

# Independent External Verification Report, 2021

Fair Labor Association conducts an Independent External Verification (IEV) in a given farm or cluster of farms, where FLA has previously conducted an IEM, and after the remediation plan of the company is completed. FLA uses IEV to verify the effective implementation of the Company's corrective action plan and assess if the actions have led to sustainable results.



<b>Company</b>	<a href="#">Olam/ofi*</a>
<b>Country</b>	Turkey
<b>Crop</b>	Hazelnuts
<b>Production process</b>	Harvest
<b>Assessment location</b>	Ordu
<b>Monitor</b>	Asya Control Certifications & Consultancy
<b>Assessment dates</b>	23-26 August 2021
<b>Number of assessed farms</b>	13
<b>Total area covered</b>	50.45
<b>Number of farmers interviewed</b>	13
<b>Total number of workers</b>	172
<b>Number of workers interviewed</b>	97
<b>Related IEM report links</b>	<a href="#">2017 IEM report</a>

\* In January 2020, Olam International reorganized into three groups: Olam International and two operating groups: Olam Global Agri (OGA) and olam food ingredients (ofi). In 2021, olam food ingredients rebranded to become ofi, and now operates in 48 countries serving over 8,000 valued customers globally.

## Employment Relationship

### Employment Relationship Assessment Summary

#### Human Resource Management System

Benchmarks	Compliance Status
<p>ER.1.1: Employer shall have written terms and conditions of employment, job descriptions, rules of compensation, and working hours for all positions. In the case of workplaces with informal labor structures, employers should be able to describe verbally all of the above terms and conditions and clearly communicate them to workers.</p> <p>ER.2.1: Employers shall maintain on file all documentation needed to demonstrate compliance with the FLA Workplace Code and required laws, at the farm itself or externally with the sourcing company, intermediary, cooperative or an accountant or administrator.</p> <p>ER.2.1.1: Employers shall make these documents available to third-party assessors commissioned by the FLA and shall submit to unannounced inspections.</p>	

#### 2017 IEM Findings

<p><b>Findings/Noncompliance Explanation</b></p>	<p>At the time of recruitment, workers are verbally made aware of the tasks, responsibilities, and working hours. However, workers are not told the exact wage they will get, since it depends on the wages paid by leading big farmers in the region and the exact commission amount the labor contractor will deduct from their wage.</p> <p>Labor contractors, supervisors, and farmers who are leading workers have limited knowledge of the local labor laws and the FLA Code. They do not know, for example, there are special regulations for the protection of young workers and pregnant workers.</p>
<p><b>Company Action Plan</b></p>	<p>Seasonal migrant workers coming for the harvest season to the Ordu region are large in numbers, and they come from widespread geography. In order to reach more seasonal migrant workers, 4 to 6 weeks of harvest period is not enough. Therefore, Olam will expand its training activities to the cities of origin, such as Mardin and Şanlıurfa, to be able to reach more workers. Olam aims to reach 300 workers in Mardin and 150 workers in Şanlıurfa at the initial stage. The “Village Motherhood Program” will also enable Olam to train women migrant workers, and the “Labor Contractor Project” of Pikolo allows a more geographically widespread outreach.</p> <p>Olam will now provide trainings to both seasonal migrant workers and farmers for 12 months. Olam will provide training on FLA Code of conduct in origin cities of Mardin and Şanlıurfa on October 2018.</p> <p>Furthermore, to better inform the workers on the daily wage, Olam will work in coordination with the village governors and local religious institutions for the announcement of the daily wage determined by the local commission through the sound system of the villages mosques at Kabataş district of Ordu (Deadline: August 2018).</p>
<p><b>Deadline Date</b></p>	<p>October 2018</p>

## Verification Findings

Monitors understood during record review and interviews with staff of the Company that they had organized awareness increasing trainings with farmers, labor contractors and workers between 2017 and 2021 about written and verbal employment agreements. The trainings were both organized at orchards and hazelnut producing villages during the season and villages in Southeast of Turkey where the seasonal migrant workers originate from. The Company has also worked together with stakeholders such as Pikolo for organizing trainings. The Company has posted posters at villages and orchards and distributed brochures to support increasing awareness on this subject.

However, it was reported that there are written agreements implemented. Even though the farmers and the workers informed during interviews that they have written contracts, most of them were not able to show signed contracts to the monitors during assessments.

In 2021 the monitors visited 13 farms of which 12 of them had employed seasonal migrant workers and 1 had employed local a worker group. During the interviews at field visits:

- 9 seasonal migrant worker groups informed monitors that they had written contracts.
  - 1 group has reported the contract was signed between the labor contractor and the farmer.
  - 8 reported the contracts were signed between the workers and the farmer.
- 3 seasonal migrant worker groups informed they had no written agreements.
  - 1 group had verbally agreed the terms and conditions. They reported that the terms were communicated clearly by the labor contractor and farmers.
  - 2 groups were not sure about the terms and conditions of the work.

The monitors noted that none of the worker groups, workers or farmers had the copy of the mentioned contracts at the time of the assessment. When the monitors requested from workers to see the written contracts the workers informed that the farmers were keeping these. When the monitors asked the farmers, none of them were able to present any agreements. When the monitors asked the staff of the affiliated company about the contracts, they were informed that the legal implementation was that the agreements had to be presented to İŞKUR, the Turkish Employment Agency, and that legal period for İŞKUR to give the agreements back was 10 working days. It is understood that the contracts of these groups were still waiting for İŞKUR approval at the time of the assessment. Olam team presented the copies of İŞKUR approved contracts for the assessed groups in the aftermath of the fieldwork.

When the monitors asked workers about the details of the agreements during interviews; only 2 of these worker groups were found aware of the content of the agreement, 1 group informed that the supervisor read the terms of the agreement and they signed it but they could not remember the terms, 3 worker groups remembered the identity information like birth dates, 1 group stated that the way how the wages will be paid was mentioned in the contract, 2 groups knew nothing about the agreements. Moreover, the interviewed workers again did not know the exact wage they would receive, while they all knew the agreed working hours.

The monitors noticed that workers were even not sure about their wages. 1 local worker group told that they would receive 140 TL/Day, but they were not sure. Interviewed workers stated their wages as: 120 TL/Day at 6 farms, 130 TL/Day at 4 farms, something between 120 and 140 TL/Day at 1 farm, either 120 or 130 TL/Day at 1 farm and 140 TL/Day at 1 farm which was employing local workers. On the other hand, 2 farmers informed monitors that they would pay 150 TL/Day, 3 farmers reported 130 TL/Day and other 3 farmers 120 TL/Day whereas 4 of them told that they did not know yet.

The interviewed workers reported that food was provided by the farmer at the local worker group and at only 1 seasonal migrant worker group.

Monitors noticed that there were 3 permanent workers (2 at one farm and 1 at a second farm) employed by 2 farmers. These workers conducted work other than harvesting, such as guarding the crop, pruning and weeding. These permanent workers were also playing a role of watchman over the harvest workers. These permanent workers informed monitors that they were paid above the usual harvest work wage of 150 and 180 TL/Day but did not want to share the exact amount they were earning. Monitors noticed on another farm where the farmer was also a Manav that the farmer had

employed 1 permanent and 2 seasonal migrant workers for the harvest season. The permanent worker was responsible for paperwork and some other work of the Manav such as being the driver and his salary was reported to be 6000 TL/Month by the worker. The migrant workers tasks were reported to be carrying the sacks of the farmer when he harvested or when he buys hazelnuts from other farmers. They load the sacks on the tractor or truck and weigh the hazelnuts. The 2 seasonal workers were paid 5000 - 5500 TL/Month. The food and accommodation of these 3 workers were provided by the farmer excluding the wage he paid.

**Overall Conclusion of the Verification: There is progress but still need sustainable improvements**

The affiliated company has worked on improvements by implementing written contracts and communicating rights verbally. Despite the introduction of the tripartite contracts as a considerable step forward, there is still need for improvement. It was seen that interviewees could only acquire copies of their contracts after the start of the work due to İŞKUR approval period. Furthermore, workers' awareness of agreed terms and conditions of the employment were low. The workers were not aware of what they had signed.

**New Finding, if any**

**Follow-up Company Action Plan (to be filled by the company)**

ofi provides trainings for the signing of the seasonal agricultural work contract between the farmer, the worker and, if any, the labor contractor and for the parties to know their rights and responsibilities. During the 2021 harvest season, ofi social workers secured the signing of approximately 350 seasonal agricultural work contracts. In order for the employees to have more information about the contract and to increase the memorability of the subject, visuals and contract examples will continue to be used in their training, and more than 350 contracts will be signed. In the trainings given to the farmers, ofi will continue to explain the content of the seasonal agricultural labor contract to at least 2000 farmers and a blank copy of the contract will be given to the farmers. Worker trainings will be held in the provinces of origin (for example; Sanliurfa, Diyarbakir, Mardin), where workers are present before they come to the ofi supply chain to work, and the articles and importance of the seasonal agricultural work contract will be emphasized in these trainings. In these trainings, 1500 seasonal migrant workers will be reached, including the trainings to be held with stakeholder companies under the coordination of FLA. A blank copy of the contract will be left at the home of the workers. ofi will continue to provide one-on-one consultancy and training to labor contractor. The importance of seasonal agricultural work contract will continue to be emphasized in the content of the training. A blank copy of the contract will also be given to labor contractors. During the training of workers, farmers and labor contractors, the seasonal agricultural work contract, of which a blank sample is given, will be requested to be filled by the relevant persons during the training, and with this study, the knowledge of each actor on the contract will be reinforced.

**Deadline Date (to be filled by the company):**

September 2022

**Proof of Age Documentation**

Benchmarks	Compliance Status
<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/labour 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 labour 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 labour contractor shall pay a fee or get a reduction by applying a fee over his salary.</p> <p>ER.5.3: Workers shall not be engaged to work in a farm by a family member, friend, or associate in order for that family member, friend or associate to receive continuing remuneration, consideration, or any other return from the employer. This prohibition does not refer to normal references, referral bonuses or standard employment recruitment practices.</p> <p>ER.7: Employers may hire temporary, casual, daily, seasonal or migrant workers only when:</p> <p>ER.7.1: contract or temporary employment is allowed by national law;</p> <p>ER.7.2: the production requirements or peculiarities of the labor market do not allow employers to hire permanent workers;</p>	
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## 2017 IEM Findings

<p><b>Findings/Noncompliance Explanation:</b></p>	<p><u>Proof of Age Documentation:</u> Monitors observed that farmers do not follow any documentation practices, such as maintaining proof of age of the workers, despite the fact they have received farmer handbooks from Olam. The farmers do not take the necessary precautions to ensure all workers are at least the minimum legal working age. Monitors observed two local child workers aged under 15 on one of the 15 visited farms.</p> <p><u>Labor Contractors:</u> On one visited farm, the farmer recruited migrant workers through a labor contractor. Labor contractors deduct a commission from workers' daily wages (usually around 10%) meant to be a recruitment fee. When farmers pay the minimum wage according to the local commission guidelines, workers receive less than the minimum wage after deduction of the commission. The local law and commission guidelines require the commission of the labor contractors to be paid separately.</p>
<p><b>Company Action Plan</b></p>	<p>Labor contractors are key people in the seasonal agricultural labor. The most important problem is the lack of a database of agricultural intermediaries, which is necessary to solve the employment problems of agricultural workers, elimination of child labor, and for a traceable supply chain. For this purpose, under the "The Database of Labor Contractors Project," Olam partners with Pikolo Association to provide training in Şanlıurfa and Mardin, where the Turkish Employment Agency (İŞKUR) will also participate to register the labor contractors and make them get formal intermediary licenses. The license brings obligations on labor contractors to obey the responsible recruitment practices and forbids deductions from workers' earnings. Labor contractors' fees must be paid separately by the farmers. If the labor contractors are paid separately than the workers, this will prevent the cuts from the workers' salaries.</p> <p>During the 2018 harvest season, Olam's social workers are working in the field to provide 1 to 1 counseling to registered agricultural labor contractors. Olam aims to give counseling to two agricultural labor contractors and make contracts with at least two farmer owners and workers working in that specific farm in the Eastern black sea region. It will be a three-party contract among</p>

	<p>labor contractor, farmer, and workers. With these contracts, Olam aims to mitigate the risk of child labor in labor groups of contracted agricultural labor contractors. A worker list will be a part of the contract; Olam will recommend inclusion of the National identification number and birth dates of the workers. This list will enable recording the ages of the workers. As an annex to the contract, Olam will also prepare a salary payroll to be used by contractors. Olam will ensure the "Olam Young Worker Registration Form" is filled in all the contracting gardens. (Deadline: September 2018)</p> <p>In conclusion, Olam will provide two labor contractors 1 to 1 counseling in the short term, and in the medium and long-term, Olam will ensure all the labor contractors sign contracts with farmers and workers in Ordu region. Olam will pilot this project in the 2018 harvest, and if it is successful, it will have a positive effect on economic, social, and cultural rights of all the workers who have signed those contracts. In order to control the implementation of the project, Olam will conduct internal monitoring. At the end of the harvest of 2018, Olam will make an assessment and plan for the next period.</p>
<b>Deadline Date</b>	September 2018

<b>Verification Findings</b>	
<p>Monitors understood during record review and interviews with staff of the Company that they had organized awareness increasing trainings in hazelnut producing villages during the season and in villages in Southeast of Turkey where the seasonal migrant workers originate from with farmers, labor contractors and workers between 2017 and 2021 about age verification and good working practices for labor contractors. The Company has also worked together with stakeholders such as Pikolo for organizing some of these trainings. The Company has also posted posters at villages and orchards and distributed brochures about age verifications and roles of labor contractors. The Company has taken initiatives to support labor contractors to be registered and receive an intermediary license.</p> <p>However, in the previous assessment it has been found out that farmers did not take the necessary precautions to ensure that all workers were at least the minimum legal working age. The monitors noticed on 13 assessed farms that there were young workers (including family workers) on 11 farms. Monitors observed during assessments that farmers do not check documents of workers as a proof of age. Only 3 farmers out of 13 stated that they checked the IDs of the workers for their age in the mukhtar's (head of the village) office. There is a security practice implemented for seasonal migrant workers. Their IDs are given to gendarme, or local police force for security reasons, not for age verification. The gendarme records copies of the IDs and returns the IDs to the workers. 3 farmers stated that during this process they checked the ages of the workers. 2 worker group said that the staff of the affiliated company checked their IDs. The monitors could verify that there was no kind of any verification practices at the rest of the visited farms.</p> <p>The monitors were not presented of any documentation related with age verification during assessments. The monitors found out that there were 38 workers (16 females and 22 males) under the age of 18 working at the farms.</p> <ul style="list-style-type: none"> <li>• 2 of these workers (a girl of 12 and a boy of 14 years) were under 15 years at one farm.</li> <li>• The remaining 36 young workers were noticed to be between 15-18 years old as 15 were females and 21 male workers. The age distribution of these workers was as follows: 19 workers were 17 years (9 females and 10 males: 1 male was paid family worker), 9 workers were 16 years (3 females and 6 males), 8 workers were 15 years (3 females and 5 males: 1 male was a paid family worker).</li> </ul> <p>The family workers under 18 also work in the same hours with other workers, but they give break whenever they want and when the monitors visited the farms the eldest one was leaving the farm before</p>	

end of the working hours. One 15 years old girl said that she works until the midday than she carries the water. The other 17 years old girl said that she works until the midday.

The rest of the workers below 18 were working the same hours as the adult workers. The working hours without breaks at the farms where workers under 18 years were working was as follows:

- 9.5 hours at 4 farms,
- 9 hours at 1 farm,
- 8.5 hours at 2 farms,
- 8 hours 10 minutes at 3 farms and,
- 8 hours at 1 farm.

