



[2016]

## FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING AGRICULTURAL REPORT

**Company:** Olam

**Country:** Côte d'Ivoire

**Commodity:** Cocoa

**Production Process:** Harvest

**Assessment Locations:** Region of Tonkpi, Departement of Man

**Monitor:** SCI

**Assessment Dates:** 13-21 September 2016

**Number of assessed farms:** 40

**Total area covered:** 83.25 ha

**Number of farmers interviewed:** 40

**Total number of workers:** 77

**Number of workers interviewed:** 15

To access the FLA Agriculture Sector Workplace Code of Conduct and Compliance Benchmarks, please visit [this page](#).

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

## 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	Noncompliance	All Farms
	ER.3.1.1	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		
Terms and Conditions	ER.9.1	In compliance	
	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	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	In compliance	
	ER.15.2.1	In compliance	
	ER.16.1	In compliance	
	ER.16.2	In compliance	
	ER.17.2 (PR)	N/A	
	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	Noncompliance	All Farms
	ER.20.3 (PR)	Not Initiated	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.	In compliance	
	ER.24.2 (PR)	In compliance	
	ER.24.3	In compliance	
	ER.24.4 (PR)	In compliance	
	ER.24.4.1 (PR)	Not Initiated	All Farms
	ER.24.4.2 (PR)	In compliance	
	ER.24.4.3 (PR)	In compliance	
	ER.24.4.4 (PR)	In Progress	All Farms
	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	In compliance	
	ER.25.4	In compliance	

### Employment Relationship Assessment Summary

Proof of Age Documentation		
<p><i>Benchmarks:</i></p> <p><i>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.</i></p> <p><i>ER.3.1.1: Employers shall take reasonable measures to ensure such documentation is complete and accurate.</i></p>		<b>Noncompliance In all farms</b>
<p><b>Findings/Noncompliance Explanation:</b></p>	<p>During their assessment, monitors noted that farmers of the assessed communities recruit workers, including young workers, based on their self-declarations or physical appearance. This situation is because of the local culture and the lack of existing identification documents for majority of the workers. Thereby, no verification of age documentations for young workers or no collection and maintenance of documentations necessary to confirm and verify the date of birth of workers in farms. No mechanism is put in place by the cooperative to overcome this issue.</p> <p><u>Source:</u> Farmer interviews</p>	

<b>Company Action Plan:</b>	<p>Olam will sensitize all the suppliers (cooperatives) on the importance of collecting and keeping the identification documents of workers by their producers. Olam will assist the ADGs (Group Administrators) to develop a mechanism for the tracking and identification of employees at each level of the cooperative.</p> <p>Olam will encourage suppliers to make all producers aware of the importance of keeping copies of workers' identification documents. In addition, Olam will continue to encourage its suppliers to also sensitize their farmers to establish identification documents for all their children and support their workers who don't have identification document during the establishment process.</p>
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<b>Deadline Date:</b>	31 December 2018
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**Work Rules and Discipline**

<p><i>Benchmarks :</i></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.20.2: Any person supervising workers shall be aware of the disciplinary rules and practices.</i></p> <p><i>ER.20.4: The disciplinary system shall be applied in a fair and non discriminatory 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 small holder settings, exist in gap peal mechanism at community level is acceptable.</i></p>	<p><b>Noncompliance In all farms</b></p>
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<b>Findings/Noncompliance Explanation:</b>	<p>The disciplinary rules put in place in the assessed supply chain covers only the relationship between the cooperative and its farmers. No disciplinary rules are available neither at the level of the cooperative nor at the level of the farms, to regulate the relationship between farmers and their workers.</p> <p><u>Source:</u> IMS staff, farmers and workers interviews, Procedures review</p>
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<b>Company Action Plan:</b>	<p>Olam will sensitize all the suppliers in its supply chain on the importance of setting up a disciplinary procedure to handle the relationship between producers and their workers in order to avoid abusive sanctions and the abuse of power. Suppliers with the aid of Olam will extend their disciplinary procedures to the relations between producers and their workers.</p> <p>Producers and workers will be trained and sensitized through farmer field schools on the functioning of disciplinary measures in the relationship between producers and workers. Producers and workers will also be sensitized on the respect and application of these disciplinary measures under the supervision of the Group Administrators and the disciplinary committees of suppliers.</p>
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<b>Deadline Date:</b>	31 December 2018
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## Health, Safety and Environment

### Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	HSE.1.	Noncompliance	Farms 13,21,22,25,26,27,39,40
Documents, Permits and Certificates	HSE.2 (PR)	In compliance	All Farms
	HSE.3.1	N/A	
	HSE.4 (PR)	In compliance	All Farms
Evacuation Requirements and Procedure	HSE.5.1 (PR)	N/A	
	HSE.5.2	In compliance	
Safety Equipment and First Aid	HSE.6.1 (PR)	In Progress	All Farms
	HSE.6.2 (PR)	Not Initiated	All Farms
	HSE.16.3 (PR)	Not Initiated	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	In compliance	
	HSE.9.2.1	In compliance	
	HSE.10	In compliance	
	HSE.11.1	In compliance	
	HSE.11.2	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	Noncompliance	All Farms
	HSE.17.2 (PR)	Not Initiated	All Farms
	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	In compliance	
	HSE.14.4	In compliance	
Ergonomics and Medical Facilities	HSE.15.2 (PR)	Not Initiated	All Farms
	HSE.16.2	Noncompliance	All Farms

### HSE Assessment Summary

General Compliance	
<b>Benchmarks:</b> <i>HSE.1: Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.</i>	
<b>Noncompliance in 8 farms</b>	
<b>Findings/Noncompliance Explanation:</b>	During farm visits, monitors observed empty chemical containers disposed in the farms of three of the assessed farmers. These containers could be a risk for children who use them as toys, as well as for families; given that they often end up in

	<p>households used as cans.</p> <p>Monitors also observed that a farmer conducts chemical application without initial training, without wearing suitable protection equipment and without signaling it to prevent access to the farm.</p> <p><u>Source:</u> Observation, Review of the Olam Code of Conduct.</p>
<b>Company Action Plan:</b>	<p>Olam will support its suppliers and all other suppliers in its supply chain to increase the awareness of producers, workers and their households about the dangers of poor management of empty chemical containers and cocoa plantation spraying tools.</p> <p>Olam will redistribute its supplier code of conduct leaflet to all producers and worker to remind them of the implementation of decent behaviors regarding Health &amp; Safety measures, especially chemical application and empty containers management.</p> <p>Olam training on the management of empty chemical containers will be repeated in all the farmer-field schools.</p>
<b>Deadline Date:</b>	December 2018

### Access to Water and Sanitation

**Benchmarks:**

*HSE.17.1: Safe and clean potable water for drinking shall be freely available at all times, within reasonable distance of the workplace. For farm settings in water-stressed regions where access to potable water is not always guaranteed, employers shall work with local authorities and other partners to provide clean water in sufficient volume and quality to guarantee the wellbeing of hired and family workers.*

**Noncompliance  
in all farms**

**Findings/Noncompliance  
Explanation:**

The assessed communities do not have a good source of drinking water. Farmers and workers get water from unprotected (uncovered) wells and from rivers.

In the absence of the communities providing the sources of potable water, no provision is made to sensitize and train farmers and workers on the methods of treatment, used to disinfect water before drinking.

Source: Interviews, observation

**Company Action Plan:**

With the support of Olam, the supplier will undertake the construction and treatment of the most used wells in these communities. Therefore, the supplier will work with the NGO ORASUR to analyze the sources of water in these communities.

The supplier will sensitize the members of this community on the importance of the correct treatment of well water before using.

In each community, the NGO ORASUR will train people on the method use in treating well water.

The supplier will monitor communities in the implementation of these well treatment methods.

**Deadline Date:**

December 2018

### Medical Facilities

**Benchmarks:**

*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, growers will not unreasonably delay allowing a worker to have access to medical treatment.*

**Noncompliance  
in all farms**

<b>Findings/Noncompliance Explanation:</b>	<p>Monitors observed that there was no medical facility available in one of the assessed communities. No local service provider is appointed to assist farmers and workers in case of emergencies. In addition, no contact is provided to them to enable them reach nearest medical officers in case of medical emergency like injury or sudden illness.</p> <p><u>Source:</u> Interviews with IMS staff, cooperative leaders, producers and workers, Observation</p>
<b>Company Action Plan:</b>	<p>Olam will support the supplier to provide first aid kits in these communities. In addition, Olam will ensure the availability of first-aid kits in all sections of all the other suppliers.</p> <p>Therefore, a first aid kit management policy will be developed and shared to all suppliers. This policy will help to select and train health officers who will be in charge of the management of first aid kits and also to take care of disease registers.</p> <p>In the community without a health center, the supplier will sign a partnership with the private health centers in the area for emergency care before evacuation.</p>
<b>Deadline Date:</b>	December 2018

