



# Independent External Monitoring Agriculture Report, 2023

Fair Labor Association conducts an Independent External Monitoring (IEM) assessment when a company has begun implementing its internal monitoring and remediation program. An IEM allows the assessment of labor conditions at the farm level and first-level processing if it overlaps with the farms based on the [FLA Agriculture Workplace Code of Conduct and Monitoring Benchmarks for the Agriculture Sector](#). FLA gathers further data through community stakeholder interviews with civil society organizations, government officials, community leaders, and supply chain actors. FLA examines internal monitoring systems at the country level against [FLA's Principles of Fair Labor and Responsible Sourcing for Agricultural Supply Chains](#).

<b>Company</b>	<a href="#">Balsu</a>
<b>Country</b>	Türkiye
<b>Crop</b>	Hazelnut
<b>Production process</b>	Harvest
<b>Assessment location</b>	Sakarya (Hendek-Ferizli-Kocaali), Düzce (Gölyaka, Cumayeri)
<b>Monitor</b>	CSR & Sustainability Services
<b>Assessment dates</b>	22-24 August 2023
<b>Number of assessed farms</b>	16
<b>Total area covered</b>	51.06
<b>Number of farmers interviewed</b>	16
<b>Total number of workers</b>	263
<b>Number of workers interviewed</b>	117

# Employment Relationship

## Compliance Status

Section	Benchmark	Compliance status	Farms
Human Resource Management System	ER.1.1	Noncompliance	3,6,10,11,12,13,14,16
	ER.2.1 (PR)	Not initiated	All farms
	ER.2.1.1 (PR)	Not initiated	All farms
Recruitment and Hiring	ER.3.1	Noncompliance	3,6,10,11,12,13,14,16
	ER.3.1.1	Noncompliance	3,6,10,11,12,13,14,16
	ER.3.1.2	Noncompliance	3,6,10,11,12,13,14,16
	ER.4	Noncompliance	3,4,5,10,11,13
	ER.5.1	Noncompliance	3,4,5,10,11,13
	ER.5.2	Noncompliance	3,4,5,10,11,13
	ER.5.3	Not Applicable	
	ER.6 (PR)	Not initiated	All farms
	ER.7.1	In Compliance	
	ER.7.2	In Compliance	
	ER.7.3	In Compliance	
	ER.7.4	In Compliance	
	ER.7.5	In Compliance	
	ER.7.6	Noncompliance	All farms
	ER.7.7	Noncompliance	All farms
ER.7.8	Noncompliance	All farms	
Terms and Conditions	ER.9.1	Risk of Noncompliance	2,3,4,7,8,10,11,12,13,16
	ER.9.2.1	Noncompliance	All farms
	ER.9.2.2	Not Applicable	
	ER.9.2.3	Noncompliance	All farms
	ER.9.3.1	Risk of Noncompliance	3,6,10,11,12,13,14,16
	ER.9.3.2	Risk of Noncompliance	3,6,10,11,12,13,14,16
	ER.9.3.3	Risk of Noncompliance	3,6,10,11,12,13,14,16
	ER.10	Not Applicable	
	ER.11	Noncompliance	1,2,3,4,5,6,7,8,9,10,11,12,13,14,15
	ER.12.1	Risk of Noncompliance	All farms
	ER.12.1.1	Risk of Noncompliance	All farms
	ER.12.2	Not Applicable	All farms
	ER.13.1	Risk of Noncompliance	All farms
	ER.13.2 (PR)	Not initiated	All farms
ER.13.3 (PR)	Not initiated	All farms	
Administration	ER.15.1	In Compliance	
	ER.15.2	In Compliance	
	ER.15.2.1	Risk of Noncompliance	All farms
	ER.16.1	In Compliance	
	ER.16.2	In Compliance	
	ER.17.2 (PR)	In Compliance	
	ER.17.3 (PR)	In Compliance	
	ER.17.4 (PR)	In Compliance	
Worker Involvement	ER.18.1	Risk of Noncompliance	1,2,3,4,5,6,7,8,9,10,11,13,14,15,16
	ER.18.2 (PR)	In progress	1,2,3,4,5,6,7,8,9,10,11,13,14,15,16
Right to Organize and Bargain	ER.19	Not Applicable	
Work Rules and Discipline	ER.20.1	Noncompliance	All farms
	ER.20.2	Noncompliance	All farms

	ER.20.3 (PR)	Not initiated	All farms
	ER.20.4	Noncompliance	All farms
	ER.20.6	Noncompliance	All farms
	ER.20.7	Noncompliance	All farms
	ER.20.8	Noncompliance	All farms
	ER.20.9 (PR)	Not initiated	All farms
	ER.20.11	Noncompliance	All farms
Access to Training for Family Members	ER.21	Noncompliance	All farms
HSE Management System	ER.24.1.	Risk of Noncompliance	All farms
	ER.24.2 (PR)	In progress	All farms
	ER.24.3	Risk of Noncompliance	All farms
	ER.24.4.1 (PR)	In progress	All farms
	ER.24.4.2 (PR)	In progress	All farms
	ER.24.4.3 (PR)	Not initiated	All farms
	ER.24.4.4 (PR)	Not initiated	All farms
	ER.24.4.5 (PR)	Not initiated	All farms
	ER.24.4.6 (PR)	Not initiated	All farms
	ER.24.5 (PR)	In progress	All farms
Grievance Procedures	ER.25.1 (PR)	In progress	All farms
	ER.25.2 (PR)	In progress	All farms
	ER.25.3	In Compliance	
	ER.25.4	In Compliance	