Moreover, the monitors also observed that there were steep slopes present at some of the farms where the workers under 18 years old were working including child labors.

In addition to this, when the monitors visited one of the summer school programs of the Company (Çocuklar Sahada = Children on the Football Field) the monitors noticed participating 10 children. On the other hand, one of the physical education teachers told the monitors that when the weather was rainy, the number of children attending their activities was increasing to 25. The teacher told that with good weathers the children were not attending the summer school, but they possibly were harvesting in the orchards. The affiliated company attempts to prevent child work in the hazelnut orchards through the Children on the Football Field summer school program. The physical education teacher stated that an average of 15 children attend the school.

The monitors were informed by external sources that the minimum wage for seasonal migrant hazelnut workers determined by the local commission was announced as 120 TL/Day. The interviewed workers stated that their wages were:

- 120 TL/Day at 6 farms,
- 130 TL/Day at 4 farms,
- between 120 and 140 TL/Day at 1 farm and,
- between 120 and 130 TL/Day at 1 farm where seasonal migrant workers were employed.

The local workers informed their daily wages to be 140 TL/Day at 1 farm.

In the workers' interview it has been found out that there were 4 worker groups who came to the region via the labor contractors and agreed to pay 10% recruitment fee to the labor contractor. The workers agreed to pay this recruitment fee from their daily wages. The interviewed farmers mentioned the recruitment fee to be 10 TL/Day whereas the workers informed this to be 10%. The monitors noticed that after the deduction the daily wages of some workers would become 108 and 117 TL/Day which falls below the announced legal minimum wage.

### **Overall Conclusion of the Verification: There is progress but still need sustainable improvements**

Despite of the affiliated company's efforts of training farmers, workers, and labor contractors the lack in the age verification practices has not changed. Farmers did not take the sufficient precautions to ensure that all workers were at least the minimum legal working age.

The deduction of recruitment fees contributing to decrease the workers' wages below the legal minimum wage still existed.

### **New Finding, if any**

### **Follow-up Company Action Plan (to be filled by the company)**

ofi provides good social practices trainings to farmers in the supply chain. One of the subjects included in the training content is youth labor and child labor. ofi social workers inform the farmers about the legal working age at every training and give information about the working conditions. ofi social workers will inform 2000 farmers about legal working age and working conditions in their good social practices

training. The importance of the 'young worker registration form', which was created for farmers to verify their age and register young workers, will be emphasized in the trainings. In the farmer trainings, the importance of filling the young worker forms during the harvest period and finding proof documents for the age of the working workers will be emphasized. ofi social workers will continue to provide worker trainings to the workers of the farmers in the supply chain during the harvest period, will provide training to 2000 seasonal migrant workers, and during these trainings, they will make the necessary checks on the records that the farmer should keep. ofi will provide support to the farmers in keeping a copy of the young worker registration forms by the farmer and making them available to the farmers. In addition, in farmer training and during the harvest period; In order to prevent children (who are determined to be under the working age as a result of age verification) from working in orchards, farmers will continue to be informed about the need to inform the social workers so that those children, if any, can be enrolled in the summer schools opened by ofi. ofi social workers will hang posters on the importance of age verification and the harms of child labor in workers' homes, district and village centres. In the orchard where the children under 15 were detected, immediate precaution was taken. Children were provided with education kits and regular visits to the orchard were made by ofi social workers to make sure the children were no longer working in the orchard.

ofi conducts one-on-one consultancy services and training activities for labor contractors. ofi carries out labor contractor training and certification studies. The labor contractor, which was found to have made a cut, was certified in 2020 within the scope of the Harvest the Future project. Related to the subject, the issue of wages will be emphasized in labor contractor trainings. Details on the legal obligations of the seasonal agricultural work contract will also be explained in detail. Workers' books prepared by ofi social workers, including the wage delivery form, will be given to each seasonal agricultural worker, and the purpose and usage of wage delivery form will continue to be explained in worker trainings and their use will be encouraged. In farmer trainings, ofi will continue to emphasize that labor contractors should receive their wages from farmers. Information 100 posters about the subject will be hung in district and village centers.

**Deadline Date (to be filled by the company):**

September 2022

**Terms and Conditions**

Benchmarks:	Compliance Status
<p><i>ER.9.3.3: in any way punishes workers for terminating employment.</i></p> <p><i>ER.10: Employment terms for apprenticeships must be in compliance with local legislations.</i></p> <p><i>ER.11: Employers shall ensure that all legally mandated requirements for the protection or management of special categories of workers, including migrant, juvenile, contract/contingent/temporary, casual, daily, home workers, pregnant or disabled workers, are implemented.</i></p> <p><i>ER.12.1: Employers shall regularly inform workers about workplace rules, health and safety information, and laws regarding workers' rights with respect to freedom of association, compensation, working hours, and any other legally required information, and the FLA Code through appropriate means, including posted in local language(s) throughout the workplace's common areas or in the surrounding community. In the case of workplaces with informal labor structures, these communication and awareness raising activities could be done with support from supply chain intermediaries such as cooperatives, organizers, tier one suppliers or the participating company.</i></p> <p><i>ER.12.1.1: Employers shall inform workers that any form of harassment or abuse in the workplace shall be subject to disciplinary measures.</i></p> <p><i>ER.12.2: Where a union exists on the farm, employers shall make available a copy of the collective bargaining agreement to all workers and other interested parties.</i></p> <p><i>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.</i></p> <p><i>ER.13.2: Employers shall ensure that all supervisors are trained in national laws, regulations, and the FLA Code, and the appropriate practices to ensure compliance.</i></p> <p><i>ER.13.3: Employers shall inform supervisors that they should not use any form of harassment or abuse to maintain labor discipline.</i></p>	

**2017 IEM Findings**

<p><b>Findings/Noncompliance Explanation</b></p>	<p>Olam organizes trainings and different initiatives to communicate workplace standards and workers' rights to farmers and workers, but these trainings have not yet reached all workers and farmers. Most of the interviewed stakeholders were not aware of these standards.</p> <p>At the time of recruitment, workers are verbally made aware of the tasks, responsibilities, and working hours. However, workers are not told the exact wage they will get, since it depends on the wages paid by leading big farmers in the region and the exact commission amount the labor contractor will deduct from their wage. Labor contractors, supervisors, and farmers who are leading workers have limited knowledge of the local labor laws and the FLA Code. They do not know, for example, there are special regulations for the protection of young workers and pregnant workers.</p> <p>The employment terms of the migrant workers fall below the provisions of national laws and FLA Code with regard to compensation and hours of work. More detail on those issues is available in subsequent parts of this report.</p> <p>Source: Interviews with workers, supervisors, labor contractors, and farmers</p>
<p><b>Company Action Plan</b></p>	<p>Seasonal migrant workers coming for the harvest season to the Ordu region are large in numbers, and they come from widespread geography. In order to reach more seasonal migrant workers, 4 to 6 weeks of harvest period is not enough. Therefore, Olam will expand its training activities to the cities of origin, such as Mardin and Şanlıurfa, to be able to reach more workers. Olam aims to reach 300 workers in Mardin and 150 workers in Şanlıurfa at the initial stage. The "Village Motherhood Program" will also enable Olam to train women migrant workers, and the "Labor Contractor Project" of Pikolo allows a more geographically widespread outreach. Olam will now provide trainings to both seasonal migrant workers and farmers for 12 months. Olam will provide training on FLA Code of conduct in origin cities of Mardin and Şanlıurfa on October 2018.</p> <p>Furthermore, to better inform the workers on the daily wage, Olam will work in coordination with the village governors and local religious institutions for the announcement of the daily wage determined by the local commission through the sound system of the villages mosques at Kabataş district of Ordu (Deadline: August 2018).</p>
<p><b>Deadline Date</b></p>	<p>October 2018</p>

<p><b>Verification Findings</b></p> <p>Monitors understood during record review and interviews with staff of the Company that they had organized awareness increasing trainings with farmers, labor contractors and workers between 2017 and 2021 about written and verbal employment agreements. The trainings were both organized at orchards and hazelnut producing villages during the season and villages in Southeast of Turkey where the seasonal migrant workers originate from. The Company has also worked together with stakeholders such as Pikolo for organizing trainings. The Company has posted posters at villages and orchards and distributed brochures to support increasing awareness on this subject.</p> <p>The Company organizes trainings to communicate workplace standards and workers' rights to farmers and workers, but these trainings have not reached all workers and farmers. The harvest season is short. The limited time of the harvest season and the circumstances of the Covid-19 pandemic did not allow collective trainings this year.</p>
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The monitors observed during walkthroughs that there are posters posted at various points of villages, entrance of visited farms and on the walls or windows of the visited farmer houses about workplace rules, workers' rights, child labor in common places. The monitors confirmed during documentation reviews that trainings were conducted at 12 farms out of 13 assessed farms about workplace standards, workers' rights, HSE, PPE and child labor. Remaining 1 farm was a new addition to Olam program in the region. However, despite the training efforts, the monitors noted that only in 2 visited farms the workers were fully aware of the workplace standards and workers' rights. For instance, at 6 farms the worker were not sure about their daily wages. At the time of recruitment, workers are verbally made aware of the tasks, responsibilities and working hours. Supervisors and farmers who are leading workers have a degree of knowledge about workplace standards and FLA Codes. The monitors observed that there were 7 farmers aware of child labor and 3 of them mentioned that they implemented an age verification. These farmers stated that workers under 18 years could not work at their farms. Apart from these 3 farmers expressed that legal age for working in the farm is 16-17. Moreover 9 farmers out of 13 were aware of the legal working hours. They mentioned the legal working hours were 8 hours a day without breaks. 6 of the farmers were aware that labor contractors had no right to deduct employment fees from the workers.

However, the monitors encountered that this awareness did not reflect in action. There were workers employed under 18 years at 11 farms and there were even workers employed under 14 years at 1 farm. Workers below 18 years were detected at 2 farms where the farmers were claiming of implementing an age verification. The farmers also do not know for example that there are special regulations for the protection of young and pregnant workers. The monitors noticed that working hours were regulated only at 2 farms for young seasonal migrant workers whereas at the remaining 9 farms working hours for young seasonal migrant workers were not regulated.

The awareness of workers regarding terms and conditions was also noticed to be low. For example, at some farms, workers informed that the working hours should not exceed 8 hours whereas at other farms they informed this could be 11 hours. The monitors verified that working hours at assessed farms were changing between 8 hours to 9.5 hours.

The monitors detected 2 nursing and 2 pregnant female workers at 2 farms. 3 of them were working as cook and 1 pregnant worker was working for harvesting at the orchard during the visits. Pregnant worker was resting during the time of the farm visit. However, the supervisor and rest of the worker group stated that she normally harvested like other workers, working the same hours.

The monitors observed that communication and awareness raising activities were performed by staff of the Company about workplace rules, health, and safety information, and working hours at 9 farms out of the 13 visited farms. These activities also consisted of hanging posters throughout workplaces, shops, schools, fences and the windows and doors of the farmhouse. The monitors noticed that information on posters were consisting of preventing employment of child labor, signing contract with the labor contractors, number of workdays and compensation, legal working hours, hotline number, water for drinking and daily use, light work for young workers, health, and safety, forced labor, violence, harassment, abuse and discrimination free workplaces, paying labor contractors their commission fee separately from the workers' wages.

The company also distributed "daily wage follow-up cards" and "worker notebooks" to workers. There is information on social rights and workers' right on the first pages of the notebooks.

However, the monitors encountered that only in 2 visited farms the workers were fully aware of the workplace standards and workers' rights, such as; workers were not aware of health and safety issues regarding young, child and pregnant workers, legal working hours for child, young and adult workers.

Farmers and supervisors who are leading workers have despite various trainings limited knowledge of the local labor laws and the FLA Code partially. Their awareness regarding legal working hours and wages, unlawful deductions, working conditions of disadvantaged groups and written agreements were found low.

**Overall Conclusion of the Verification: There is progress but still need sustainable improvements**

The participating company took actions in awareness raising activities on workplace standards, health and safety, child labor, working hours, written agreements. In addition to these there are posters in common places on these issues. As a result of these activities there were some improvements noticed.

However, despite of these improvements the efficiency of these trainings was found limited. Farmer, worker, and supervisor interviews showed limited knowledge regarding working hours and wages, unlawful deductions, working conditions of disadvantaged groups and written agreements.

The company has provided information to the mukhtars in last years for increasing awareness of workers' daily wages. However, since the monitors could not go to that region during the field visits, there was no chance for the monitors to meet mukhtars or local religious people for monitoring the developments in this context.

**New Finding, if any**

**Follow-up Company Action Plan (to be filled by the company)**

ofi provides training to farmers in the supply chain, including worker rights and legal responsibilities, before the harvest period. During the harvest period, ofi also organizes trainings for workers in the supply chain, including worker rights and legal practices. During the verification process, it was determined that training wasn't conducted yet at one farm, which was a new addition to ofi's program. After this, the workers in the farmer's orchard were trained and a seasonal agricultural work contract was signed between the workers and the farmer. ofi social workers, in order to increase the permanence of their knowledge after the training given to workers and farmers; will continue to post information posters in places with visibility such as workers' houses, village centers and district centers. Before the workers come to the supply chain during the hazelnut harvest, trainings will be held in origin, which are the origin cities of the workers, and ofi will carry out joint work with stakeholder companies in the worker trainings to be held in this origin city(for example; Sanliurfa). 1500 workers will be reached through these trainings. During the worker trainings, where workers' rights such as working conditions and daily wages are explained during the harvest period, a document containing the legal working wage and other legal practices for that year will be given to the workers. The registration of the identified pregnant employee was taken by the social workers. Records are kept on the "pregnant/disabled employee record" page in the worker's books. The pregnant worker was prevented from working in the hazelnut garden and she was observed that he helped with the cooking work together with the cook.

