



[2017]

## FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING AGRICULTURAL REPORT

**Company:** Olam

**Country:** Ivory Coast

**Commodity:** Cocoa

**Production Process:** Harvesting

**Cooperative:** SCOOPA

**Assessment Locations :** Région du GÔH; Préfecture d'Oumé

**Monitors:** Societal Compliance Initiatives

**Assessment Dates:** November 17-22, 2017

**Number of assessed farms:** 40

**Total area covered:** 88 Ha

**Number of farmers interviewed:** 40

**Total number of workers:** 56

**Number of workers interviewed:** 17

To view more about the FLA's work with Olam, please visit the FLA website [here](#).  
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 Progress	All Farms
	ER.2.1.1 (PR)	In Progress	All Farms
Recruitment and Hiring	ER.3.1	Risk of Noncompliance	All Farms
	ER.3.1.1	Risk of Noncompliance	All Farms
	ER.3.1.2	In compliance	
	ER.4	N/A	
	ER.5.1	N/A	
	ER.5.2	N/A	
	ER.5.3	In compliance	
	ER.6 (PR)	Not Initiated	All Farms
	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	In compliance	
	ER.7.7	In compliance	
ER.7.8	In compliance		
ER.8.1	In compliance		
Terms and Conditions	ER.9.1	In compliance	
	ER.9.2.1	In compliance	
	ER.9.2.2	In compliance	
	ER.9.2.3	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	N/A	
	ER.13.1	In compliance	
	ER.13.2 (PR)	N/A	
ER.13.3 (PR)	N/A		
Administration	ER.15.1	In compliance	
	ER.15.2	N/A	
	ER.15.2.1	N/A	
	ER.16.1	In compliance	
	ER.16.2	In compliance	
	ER.17.2 (PR)	N/A	
	ER.17.3 (PR)	N/A	
	ER.17.4 (PR)	N/A	
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	In compliance	
	ER.20.2	In compliance	
	ER.20.3 (PR)	In compliance	
	ER.20.4	In compliance	
	ER.20.6	In compliance	
	ER.20.7	In compliance	
	ER.20.8	In compliance	
ER.20.9 (PR)	N/A		

	ER.20.11	In compliance	
Training	ER.21	In compliance	
HSE Management System	ER.24.1.	In compliance	
	ER.24.2 (PR)	In compliance	
	ER.24.3	In compliance	
	ER.24.4.1 (PR)	In compliance	
	ER.24.4.2 (PR)	Not Initiated	All Farms
	ER.24.4.3 (PR)	In compliance	
	ER.24.4.4 (PR)	In compliance	
	ER.24.4.5 (PR)	Not Initiated	All Farms
	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 compliance	
	ER.25.3	Noncompliance	All Farms
	ER.25.4	Noncompliance	All Farms

### Employment Relationship Assessment Summary

Proof of Age Documentation	
<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>Risk of Noncompliance in all farms</b></p>
<p><b>Findings/Noncompliance Explanation:</b></p> <p>Monitors did not find any young hired workers on the assessed farms at the time of their visits. However, during the interviews, the farmers reported to the monitors that even if they are aware of the minimum age of employment on the farms, they do not carry out verification of the proof of the age of the workers that recruit on farms.</p> <p>In addition, they say they are not aware of the duty to collect the necessary documents to confirm and prove the date of birth of all young workers, including long-term workers or casual workers.</p> <p><u>Source:</u> Interviews, observation</p>	
<p><b>Company Action Plan:</b></p> <p>Olam will continue to sensitize all its suppliers on the importance for their members to ensure that the workers they employ, are, at least, the minimum working age. For this purpose, Olam will sensitize its suppliers to engage their members avoid hiring any person whose age could not be established with evidence and collect and maintain age documentation for each hired young worker.</p>	
<p><b>Deadline Date:</b></p> <p>December 2019</p>	
Grievance Procedures	
<p><b>Benchmarks:</b></p> <p><b>ER.25.3:</b> FLA-affiliated companies shall make sure that a confidential non-compliance reporting mechanism is available for farmers and workers in the supply chain (such as members of cooperatives or suppliers of seed organizers). Through this channel, any code violation can be communicated to the company if the local and farm level grievance redress mechanisms fail to sufficiently address the issue.</p> <p><b>ER.25.4:</b> The company shall create awareness of this communication and non-compliance reporting mechanism to its service providers and suppliers.</p>	<p><b>Noncompliance in all farms</b></p>
<p><b>Findings/Noncompliance Explanation:</b></p> <p>On the flyer format of its code of conduct distributed to farmers, Olam mentioned a toll-free number from which interested parties can reach them to report confidentiality any non-compliance and grievance situation. However, this information is not explained to farmers and workers. So they are not aware of this</p>	