## 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	In compliance	
	C.2.2	In compliance	
	C.2.3	In compliance	
	C.2.4 (PR)	In compliance	
	C.2.5 (PR)	In compliance	
	C.2.6 (PR)	In compliance	
	C.3	In compliance	
Farmer/Producer Income	C.4 (PR)	In compliance	
Wage Payment and Calculation	C.6	In compliance	
	C.7.1	In compliance	
	C.7.2	Noncompliance	All Farms
	C.7.3 (PR)	Not Initiated	All Farms
	C.7.4	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	In compliance	
Workers Awareness	C.11.1.1	In compliance	
	C.11.1.2	In compliance	
	C.11.1.3	N/A	
	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	In compliance	
	C.12.4	In compliance	
	C.12.5	In compliance	

### Compensation Assessment Summary

Payment of Certification Premiums	
<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>
<p><b>Findings/Noncompliance Explanation:</b></p> <p>According to the mechanism put in place within the cooperative, the cooperative issues a payment receipt for any cocoa bean purchased by a farmer. However, for payments of certification premiums, the cooperative transfers the cumulative earnings per section to the delegates who sign a register held by the cooperative at its headquarters. No traceability is made on the payment to the farmers in the sections. No receipt is delivered to the farmers and there is no register at the section or community level, for the payment of the certification premiums.</p> <p><u>Source:</u> Farmers Interview, IMS Staff Interview, Review of payment records.</p>	
<p><b>Company Action Plan:</b></p> <p>Olam will ask the supplier to monitor the payments of the producer premiums in its sections. The payment of the producer premium must be accompanied by proof such as a receipt to ensure traceability. Olam Regional Representative will also have a regular control during the payment of the premium.</p> <p>The supplier should keep record of all the proof of payments of the producer premium over 3 years.</p> <p>Olam will increase its control over the payment of producer premiums in all cooperatives. This will be done at all the other suppliers' level.</p> <p>Producers will be sensitized to call Olam's free toll number 04 13 13 04 in case of premium payment without receipt.</p>	
<p><b>Deadline Date:</b></p>	<p>December 2018</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%	0%	0%	100%	0%	100%	
Farm No. 1	9	0	0	0	0	0	2	0	1	12
Farm No. 2	9	0	0	0	0	0	2	0	1	12
Farm No. 3	9	0	0	0	0	0	2	0	1	12
Farm No. 4	9	0	0	0	0	0	2	0	1	12
Farm No. 5	9	0	0	0	0	0	2	0	1	12
Farm No. 6	9	0	0	0	0	0	2	0	1	12
Farm No. 7	9	0	0	0	0	0	2	0	1	12
Farm No. 8	9	0	0	0	0	0	2	0	1	12
Farm No. 9	9	0	0	0	0	0	2	0	1	12
Farm No. 10	9	0	0	0	0	0	2	0	1	12
Farm No. 11	9	0	0	0	0	0	2	0	1	12
Farm No. 12	9	0	0	0	0	0	2	0	1	12
Farm No. 13	9	0	0	0	0	0	3	0	1	13
Farm No. 14	9	0	0	0	0	0	2	0	1	12
Farm No. 15	9	0	0	0	0	0	2	0	1	12
Farm No. 16	9	0	0	0	0	0	2	0	1	12
Farm No. 17	9	0	0	0	0	0	2	0	1	12
Farm No. 18	9	0	0	0	0	0	2	0	1	12
Farm No. 19	9	0	0	0	0	0	2	0	1	12
Farm No. 20	9	0	0	0	0	0	2	0	1	12
Farm No. 21	9	0	0	0	0	0	3	0	1	13
Farm No. 22	9	0	0	0	0	0	3	0	1	13
Farm No. 23	9	0	0	0	0	0	2	0	1	12
Farm No. 24	9	0	0	0	0	0	2	0	1	12
Farm No. 25	9	0	0	0	0	0	3	0	1	13

Farm No. 26	9	0	0	0	0	0	3	0	1	13
Farm No. 27	9	0	0	0	0	0	3	0	1	13
Farm No. 28	9	0	0	0	0	0	2	0	1	12
Farm No. 29	9	0	0	0	0	0	2	0	1	12
Farm No. 30	9	0	0	0	0	0	2	0	1	12
Farm No. 31	9	0	0	0	0	0	2	0	1	12
Farm No. 32	9	0	0	0	0	0	2	0	1	12
Farm No. 33	9	0	0	0	0	0	2	0	1	12
Farm No. 34	9	0	0	0	0	0	2	0	1	12
Farm No. 35	9	0	0	0	0	0	2	0	1	12
Farm No. 36	9	0	0	0	0	0	2	0	1	12
Farm No. 37	9	0	0	0	0	0	2	0	1	12
Farm No. 38	9	0	0	0	0	0	2	0	1	12
Farm No. 39	9	0	0	0	0	0	3	0	1	13
Farm No. 40	9	0	0	0	0	0	3	0	1	13
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