**Deadline Date (to be filled by the company):**

September 2022

**Administration**

Benchmarks:	Compliance Status
<p><i>ER.14.1: Employers shall handle termination payouts taking into account national legal requirements.</i></p> <p><i>ER.14.2: Employers shall not demand that workers sign any declaration of good health, waivers or releases of other rights as a condition of receiving severance pay or other legal benefits from the company, and shall not threaten to withhold benefits if workers do not sign.</i></p> <p><i>ER.15.1: If consistent with prevailing labor practices, the employer may make advance payments or advances against payment to the workers to book their time. Wage advances shall not exceed three months' pay or legal limits, whichever is less. The farmer will not pay advances or loans against assets such as jewels, property documents, land deeds, and other valuables of the worker. These advances shall be interest free and cannot bind the worker as a bonded labor.</i></p> <p><i>ER.15.2: Advances shall only be made following clearly established rules, which have been communicated to workers.</i></p> <p><i>ER.15.2.1: Advances must be properly documented, and their receipt and accuracy must be confirmed by the recipient worker, in writing whenever possible (e.g. signature, thumbprint).</i></p> <p><i>ER.16.1: Employers may not limit in any manner the freedom of workers to dispose of their wages.</i></p> <p><i>ER.16.2: Wages must be paid on regular working days and in principle at or near the workplace. Workers must be free from any coercion to make use of enterprise or works stores.</i></p>	

<p><i>ER.17.1: Employers shall have in place policies for managing all working hours, overtime, and leave records in normal and exceptional circumstances.</i></p> <p><i>ER.17.2: Accurate time records shall be maintained by employers, including overtime, breaks, and leave. If time recording systems are not part of the local practices or if smallholders are illiterate, rudimentary manual record on working days and working hours for each worker is acceptable.</i></p> <p><i>ER.17.3: Employers shall not maintain multiple time-keeping systems and/or records.</i></p> <p><i>ER.17.4: If not provided by law, employers must provide protection to workers who allege existence of multiple time-keeping systems or falsification of work time records.</i></p>	
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<b>2017 IEM Findings</b>
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<p style="color: #c00000; font-weight: bold;">Findings/Noncompliance Explanation</p>	<p>The workers receive advance payments from labor contractors when they need 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. However, the workers and labor contractors do not document or confirm advance payments in writing, which creates a risk of deductions from their salaries.</p> <p>Additionally, farmers do not pay the wages directly to workers, but they pay the labor contractors or supervisors. This covers a risk that labor contractors or supervisors do not pay the exact wage to the workers.</p> <p>Source: Interviews with workers, farmers and labor contractors; Documentation Review</p>
<p style="color: #0070c0; font-weight: bold;">Company Action Plan</p>	<p>In collaboration with the Pikolo Association, Olam aims to provide certification to 50 labor contractors within the scope of “The Database of Labor Contractors Project,” and labor contractors are trained on the responsible recruitment principles and importance of employment contracts (Deadline: February 2018).</p> <p>Olam will give consultancy to two labor contractors in Ordu, who have received labor contractors’ certificate, to make contracts with the workers, which would include an article on management of advances and how the workers would like to receive their wages (through cash, wire transfer, labor contractor, email etc.). Workers' wages will be clearly specified in the contracts, so they will be aware of the amount they will earn. The contract will be delivered to İŞKUR, the public institution, hence the risk of unjustified deductions from the wage will be reduced. The agreement contains the signatures of the workers with the information. Every worker will know the net wage she/he will receive. Olam aims to raise awareness on signing contracts among the farmer, labor contractor, and seasonal migrant workers and aims to increase the number of signed contracts over time (Deadline: September 2018).</p> <p>Olam aims to address the issues at multiple levels with multiple stakeholders under different projects/programs. Olam will address the payment/wage/cut offs topics under the "Village Motherhood Project", in cooperation with KEDV. All the village motherhoods have received intense training on financial literacy, how to calculate wages, how to keep record of the days they are working etc. They will be passing on this information in their house visits in Mardin. Women and their families actively involved in the hazelnut harvest were provided with extensive information, such as wage follow-up and individual recruitment of fees within the scope of the KEDV “Village Motherhood Project.” If there is an issue of advance, women know that they need to put it in writing and document in properly (Deadline: April 2018).</p>

	<p>Furthermore, Olam will distribute "Daily Wage follow-up cards" in a total of 10 villages in Ordu, so workers can calculate their total wages correctly without misconception and confusion. These follow-up cards are like a simple salary payroll (Deadline: September 2018).</p> <p>Olam will also advise all workers how to download the "FLA Support" app to their smart phones to reach to Hotlines, Emergency Contact Numbers, informative video, and related information.</p>
<b>Deadline Date</b>	September 2018

<b>Verification Findings</b>	
<p>The Company has organized various trainings for labor contractors and farmers about advance payment and wage payments of workers. They also have together with NGOs supported labor contractors for receiving their intermediary license which regulates the work and performance of labor contractors. However, monitors verified that there is neither established rules nor a proper way of documentation of the advance payment. The process is built on trust and verbal agreements as the workers and labor contractors are relatives or acquaintances of each other. The monitors are informed that there is no interest rate bound to the advance payment and the workers did not feel themselves bound as a bonded labor. The monitor observed advance payment practices at 1 visited farm. The workers needed money when they came to the region, and they have received an advance payment of 1000 TL for the worker group through the labor contractor. The workers agreed with the labor contractor to return payment of the advances at the end of the harvest season, once they have received their wages.</p> <p>The monitors did not observe any kind of limitation on workers to dispose their wages. The wages of workers on all assessed farms are paid at the end of the harvest. As soon as harvest ends the farmer pays the wages either to the labor contractor (as the case was at 4 farms), or via the supervisor (at 6 farms) or directly the workers themselves (at 3 farms one was local labor group). 2 worker groups stated that they receive their money when they return to their hometown, other 2 groups receive on the way to their home either in the minibus or in a gas station and at 1 farm the farmer pays to supervisor and the supervisor pays to workers at the worked farm. All interviewed workers stated that they were happy with the payment method and that this was processed with their full consent.</p> <p>The company also distributed "daily wage follow-up cards" and "worker notebooks" to workers. In 3 of the farms out of 13 the monitor was informed that one of the workers records working days of the workers in those notebooks. The monitor reviewed these notebooks and took pictures.</p>	
<b>Overall Conclusion of the Verification: There is progress but still need sustainable improvements</b>	
<p>There is no proper procedures and documentation implemented for advance payment. The process is built on trust and verbal agreements.</p> <p>Workers were found happy with the payment methods and that these were implemented by their full consent.</p>	
<b>New Finding, if any</b>	
<b>Follow-up Company Action Plan (to be filled by the company)</b>	
<p>ofi, gives the seasonal agricultural workers in the supply chain the workers' books with the calendar so that they can follow the working days and the wages they will receive. Together with the wage delivery form in the worker's books, each worker writes the working day and the wage he received in the</p>	

delivery form and fills out the form stating that he has received the specified wage, with the signature of the farmer and -if any- labor contractor, and formalizes the receipt of the wage. Apart from this, workers can also receive their wages in different ways. of social workers will prepare a document regarding the advance requests and advance repayments of the workers and these documents will be added to the workers' books. ofi will explain how to use the advance request and payment forms in the worker's books to the 2000 workers ofi plans to train. Advance request and payment will be explained in the training of 35 labor contractor that ofi plans to train, and examples will be shown on the advance request forms in the worker's books. The advance request form will be explained and its importance for the workers will be emphasized in both the origin (for example, Sanliurfa, Mardin, Diyarbakir) worker trainings and the worker trainings held during the harvest period for the workers. The advance request form in the farmer's books regarding the advance demands and payments will be emphasized in the farmer trainings for them to be used when necessary.

**Deadline Date (to be filled by the company):**

September 2022

**Work Rules and Discipline**

Benchmarks	Compliance Status
<p>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).</p> <p>ER.20.2: Any person supervising workers shall be aware of the disciplinary rules and practices.</p> <p>ER.20.3: Supervisors shall be trained on the proper handling of disciplinary rules and practices.</p> <p>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.</p> <p>ER.20.6: Disciplinary rules and practices shall be clearly communicated to all workers.</p> <p>ER.20.7: Workers must be informed when a disciplinary procedure has been initiated against them.</p> <p>ER.20.8: Workers have the right to participate and be heard in any disciplinary procedure against them.</p> <p>ER.20.9: Workers must sign all written records of disciplinary action against them.</p> <p>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.</p>	

**2017 IEM Findings**

<p><b>Findings/Noncompliance Explanation</b></p>	<p>Monitors cannot assure that farmers apply disciplinary measures in a fair and nondiscriminatory manner, as there is no control system, or a management review of the actions imposed. The farmers do not have any disciplinary procedures but are using verbal rules and practices based on local customs. The system therefore lacks a few important components, such as clear communication, hearing workers, third party witness, or appeal process.</p> <p>Source: Interviews with workers, supervisor, labor contractors, farmers and Olam IMS team; Documentation review</p>
<p><b>Company Action Plan</b></p>	<p>Olam will prepare a Discipline Procedure that contains the rules that workers and farmers must follow as recommendation. A task force within the Olam's Sustainability Dept. Has been formed to prepare this Discipline Procedure (Deadline: May 2018).</p> <p>Olam will also work on the development of a disciplinary procedure during this consultation. In this procedure, responsibilities of company, farmers, labor contractors, and workers will be specified (Deadline: August 2018).</p> <p>Olam will also advise all workers how to download the "FLA Support" app to their smart phones to reach to Hotlines, Emergency Contact Numbers, informative video, and related information.</p>

	After the discipline rules are set and approved, Olam will distribute these procedures in 10 villages in 2018 in Ordu and Giresun. Additionally, the written procedures will be given as an annex to the harvest contracts that are signed among the farmer, labor contractor, and workers. (Deadline: October 2018)
<b>Deadline Date</b>	October 2018

<b>Verification Findings</b>	
<p>Monitors verified that the Company has a written Discipline Procedure and is communicating this during trainings to farmers, labor contractors and workers. However, neither supervisors nor the workers on assessed orchard were aware of any discipline procedure, signaling to a considerable risk for the implementation of the procedures in practice. Also, it is not possible to assess whether farmers are applying fair and non-discriminatory rules for disciplinary practices or following the written procedures when necessary. There are no records or documentation for past decisions taken and interviewees state that farmers are still guided by verbal rules and practices based on the local customs rather than written discipline procedures. The system is not functioning in practice and lacks some important components, such as progressive discipline, clear communication, hearing workers, third party witness and appeal process.</p>	
<b>Overall Conclusion of the Verification: Still need sustainable improvements</b>	
There is no change in this benchmark compared to previous years and previous assessments.	
<b>New Finding, if any</b>	
<b>Follow-up Company Action Plan (to be filled by the company)</b>	
<p>ofi will continue to explain the current disciplinary procedure and functioning to farmers, workers and labor contractors in the trainings the company will hold in the supply region and provinces of origin. ofi will provide training to 2000 farmers, 2000 workers and 35 labor contractors on the relevant subject. The company will emphasize the importance of the disciplinary procedure in the trainings given on discrimination. Workers will be given detailed training on the problems they will encounter, their rights in case of disagreement, and the functioning of the process according to the disciplinary procedure. The focus will be on the implementation and importance of the disciplinary procedure in farmer trainings.</p> <p>ofi is accessible to farmers, workers, labor contractors and all 3rd parties. Individuals can reach the company for their complaints, requests and demands via telephone and internet. Existing communication channels will continue to be shared in worker, farmer and labor contractor trainings.</p>	
<b>Deadline Date (to be filled by the company):</b>	
September 2022	

<b>Access to Training for Family Members</b>	
<b>Benchmarks</b>	<b>Compliance Status</b>
ER.21: Family members (spouses and adult children) involved directly or indirectly in agriculture production shall have access to all training and awareness raising activities conducted for the workers and growers on the farms.	

<b>2017 IEM Findings</b>
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<p><b>Findings/Noncompliance Explanation</b></p>	<p>Although farmer family members are invited to attend the trainings, they do not participate in the trainings. There might be various reasons, such as the awareness of benefits of the training is low, the female members have housework at time of training, the farmers are not comfortable having their female family members participating in the event at the village coffeeshouse etc. Olam is not yet working on solving the obstacles preventing them to participate.</p> <p>Source: Interviews with workers, farmers and family members</p>
<p><b>Company Action Plan</b></p>	<p>Olam will organize good social practices trainings (related to the FLA Code of Conduct) for the mothers of children in the active schools of the Gölköy and Kabataş villages during winter period. Olam expands its training activities to 12 months and adds active schools to its target group to reach a greater crowd of women. Olam will reach out to mothers who are sending their kids to local schools by organizing trainings in the schools with the help of teachers and the local school administrations.</p> <p>Olam carries out the project of neighborhood work for women workers in cooperation with KEDV. This project is based on year-round training.</p> <p>In 2018, The Ministry of Labor and Social Security also aims to reach teachers to raise their awareness by distributing informative booklets. Therefore, Olam's trainings will also increase the impact when teachers' awareness of the topic increases thanks to the booklets that are distributed through the Ministry of National Education. In order to raise awareness of women producers through education, Olam and FISA started a project titled "Awareness-raising Program for Community Members Through Education on the Prevention of Child Labor in Hazelnut Agriculture in the Black Sea Region" in Ordu, Eastern Black Sea. FISA in partnership with Olam will organize good social practices trainings for the mothers involved directly or indirectly in agricultural production. We will reach out to mothers who are sending their kids to local schools by organizing trainings/seminars in the schools with the help of teachers and the local school administrations. Simultaneous workshops with the children and teachers at the school will also take place. Olam will organize seminars with FISA Association in two districts in Ordu, namely, Kabataş and Gölköy. The seminar in Kabataş district will take place in the Primary School of Şehit Salih Keskin in April 2018 to reach 35 women family members and all the teachers enrolled in this school. The seminar in Gölköy district will take place in the Primary School of Emirler in May 2018 to reach 35 women family members and all the teachers enrolled in this school (June 2018).</p>
<p><b>Deadline Date</b></p>	<p>July 2018</p>

<p><b>Verification Findings</b></p> <p>The monitors collected data and verified that trainings which were conducted by the Company were open to families of both workers and farmers. Monitors understood that families of the workers participate these trainings since they live in one place, and they generally came to harvest with their families. Therefore, they were able to attend the trainings. However, there are cooks and some workers who have difficulty in understanding the Turkish. Consequently, they need translation from their relatives.</p>
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In the case of farmers, even though most farmer wives do not participate many trainings, just a few does. Moreover, adult children of the farmers also join the trainings if they are in the region, or they live nearby (which was the case on 3 farms). The adult sons of farmers who are responsible of the harvest and actively engage in production had access to these trainings, but the spouses were not. In the past the reason for the reluctance of farmers' spouses for not participating in the trainings was reported to be the place where the training was organized. These trainings were generally conducted in the male dominant places like coffeehouses where both farmers and spouses were not comfortable with the presence of females in those places. During and after the Covid-19 pandemic there were restrictions of opening coffeehouses and organizing collective group trainings, so the Company changed the training methods to face to face trainings at farmers' houses. Monitors were informed by farmers during interviews that in spite of this change in training methods, the participation percentage of farmers' spouses has not changed.

**Overall Conclusion of the Verification: There is progress but still need sustainable improvements**

**New Finding, if any**

**Follow-up Company Action Plan (to be filled by the company)**

ofi, will continue to provide training in suitable places (village school building, etc.) so that farmers and their families can attend the trainings. A special training will be organized to farmer families in the supply regions. ofi planned to reach 100 farmers families in these trainings. A common use area such as the school building will be selected for education. At the end of the training, a root cause analysis will be made with a questionnaire about the participants' participation in the trainings and their preferences. In the trainings to be held in the provinces of origin, the company will allocate a longer period of time so that employees and families can benefit from the training content. It is planned as 1 hour with the inclusion of all subjects in the training content. During the harvest period, the company will use more visual material.

The company will call for the participation of spouses and children in farmer trainings. Despite the easing of the pandemic conditions, the trainings organized by the company will be held in areas and places suitable for the participation of women as well as men. The company will carry out field work by prioritizing the participation of farmers and their families in the trainings it provides.