	procedure. <u>Source</u> : Interviews, phone test
<b>Company Action Plan:</b>	<ul style="list-style-type: none"> <li>Olam has implemented a toll-free number mentioned on all the Olam Code of Conduct flyers distributed last year to producers and workers in its supply chain.</li> <li>Through the farmers' field school, Olam will explain to workers and producers the instructions to use the toll free. Since it was set up, the management of the Olam hotline has been under the control of the Community Development Officer in charge of child labor issues. This year, Olam has recorded: 5 calls from farmer trainers reporting non-payment of salaries. 1 cooperative supplier member denounced the discrimination at the supplier level regarding the free distribution of fertilizer and 1 cooperative laborer denounced the involvement of children in some hazardous tasks.</li> </ul>
<b>Deadline Date:</b>	December 2019

## Child Labor

### Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	CL.1	In compliance	
Minimum Age	CL.2	In compliance	
Immediate Family Members	CL.3	In compliance	
Right to Education	CL.4.1 (PR)	In compliance	
Young Workers	CL.5	In compliance	
	CL.6.1	In compliance	
	CL.6.2	Risk of Noncompliance	All Farms
	CL.7	In compliance	
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	Noncompliance	All Farms
	CL.10.2 (PR)	In Progress	All Farms

### Child Labor Assessment Summary

Young Workers	
<b>Benchmarks:</b> <i>CL.6.2: Employers shall maintain a list of all young workers, their entry dates, proof of age and description of their assignment.</i>	<b>Risk of Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation:</b>	No young hired workers were identified by the monitors at the time of their farm visits. However, according to the farmers interviewed, they are unaware that they should maintain a list for young workers and archive the proof of their age, in case it happens that they recruit one. Moreover, they explained that even if they want to do so, they are not able to comply alone, without the support of the cooperative since

	<p>they can neither read nor write. However, the monitors have not identified any mechanism in place to support farmers in that framework.</p> <p><u>Source:</u> Interviews</p>
<b>Company Action Plan:</b>	<p>With the support of Olam, the cooperative will develop farm worker employment contract forms. This contract form will include all information on the origin and age of the worker and will refer to labor standards. It will be at the disposal of the producer relays living in the same communities with farmers so that they can assist farmers filling the form in case of hiring of a new worker. A copy will be kept by the farmer and the worker and will be maintained in the farmer's individual file at the cooperative's level. Olam will ensure the extension of this practice to all the cooperatives in its supply chain.</p>
<b>Deadline Date:</b>	December 2019
<b>Removal and Rehabilitation of Child Laborers</b>	
<p><b>Benchmarks:</b></p> <p><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>According to the IMS, no case of child labor has ever been identified in the cooperative's farms. However, the IMS of the cooperative explained that the Producers Relay are responsible for the monitoring of the farms so that in case of identification of a child worker, the farmer is warned off and sensitized. The cooperative at the time of the IEM did not have yet formal system of removal and rehabilitation of working children.</p> <p><u>Source:</u> Interviews</p>
<b>Company Action Plans:</b>	<ul style="list-style-type: none"> <li>• For the campaign 2018/2019, Olam will intensify the actions of CLMRS installed at each cooperative level by ensuring their functioning. This will allow CLMRS of this cooperative to be more active in profiling producer households and farm inspection visits to identify all cases of child laborers in plantations.</li> <li>• Olam will also increase proximity awareness of producers on child labor and health and security through its revised image box.</li> <li>• Olam has designed a new CLMRS procedure to guide the monitoring and the remediation actions. This procedure is being distributed to all cooperatives in the supply chain through the MoU signed at the beginning of the campaign. These remediation actions encompass women empowerment activities like VSLA, IGR as well as school and health center construction.</li> </ul>
<b>Deadline Date:</b>	December 2020

