff and CSOs.</p>
Company Action Plan:	<p>The wage inequality will be communicated to the local commission. However, it is considerably hard to prove, since there are no objective or performance criteria on hazelnut harvest, and the amount collected by each worker depends on variables such as location of the orchard and type of harvest. We will include a section on compensation discrimination to the training modules given to the workers. Since compensation discrimination is more widespread in the Kabataş region, farmers will be informed in a separate session on the non-compliances within the framework of FLA program, and wage inequality in this context will be highlighted. Through these sessions, Olam aims to reach approximately 1000 farmers/workers and 10 villages. The equal pay for equal work principle will be included in the training content given to the labor contractors for them to advocate for the migrant workers' compensation rights.</p>

Deadline Date:	30 September 2017
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Harassment or Abuse

Compliance Status

Section	Benchmark	Compliance Status	Farms
General Compliance	H/A.1.1	In compliance	
	H/A.1.2	In compliance	
Discipline	H/A.2	In compliance	
	H/A.3	In compliance	
	H/A.4	In compliance	
	H/A.5	Noncompliance	Farm 14
	H/A.6	In compliance	
	H/A.7	In compliance	
	H/A.13	In compliance	
Violence	H/A.8.1	In compliance	
	H/A.8.2	In compliance	
	H/A.8.3	In compliance	
Sexual Harassment	H/A.9.1	In compliance	
	H/A.9.2	In compliance	
	H/A.9.3	In compliance	
	H/A.9.4	In compliance	
Security Practices	H/A.10	In compliance	
	H/A.10.1	In compliance	
	H/A.10.2	In compliance	

Harassment or Abuse Assessment Summary

Discipline	
Benchmarks: <i>H/A.5: Employers shall not use any form of verbal violence, including screaming, yelling, or the use of threatening, demeaning, or insulting language, to maintain discipline, disregarding whether they are family members without a formal contract or hired staff.</i>	Noncompliance in one farm
Findings/Noncompliance Explanation:	In one visited farm, workers had complaints on the inappropriate behavior of the farmer towards them, such as yelling and pushing them to work harder and longer and insisting on finishing their breaks quicker to go back to work. <u>Source:</u> Interviews with workers
Company Action Plan:	The discipline procedures planned to be updated within the scope of the USDOL project will be conveyed to the producers in the producer training courses to be organized in 10 villages in Karasu to be held between the months of March and July. Workplace rules training will be provided for all workers. The planned domain of the action is 1000 workers.
Deadline Date:	30 September 2017

Forced Labor

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	F.1	In compliance	
Freedom in Employment and Movement	F.2	In compliance	
	F.3	In compliance	
	F.4.1	In compliance	
	F.4.2	In compliance	
	F.5.1	In compliance	
	F.5.2	In compliance	
	F.5.3	In compliance	
	F.7.1	In compliance	
	F.7.2	In compliance	
	F.7.3	In compliance	
	F.7.4	In compliance	
	F.7.5	In compliance	
	F.7.6	In compliance	
	F.7.7	In compliance	
F.8	In compliance		
Work of Family Members	F.6.1	In compliance	
	F.6.2	In compliance	
	F.6.3	Non Compliance	All Farms
	F.6.4	In compliance	
Personal Workers Identification and Other Documents	F.9	In compliance	
	F.10	In compliance	

Forced Labor Assessment Summary

Work of Family Members	
<p>Benchmarks:</p> <p><i>F.6.3: If more than one member from the same family/household is hired by the employer/producer on the same farm, each one should have separate contract with no linkage to other members.</i></p>	<p>Noncompliance in all farms</p>
<p>Findings/Noncompliance Explanation:</p>	<p>Farmers pay the total amount of workers' fee to labor contractors, and labor contractors make the payment to workers. If labor contractors are working with a worker group who are members of the same family, the total amount of the payment is made to the head of the family. There are no separate payment records/arrangements for workers who are from one family.</p> <p>Source: Interviews with workers and farmers</p>
<p>Company Action Plan:</p>	<p>As a pilot study in the Karasu region, farmers will be informed in a separate session on the non-compliances within the framework of the FLA program, and the necessity for separate payment will be highlighted. Through these sessions, Olam aims to reach approximately 1000 farmers/workers and 10 villages.</p> <p>A training audio record containing labor rights and agricultural health and safety requirements will be created and distributed to minibuses used for workers transfer. The audio will also cover payment requirements. Workers will listen to these requirements during their travels to orchards. (In Kabataş and Karasu Regions) (Targeted domain 500 workers)</p> <p>Olam will develop tailor-made follow-up cards for payroll records and will provide</p>