**Deadline Date (to be filled by the company):**

September 2022

## HSE Management System

Benchmarks	Compliance Status
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. ER.24.2: Employers shall have a clearly written policy with all relevant HSE procedures aimed, at a minimum, at compliance with legal minimum health, safety, and environmental standards, regulations and procedures. For small farms with informal labor structures, written policies can take the form of basic HSE documents or information. ER.24.3: Employers shall have a designated responsible person for HSE issues on the farm. For small farms, this could be the responsibility of the farmer directly. ER.24.4: The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system within which the following are clear and regularly tested and reviewed: ER.24.4.1: employers' responsibilities, ER.24.4.2: workers' rights and duties, ER.24.4.3: responsibilities of designated personnel, ER.24.4.4: procedures that enable workers to raise health, safety, and environmental concerns ER.24.4.5: procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) and environmental emergencies, and,	

ER.24.4.6: protection to workers who allege health, safety, and environmental violations.	
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**2017 IEM Findings**

<p><b>Findings/Noncompliance Explanation</b></p>	<p>In 2017, the harvest was delayed primarily due to weather conditions, hence the IEMs took place in the beginning stage of the harvest. At the time of the IEMs, health, safety, and environmental rules were not communicated to all workers efficiently, and not all workers attended the trainings in the 15 farms that were visited. Monitors were informed during the IMS that communication materials were prepared in Turkish and in Kurdish in the framework of USDOL-funded project on elimination of child labor and forced labor in the Turkish hazelnut sector. Yet, the dissemination of communication materials (posters) was limited during the time of monitoring. Monitors have not observed any communication material posted in the local language of the Kurdish migrant workers from East and Southeast Turkey.</p> <p>Source: Interviews with workers, supervisors, farmers and Olam staff; Observation</p>
<p><b>Company Action Plan</b></p>	<p>Olam has brochures on Occupational Health and Safety in Agriculture. Under the USDOL Project, brochures for migrant workers in Turkish, Kurdish, and Arabic Language were prepared. These brochures were distributed during the last two weeks of the 2017 hazelnut harvest. Olam will distribute brochures again in Turkish, Kurdish, and Arabic languages to all the workers, targeting to reach about 2.000 workers in 20 villages during the 2018 harvest. Olam will distribute approximately 1.000 brochures in 10 villages in Ordu.</p> <p>Nestle will create a Best Practices Handbook and a video for Hazelnut Farming in Turkey for farmers, seasonal migrant workers, labor contractors, and other value chain actors. Focus areas are H&amp;S, good labor practices, labor rights, child labor, and access to services.</p>
<p><b>Deadline Date</b></p>	<p>September 2018</p>

**Verification Findings**

The monitors verified during interviews and records of trainings that the Company conducted these trainings on 12 farms out of 13 farms. In 1 farm the farmer’s brother communicated HSE rules to workers. The participating company carries out trainings on workplace standards, labor rights and HSE. These trainings also cover HSE issues as bee sting, tick bite, snake bite, scorpion sting, Covid-19, hygiene, first aid, working on steep slopes, fall, proper clothing, measuring fever and usage of PPE.

The monitors observed that while most of the workers had the basic knowledge about general safety of the workers, some of them were not aware of health and safety requirements in the hazelnut orchard. The monitor also observed during walkthroughs a young worker jumping on a branch on a steep slope. Although the monitors found the young workers aware of danger on steep slopes.

The monitors verified that trainings and awareness raising activities were implemented by the Company and that all participants had understood the communications. They either understood this directly or with help of their co-workers, like the cooks of the seasonal migrant worker groups who had limited Turkish speaking and understanding skills. Verifiers understood that language was not a barrier for Kurdish or Arabic speaking or illiterate seasonal migrant workers to understand the communications. They just needed extra attention and time to understand the message.

<b>Overall Conclusion of the Verification: There is progress but still need sustainable improvements</b>
The participating company organizes trainings on HSE issues, but this has not reached to all workers. Monitors did not evaluate lack of printed Kurdish or Arabic communication material as a non-compliance in training activities. The trainings were accessible to all workers except for a few cases where the monitors observed that there were workers who had difficulty in understanding Turkish and some workers who were even illiterate needed extra help and time to understand the message. Dedicating some more time and illustrative training material would help these workers understand the communication better.
<b>New Finding, if any</b>
<b>Follow-up Company Action Plan (to be filled by the company)</b>
As of September 2021, ofi has completed the training of workers in all orchards that have been inspected. The company will continue to provide training on occupational health and safety to 3500 workers at harvest time and in the provinces of origin. In the trainings given during the harvest period, visual materials that will support the understanding of the subject will be diversified. Posters in Turkish and Kurdish will continue to be posted. The company will continue to distribute the workers' notebooks, in which the topics covered in the trainings are written down, to the workers during the trainings.  ofi will spare more time to emphasize the issue during the trainings in the provinces of origin (1 hours) and ask feedback from the workers at the end of the training. In line with the feedback, the topics will be repeated if necessary.
<b>Deadline Date (to be filled by the company):</b> TBD

## Non-discrimination

### Non-Discrimination Assessment Summary

General Compliance	
Benchmarks	Compliance Status
ND.1: Employers shall comply with all national laws, regulations and procedures concerning non-discrimination.	

### 2017 IEM Findings

<b>Findings/Noncompliance Explanation</b>	A group of migrant workers was employed on one of the 15 assessed farms. On that farm, the farmer plans to pay them 60 TRY/day, while local workers in the area will receive about 70-80 TRY for the same job. The wage difference could not be explained via performance or based on tasks differences. The farmer provides migrant workers with accommodation and sometimes its utilities (water, electricity, etc.), but such wage difference cannot be justified with the accommodation conditions they get. Also, no clear and transparent cost calculation is done to justify a deduction.
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	Source: Interviews with workers, supervisors, labor contractors, farmers, Olam staff and external stakeholders
<b>Company Action Plan</b>	<p>Olam will continue to provide trainings on issues such as equal pay for equal work. It is essential to work with local NGOs, other hazelnut exporters, local authorities, and national NGOs because the mindset should change, and ofi will be achieved by raising awareness from multiple stakeholders on multiple levels. Olam will continue to cooperate with local authorities in the Ordu province, especially in the Eastern Black Sea Region, which carries this risk.</p> <p>Experts will explain these issues during capacity building sessions in local authorities' meetings, which will be organized under the USDOL Project in the cities of Şanlıurfa, Mardin, Sakarya, Duzce, and Ordu in February 2018.</p> <p>This problem is traditional and related to people's perceptions. Information on national legislation and FLA Standards on nondiscrimination and working hours will be provided in trainings organized with farmers and workers. The farmers will be informed about the fact that the worker should not be paid a fee below the minimum wage (July 2018).</p>
<b>Deadline Date</b>	July 2018

<b>Verification Findings</b>
<p>The Company has provided trainings and communication material such as posters and brochures about equal pay for equal work during trainings in Ordu and in Southeast Turkey to farmers, labor contractors and workers. They also worked with NGOs such as Pikolo for raising awareness about any type of non-discrimination.</p> <p>However, the monitors detected that there is still discrimination regarding wages between local and seasonal migrant workers. The monitors verified with visits at 12 farmers who employed seasonal migrant workers and 1 farmer who employed a local worker group that the migrant workers would be paid 120-130 TL/Day and local worker group a 140-150 TL/Day for same harvesting work. Although the farmers provide migrant workers with accommodation and its utilities the difference in wage of these groups needs a thorough study whether this can be justified with the accommodation conditions.</p>
<b>Overall Conclusion of the Verification: There is progress but still need sustainable improvements</b>
The wages of local and seasonal migrant workers for same work are not equal.
<b>New Finding, if any</b>
There was discrimination in working hours between local workers and seasonal migrant workers at the same worksite. The permanent workers reported that the local workers work from 8 am to 5 pm whereas seasonal migrant workers worked longer hours from 7 am to 6 pm for same hazelnut harvesting work.
<b>Follow-up Company Action Plan (to be filled by the company)</b>
ofi, will continue to train farmers, labor contractors and workers in the supply region and in the provinces of origin about equal pay for equal work and provide communication materials such as posters and brochures at harvest time. During the harvest time and origin training, workers, and at the origin, labor contractor will be trained on the legal rights and responsibilities of the workers. Labor contractor certification and certificate renewal work will raise awareness of the labor contractor's responsibilities.

Certified labour contractors will be followed by off social workers during the year (training, consultancy, etc.) and 35 new labour contractors will be certified.

In the worker notebooks distributed to the workers, there is a calendar where they can mark their working days. off will provide notebooks to 2000 workers in this harvest.

Visits will be made to local authorities. A root cause analysis study was conducted with Duzce University on the wage inequality between local workers and migrant workers in the 2020 crop year. Farmers, workers and labor contractors were included in the study. The results of the wage inequality study will be shared with the local government and commissions in the hazelnut region.

**Deadline Date (to be filled by the company):**

September 2022

**Recruitment and Employment Practices**

Benchmarks:	Compliance Status
ND.2.1: Recruitment and employment practices shall be free from any type of discrimination. ND.2.2: Employment policies and practices, including job advertisements, job descriptions, and job performance/evaluation policies and practices shall be free from any type of discriminatory bias. ND.2.3: If not provided by law, employers must provide protection to workers who allege any type of discrimination in recruitment and employment practices.	

**2017 IEM Findings**

<b>Findings/Noncompliance Explanation</b>	Monitors understood during interviews that farmers of this region prefer working with local workers and want to avoid recruiting migrant workers from East & South East of Turkey mainly due to the latest political tension.  Source: Interviews with workers, supervisors, labor contractors, farmers and Olam staff
<b>Company Action Plan</b>	Olam will continue to work, especially in the Kabataş region, to prevent all forms of discrimination. Preventing discrimination is a topic on Olam's good social practices trainings. In 2018, harvest Olam will focus in depth on this issue in the Kabataş district.
<b>Deadline Date</b>	October 2020

**Verification Findings**

The Company has provided trainings and communication material such as posters and brochures about non-discrimination during trainings in Ordu and in Southeast Turkey to farmers, labor contractors and workers. They also worked with NGOs such as Pikolo for raising awareness about any type of non-discrimination. The monitors observed a progress in this benchmark compared to previous assessments. Only one farmer said that he prefers local workers, but he had to work with the migrant workers due to the circumstances. The rest of the 12 farmers had no intention in avoiding migrant workers.

**Overall Conclusion of the Verification: There is progress but still need sustainable improvements**

There was no discrimination of farmers against seasonal migrant worker groups except by one farmer. The awareness regarding non-discrimination was higher compared to the findings in 2017, however one case shows that more collective work is needed on this issue.

**New Finding, if any**

<b>Follow-up Company Action Plan (to be filled by the company)</b>
ofi, will continue to provide training on discrimination to farmers, workers and labor contractors in the supply region and in the provinces of origin. Harvest time will continue to hang informational banners and posters in supply areas.
<b>Deadline Date (to be filled by the company):</b> September 2022

## Forced Labor

### Forced Labor Assessment Summary

Freedom in Employment and Movement	
Benchmarks	Compliance Status
<p>F.2: All workers shall have the right to enter into and to terminate their employment freely.</p> <p>F.3: Employers shall not bind workers to employment as a condition of fulfilling terms of a debt to a third party or to the employer.</p> <p>F.4.1: If workplace entrances are locked or guarded to prevent non-employee access to the premises for security reasons, workers shall have free egress at all times, subject to work rules.</p> <p>F.4.2: No employment term or disciplinary practice shall confine or restrict workers' freedom of movement.</p> <p>F.5.3: The freedom of movement of workers and their families who live in employer-owned or -controlled residences shall not be unreasonably restricted, except for valid reasons such as health and safety (e.g., after chemical application).</p> <p>F.7: Employers shall not utilize practices that restrict workers freedom of movement or ability to terminate his or her employment. Examples of such practices include, but are not limited to:</p> <p>F.7.1: (the threat of) physical or mental coercion;</p> <p>F.7.2: requiring deposits;</p> <p>F.7.3: imposing financial penalties;</p> <p>F.7.4: requiring recruitment fees;</p> <p>F.7.5: denying and hampering access to, and renewal of, identity papers and/or work permits or any other personal legal (identification) documents;</p> <p>F.7.6: partially or fully retaining salaries, benefits or any other rights acquired by workers or stipulated by law;</p> <p>F.7.7: hindering workers to leave work for emergency reasons.</p> <p>F.8: The imposition of overtime where workers are unable to leave the work premises constitutes forced labor.</p>	

### 2017 IEM Findings

<b>Findings/Noncompliance Explanation</b>	<p>Workers have the right to terminate their employment freely from the farmers' side on each orchard. However, monitors reported a risk of non-compliance that migrant workers had no choice but to complete the harvest season as they have to wait for the entire group to complete the job, as labor contractors organize transportation back home all together at the end of the harvesting season.</p> <p>Source: Interviews with workers, supervisors, labor contractors, farmers and Olam staff.</p>
<b>Company Action Plan</b>	<p>First, Olam will do focus group interviews with workers to find out whether this issue limits freedom of work. Olam will organize this with FLA experts (May 2018).</p>

	Olam will train their Sustainability Department field staff (including the seasonal social workers who will work during harvest) to increase the promotion of the Olam Support Line. Olam will receive face-to-face feedback from workers through the interviews conducted by the social workers. In these interviews, public hotlines will also be introduced (September 2018).
<b>Deadline Date</b>	September 2018

<b>Verification Findings</b>	
<p>During the interviews the monitors observed that workers have right to terminate their employment freely on both their side and farmers' side. However, the monitor also observed that the migrant worker groups came with their families and relatives in minibuses. They travel together and they share the transportation fees. Majority of these groups are women, who report to have difficulties travelling alone. The workers inform that they came to the region without or with limited money. When taking these factors into consideration the risk of non-compliance that the migrant workers who want to leave earlier than the rest of the group members earlier than the end of the season might have not much choice but to wait for the entire group to finish the job and be ready to return home.</p>	
<b>Overall Conclusion of the Verification: Still need sustainable improvements</b>	
<p>Migrant workers can terminate their employment contract anytime but cannot go back home on their own easily as they came to the region as a group together with the labor contractor and with no money.</p>	
<b>New Finding, if any</b>	
<b>Follow-up Company Action Plan (to be filled by the company)</b>	
<p>ofi is accessible to workers, farmers and labor contractors for all risks such as dismissal, discrimination and deprivation of rights. The company will continue to share information such as contact number and website in all training and briefings so that people can reach it.</p> <p>ofi will provide trainings on farmer, worker, labor contractor rights and freedoms to workers, day-to-day chiefs, and farmers in the supply region and in the provinces of origin. The company will continue to distribute posters and brochures that will raise awareness of the issue at harvest time.</p> <p>In the training of workers, the importance of the Seasonal Agricultural Work Contract will be explained, and the company will be continued to explain that they can add clauses labor contractor that will protect them, and that these may consist of articles with rights that are not included in the contract. It is aimed to conclude 350 seasonal agricultural work contracts.</p>	
<b>Deadline Date (to be filled by the company):</b>	
September 2022	

<b>Work of Family Members</b>	
<b>Benchmarks</b>	<b>Compliance Status</b>
<p>F.6.1: Spouses and adult children of hired workers are not required to work, unless voluntarily contracted.</p> <p>F.6.2: Employers shall not make the employment of a worker or an offer of housing conditional on the employment or their spouses.</p> <p>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.</p>	

F.6.4: Farm owners' spouses and adult children have the right to work elsewhere.	
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**2017 IEM Findings**

<b>Findings/Noncompliance Explanation</b>	<p>Farmers pay the total amount of workers' wages to labor contractors, and labor contractors usually make payment to head of the family. Workers from the same family do not have separate payment arrangements or individual agreements.</p> <p>Source: Interviews with workers, labor contractors and farmers</p>
<b>Company Action Plan</b>	<p>In cooperation with the Pikolo Association, Olam will inform the labor contractors in depth and in details about the subject in the context of trainings under "The Database of Labor Contractors Project." Olam aims to reach 50 labor contractors who have received their certification after this project (Deadline: February 2018).</p> <p>Once Olam reaches the targeted awareness level, Olam will ensure the workplaces of certified labor contractors have individual contracts with the farmers and workers through the three-party contract, where each farmer will sign it separately. Olam targets to reach two farmers who have individual contracts between them and their workers in Ordu. Currently, the contract can be made between farmers and labor contractors. In this respect, it is Olam's priority to make a contract for migrant workers with the farmers. Olam targets that the farmers pay wages directly to the workers, and workers will state how they would like to receive their wages through cash, wire transfer, mail etc. (September 2018).</p>
<b>Deadline Date</b>	September 2018

**Verification Findings**

The Company has provided trainings and communication material such as posters and brochures about written agreements during trainings in Ordu and in Southeast Turkey to farmers, labor contractors and workers. The Company has advised farmers and labor contractors to sign a template of agreement with workers. The monitors verified that not all interviewed worker groups had written agreements. In total 12 seasonal migrant worker groups out of 13 visited were reported to have written agreements. This was a single contract with names of all workers and signed by all workers, which made the family members follow the father or the elder brother as the head of the family. They were deciding what contract to sign on behalf of the whole family.

