



[2016]

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING AGRICULTURAL REPORT

Company: Olam

Country: Côte d'Ivoire

Commodity: Cocoa

Production Process: Harvest

Assessment Locations: Region of Marahoué, Sous prefecture of Bonon

Monitor: Societal Compliance Initiatives

Assessment Dates: 22-29 September 2016

Number of assessed farms: 40

Total area covered: 110.37 ha

Number of farmers interviewed: 40

Total number of workers: 41

Number of workers interviewed: 23

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)	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	In compliance	
	ER.25.4	In compliance	

Employment Relationship Assessment Summary

Proof of Age Documentation	
<p>Benchmarks:</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>	Noncompliance in all farms
<p>Findings/Noncompliance Explanation:</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 as a result of the local culture and the lack of existing identification documents for the majority of the workers. Thereby, no verification of age documentation 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>	
<p>Company Action Plan:</p>	<p>Olam will sensitize all the suppliers on the importance of collecting and keeping the</p>

	<p>identification documents of workers by their producers members. 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>
Deadline Date:	31 December 2018
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.20.2: 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>Noncompliance in all farms</p>
Findings/Noncompliance Explanation:	<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 relations between farmers and their workers.</p> <p><u>Source:</u> IMS staff, farmers and workers interviews, Procedures review</p>
Company Action Plan:	<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>
Deadline Date:	31 December 2018

Nondiscrimination

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	ND. 1	In compliance	
Recruitment and Employment Practices	ND.2.1	In compliance	
	ND.2.3	In compliance	
Compensation Discrimination	ND. 3	In compliance	
Discrimination in Training and Communication	ND. 4	Noncompliance	Farms 21 to 40
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

Discrimination in Training and Communication	
<p>Benchmarks</p> <p><i>ND.4 : Employers shall guarantee that all workers have equal access to training and capacity building and no discrimination takes place based on the characteristics noted above, nor on literacy or location of the workers. Training and communication should be given in the native language accessible to workers.</i></p>	<p>Noncompliance in 20 farms</p>
<p>Findings/Noncompliance Explanation:</p>	<p>Monitors reported that farmers and workers of a sub-section, located at about 20 km far from the cooperative's headquarters, do not receive any training or awareness. According to the Internal Monitoring System staff, this situation is due to the distance of this sub-section, and especially because of the difficulty of access due to the hills. The company and its partner (cooperative) do not take any action to give those community members the same access to training and capacity building as other community members.</p> <p><u>Source:</u> Farmers, workers and IMS staff interviews</p>
<p>Company Action Plan:</p>	<p>After the FLA monitoring, the supplier has set up a farmer field school in the sub-section. From October 2017, all the producers of the sub-section as well as all the producers of the cooperative will receive training on good agricultural, health, safety and environmental practices and on the new Olam supplier code of conduct. In addition, Olam will sensitize all other suppliers in its supply chain to set up farmer field school in all their sections, no matter the distance</p>
<p>Deadline Date:</p>	<p>October 2017</p>

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	N/A	
	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	Risk of Noncompliance	Farm 15,16,17,18
Removal and Rehabilitation of Child Laborers	CL.10.1	In compliance	
	CL.10.2 (PR)	In Progress	All Farms

Child Labor Assessment Summary

Children on Premises	
<p>Benchmarks: CL.9: <i>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>	
Risk of Noncompliance in 4 farms	
Findings/Noncompliance Explanation:	<p>Based on farmers' interviews, monitors noted that some of them, especially four farmers living on their farms, do not move their family members, including children, when applying chemicals. This constitutes a hazard for all family members, especially for children.</p> <p><u>Source:</u> Farmer interviews, Observation</p>
Company Action Plan:	<p>Olam is committed to assist all the suppliers in its supply chain to implement the training and sensitization on health and safety through the farmer-field school.</p> <ul style="list-style-type: none"> • Producers and workers will be trained on the management of empty chemical containers, and specific actions to undertake during chemical applications in farms. • Producers will be sensitized not to apply chemicals on their farms by themselves, but to always use the services of supplier applicators. • Olam is committed to raising awareness among all its suppliers to increase the number of applicators per section in order to satisfy the needs of producers for the treatment of plantations.
Deadline Date:	December 2018