	<p>detailed information on how the cards should be used and what they should be used for during training. (Target 1000 workers) Payroll cards will allow workers to calculate their daily salaries and workdays in a month and compare their records with labor contractors.</p> <p>Olam will also add a section on keeping wage records in farmer training. (Target 1000 farmers)</p>
Deadline Date:	30 September 2017

Child Labor

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	CL.1	Noncompliance	Farm 1,2,4,11, 14, 15
Minimum Age	CL.2	Noncompliance	Farm 1,2,4,11 and 14
Immediate family members	CL.3	Noncompliance	Farm 4, 14, 15
Right to education	CL.4.1 (PR)	In compliance	
Young Workers	CL.5	Noncompliance	Farm 1,2,3,4,5,6,7,10,11 and 14
	CL.6.1	Noncompliance	Farm 1,2,3,4,5,6,7,10,11 and 14
	CL.6.2	Noncompliance	Farm 1,2,3,4,5,6,7,10,11 and 14
	CL.7	Risk of noncompliance	Farm 1,2,3,4,5,6,7,10,11 and 14
Apprenticeships and Vocational Training	CL.8.1 (PR)	In compliance	
	CL.8.2 (PR)	In compliance	
Children on Premises	CL.9	In compliance	
Removal and Rehabilitation of Child Laborers	CL.10.1	In compliance	
	CL.10.2 (PR)	In compliance	

Child Labor Assessment Summary

Notable Feature

Olam renovated an old school building in Esma hanim Village and opened the school for summer school activities. This is a good example of keeping children off orchards and rehabilitating child laborer by orienting them summer school in case they are detected during external or internal visits. Olam finances teachers' salaries, provides drinks and lunch, organizes transport of the children by bus, maintains the building and garden. Additionally, both migrant and local families' children attend to school activities that give these children a good opportunity to understand and learn from each other. Olam is working on contributing in more projects like this one.

General Compliance/ Minimum Age

Benchmarks:

CL.1: Employers shall comply with all national laws, ratified international conventions, fundamental labor rights, regulations and procedures concerning the prohibition of child labor.

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

CL.3: In accordance with national laws and ILO Convention 138, children of producers not younger than 12 years may be involved in light work on their parents' farm provided that:

- The work is not dangerous and not harmful to their health or development;
- The work does not prejudice their attendance at school and is done within reasonable time limits after school or during holidays
- The work is appropriate to the child's age and physical condition and does not jeopardize the child's social, moral or physical development;

**Noncompliance
in six farms**

- The child's parents provide supervision and guidance.

Findings/Noncompliance Explanation:

Monitors assessed 15 farms in the IEM visit, and in 6 farms, farmers employed children. There were 18 child laborers: 6 were family members, and 12 were migrant seasonal workers from South-eastern Turkey. The migrant workers come with their family members, like cousins, uncle, or aunts, but not necessarily their parents. Based on interviews and visual inspection, all children were below 15 years old and performed the tasks of the adult workers. These children receive TRY 25 to TRY 40 a day (as compared to TRY 55 for the adult migrant workers) with argument from the farmers they are not working as efficiently as adults.

Even though the children of the farmers who are above 12 years old are legally allowed to accompany their parents and perform light tasks, monitors reported these children also work 10 hours a day, which constitutes non-compliance.

Source: Interviews with workers and visual inspections

Company Action Plan:

Within the framework of the USDOL project, labor contractors will be trained in Şanlıurfa and will be informed on the measures to avoid child labor. Workers and farmers training sessions will be increased, and their scope will be expanded. In the 2017 season, 10 villages will be covered with trainings. During the internal and external monitoring visits, if child labor is detected, farmers will be excluded from the certification/premium programs. The child removal procedure will be revised, and a referral procedure will be developed. Local authorities will be contacted for a collective action in case of child labor detection.

During the farmers trainings, the "light work" concept and child work conditions for family members will be highlighted.

Olam will continue summer school projects during this harvest. Esmahanım school project will go on in collaboration with ILO and public education centers. Within the USDOL project, two other summer schools, particularly for the children of the migrant workers, will be run in collaboration with Young Life Foundation.

Deadline Date:

30 November 2017

Young Workers

Benchmarks:

- C.5: Employers shall abide by all relevant rules and procedures where the law requires government permits or permission from parents as a condition of employment of young workers.*
- CL.6.1: Employers shall comply with all relevant laws that apply to young workers, (e.g., those between the minimum legal working age and the age of 18) including regulations related to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime.*
- CL.6.2: Employers shall maintain a list of all young workers, their entry dates, proof of age and description of their assignment.*

Noncompliance in ten farms

- 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.*

Risk of Noncompliance in ten farms

Findings/Noncompliance Explanation:

Assessed farmers were not verifying and requesting proof of age documentation and consent letters for all young workers in the farm at the time of their employment and work. Farmers and/or labor contractors obtain verbal consent from parents of the young workers working in the farms. On 11 farms out of 15, there were 42 young workers (2 of which were family members of the farmers and 40 were seasonal migrant workers from South-east Turkey). There were no records regarding these young workers. They were working the same working hours under the same circumstances as adult workers. The lack of documentation and knowledge creates a

	<p>risk. Young workers might deal with hazardous work (for example, carrying heavy jute bags), despite the fact that monitors did not detect any during the assessments.</p> <p><u>Source:</u> Interviews with workers, labor contractors and farmers.</p>
Company Action Plan:	<p>“Young Worker Registration Form” and “Young Worker Family Permit Form” will be created and distributed to the producers in 10 villages in the Karasu Region. The forms will be followed up by social workers during internal monitoring visits. The light work that young workers can do will be included in training content for farmers and workers. Olam will warn parents and producers about the damage that could be caused by risks to the families and workers. (Target 500 workers, 1000 farmers)</p>
Deadline Date:	30 November 2017

Hours of Work

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	HOW.1.1	In compliance	
	HOW.1.2	Noncompliance	Farm 1,2,3,4,5,6,7,10,11 and 14
	HOW.1.3	Noncompliance	All farms
	HOW.1.4	In compliance	
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	Farm 1,2,3,4,5,6,7,10,11 and 14
	HOW.5.2	Noncompliance	Farm 1,2,3,4,5,6,7,10,11 and 14
	HOW.6.1	Noncompliance	Farm 1,2,3,4,5,6,7,10,11 and 14
	HOW.6.2	Noncompliance	Farm 1,2,3,4,5,6,7,10,11 and 14
	HOW.6.3 (PR)	In progress	All farms
	HOW.7	Noncompliance	Farm 1,2,3,4,5,6,7,10,11 and 14
Public Holidays and Leave	HOW.8.1	In compliance	
	HOW.8.2	In compliance	
	HOW.9	In compliance	
	HOW.10.1	In compliance	
	HOW.11 (PR)	In compliance	
	HOW.12.1 (PR)	In compliance	
	HOW.12.2 (PR)	In compliance	
	HOW.13	In compliance	
	HOW.14	In compliance	
	HOW.15 (PR)	In compliance	
HOW.16 (PR)	In compliance		

Hours of Work Assessment Summary

General Compliance/ Overtime

Benchmarks:

HOW.1.2: In countries where local law does not set out hours of work specific to the agriculture sector, the participating company

Noncompliance

<p>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.</p> <p>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.</p> <p>HOW.5.2: Payment of overtime rates is unaffected by a calculation that spreads total hours over more than one week.</p> <p>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.</p> <p>HOW.6.2: All overtime work shall be voluntary.</p> <p>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.</p>	<p>in ten farms</p>
<p>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.</p>	<p>Noncompliance in all farms</p>
<p>Findings/Noncompliance Explanation:</p>	<p>According to local labor code, the weekly working hour limit is 45h. However, for agricultural work, local commission set the daily working hour limit. The commission decision states workers could work up to 9,5 hours a day. In the Sakarya-Düzce region, workers start to work at 7 am and finish at 7 pm, with a total break of 1,5 hours. They work 10,5 h a day, which is above the limit of the commission decision. A consecutive week work equals 73,5 hours, which is highly above the regular working hour limit set by the local code and FLA benchmarks. During interviews, workers indicate they found the working hours long and exhausting, even though they accept these working terms at beginning of the season because of the general practice and commission decision.</p> <p>In these circumstances, workers work more than weekly working time limits, including the overtime (60 h is the weekly limit). Because the excessive working hours is supported by commission decision and general practice, workers accept these terms. Commission does not recognize overtime, and workers are not paid for it.</p> <p><u>Source:</u> Interviews with workers, labor contractors and farmers</p>
<p>Company Action Plan:</p>	<p>A written reference document on the harms of long working hours to the human body will be prepared and shared with local commissions. Officials will be contacted about the need for a new regulation on working hours for agricultural workers.</p> <p>Within the scope of the USDOL project, labor contractors and workers will be informed on their rights (including working hours limits) through trainings. Workers training will also take place during harvest season in both regions. The working conditions of young workers will be supported by a procedure and will be distributed to farmers. In addition, the "Young Worker Registration Form" in the QMS system will be reproduced and distributed in 10 villages. (See S-Frm-037)</p> <p>The forms will be followed up by social workers during internal monitoring visits.</p>