The usual payment chain was implemented, where the farmers pay the total amount to either labor contractors or the supervisors. The labor contractor or supervisor then make the payment to the head of the family who then spend the money for the entire family. Workers from the same family do not have separate payments, arrangements or individual agreements and contracts.

**Overall Conclusion of the Verification: Still need of sustainable improvements**

There is no separate written or verbal agreement for each worker. The agreements are made on behalf of the whole group by the supervisor or the labor contractor with the farmer. The head of the family decides to sign the contract and he receives the payment on behalf of the family.

**New Finding, if any**

<b>Follow-up Company Action Plan (to be filled by the company)</b>
<p>The Seasonal Agricultural Work Contract is signed between the worker, the farmer and, if any, the labor contractor. Workers sign a collective agreement individually, stating that they have read and accepted the terms of the agreement. In each training, groups of workers are given detailed information about the content of the contract, why it was signed and what it does. Workers prefer that the payment is collected and delivered to them at the end of the job by someone they trust. With the Annex 1 file given to the workers in addition to the contract, the information from whom they prefer to receive the wage is collected. A copy of wage submission form is available for each worker. As of September 2021, contracts were signed between the worker groups, the farmer and, if any, labor contractor in all of the visited orchards. The signed contracts were approved by İŞKUR and 1 copy was delivered to the parties. ofi will continue to provide training on the Seasonal Agricultural Work Agreement, the benefits and advantages of registered employment, and the rights and freedoms of workers, to workers, farmers and labor contractors in supply regions and in their provinces of origin. In addition, ofi will continue to support its work in the region during harvest time with visual materials such as posters and brochures in order to raise awareness. In each training, ofi will continue to explain the content of the Seasonal Agricultural Work Contract in detail and leave a copy of the blank version to the workers. The company will also continue to ensure that the contracts signed at harvest time are forwarded to İŞKUR for validity. The company will continue to leave unfilled contract samples to groups so that groups of workers can continue to sign contracts with their different employers.</p>
<p><b>Deadline Date (to be filled by the company):</b> September 2022</p>

## Child Labor

### Child Labor Assessment Summary

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

### 2017 IEM Findings

<b>Findings/Noncompliance Explanation</b>	<p>The monitors assessed 15 farms and have detected two child workers, 1 girl and 1 boy of 13-14 years of age, employed on one farm. These children were local seasonal workers performing the usual hazelnut collection from the ground in the same conditions as adult workers.</p> <p>Source: Interviews with workers, supervisors and labor contractors; Visual inspection</p>
<b>Company Action Plan</b>	<p>Through the supplier management plan, all intermediaries in the hazelnut supply chain will be informed of the Olam Supplier Code (which includes elimination of child labor). Every year, Olam organizes Supplier Meetings in both West and the East Black Sea Regions and invites all their suppliers.</p>

	<p>Olam held the Annual Suppliers' Meeting in the East Black Sea Region in the city of Ordu in January 2018. This year's theme was "Eliminating Child Labor – Children are at School Not in the Farms." The Suppliers' Meeting brought together hazelnut traders who played an intermediary role between the company and the farmer in the process of exporting hazelnut.</p> <p>Every year, a guest speaker is invited to address the theme of the year. In this year's meeting, Prof. Dr. Zeynep ŞİMŞEK has been invited as a guest speaker. She gave a speech on how to eliminate child labor in hazelnut farming, the health and safety issues during harvest, and mitigating risk in the farms.</p> <p>There was a detailed presentation of the Olam Supplier Code and Olam Turkey. All the participants were asked to sign the Olam Supplier Code. Intermediaries play a key role in relation to farmers. Also, intermediaries are farmers themselves.</p> <p>Therefore, the Supplier's meeting enabled intermediaries to be aware of the issue of child labor and work with farm owners to eliminate child labor in their farms.</p> <p>In the 2017 harvest, Olam opened a Summer School in Ordu in İkizce in coordination with Young Life Foundation. Selahattin Tiryaki Primary School in Ordu İkizce is 5 km away from the county centre. 79 students are enrolled between the ages of 5 and 10 within the regular education period. However, during the harvest, the school becomes a summer school, so that parents do not have to care for their children while working, as this can inadvertently mean that children start to engage in labor activities. To avoid any issues of discrimination, the migrant worker children join the same summer classes as the local children. Under the "Renovations Project," Olam-Progida and Nestle have renovated the library of this primary school, which has allowed the children to develop their reading skills and their imaginations to flow.</p> <p>Olam will increase training sessions for workers and farmers and expand their coverage. If child labor is detected during internal and external monitoring visits, Olam will remove farmers from certification / premium programs and will start the immediate child removal and referral procedure. Olam will increase the number of internal audits conducted in Kabataş (September 2018).</p>
<b>Deadline Date</b>	September 2018

<b>Verification Findings</b>	
<p>Despite the various efforts of the Company including awareness raising training activities and summer school programs just 7 farmers out of 13 visited farmers were found aware of child labor. Monitors verified employment of child labor on visited farms. There were 2 workers (a girl of 12 and a boy of 14 years) under 15 at one farm. ofi has successfully implemented their Child Labor Monitoring and Remediation System (CLMRS) after identification of the children on the farms.</p>	
<b>Overall Conclusion of the Verification: There is progress but still need sustainable improvements</b>	
<p>The prevention of child labor has not been accomplished yet. Despite the efforts of the company, child laborers were detected at orchards. The assessments verified detection of employment of 2 child laborers on 13 visited orchards below 15 years against 2 child labor detection on 15 farms in 2017 IEM.</p>	

<b>New Finding, if any</b>
<b>Follow-up Company Action Plan (to be filled by the company)</b>
<p>The farm where child labor was detected was the farm of a farmer that entered ofi's supply chain this year. Awareness of child labor has not been sufficiently developed since this farmer was trained only once due to Covid-19.</p> <p>Before the inspection, the workers in this farm had not yet been visited for training by ofi social workers. However, ofi intervened immediately, when child labor was detected and provided training on child labor. Education kits were distributed to the identified children. ofi has successfully implemented their CLMRS after identification of the children on the farm.</p> <p>ofi has a Child Labor Monitoring and Remediation System (CLMRS) to specifically approach the fight against child labor and improve its work in detection, monitoring and improvement points. The system clearly defines improvements to be made in the fight against child labor, the roles and responsibilities of employees, monitoring methods and reporting. On the other hand, the whole process is handled thoroughly: The profile of the village to be studied, the family profile of the village people, profile of the family that employs children are the main points to be considered before the improvement plan is made. By this way, CLMR process is put in a professional and structured framework.</p> <p>ofi, in 2021 crop year, has improved its current CLMRS through digitalization and introduced a new digital module for this process which is integrated into their OFIS (Olam Farmer Information System) program. This improvement has enabled the staff to track cases and follow-up actions effectively, take actions against non-compliances with child labor policy on regular basis in the field before the deadlines set by the system. When child labor is detected in the ofi supply chain, it is immediately recorded in the CLMRS by the social workers. For registered children, social workers immediately intervene on the spot and implement a remedial action plan within 7 days. ofi will be using the digitalized CLMRS in the upcoming harvest.</p> <p>ofi will be continuing to give training to all farmers on good social practices. ofi will focus on training activities in new regions entering the supply chain.</p> <p>ofi will be continuing to give training to all labor contractors and seasonal agricultural workers on good social practices.</p> <p>ofi prepared education kit to children to keep them away from orchards and keep them busy in the worker shelter. In 2021 harvest period, ofi distributed 724 education kit to children between 7-15 years. ofi will distribute these education kits to approximately 700 children.</p> <p>In village squares in regions, 53 posters on child labor, minimum ages, youth labor, works hours etc. were hanged in this harvest period. ofi will hang 100 more posters in places where all farmers can see it, especially in village squares in regions that have just entered the supply chain.</p>
<b>Deadline Date (to be filled by the company):</b>
September 2022

Minimum Age	
Benchmarks	Compliance Status
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.	

<b>2017 IEM Findings</b>
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<p><b>Findings/Noncompliance Explanation</b></p>	<p>The monitors assessed 15 farms and have detected two child workers, 1 girl and 1 boy of 13-14 years of age, employed on one farm. These children were local seasonal workers performing the usual hazelnut collection from the ground in the same conditions as adult workers.</p> <p>Source: Interviews with workers, supervisors and labor contractors; Visual inspection</p>
<p><b>Company Action Plan</b></p>	<p>Through the supplier management plan, all intermediaries in the hazelnut supply chain will be informed of the Olam Supplier Code (which includes elimination of child labor). Every year, Olam organizes Supplier Meetings in both West and the East Black Sea Regions and invites all their suppliers.</p> <p>Olam held the Annual Suppliers' Meeting in the East Black Sea Region in the city of Ordu in January 2018. This year's theme was "Eliminating Child Labor – Children are at School Not in the Farms." The Suppliers' Meeting brought together hazelnut traders who played an intermediary role between the company and the farmer in the process of exporting hazelnut.</p> <p>Every year, a guest speaker is invited to address the theme of the year. In this year's meeting, Prof. Dr. Zeynep ŞİMŞEK has been invited as a guest speaker. She gave a speech on how to eliminate child labor in hazelnut farming, the health and safety issues during harvest, and mitigating risk in the farms.</p> <p>There was a detailed presentation of the Olam Supplier Code and Olam Turkey. All the participants were asked to sign the Olam Supplier Code. Intermediaries play a key role in relation to farmers. Also, intermediaries are farmers themselves. Therefore, the Supplier's meeting enabled intermediaries to be aware of the issue of child labor and work with farm owners to eliminate child labor in their farms.</p> <p>In the 2017 harvest, Olam opened a Summer School in Ordu in İkizce in coordination with Young Life Foundation. Selahattin Tiryaki Primary School in Ordu İkizce is 5 km away from the county centre. 79 students are enrolled between the ages of 5 and 10 within the regular education period. However, during the harvest, the school becomes a summer school, so that parents do not have to care for their children while working, as this can inadvertently mean that children start to engage in labor activities. To avoid any issues of discrimination, the migrant worker children join the same summer classes as the local children. Under the "Renovations Project," Olam-Progida and Nestle have renovated the library of this primary school, which has allowed the children to develop their reading skills and their imaginations to flow.</p> <p>Olam will increase training sessions for workers and farmers and expand their coverage. If child labor is detected during internal and external monitoring visits, Olam will remove farmers from certification / premium programs and will start the immediate child removal and referral procedure. Olam will increase the number of internal audits conducted in Kabataş (September 2018).</p>
<p><b>Deadline Date</b></p>	<p>Same as Benchmark CL 1 as above mentioned.</p>

**Verification Findings**

<p>Two children; a 12 years-old girl and a 14-year-old boy were detected by monitors during the visits at 13 farms. The monitors verified that they were coming from South-Eastern Turkey. These seasonal migrant child laborers worked during the same working hours as the adult workers of 9.5 hours a day without break and 11 hours with breaks. They did not have heavy tasks, but harvesting hazelnuts from ground, but the farms had steep slopes. ofi has successfully implemented their CLMRS after identification of the children on the farm.</p>
<p><b>Overall Conclusion of the Verification: There is progress but still need sustainable improvements</b></p>
<p>Despite of the efforts of the company on child labor, there is still room for improvement.</p>
<p><b>New Finding, if any</b></p>
<p><b>Follow-up Company Action Plan (to be filled by the company)</b></p> <p>Child labor has not been identified in any of the farmers that ofi conducts training activities. This is an indication that ofi's trainings are effective. The farm where child labor is identified has just entered the supply chain. Immediate action was taken to remove the child from the farm and CLMRS was implemented successfully. ofi, in 2021 crop year, has improved its current CLMRS through digitalization and introduced a new digital module for this process. This improvement will enable the staff to track cases and follow-up actions effectively, take actions against non-compliances with child labor policy on regular basis in the following harvests.</p> <p>ofi will focus on training activities in new regions entering the supply chain. In particular, ofi will carry out studies to increase the awareness of all farmers on child labor, minimum ages.</p> <p>ofi will hang 100 posters on child labor, minimum ages, youth labor, etc., in places where all farmers can see, especially in village squares in regions that have just entered the supply chain.</p> <p>With the Child Labor Monitoring and Remediation System, ofi will examine all the factors that cause child labor, profile the village people, farmers and the family employing children and make the necessary improvement plan. The worker family and farmer who act will be monitored during the harvest.</p> <p>ofi provides trainings that includes working conditions and minimum working ages etc. to seasonal agricultural workers during the harvest. In 2021 harvest, ofi social workers provided trainings for over 4.000 seasonal agricultural workers. However, since the harvest period is a short and intense period, it was thought that these trainings were not efficient enough. For this reason, ofi will carry out worker trainings for approximately 1500 workers (including the trainings to be held with stakeholder companies under the coordination of FLA), in workers' provinces of origin (for example; Diyarbakir, Sanliurfa, Mardin) to provide workers with more detailed information on working conditions and minimum working ages etc.</p>
<p><b>Deadline Date (to be filled by the company):</b></p> <p>September 2022</p>

Young Workers	
Benchmarks	Compliance Status
<p>CL.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.</p> <p>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.</p> <p>CL.6.2: Employers shall maintain a list of all young workers, their entry dates, proof of age and description of their assignment.</p>	

<p>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.</p>	
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## 2017 IEM Findings

<p><b>Findings/Noncompliance Explanation</b></p>	<p>Olam trains farmers on the implementation of an age verification system and distributes handbooks where they can record the details of each worker. Farmers can also access information about workplace rules and terms for young workers in the handbook. However, the assessed farmers were not verifying and requesting proof of age documentation. Monitors found 21 young workers working on the orchards, which represent 16 % of the total workforce. Those young workers were from the local workers (8), migrant workers (4), and family workers groups (9). They were working the same working hours and under the same conditions as adult workers. Young workers are also involved in hazardous work; monitors observed one young female worker carrying a heavy jute bag.</p> <p>The ILO 182 Convention ratified by Turkey describes the migratory agricultural. seasonal work between the ages of 16-18 as one of the worst forms of child labor.</p> <p>Source: Interviews with workers, labor contractors and farmers; Visual observation</p>
<p><b>Company Action Plan</b></p>	<p>Under the project of "The Database of Labor Contractors Project" implemented by the Pikolo Association, the labor contractors will be informed of the working conditions of young workers.</p> <p>Olam will distribute "Young Worker Registration Form" and "Young Worker Family Permission Form" to the farmers in five villages in the Kabataş district. Olam will check through the social workers during their internal monitoring visits that the forms have been filled out (September 2018).</p> <p>Olam will explain in details and with examples to farmers that young workers can work in light work. Olam will inform farmers that, if young workers work in hard conditions, they might have a lot of psychological and physical problems (July 2018).</p> <p>Olam will do internal monitoring in 20 villages that are in Nestle's supply chain in the cities of Ordu, Sakarya, and Duzce. During the internal monitoring, Olam will distribute the "Young worker registration form" and the "Young worker family permission form" (September 2018).</p>
<p><b>Deadline Date</b></p>	<p>September 2018</p>

## Verification Findings

The Company trains farmers for implementing an age verification system, work conditions of young workers and distributes handbooks where they can record details of workers. Farmers can also read further about workplace rules and terms for young workers in these books. However, assessed farmers were not verifying and requesting proof of age documentation. Monitors found out that 36 young

workers were working on the orchards which is 20,93 % of the total workforce (172 workers). The monitors verified that there were 11 farms out of 13 where young workers were employed. These were 34 young workers from seasonal migrant worker groups and 2 young workers were family members. Only two young workers said that they were harvesting until the midday, one goes to home and the other one carries water in the afternoon. The rest of the young workers were working same working hours and under same circumstances as adult workers. Young workers were reported and observed to harvest on steep slopes and bending branches.