Health, Safety and Environment

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	HSE.1.	In compliance	
Documents, Permits and Certificates	HSE.2 (PR)	In compliance	
	HSE.3.1	N/A	
	HSE.4 (PR)	In compliance	
Evacuation Requirements and Procedure	HSE.5.1 (PR)	N/A	
	HSE.5.2	In compliance	
Safety Equipment and First Aid	HSE.6.1 (PR)	Not Initiated	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	Farms 16,19,23
	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	In compliance	
	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	Noncompliance	Farm 17
	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	Farms 1 to 20

HSE Assessment Summary

Machinery Safety	
Benchmarks : <i>HSE.14.1 :All production machinery, equipment and tools shall be properly guarded and regularly maintained.</i>	
Noncompliance In one farm	
Findings/Noncompliance Explanation:	During their assessment, monitors observed chemical application machinery (sprayer) in the yard of an assessed farmer that was not properly guarded and within the reach of children. Source: Observation

Company Action Plan:	<p>Olam will support the supplier 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 workers to remind them to implement the correct actions regarding Health & safety measures especially chemical application and empty containers management</p> <p>With the support of Olam training on the management of empty chemical containers will be repeated in all farmer-field schools.</p>
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Deadline Date:	December 2018
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Medical Facilities

<p>Benchmarks:</p> <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, growers will not unreasonably delay allowing a worker to have access to medical treatment.</i></p>	<p>Noncompliance in 20 farms</p>
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Findings/Noncompliance Explanation:	<p>Monitors observed there was no medical facility available in one of the assessed communities. No local service provider is appointed to assist farmers and workers in the case of an emergency. In addition, no contact is provided to them to enable them reach the nearest medical officers in case of medical emergencies like injury, sudden illness.</p> <p><u>Source:</u> Farmers and workers interviews; Observation</p>
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Company Action Plan:	<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 with 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 to take care of the 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>
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Deadline Date:	December 2018
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Compensation

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	C.1.1	In compliance	
	C.1.2	Risk of Noncompliance	At cooperative level
	C.1.3	In compliance	
	C.1.4 (PR)	In compliance	
Minimum Wage/Fair Compensation	C.2.1	Noncompliance	At cooperative level
	C.2.2	In compliance	
	C.2.3	In compliance	
	C.2.4 (PR)	Not to be answered by monitors. The FLA is working on analysis the situation based on real wage data collected during IEMs.	
	C.2.5 (PR)	Not Initiated	At cooperative level
	C.2.6 (PR)	Not Initiated	At cooperative level
	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	In compliance	
	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

General Compliance	
<p>Benchmarks: <i>C.1.1: Employers shall comply with all national laws, Collective Bargaining Agreements in force, regulations and procedures concerning the payment of compensation to workers.</i></p>	
Risk of Noncompliance at coop level	
<p>Findings/Noncompliance Explanation:</p>	<p>During the assessment at the cooperative's headquarters, the Producers Relays (PR) reported to the monitors that they are paid 35% less than the amount mentioned in their contract. Invited by the monitors to respond to these allegations, the head of the cooperative, the Chairman of the Board, did not attend the meeting.</p> <p><u>Source:</u> Record Review, Interview with Producers Relays</p>
<p>Company Action Plan:</p>	<p>In order to solve these cases of abuse in the payment of salaries at the supplier level, for the 2016/2017 campaign Olam has proposed to pre-finance the salaries of the staff of all the suppliers of the supply chain through a signed agreement.</p> <p>65% of the suppliers of the supply chain signed this agreement and the salaries of their staff are paid by Olam through a service delivery agency (INTRASUD). Through this mechanism, all the staff received decent salaries with a payroll. This supplier is among the suppliers who signed this agreement.</p> <p>For the upcoming 2017/2018 campaign, Olam aims to sign the agreement with all of its suppliers.</p>
<p>Deadline Date:</p>	<p>January 2017</p>