## Health, Safety and Environment

### Compliance Status

Section	Benchmark	Compliance status	Farms
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General Compliance	HSE.1.	In compliance	
Document Maintenance, Permits and Certificates	HSE.2 (PR)	In compliance	
	HSE.3.1	N/A	
	HSE.4 (PR)	N/A	
Evacuation Requirements and Procedure	HSE.5.1 (PR)	N/A	
	HSE.5.2	Noncompliance	All Farms
Safety Equipment and First Aid	HSE.6.1 (PR)	In compliance	
	HSE.6.2 (PR)	In Progress	All Farms
	HSE.16.3 (PR)	In compliance	
Personal Protective Equipment	HSE.7 (PR)	N/A	
	HSE.8	In compliance	
Chemical Management	HSE.9.1	In compliance	
	HSE.9.2	In compliance	
	HSE.9.2.1	In compliance	
	HSE.10	In compliance	
	HSE.11.1	In compliance	
	HSE.11.2 (PR)	In compliance	
Protection Reproductive Health	HSE.12.1	In compliance	
	HSE.12.2 (PR)	In compliance	
Infrastructure	HSE.13 (PR)	N/A	
	HSE.17.1	In compliance	
	HSE.17.2 (PR)	N/A	
	HSE.19 (PR)	In compliance	
	HSE.21 (PR)	In compliance	
	HSE.22 (PR)	N/A	
Machinery Safety	HSE.14.1	In compliance	
	HSE.14.2	In compliance	
	HSE.14.3	N/A	
	HSE.14.4	In compliance	
Ergonomics and Medical Facilities	HSE.15.2 (PR)	Not Initiated	All Farms
	HSE.16.2	In compliance	

### HSE Assessment Summary

Evacuation Requirements and Procedure	
<p><b>Benchmarks:</b></p> <p><i>HSE.5.2: Where appropriate, workers shall be trained in evacuation procedures at least once per year.</i></p>	<p><b>Noncompliance in all farms</b></p>
<p><b>Findings/Noncompliance Explanation:</b></p> <p>Farmers have reported to monitors that they are trained in evacuation procedures in case of intoxication related to the handling of chemicals or in a medical emergency. However, these trainings do not include evacuations in case of bushfire which can surprise them on the farms and even in the camps.</p> <p><u>Source:</u> Interview</p>	
<p><b>Company Action Plan:</b></p> <ul style="list-style-type: none"> <li>In order to equip farmers and workers with procedures for evacuation in case of emergency and bushfire in the farms or in the camps, Olam will work with specialists to develop an evacuation procedure applicable to farms and camps and develop necessary training and sensitization material accordingly to build the awareness of farmers and workers.</li> <li>This topic will then be added to the existing training and sensitization's content to build the awareness of farmers and their workers.</li> </ul>	
<p><b>Deadline Date:</b></p>	<p>December 2020</p>

## Compensation

### Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	C.1.1	In compliance	
	C.1.2	In compliance	
	C.1.3	In compliance	
	C.1.4 (PR)	In compliance	
Minimum Wage/Fair Compensation	C.2.1	Risk of Noncompliance	Farms 2, 15,16, 18, 19
	C.2.2	N/A	
	C.2.3	In compliance	
	C.2.5 (PR)	Not Initiated	All Farms
	C.2.6 (PR)	Not Initiated	All Farms
Farmer/Producer Income	C.3	In compliance	
	C.4 (PR)	IN Progress	All Farms
Wage Payment and Calculation	C.6	In compliance	
	C.7.1	In compliance	
	C.7.2	In compliance	
	C.7.3 (PR)	Not Initiated	All Farms
	C.7.4 (PR)	In compliance	
	C.7.5	In compliance	
	C.8.1	In compliance	
	C.8.2	In compliance	
	C.8.3	N/A	
	C.8.4 (PR)	N/A	
	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		
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	
Fringe Benefits	C.13 (PR)	Not Initiated	All Farms
	C.12.1	In compliance	
	C.12.2 (PR)	In compliance	
	C.12.3	In compliance	
	C.12.4	In compliance	
C.12.5	In compliance		

### Compensation Assessment Summary

#### Minimum Wage/Fair Compensation

**Benchmarks:**

**C.2.1:** Employers shall pay workers at least the legal minimum wage, the prevailing industry sector wage, or the wage pursuant to Collective Bargaining Agreements that are in force, whichever is higher, for regular working hours (not including overtime). Hourly or daily compensation shall be calculated based on the basis of the legal minimal wage, the prevailing industry sector wage, or the wage pursuant to Collective Bargaining Agreements that are in force, whichever is higher. Workers should also be informed by the employer about the legal minimum wage applicable to them.