The age distribution of these workers was as follows:

- 19 workers were 17 years old (9 females, 10 males; 1 male is paid family worker),
- 9 workers were 16 years old (3 females, 6 males),
- 8 workers were 15 years old (3 females and 5 males; 1 male is paid family worker),

There was neither age verification nor a list of young workers present, except for 3 farmers who claimed they conduct an age verification through looking at the IDs of the workers in the mukhtar's office.

**Overall Conclusion of the Verification: There is progress but still need sustainable improvements**

Despite the training initiatives farmers do not implement an age verification and keeping copies of IDs of young workers on the assessed farms. More need to be done regarding young workers working same working hours and in same conditions as adult workers.

**New Finding, if any**

**Follow-up Company Action Plan (to be filled by the company)**

ofi trains farmers on an age verification system, working conditions for young workers, and distributes farmer handbooks where they can record details of workers. During the harvest period, farmers inform to ofi social workers when their workers arrive. Social workers go to workers for training. Then, since most farmers are 60 years or older, social workers fill out the forms for age verification etc. on behalf of the farmers. "Young worker registration forms" are available for all inspected farmers.

In the trainings, the necessity of filling these age verification forms as employers by the farmers as soon as the workers arrive will be emphasized. ofi will check through the social workers during their internal monitoring visits that the forms have been filled out. ofi will continue to explain in detail and with examples to farmers that young workers can work in light work. And ofi will continue to inform farmers that, if young workers work in hard conditions, they might have a lot of psychological and physical problems.

ofi also will hang 100 posters on child labor, minimum ages, youth labor, etc., in places where all farmers can see, especially in village squares in regions that have just entered the supply chain.

ofi will carry out worker trainings for approximately 1500 workers, in workers' provinces of origin (for example; Diyarbakir, Sanliurfa, Mardin) (including the trainings to be held with stakeholder companies under the coordination of FLA) to provide workers with more detailed information on working conditions, minimum working ages, child labor and young worker etc.

**Deadline Date (to be filled by the company):**

September 2022

**Children on Premises**

Benchmarks

Compliance Status

CL.9: The employer shall ensure that children (including those residing on the farm and those of migrant workers) are not exposed to dangerous agriculture production activities, including exposure to chemicals/pesticides.

## 2017 IEM Findings

<b>Findings/Noncompliance Explanation</b>	Children of migrant/local worker groups and of the farmers who do not work but accompany their parents or help their farmer father with light jobs are exposed to natural risks, such as falling down at steep places or being bitten by insects. There is no precaution taken to try to mitigate those risks.  Source: Interview with workers and observation during visits.
<b>Company Action Plan</b>	Olam will give information to the farmers and workers on the risks that "Children may be exposed to in the farms" in its training (especially in the recent trainings during the harvest). Also, Olam will organize "Creating Safe Place for Children" Trainings for women working as cooks in the Ordu camp areas (September 2018).
<b>Deadline Date</b>	September 2018

## Verification Findings

Despite the various efforts of the Company including awareness raising training activities and summer school programs children at orchards are exposed to certain risks such as falling from steep slopes, hit by a bent branch, work long hours, fall from a tractor/pat pat or drawn in river. Monitors verified that children of worker groups do not engage in dangerous agricultural production activities, including exposure to pesticides.

### Overall Conclusion of the Verification: **There is progress but still in need of sustainable improvements**

There are risks for children for exposure to hazards during harvest period. Despite of the efforts of the Company for creating safe areas for children there are still risks for children since the Company could not reach all the children.

### New Finding, if any

### Follow-up Company Action Plan (to be filled by the company)

ofi will continue to provide trainings on the risks that children and every worker face and what needs to be done against these risks in the trainings of farmers, labor contractors and workers at the origin.

In order to reach more children during the harvest period, ofi carries out child detection studies when workers start to arrive in the region. ofi social workers also meet with the mukhtars and manavs to get information about children arriving to the region and ensure that they are guided to safe areas. In addition, in all of these studies, meetings are held with families to ensure that children stay in safe areas. Education kits are distributed for children who cannot be directed to summer school (such as those in regions where summer school is not opened).

In addition, ofi will employ more seasonal social workers during the harvest period in order to reach more children in the supply chain.

Also, ofi will conduct works like summer school and safe space in regions to try to mitigate these risks for children.

**Deadline Date (to be filled by the company):**

September 2022

**Removal and Rehabilitation of Child Laborers**

Benchmarks	Compliance Status
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.	

**2017 IEM Findings**

<b>Findings/Noncompliance Explanation</b>	<p>Olam carries out an intensive program to combat child labor in their supply chain. With the social workers of the USDOL project, the Olam team visits the families at their households and tries to create awareness regarding child labor and convince the children to attend the summer schools. Olam cooperates with stakeholders on child labor prevention. Olam has a child labor removal and rehabilitation procedure described in their social audit manual, but the policy lacks key remediation components. It does not include assessment of the situation at the child's household level nor the need to engage with relevant stakeholders to find a remediation solution that is in the best interest of the child. Given the gaps, there is risk that the children are not properly removed and rehabilitated when observed working in the orchards.</p> <p>Source: Interviews with workers, supervisors, child labor's families, Olam staff; Observation</p>
<b>Company Action Plan</b>	<p>Olam has a "Procedure of Prevention of Child Labor". In this procedure, the tasks of both Olam field staff and managers roles and responsibilities are defined.</p> <p>Additionally, Olam has a Child Labor Action Plan and Internal Social Audit Manual, where removal and rehabilitation of child laborers are explained. Olam will ensure these procedures are up to date and more efficient for Olam employees and the relevant stakeholders before the harvest season of 2018 (September 2018).</p>
<b>Deadline Date</b>	September 2018

**Verification Findings**

Despite the efforts of the Company for maintaining and implementing child labor removal and rehabilitation procedures the monitors detected that there is still room for improvement in terms of implementation. The monitors verified that the staff of the Company implemented the procedures against the incidents of the detected child labor during assessments. The Company informed monitors that they would implement an action plan for this situation and assess the situation at the children's household level and find a sustainable remediation solution that is in the best interest of the child.

**Overall Conclusion of the Verification**

The Company has a child labor removal and rehabilitation procedure. The monitors were informed by the Company that they plan to take an action a couple of days after the farm visit. However, the Company should ensure that the procedures are implemented on broader scale and cases are assessed

at the children's household level and that farmers are made aware that this is a task they should contribute in.
<b>New Finding, if any</b>
<b>Follow-up Company Action Plan (to be filled by the company)</b>
<p>ofi has a Child Labor Monitoring and Remediation System (CLMRS) in place, which is improved and digitalized in 2021 crop year. The new digital CLMRS module will enable the staff to track cases and follow-up actions effectively, take actions against non-compliances with child labor policy on regular basis. (For details please see Cl.1. Follow-up Company Action Plan). When child labor is detected in the ofi supply chain, it is immediately recorded in the digital CLMRS by the social workers. For registered children, social workers immediately intervene on the spot and implement a remedial action plan within 7 days. ofi will effectively use this system in the next harvest.</p> <p>ofi provides detailed information on the elimination of child labor and remediation procedure in farmer trainings. ofi will further highlight this issue to raise awareness in areas where children are detected. In addition, contact people on child labor were selected from among the farmers and notables in the village.</p> <p>ofi will continue to open summer schools &amp; safe spaces for children.</p> <p>ofi has prepared an education kit for all children identified in the supply chain, with a very comprehensive content and taking into account the suggestions of the teachers. This educational kit consists of materials that will both contribute to the education of children and entertain them. ofi will continue to enrich the content of the educational kit and distribute it to approximately 700 children.</p>
<b>Deadline Date (to be filled by the company):</b>
September 2022

## Health, Safety and Environment

### Health Safety and Environment Assessment Summary

General Compliance	
Benchmarks	Compliance Status
HSE.1: Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.	

### 2017 IEM Findings

<b>Findings/Noncompliance Explanation</b>	<p>The monitors noticed workers are carried on tractors, sometimes on very steep roads, and they sometimes have to sit on loaded tractors, and the drivers are not always careful. Olam and farmers have not taken the required measures to mitigate the risks related to means of transport to prevent accidents or injuries.</p> <p>Source: Interviews with workers and farmers, and filed observation</p>
<b>Company Action Plan</b>	Olam will make a risk assessment for vehicles used for transportation to the hazelnut farms. According to these risk results, Olam will work on preventive

	measures and solutions that are in line with all national laws, regulations, and procedures concerning health and safety and the environment. Olam will prepare educational material about the topic. Olam aims to give information to farmers in 10 villages in the Kabatas district of Ordu. Olam will collaborate with the local governorships of Kabataş district to redo the unsafe village roads, provide traffic signals, speed limits, and warnings signs that go to hazelnut farm with the labor contractors.
<b>Deadline Date</b>	September 2018

<b>Verification Findings</b>	
<p>The Company has conducted training in health, safety and environment issues to farmers, workers, and labor contractors. The monitors verified that the Company has carried out these trainings at 12 farms out of 13 visited farms. These trainings cover animal bite or sting, working on steep slopes, first aid, Covid-19 pandemic, hygiene, proper clothing, PPE usage and transportation safety. However, none of the interviewed farmers or workers recalled transportation safety as a training topic, even when they were aided. Overall, their awareness on this issue is low. The workers generally walk to nearby farms and transported to far farms by minibus, tractor, mini tractor (pat pat) or trailer. The monitors noticed that the farmers and workers still consider transportation on tractors or trailer as usual and normal means of transport. Whereas transporting people on these vehicles is dangerous and every season news of accidents of agricultural workers are broadcasted.</p>	
<b>Overall Conclusion of the Verification: There is progress but still in need of sustainable improvements</b>	
<p>The participating company carries out training in various HSE related issues, but awareness is still low on transportation safety. Tractors and the trailers are still used for workers' transportation in an unsafe way.</p>	
<b>New Finding, if any</b>	
<p>The monitors walked through accommodation areas of workers during assessments. Most of these places provided by farmers were decent spaces, which had potable water, electricity, toilet, and bathrooms. Some of the farmers showed alternative places to the monitors proving they are working on improving accommodation spaces of workers for next year.</p> <p>However, accommodations of 3 worker groups were noticed to be in poor conditions. At one farm the workers were staying at their tents in the garden of the farmer's house. There were buildings in this garden, at one building the first floor was occupied by the permanent worker's family. The second floor was a semi-constructed floor. The workers who were accommodating in their tents were taken to this second floor due to the heavy rains. This semi-constructed floor had no working toilet, bathroom even a kitchen. Workers had to use the portable toilet and bathroom placed by the Company, even at dark night. The monitors observed that there was no running water in this portable toilet at the time of the assessment visit. There were small tanks on top of the toilet and the bathroom, but both were empty. ofi team explained that these tanks can be emptied intentionally by the workers or farmers, to prevent heating under the sun. Goodwill agreements are signed with the parties before the placement of mobile units, and they are informed to call ofi if any need occurs.</p> <p>The monitor also observed another farm where the workers stayed in rudimentary tents in the lower part of the farmer's garden. The farmer provided electricity and water but there was no toilet or bathroom. They had used a canvas and wood to construct a space as the toilet. No running water and light was available in the toilet. The path to the toilet was steep and muddy due to the heavy rains. Workers, especially children face a risk of fall. The situation gets worse during the dark.</p> <p>Another worker group said that they live in a tent area where they had difficulty in access to water and electricity. The labor contractor provided electricity and buys water from the state via mobile tanker. The workers said that they use one tanker of water daily that cost 225 TL. This is paid by the labor contractor,</p>	

but workers did not know whether they would be requested to pay this back later. The monitor also observed other accommodation areas provided by the farmer.

The monitors noticed that there are no sanitation facilities at farms. When the farms are close to farmers' houses, any house of neighbors or the mosque of the village the workers were using the toilets of these buildings. However, when the farms are far from residential areas the female workers have problems going to the toilets.

**Follow-up Company Action Plan (to be filled by the company)**

Ensuring safe transportation depends on the labour contractor and the farmer's awareness. In the social trainings health and safety standards are explained by the ofi's social workers. However, it has been observed that farmers and labour contractor tend to maintain their old habits about tractor trailers. In order to make the trainings more effective, awareness will be raised about the information on the penalties in the Occupational Health and Safety Law. ofi will prepare posters and banners with appropriate transportation rules for this. Also, images of previous accidents will be shared on posters to make a stronger impression. ofi will hang 100 more posters in places where all farmers can see it, especially in village squares in regions that have just entered the supply chain.

ofi has been supplying mobile toilets and showers since 2017. More than 2000 workers benefited from the mobile wc/showers worker by ofi. ofi prepares a 5-year goodwill contract for the mobile WCs and showers. In this contract, the installation and maintenance of mobile showers and WCs belong to the farmers. ofi, will check the water and electricity in mobile WCs and showers next harvest. If any unsuitability is found, actions will be taken for improvement.

ofi, will conduct awareness trainings on the suitability of clean water and shelter conditions. For worker groups staying in the tent area; if ofi identifies that workers don't have access to clean water, ofi's social workers will contact local government.