Wage Payment and Calculation	C.6	In compliance	
	C.7.1	In compliance	
	C.7.2	In compliance	
	C.7.3 (PR)	Not Initiated	All farms
	C.7.4 (PR)	Not Initiated	All farms
	C.7.5	In compliance	
	C.8.1	In compliance	
	C.8.2	In compliance	
	C.8.3	In compliance	
	C.8.4 (PR)	In compliance	
	C.9 (PR)	In compliance	
	C.10.1	In compliance	
	C.10.1.1	In compliance	
	C.10.2	In compliance	
	C.10.3	In compliance	
Workers Awareness	C.11.1.1	In compliance	
	C.11.1.2	In compliance	
	C.11.1.3	In compliance	
	C.11.1.4	In compliance	
	C.11.1.5	In compliance	
	C.13 (PR)	In compliance	
Fringe Benefits	C.12.1	In compliance	
	C.12.2 (PR)	In compliance	
	C.12.3	Risk of noncompliance	Farms 1,3,4,6,7,10,11 and 14
	C.12.4	Risk of noncompliance	Farms 1,3,4,6,7,10,11 and 14
	C.12.5	Risk of noncompliance	Farms 1,3,4,6,7,10,11 and 14

Compensation Assessment Summary

Minimum Wage/Fair Compensation		
<p>Benchmarks:</p> <p>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.</p>		Noncompliance in eight farms
<p>Findings/Noncompliance Explanation:</p> <p>The commission announced the daily minimum wage as TRY 55 and farmers pay labor contractors TRY 55 for each workers' workday. Even though labor contractors need to receive their payment separately, they cut their commission based on TRY 55, and consequently, workers receive TRY 50, which is less than the minimum wage.</p> <p><u>Source:</u> Interviews with workers, labor contractors and farmers.</p>		
<p>Company Action Plan:</p>	<p>Within the framework of the USDOL project, labor contractors will be trained on labor conditions, including the requirements for compensation. Farmers will also be informed through trainings about the illegal wage cut. The Commission also will be contacted for this issue and will be asked to provide more guidance to workers.</p>	
<p>Deadline Date:</p>	<p>30 September 2017</p>	
Fringe Benefits		
<p>Benchmarks:</p> <p>C.12.3: Employers must provide goods and services at fair and reasonable prices, comparable to local market prices.</p> <p>C.12.4: Deductions for services to workers shall not exceed the cost of the service to employers.</p> <p>C.12.5: Employers must be able to demonstrate the accuracy or reasonableness of these charges.</p>		Risk of Noncompliance in eight farms
<p>Findings/Noncompliance</p>	<p>Monitors have assessed 15 farms and 10 farms employed migrant seasonal workers.</p>	

<p>Explanation:</p>	<p>While local workers were expecting to receive TRY 70, the migrant workers were paid TRY 55 for the same work. Based on farmers' interviews, the difference in wages is explained by accommodation provided to migrant workers by farmers. However, this explanation is not based on objective criteria, since no estimate of accommodation costs has been performed, and the wage difference seems unjustified.</p> <p><u>Source:</u> Interview with workers, labor contractors and farmers.</p>
<p>Company Action Plan:</p>	<p>Local Commission officials are members of the wage-setting commission established in Sakarya. They will be consulted prior to the commission meeting and recommended to adopt a decision on the receipt of equal minimum wages by seasonal agricultural workers and local workers. The announcement of the Commission decisions will be published in writing and by visual materials in Karasu/Sakarya. 4 social workers to be hired under the USDOL project will be trained on wage inequality among the farmers.</p>
<p>Deadline Date:</p>	<p>30 September 2017</p>

Overview - Farms vs. Non Compliances

Total number of Farms: 15

	Employment Relationship	Non-discrimination	Harassment or Abuse	Forced Labor	Child Labor	Freedom of Association and Collective Bargaining	Health, Safety and Environment	Hours of Work	Compensation	Total
% of farms with non-compliances or risk of non-compliances	100%	66%	7%	0%	66%	0%	13%	100%	40%	
Farm 1	19	2	0	1	6	0	0	8	4	40
Farm 2	15	3	0	1	6	0	1	8	1	35
Farm 3	19	2	0	1	4	0	0	8	4	38
Farm 4	19	2	0	1	6	0	0	8	5	41
Farm 5	15	2	0	1	4	0	0	8	0	30
Farm 6	19	2	0	1	4	0	0	8	4	39
Farm 7	19	2	0	1	4	0	1	8	4	39
Farm 8	15	0	0	1	0	0	0	2	0	18
Farm 9	15	0	0	1	0	0	0	2	0	18
Farm 10	15	2	0	1	4	0	0	8	3	33
Farm 11	19	2	0	1	6	0	0	8	4	40
Farm 12	15	0	0	1	0	0	0	2	0	18
Farm 13	15	0	0	1	0	0	0	2	0	18
Farm 14	19	2	1	1	6	0	0	8	4	41
Farm 15	15	0	0	1	0	0	0	2	0	18
	253	21	1	15	50	0	2	90	34	450