**Risk of  
Noncompliance  
in 5 farms**

<p><b>Findings/Noncompliance Explanation:</b></p>	<p>On the assessed farms which employ contract workers, the farmers pay at least the prevailing wage which is practiced in the region for their sector of activity. However, these wages may be lower than the legal minimum wage for workers in the agricultural sector if farmers were not providing in-kind benefits such as housing, food and support in the event of illness.</p> <p>Anyway it would be difficult for farmers to pay higher wages to their hired workers given the level of their own income and the high fluctuation of the cocoa price. Increasing workers' compensation must first go through solutions to improve the income of farmers.</p> <p><u>Source:</u> Interviews, record review</p>
<p><b>Company Action Plan:</b></p>	<p>The purchase price of cocoa in Côte d'Ivoire is set up by the government and Olam always complies with the prevailing price.</p> <p>However, in order to support improved farmers' income, Olam and its business partners collaborate to ensure to farmers, distribution of high productivity cocoa yield (when it was authorized by the cocoa and cocoa council), training on Good Agricultural Practices for them to increase their productivity. In addition, Olam will recruit, for this campaign, around 150 (agronomics) to work closely with farmers for coaching to provide them with guidance and advices.</p> <p>Moreover, Olam and its certification and sustainability program partners ensure to their suppliers, the payment of additional premiums. All these efforts are made in the spirit of supporting the improvement of farmers' income and subsequently, improving the income of farm workers.</p> <p>Olam and its partners will continue to explore supplement initiatives to do more.</p>
<p><b>Deadline Date:</b></p>	<p>December 2020</p>

### Overview - Farms vs. Non-compliances

Total number of Farms: 40

	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%	0%	0%	100%	0%	100%	0%	13%	
Farm No. 1	4	0	0	0	2	0	1	0	0	7



Farm No. 2	4	0	0	0	2	0	1	0	1	8
Farm No. 3	4	0	0	0	2	0	1	0	0	7
Farm No. 4	4	0	0	0	2	0	1	0	0	7
Farm No. 5	4	0	0	0	2	0	1	0	0	7
Farm No. 6	4	0	0	0	2	0	1	0	0	7
Farm No. 7	4	0	0	0	2	0	1	0	0	7
Farm No. 8	4	0	0	0	2	0	1	0	0	7
Farm No. 9	4	0	0	0	2	0	1	0	0	7
Farm No. 10	4	0	0	0	2	0	1	0	0	7
Farm No. 11	4	0	0	0	2	0	1	0	0	7
Farm No. 12	4	0	0	0	2	0	1	0	0	7
Farm No. 13	4	0	0	0	2	0	1	0	0	7
Farm No. 14	4	0	0	0	2	0	1	0	0	7
Farm No. 15	4	0	0	0	2	0	1	0	1	8
Farm No. 16	4	0	0	0	2	0	1	0	1	8
Farm No. 17	4	0	0	0	2	0	1	0	0	7
Farm No. 18	4	0	0	0	2	0	1	0	1	8
Farm No. 19	4	0	0	0	2	0	1	0	1	8
Farm No. 20	4	0	0	0	2	0	1	0	0	7
Farm No. 21	4	0	0	0	2	0	1	0	0	7
Farm No. 22	4	0	0	0	2	0	1	0	0	7
Farm No. 23	4	0	0	0	2	0	1	0	0	7
Farm No. 24	4	0	0	0	2	0	1	0	0	7
Farm No. 25	4	0	0	0	2	0	1	0	0	7
Farm No. 26	4	0	0	0	2	0	1	0	0	7
Farm No. 27	4	0	0	0	2	0	1	0	0	7
Farm No. 28	4	0	0	0	2	0	1	0	0	7
Farm No. 29	4	0	0	0	2	0	1	0	0	7
Farm No. 30	4	0	0	0	2	0	1	0	0	7
Farm No. 31	4	0	0	0	2	0	1	0	0	7
Farm No. 32	4	0	0	0	2	0	1	0	0	7
Farm No. 33	4	0	0	0	2	0	1	0	0	7
Farm No. 34	4	0	0	0	2	0	1	0	0	7
Farm No. 35	4	0	0	0	2	0	1	0	0	7
Farm No. 36	4	0	0	0	2	0	1	0	0	7
Farm No. 37	4	0	0	0	2	0	1	0	0	7
Farm No. 38	4	0	0	0	2	0	1	0	0	7
Farm No. 39	4	0	0	0	2	0	1	0	0	7
Farm No. 40	4	0	0	0	2	0	1	0	0	7
TOTAL	160	0	0	0	80	0	40	0	5	285