**Deadline Date (to be filled by the company):**

September 2022

**2017 IEM Findings**

<b>Findings/Noncompliance Explanation</b>	
<b>Company Action Plan</b>	
<b>Deadline Date</b>	

**Verification Findings**

**Overall Conclusion of the Verification**

**New Finding, if any**

The monitors verified that workers and farmers at visited farms were wearing gloves, hat and masks. Worker generally bring their own PPEs. Farmers also provide these when workers request any. The

<p>Company has delivered hygiene packs covering; gloves, hats and masks to the farmers and workers during the harvest at 9 assessed farms.</p> <p>Due to the heavy rains this year the monitors observed that the workers also would need raincoats and suitable footwear if they were to work during these days. It is stated that workers usually do not work in rainy days.</p>
<p><b>Follow-up Company Action Plan (to be filled by the company)</b></p>
<p>ofi cares about the health of farmers and workers. Therefore, ofi provides them with trainings about using PPE. In 2021 harvest, ofi social workers provided trainings for over 4.000 seasonal agricultural workers and distributed the personal protective equipment. In 2022 harvest, ofi social workers will provide PPE to more than 2000 seasonal agricultural workers. ofi distributes these materials to local and seasonal worker groups and also prepared posters the importance of protective equipment. these posters were hanged in village squares and workers' accommodation areas.</p>
<p><b>Deadline Date (to be filled by the company):</b></p> <p>September 2022</p>

Chemical Management	
Benchmarks	Compliance Status
<p>HSE.9.1: Chemicals and hazardous substances in use must be allowed by local law or by international standards.</p> <p>HSE.9.2: All chemicals and hazardous substances shall be properly labelled and stored in secure and ventilated areas and disposed of in a safe and legal manner, in accordance with applicable laws. Where relevant, Material Safety Data Sheets (MSDS) must be available as well.</p> <p>HSE.9.2.1: Labels shall be placed in the local language and the language spoken by workers, if different from the local language. Where workers are illiterate, the labels and instructions for their handling should be depicted by pictograms.</p> <p>HSE.10: Workers shall receive training, appropriate to their job responsibilities, concerning the hazards, risks and the safe use of chemicals and other hazardous substances.</p> <p>HSE.11.1: To prevent unsafe exposure to hazardous chemicals and hazardous substances, appropriate accommodations shall be made for pregnant women and workers under the age of 18, as required by applicable laws or the provisions of the FLA Workplace Code, in a manner that does not unreasonably disadvantage workers.</p> <p>HSE.11.2: If not provided by law, employers must provide protection to workers who allege violations of accommodations to prevent unsafe exposure to hazardous chemicals and hazardous substances for pregnant women and workers under age 18.</p>	

## 2017 IEM Findings

<p><b>Findings/Noncompliance Explanation</b></p>	<p>It is not a common practice for the hazelnut farmers to have special chemical storage rooms; they usually store chemicals in their usual storages or basements with other stuff. Olam has placed special containers in villages for disposal of chemicals. However, farmers' interviews showed their awareness in using these containers is not high yet.</p> <p>Source: Interviews with farmers and Olam staff. Visual inspections</p>
<p><b>Company Action Plan</b></p>	<p>Olam placed approximately 30 chemical waste containers and pesticide preparation areas in Ordu, Sakarya, and Duzce provinces. In Olam's good agricultural practices trainings, Olam gives information to the farmers and workers on how to dispose empty agricultural pesticide boxes and bottles. In addition, within the scope of Good Agricultural Practices Project, Olam placed pesticide storage cabinets for farmers who store pesticide for more than 1000 producers. In 2018, Olam will continue to give pesticide cabinets to its new project farmers (July 2018).</p>

	<p>Olam will continue to give biodiversity trainings in 2018 in coordination with the Middle East Technical University. Olam will specifically refer to environmental and waste management issues in these trainings (July 2018).</p> <p>Furthermore, Olam will prepare a document on the harm of commonly used pesticides on human health. Olam will distribute it to farmers with a list of pesticides forbidden by the Ministry of Food, Agriculture and Livestock (July 2018).</p>
<b>Deadline Date</b>	July 2018

<b>Verification Findings</b>	
<p>During assessments monitors collected information that farmers continue the practice of not storing pesticides and agrochemicals, but instead buy sufficient amount and use these on same days. The monitors found the awareness of farmers regarding disposal of empty agrochemicals and hazardous substances at high levels. All interviewed farmers reported that they do not burn, dig into the ground, or throw in nature any empty agrochemical containers. They are aware that the Company has placed waste disposal containers at common areas in villages. The monitors verified that these containers are kept locked and safe, reachable for farmers and when it is full, the company calls the authorized governmental body, who unload these. The farmers report they either deliver the empty containers directly or call the agricultural engineer of the Company so that the engineer would bring these to the waste containers. The monitors observed posters about safe usage and disposal of pesticides in all visited farms.</p>	
<b>Overall Conclusion of the Verification: Settled</b>	
<p>Considering that farmers do not store agrochemicals but buy and use in sufficient amount and that assessed farmers were aware and implement safe of disposal of empty agrochemical containers this subject could be considered settled. However, considering that application of hazardous substances and chemicals are applied long before the assessment dates the Company should continue monitoring for implementations on this subject.</p>	
<b>New Finding, if any</b>	
<b>Follow-up Company Action Plan (to be filled by the company)</b>	
<b>Deadline Date (to be filled by the company)</b>	

## Hours of Work

### Hours of Work Assessment Summary

General Compliance	
Benchmarks	Compliance Status

<p>HOW.1.1: Employers shall comply with all national laws, regulations and procedures concerning hours of work, public holidays and leave.</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 favourable to workers.</p> <p>How.1.3: Other than in exceptional circumstances or during short-term seasonal work as described under HOW.2, the total weekly work hours (regular work hours plus overtime) shall not exceed 60 hours per week or the legal limit, whichever is lower. The upper limit during a working day shall not exceed 12 hours.</p> <p>How.1.4: When workers' accommodations and transport is organized by the employer, or when workers are transported from one site to another during a working day, travel time to the field shall be part of working time calculation.</p> <p>HOW.17.1: Employers can only suspend work in accordance with national laws, regulations and procedures or in cases of impact of weather conditions or natural events.</p> <p>HOW.17.2: Workers shall be paid in full during periods of suspension, unless national laws stipulate otherwise, workers and their representative organizations agree otherwise, or the relevant national authorities authorize the alternative arrangement between workers and employers.</p>	
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## 2017 IEM Findings

<p style="color: #c00000; font-weight: bold;">Findings/Noncompliance Explanation</p>	<p>The local commission provided guidelines on working hours, which are between 7am and 6pm, and workers are entitled to 1 hour of lunch break and 30 minutes of rest breaks. As a consequence, workers work 9.5 hours a day. In this case, weekly working hours become 66.5 hours. Although it varies, depending on the distance of the orchards, the workers may spend up to an hour travelling on roads during the day. It is not fixed whether this travelling time is calculated in or excluding working hours. It changes per each case, but most of the time, it is not calculated as part of working time.</p> <p>The local commission guidelines in terms of working hours exceed national regulations, FLA, and the Olam Code of Conduct, and workers end up working excessive hours that are not considered as overtime.</p> <p>Workers informed monitors that they find the working hours very long and exhausting. They accept these working terms at beginning of the season because they have no other choice.</p> <p>Source: Interviews with workers, farmers, Olam and external stakeholders</p>
<p style="color: #0070c0; font-weight: bold;">Company Action Plan</p>	<p>Olam will talk about working hours in the training of farmers and workers. In addition, Olam will organize trainings for workers with PIKOLLO and KEDV at their place of origin (Şanlıurfa and Mardin).</p> <p>Olam will give information to authorities on the relevant issues at the Ministries Coordination Meetings held under the USDOL Project. Olam will also make visits at the Central government level after the USDOL project ends (June 2018).</p> <p>In Olam's labor contractors' pilot project, Olam will make arrangements so working hours can be followed daily in the workers' lists attached to the seasonal agricultural contracts. During internal monitoring, Olam will also follow-up on completing the contracts and will continue to give the information about working hours in trainings (September 2018).</p>
<p style="color: #0070c0; font-weight: bold;">Deadline Date</p>	<p>September 2018</p>

## Verification Findings

Monitors verified that the Company has taken initiatives to increase awareness of farmers and labor contractors on working hours and collective actions with stakeholders. However, the working hours were again reported as 7 am to 6 pm at 6 orchards and 8 am to 6 pm at 7 orchards. The break times also varied as 1.5 hours at 7 farms, 1 hours 50 minutes at 4 farms and 2 hours at 2 farms. Generally, 1 hour is used as the lunch break and the remaining time is rest break of 30 minutes, 50 minutes or 1 hour. The working hours after deducting breaks were calculated as: 8 hours at 1 farm, 8 hours 10 min at 3 farms, 8.5 hours at 3 farms, 9 hours at 1, 9 hours 10 min at 1 farm and 9.5 hours at 4 farms. The monitors have calculated the weekly working hours and if workers work 6 days in a week, the working hours vary between 48 to 57 hours in order. In case of no rain and workers work 7 days a week the working hours vary between 56 and 66.5 hours. If they work 6 days only 1 farm complies with the FLA standards (setting 48 hours for a regular workweek and 60 hours with overtime) and the other 12 farms exceed FLA standards. If they work 7 days a week all the worker groups exceeded FLA standards. It is usual that workers work 7 days a week to maximize their income. The local commission only declares daily working hours, but does not specify any weekly maximum working hours or rest-day provision.

The workers work overtime and are not paid for this. The workers agree with labor contractors or farmers with certain working hours as they have no choice to refuse working long hours. The agreement is made for working hours exceeding 60 hours a week as normal working hours, whereas this must be considered as working hours including overtime. Workers do not have a choice to refuse and stop working overtime.

## Overall Conclusion of the Verification: **There is progress but still in need of sustainable improvements**

The daily and weekly working hours are exceeding FLA standards at certain farms.

## New Finding, if any

## Follow-up Company Action Plan (to be filled by the company)

ofi informs labor contractors, farmers and workers about working hours, daily working hours and weekly working hours during trainings. ofi has been distributing notebooks to the workers that has a page where they can keep track of their working hours. ofi will continue to distribute this notebook and explain the workers how to use it. In this harvest, ofi social workers will provide notebooks to more than 2000 seasonal workers. ofi will also hang 100 posters about working hours in workers' shelters and village squares.

## Deadline Date (to be filled by the company):

September 2022

## Protected Workers (pregnant or nursing women, young workers)

Benchmarks	Compliance Status
How.4.1: The workplace shall comply with all applicable laws governing work hours regulating or limiting the nature, frequency and volume of work performed by pregnant or nursing women or young workers.	
HOW.4.2: Employers shall maintains a list of all pregnant, nursing women and young workers who are subject to special protection regarding working hours and guarantee compliance with special legal provisions.	
How.4.3: If not provided by law, employers must provide protection to workers who allege violations of laws governing work hours limiting the nature, frequency and volume of work performed by pregnant or nursing women or young workers.	

## 2017 IEM Findings

<p><b>Findings/Noncompliance Explanation</b></p>	<p>The monitors did not observe any nursing or pregnant women in the assessed farms. However, the young workers and child workers were observed doing the same job and working same 9.5 hours as the adults, and monitors were informed that pregnant or nursing women would have the same working conditions. The pregnant, nursing, and young workers should have differentiated work schedules. According to local law and FLA benchmarks, young workers should not work more than 40 hours a week.</p> <p>Source: Interview with workers, supervisors, farmers and Olam staff; Observation</p>
<p><b>Company Action Plan</b></p>	<p>Olam will distribute the "Young worker registration form" in 6 villages in Ordu. Olam will inform the farmers how to fill this form, and Olam Sustainability department field staff will control it during the internal monitoring (September 2018).</p> <p>Olam will create some forms for tracking pregnant and nursing women. These forms will include some information about age and tasks. Then Olam will add these forms in the revised Quality Management System (QMS) (June 2018).</p> <p>A description of light work and heavy work will be made. The jobs that pregnant, nursing, and young workers should not do will be identified, and information will be given information to the migrant workers and farmers. (See Child Labor Section, Young Workers' CAP - September 2018).</p> <p>In order to raise awareness of women producers through education, Olam and FISA started a project titled "Awareness-raising Program for Community Members Through Education on the Prevention of Child Labor in Hazelnut Agriculture in the Black Sea Region" in Ordu, Eastern Black Sea. FISA in partnership with Olam will organize good social practices trainings for the mothers of children in the active schools.</p>
<p><b>Deadline Date</b></p>	<p>September 2018</p>

## Verification Findings

The monitors observed and interviewed workers of disadvantaged groups during the farm visits, such as juvenile, pregnant, and nursing. The monitors found that the work conditions were regulated only at 2 farms regarding the working hours for young workers. The rest of 9 farms where 34 young workers were detected there were no such regulations, but these workers work same working hours as adult workers. Again, monitors detected nursing and pregnant female workers at 2 farms. 3 were working as a cook at the workers' accommodation and 1 pregnant worker was performing harvesting at farm based on the statements of her group. She harvested like other workers do and she worked same working hours as the rest of the group. The farmers were not aware that there are special regulations for the protection of young workers and pregnant workers. The work conditions for all workers including pregnant and nursing women and young workers were all the same.

## Overall Conclusion of the Verification

The working conditions of disadvantaged group of workers are not tracked according to special regulations at the farms. These workers work in same working conditions as the rest of their groups.

<b>New Finding, if any</b>
<b>Follow-up Company Action Plan (to be filled by the company)</b>
<p>ofi Sustainability program has prepared a Pregnant and Nursing Employees Procedure for the regulation of working conditions in order to take measures to support the health and safety of pregnant/breastfeeding employees who are one of the actors of the supply chain. This procedure covers all actors forming the supply chain within the scope of the sustainability program. An example of the procedure is found in the farmers's hand notebooks. This ledger is given to the entire supply chain. The procedure includes explanations and permits for pregnant and lactating workers.</p> <p>There are also regulations for young workers in the farmers notebook. There is a young worker registration form in the notebook. ofi cares about both issues. For this, it conducts awareness studies. emphasizes the importance of the subject in worker and farmer training. ofi also prepared posters for young workers. ofi hung posters in village squares and workers' shelters. But awareness is not enough. ofi will prepare posters for Pregnant and Nursing Employees. The poster will include legal regulations.</p>
<b>Deadline Date (to be filled by the company):</b>
September 2022

<b>Overtime</b>	
<b>Benchmarks</b>	<b>Compliance Status</b>
<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 the purpose of 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.6.3: Regular working hours and overtime is duly recorded in whatever means that are locally available and validated by the workers. For farms with informal labor structures, basic recording system shall be introduced to record workers' name, working days and payment and progressively work toward more detailed hours of work recording system.</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>	

## 2017 IEM Findings

<b>Findings/Noncompliance Explanation</b>	Same as Benchmark HOW 1.1 to 1.4 as above mentioned.
<b>Company Action Plan</b>	Same as Benchmark HOW 1.1 to 1.4 as above mentioned.
<b>Deadline Date</b>	Same as Benchmark HOW 1.1 to 1.4 as above mentioned.

<b>Verification Findings</b>
<p>According to local labor law, the weekly working hours limit is 45 hours for regular working hours, and 60 hours including overtime hours. However, for agricultural work, local commission set daily working hours limit, which is above the national legal limit. The commission decision states that workers could</p>

work up to 9.5 hours a day. In line with the commission's decision workers worked weekly regular 56 hours at 1 farm, 57 hours and 10 minutes at 3 farms, 59.5 hours at 3 farms, 63 hours at 1 farm, 64 hours and 10 minutes at 1 farm, and 66.5 hours at 4 farms. This makes workers at 6 farms exceeding 60 hours a week which is above the regular working hours limit set by the local code and FLA benchmarks. Moreover, during interviews, some of the workers indicated clearly that they found the working hours long and exhausting even though they accept the working terms at beginning of the season because of the general practice and commission decision. Besides these overtimes are not paid extra but within the usual daily wage. The working hours and overtime are not recorded. The farmers, workers and labor contractors just record the worked days.

**Overall Conclusion of the Verification**

There is room for improvement in terms of overtime.

**New Finding, if any**

**Follow-up Company Action Plan (to be filled by the company)**

ofi explains working hours in farmer and worker trainings and talks about working standards for all employees in the trainings. The weight of this subject will be increased in the trainings. ofi will hang 100 posters about working hours in worker accommodation areas.

The contractor is the key point of contact between worker and farmer. ofi will continue to train contractors on this issue. Training will be held in origin provinces before the harvest.