Minimum Wage/Fair Compensation	
<p>Benchmarks: <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>	
Noncompliance at coop level	
<p>Findings/Noncompliance Explanation:</p>	<p>During the assessment, monitors noted that the Director of the cooperative who also acts as the Group Administrator (ADG) is linked to the cooperative by a written contract only for the position of Director. According to her declarations, since for more than two years, she has been verbally added the function of Group Administrator (ADG) and Traceability Manager with no impact on her initial compensation. According to further investigations carried out by monitors with other cooperatives in the region, her current compensation is about five times lower than the average in the sector for the position of an ADG.</p> <p><u>Source:</u> Record Review, Interview with the Director of the Cooperative</p>
<p>Company Action Plan:</p>	<p>Following the FLA audit report, Olam is in discussions with the supplier management in order to resolve the issue of double positions. In this case, the supplier management will make a choice among these 2 solutions for this new season 2017/2018:</p> <ol style="list-style-type: none"> 1) The director keeps the 2 positions and the supplier increases her salary. 2) The director keeps her actual salary and the supplier recruits a second person

	<p>for the position of Group Administrator.</p> <p>Olam will also raise awareness among all its suppliers regarding the payment of decent wages to their workers in order to enable them to cover their basic needs and be motivated for work.</p> <p>Workers in the supply chain, will be sensitized to denounce this kind of abuses through the Olam free toll call: 04 13 13 04</p>
Deadline Date:	December 2018

Overview - Farms vs.Noncompliances

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
% of farms with non-compliances or risk of non-compliances	100%	50%	0%	0%	10%	0%	100%	0%	0%	
Farm No. 1	9	0	0	0	0	0	1	0	0	10
Farm No. 2	9	0	0	0	0	0	1	0	0	10
Farm No. 3	9	0	0	0	0	0	1	0	0	10
Farm No. 4	9	0	0	0	0	0	1	0	0	10
Farm No. 5	9	0	0	0	0	0	1	0	0	10
Farm No. 6	9	0	0	0	0	0	1	0	0	10
Farm No. 7	9	0	0	0	0	0	1	0	0	10
Farm No. 8	9	0	0	0	0	0	1	0	0	10
Farm No. 9	9	0	0	0	0	0	1	0	0	10
Farm No. 10	9	0	0	0	0	0	1	0	0	10
Farm No. 11	9	0	0	0	0	0	1	0	0	10
Farm No. 12	9	0	0	0	0	0	1	0	0	10
Farm No. 13	9	0	0	0	0	0	1	0	0	10
Farm No. 14	9	0	0	0	0	0	1	0	0	10
Farm No. 15	9	0	0	0	1	0	1	0	0	11
Farm No. 16	9	0	0	0	1	0	1	0	0	11
Farm No. 17	9	0	0	0	1	0	2	0	0	11
Farm No. 18	9	0	0	0	1	0	1	0	0	11

Farm No. 19	9	0	0	0	0	0	1	0	0	10
Farm No. 20	9	0	0	0	0	0	1	0	0	10
Farm No. 21	9	1	0	0	0	0	0	0	0	10
Farm No. 22	9	1	0	0	0	0	0	0	0	10
Farm No. 23	9	1	0	0	0	0	0	0	0	10
Farm No. 24	9	1	0	0	0	0	0	0	0	10
Farm No. 25	9	1	0	0	0	0	0	0	0	10
Farm No. 26	9	1	0	0	0	0	0	0	0	10
Farm No. 27	9	1	0	0	0	0	0	0	0	10
Farm No. 28	9	1	0	0	0	0	0	0	0	10
Farm No. 29	9	1	0	0	0	0	0	0	0	10
Farm No. 30	9	1	0	0	0	0	0	0	0	10
Farm No. 31	9	1	0	0	0	0	0	0	0	10
Farm No. 32	9	1	0	0	0	0	0	0	0	10
Farm No. 33	9	1	0	0	0	0	0	0	0	10
Farm No. 34	9	1	0	0	0	0	0	0	0	10
Farm No. 35	9	1	0	0	0	0	0	0	0	10
Farm No. 36	9	1	0	0	0	0	0	0	0	10
Farm No. 37	9	1	0	0	0	0	0	0	0	10
Farm No. 38	9	1	0	0	0	0	0	0	0	10
Farm No. 39	9	1	0	0	0	0	0	0	0	10
Farm No. 40	9	1	0	0	0	0	0	0	0	10
	360	20	0	0	4	0	21	0	0	405