**Deadline Date (to be filled by the company):**

September 2022

**Compensation**

**Compensation Assessment Summary**

General Compliance	
Benchmarks	Compliance Status
<p>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.</p> <p>C.1.2: Other than lawfully required deductions, no other deductions may be made from a worker's compensation without the written consent of the worker. Financial disciplinary measures are prohibited.</p> <p>C.1.3: In countries where local law does not specify compensation specific to the agriculture sector, the participating company shall consult with local stakeholders representing the employers (farmers), workers, local government and commissions, and civil society to define the appropriate wage level. As a general principle, employers shall follow the minimum wage standards set for other sectors in the same region.</p> <p>C.1.4: Where national laws, regulations and procedures do not address the payment of compensation to workers, employers shall follow all standards in the FLA Workplace Code that apply to administration and payment of compensation and, where applicable, shall provide an employment contract that includes stipulation of compensation payment to workers.</p>	

**2017 IEM Findings**

<b>Findings/Noncompliance Explanation</b>	Labor contractors deduct a recruitment commission (about 10 %) from the migrant workers' wage. This is against the regulation that requires farmers to pay this commission to labor contractors separately.
<b>Company Action Plan</b>	Olam will disseminate training activities throughout the year (12 months). Within the scope of the USDOL Project in 2018, Olam will arrange two training courses in Şanlıurfa and Mardin in collaboration with the PIKOLO Association. Olam will also inform them about the necessary regulations, ILO Conventions, and FLA Standards and Code of Conduct in these trainings. Immediately after the training, the labor contractors can have their agricultural employment certificate in cooperation with İŞKUR (February 2018).
<b>Deadline Date</b>	February 2018

<b>Verification Findings</b>
Monitors verified during interviews that there are employment deduction fees implemented in the name of a commission by the labor contractor. There were 4 farms out of 13 visited farms where seasonal migrant workers were employed and a 10% deduction from their wages were implemented by their labor contractors.
<b>Overall Conclusion of the Verification</b>
<b>New Finding, if any</b>
<b>Follow-up Company Action Plan (to be filled by the company)</b>
In farmer trainings, ofi highlights that farmers, as employers, should pay the recruitment commission to labor contractors. ofi also carries out training, awareness, certification and consultancy activities for labor contractors. In addition to training and informing farmers, workers and labor contractors related to the subject, ofi will meet with local administrations on related issues.
<b>Deadline Date (to be filled by the company):</b>
TBD

<b>Minimum Wage/Fair Compensation</b>	
<b>Benchmarks</b>	<b>Compliance Status</b>
<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 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> <p>C.2.2: Employers shall provide all legally required benefits to all workers.</p> <p>C.2.3: Employers shall not set production targets at such a level that workers need to work beyond regular working hours as set under the FLA Workplace Code, excluding overtime, in order to achieve at least the minimum wage.</p> <p>C.3: Employers shall ensure that the wages for daily, casual, long term, task specific or contract workers are paid in accordance with the national laws applied to regular workers. For work based on production quotas and piecework performed during normal working hours, workers must get paid the proportionate minimum wage or the relevant industry average wage, whichever is higher.</p> <p>C.5: Where probationary or training employment is legally allowed, the wage shall not be below the legal minimum and no workers shall work more than three months cumulatively in those employment categories.</p>	

## 2017 IEM Findings

<p><b>Findings/Noncompliance Explanation</b></p>	<p>The local commission announced the daily minimum wage as TRY 59.25, and farmers pay migrant workers' wages as TRY 60 to their labor contractors. The labor contractors deduct a 10 % commission from the workers' wages, which then reduces the workers' wages to TRY 54, below the legal minimum wage. Additionally, the Ministry has announced the minimum legal wage for 8 hours while the local commission uses the same wage for 9.5 hours. This reduces the hourly wage, and the rate used contradicts the national laws and FLA standards where overtime payment should be considered.</p> <p>Source: Interview with workers, supervisors, farmers, Olam staff and CSOs.</p>
<p><b>Company Action Plan</b></p>	<p>Olam will organize training for farmers in Ordu in terms of working conditions. Olam will also discuss the details about hours of work and wage deductions in the training of migrant workers and labor contractors, which we will organize with the help of local NGOs.</p> <p>Through the Database of Labor Contractors Project of the Pikolo Association, Olam already informed labor contractors about the employment contract in agriculture. The registration of the labor contractors to İşKur is important for the improvement of the employment conditions. In the trainings, the labor contractors will be informed, especially on the fight against child labor and their legal responsibilities.</p> <p>The presence of a registered workforce will allow workers to receive wages they are entitled to and to be under social security. Labor contractors' fees must be paid separately by the farmers. If the labor contractors are paid separately than the workers, this will prevent the cuts from the workers' salaries.</p> <p>Olam will also give information to authorities on the relevant issues at the Ministries Coordination Meetings held under the USDOL Project as well as making visits at the Central level after the USDOL project ends.</p>
<p><b>Deadline Date</b></p>	

## Verification Findings

Despite various training activities organized by the Company the monitors verified that there still are cases where workers were paid below legal minimum wages. Monitors were informed that the minimum wage for seasonal migrant hazelnut workers were determined by the local commission as 120 TL/Day. The legal minimum wage announced by the Ministry of Labor Family & Social Security Services is 119.25 TL. The interviewed workers stated that their wages are varying from 120 TL to 140 TL/Day. During workers' interview it was found out by monitors that there were 4 worker groups who were recruited by labor contractors and would pay 10 % employment fee to the labor contractor. The workers will pay this employment fee from their daily wages. After deduction of the employment fee the wages of these workers will drop to 108 and 117 TL/Day. This makes the daily wages for these groups fall below the legal minimum wages announced of both by the local commission and the Ministry.

**Overall Conclusion of the Verification: There is progress but still in need of sustainable improvements**

Workers at 4 farms receive daily wages below the applicable legal minimum wages.

<b>New Finding, if any</b>
<b>Follow-up Company Action Plan (to be filled by the company)</b>
<p>ofi social workers will continue to give consultancy to all labor contractors in the supply chain.</p> <p>ofi social workers will carry out certification and information activities in the provinces of origin for the 35 labor contractors that are found to be working uncertified in the supply chain.</p>
<b>Deadline Date (to be filled by the company):</b>
September 2022

<b>Wage Payment and Calculation</b>	
<b>Benchmarks</b>	<b>Compliance Status</b>
<p>C.6: All wages, including payment for overtime, shall be paid within legally defined time limits. Where no time limits are defined by law, compensation shall be paid at least once a month or upon completion of a seasonal task which takes less than a month.</p> <p>When workers are hired through contractors, brokers or external agencies, employers shall make sure that workers are paid according to the benchmark requirements.</p> <p>C.7.1: All payments to workers, including hourly wages, piecework, fringe benefits and other incentives shall be calculated, recorded, and paid in a manner that is convenient to workers (e.g., in cash, by bank transfer or check).</p> <p>C.7.2: FLA-affiliates shall ensure that farmers/producers receive payments and certification premiums through a traceable and reliable payment system.</p> <p>C.7.3: Wage records should be authentic and accurate and should clearly demonstrate how wages, deductions, benefits, overtime and bonuses are calculated.</p> <p>C.7.4: Employers shall provide workers a pay statement each pay period and not less frequently than once a month, which shall show:</p> <ul style="list-style-type: none"> <li>• earned wages,</li> <li>• wage calculations,</li> <li>• total number of hours worked,</li> <li>• regular and overtime pay,</li> <li>• bonuses,</li> <li>• all deductions, and</li> <li>• final total wage.</li> </ul> <p>The payment statement shall be signed and agreed by the worker. For farms with informal labor structures, and where the illiteracy rate is high, proof of payment may be in the form of alternative means (such as using a witness or affixing a thumb print).</p> <p>C.7.5: No one can receive wages on behalf of a worker, unless the worker concerned has, in full freedom, authorized in writing for another person to do so.</p> <p>C.8.1: Employers shall compensate workers for all hours worked.</p> <p>C.8.2: Employers shall comply with all applicable laws, regulations and procedures governing the payment of premium rates for work on holidays, rest days, and overtime. There might however be specific working schemes voluntarily agreed by the workers to work on holidays and rest days for short-term seasonal work, which would make this provision not applicable.</p> <p>C.8.3: Workers shall be informed in writing or orally where necessary, in language(s) spoken by workers, about overtime wage rates prior to undertaking overtime.</p> <p>C.8.4: Unless workers have voluntarily agreed to other arrangements, in countries where there is no legally established overtime premium, employees shall be compensated for overtime hours at the prevailing sectoral rate or at the internationally recognized overtime rate, of 150% on workdays and 200% on Sundays and holidays.</p> <p>C.9: All legally mandated deductions for taxes, social insurance, or other purposes shall be deposited each pay period in the legally defined account or transmitted to the legally defined agency. Employers shall not hold over any of these funds from one pay period to the other unless the law specifies that deposits are to be made less frequently than pay periods (e.g. monthly deposits, weekly pay). If the law does not specify, then deposits shall be made before the next pay period in all cases.</p> <p>C.10.1: Voluntary wage deductions for union membership, savings clubs, loan payments, etc. can only be made with the expressed and written consent of workers and fall within the limits and conditions specified by law or by collective bargaining agreement.</p> <p>C.10.1.1: Written consent shall be documented in employee files, or, where applicable, be obtained in front of a trusted witness according to the local context.</p> <p>C.10.2: All such voluntary deductions shall be credited to proper accounts and funds shall not be held illegally or inappropriately by employers.</p> <p>C.10.3: Workers shall have access to regular and full information concerning the status of relevant accounts and the status and level of their payments.</p>	

## 2017 IEM Findings

<p><b>Findings/Noncompliance Explanation</b></p>	<p>The farmer pays the labor contractor as the head of the group on behalf of all workers. Monitors could not get it confirmed that all workers have full freedom to do so and whether they will receive their own earned wages directly at the end of the work.</p> <p>Workers in this cluster work 9.5 hours a day. This is above the national law and FLA benchmarks. According to the law and benchmarks, the farmer should compensate workers for all hours worked, and these excess hours must be calculated as overtime. However, farmers pay workers the minimum legal daily wage announced by the Ministry for a 9.5-hour working day.</p> <p>Source: Interviews with workers, farmers, Olam staff and external stakeholders</p>
<p><b>Company Action Plan</b></p>	<p>Olam will organize training for farmers in Ordu about working conditions. Olam will also talk about hours of work and payment of wages in the training of migrant workers and labor contractors, which will be organized with the help of NGOs.</p> <p>In collaboration with the Pikolo Association, Olam aims to provide certification to labor contractors within the scope of “The Database of Labor Contractors Project” (Deadline: February 2018).</p> <p>Olam will give consultancy to four labor contractors, who have received a labor contractors’ certificate to make contracts with their farmers and workers and write annual reports to the Local Employment Agency (İŞKUR). Olam aims to raise awareness on signing contracts among the farmer, labor contractor, and seasonal migrant workers and aims to increase the number of signed contracts (Deadline: September 2018).</p>
<p><b>Deadline Date</b></p>	<p>September 2018</p>

## Verification Findings

The interviewed workers informed monitors during interviews that the farmer pays their salaries at the last day of their work or the day after. There is a payment chain in this process. The farmer pays the wages in cash to labor contractor at 4 farms, to supervisor at 6 farms and to workers directly at 3 farms (who were local labor groups). The labor contractor and supervisors then either pay the wages to all workers separately or to the head of the family. All the interviewed workers reported that they either receive their payments directly from farmer, labor contractor or supervisors and the remaining workers reported that their family member is receiving the wages and they are happy with that as they prefer somebody to safekeep their wages on the behalf of them, since they live in tents, and do not feel secure to having the money with them and have long way to go back home. These workers report that the head of the family will either give their wages at home or spend this on their behalf which they are happy with.

Monitors verified that overtime hours, holidays and rest days are not agreed, calculated, or paid separately but all working hours are considered as for regular working hours and workers who work on holidays receive the usual daily wage.

Monitors understood that workers are not provided about overtime wage rates, and they do not bargain about this during agreement making period.

**Overall Conclusion of the Verification: Still in need of sustainable improvements**

Not all workers receive their own wages, but their family member does on their behalf and workers are happy with that.

Overtime hours, holidays and rest days are not agreed, calculated, or paid separately.

Workers are not provided about overtime wage rates, and they do not bargain about this.

**New Finding, if any**

**Follow-up Company Action Plan (to be filled by the company)**

There are wage submission forms in the worker notebooks distributed by ofi. It is signed by the workers, farmers and, if any, labor contractors who receive their wages at the end of the work. A copy of the wage submission minutes is kept by ofi employees. In addition to the Seasonal Agricultural Work Agreement, the company collects information about the options for receiving wages from the workers with Annex 1.

ofi will continue to explain the concepts of legal working hours, overtime and the right to rest to workers, farmers and labor contractors in the supply region and in the provinces of origin (for example; Diyarbakir, Sanliurfa, Mardin). ofi will continue to raise awareness about signing seasonal agricultural work contracts with training of workers, farmers and labor contractors. In the training of workers, farmers and labor contractors, ofi will explain that it is necessary to talk about the employment contract and negotiate before the contract. The company aims to increase the number of seasonal agricultural work contracts signed through the workers and labor contractors it reaches, and the number of people who are aware of the contract.

The employers of the workers are constantly changing, and they usually work less than a week for each farmer. When making an agreement with employers, labor contractors should calculate the days of the workers who will work and make the arrangements for the day off, and the workers should learn and demand these rights. ofi will continue to provide training on this issue, on responsibility sharing and rights.

**Deadline Date (to be filled by the company):**

**September 2022**

**Workers Awareness**

Benchmarks	Compliance Status
C.11.1: Employers shall make every reasonable effort to ensure workers understand their compensation, including: C.11.1.1: the calculation of wages, C.11.1.2: incentives systems, C.11.1.3: fringe benefits, and C.11.1.4: bonuses they are entitled to at the workplace and under applicable laws. C.11.1.5: Employers shall communicate in writing or orally where necessary to all workers all relevant compensation information in the local language or language spoken by the workers, if different from the local language. C.13: Employers must establish a system through which workers can dispute compensation and receive clarifications in this respect in a timely manner. If not provided by law, employers must provide protection to workers who allege violations of compensation laws, regulations, and procedures.	

**2017 IEM Findings**

<p><b>Findings/Noncompliance Explanation</b></p>	<p>The monitors noticed during interviews that workers did not know the exact wage they would receive. They just knew it would be close to the announced minimum legal wage.  Source: Worker interviews</p>
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<p><b>Company Action Plan</b></p>	<p>In collaboration with Pikolo and KEDV, Olam will provide information on the legal wage (which the local commission discloses) at the workers' trainings and labor contractors' trainings, which will be organized in Mardin and Şanlıurfa.</p> <p>Nestle will create a Best Practices Handbook and a video for Hazelnut Farming in Turkey for farmers, seasonal migrant workers, labor contractors, and other value chain actors. Main focus areas are H&amp;S, good labor practices, labor rights, child labor, and access to services.</p> <p>Olam will design brochures and banners about workers' wages decisions of the local commissions and distribute those brochures in the villages. The commission meets every year in July. Olam will distribute those brochures before September 2018.</p>
<p><b>Deadline Date</b></p>	<p>September 2018</p>

<p><b>Verification Findings</b></p>
<p>The monitors found out during interviews that the daily wage is fixed after the workers have started working at the hazelnut farms. Farmers wait for the local commission to announce the daily wages for hazelnut workers and the farmers in the village to start paying wages and set the customs of the average wages paid in the village. That means workers start working without knowing the exact wage they would be paid at the end of the harvest. The monitors verified this at 6 farms.</p> <p>Monitors understood that no written communication was made or when the worker had signed a contract, they were not aware of the details in the contract regarding compensation. The workers informed during interviews that farmers, labor contractors and supervisors communicated verbally about the compensation information. The monitors noticed that workers were even not sure about their wages.</p>
<p><b>Overall Conclusion of the Verification: Still in need of sustainable improvements</b></p>
<p><b>New Finding, if any</b></p>
<p><b>Follow-up Company Action Plan (to be filled by the company)</b></p>
<p>ofi explains the calculation of the daily wages determined for workers, in the trainings of farmers and workers. ofi will continue to inform the farmers during the harvest period and the workers in the worker trainings about the wage determined by the commission. The company will continue to explain farmers to inform their workers about wages when the commission decision is announced.</p> <p>ofi will continue to provide training to farmers, workers and contractors in the supply region and in the provinces of origin on rights and responsibilities, seasonal agricultural work contracts and legal regulations regarding seasonal migrant agricultural work. The company will continue to explain the importance and content of the seasonal agricultural work contract in the trainings. In the trainings it provides, the company will continue to explain that they can add special clauses regarding payment, working hours, compensation, rights or receivables to the content of the existing seasonal agricultural labor contract. With the contract, ofi will continue to keep records for the preferences of the workers in the Annex 1 file.</p>

**Deadline Date (to be filled by the company):**

September 2022