## Employment Relationship Assessment Summary

Notable Good Practices
Balsu delivered trainings to 97 worker groups of 1717 workers in the Western Black Sea Region and 1237 farmers. Furthermore, as a step forward in formalizing working relations, they facilitated the registration of 26 labor contractors (24 in Western Black Sea Region and 2 in Eastern Black Sea region) in their supply chain with the Turkish Employment Agency.

Human Resource Management System	
Benchmarks	Compliance Status
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.	<b>Noncompliance in farms 3,6,10,11,12,13,14,16</b>
<b>Findings/Noncompliance Explanation</b>	<p>Monitors could not review any contract or document of written terms and conditions; it was reported that farmers and workers signed contracts, but the farmers did not have copies during the visit. Balsu shared the contracts separately as supporting documents. According to Balsu records, during harvest worker trainings, 66 worker groups signed contracts with the farmers that employed them. However, interviews demonstrated that neither farmers nor workers had seen any copy of a contract. Most workers and farmers could not answer when asked about the contract's content (e.g., working days, wages, hours). Only the workers and the farmer in Garden 9 could convey the contract's content.</p> <p>The main activity during the harvest is collecting the hazelnuts from the ground or branches. Filling the hazelnuts in sacks and transferring them to the vehicles can be additional tasks. Apart from these, the workers usually do not work in spraying, pruning, and cleaning the soil. However, this year, a group of workers who had arrived before the harvest season and worked in pruning at Farm 10 were</p>

	<p>interviewed. Interviewed farm workers to learn what tasks were expected and the working hours.</p> <p>However, how much net wage they would receive at the end of the job was generally not known, especially among female and young workers. Farmers knew that the minimum daily wage was 447,15 TL. There was no local authority announcement about the working hours or the daily net minimum wage in 2023. Farmers learned daily minimum wage from TV, the internet, and the village headman.</p> <p><u>Source:</u> Interviews, documentation, and Ministry of Labor and Social Security announcement.</p>
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### Company Action Plan

<b>Activity</b>	<ul style="list-style-type: none"> <li>In addition to economic conditions, the impact of the earthquake that occurred before the 2023 harvest and the fact that the commission decisions were not published in the provinces of Sakarya and Düzce as a result of public institutions directing their work to the earthquake zone caused farmers and workers to be uninformed about wages.</li> <li>Farmers and workers usually discuss wages in April, but the legal minimum wage in Türkiye has changed twice a year for the last two years, just before the harvest. This has led to a lack of information for workers on exact wages.</li> <li>In the 2024 hazelnut harvest, written contracts between farmers, workers, and labor contractors will increase. Contracts were signed with 15 farmers in 2021, 16 in 2022, and 66 in 2023. For the 2024 hazelnut harvest, at least 80 contracts will be signed.</li> <li>Contract components will be added to the training modules so that farmers and workers better understand the contract's content.</li> <li>For farmers, workers, and labor contractors, training and information on the importance and content of contracted work will be provided. At least 100 labor contractors, 1,500 workers, and 2,000 farmers will be trained in this context.</li> </ul>
<b>Output indicators (targeted results)</b>	<ul style="list-style-type: none"> <li>Raising awareness of labor contractors, workers, and farmers on the contents of contracts.</li> <li>Raising awareness of wages among women and young workers.</li> </ul>
<b>Timeline and Deadline Date</b>	February 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Worker, Temporary Social Workers)
<b>Responsible staff (title/department)</b>	Social Projects Department - Sustainability Manager - Social Worker

Recruitment and Hiring	
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 that 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><b>Noncompliance</b> in farms 3,6,10,11, 12,13,14,16</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><b>Noncompliance in farms 3,4,5,10,11,13</b></p>
<p>ER.7.6: contract, temporary, casual, daily, seasonal, or migrant workers receive at least the minimum wage or the prevailing industry wage whichever is higher, and all legally mandated benefits such as social security, other forms of insurance, annual leave, and holiday pay;</p> <p>ER.7.7: farm rules and regulations apply to contract, temporary, casual, daily, seasonal, or migrant workers the same as for permanent workers;</p> <p>ER.7.8: contract, temporary, casual, daily, seasonal or migrant workers are given priority when the farm is seeking 'new' permanent employees provided they have the relevant skills required. Contract, temporary, casual, daily, seasonal or migrant workers are given priority when the farm is seeking 'new' permanent employees provided they have the relevant skills required.</p>	<p><b>Noncompliance in all farms</b></p>
<p><b>Findings/Noncompliance Explanation</b></p>	<p>Farmers do not implement age verification. The monitors confirmed through interviews at farms 3,6,10,11,12,13,14,16 that farmers did not verify any age verbally or by checking workers' identity documents.</p> <p>Monitors verified that among 16 visited farms, just one farmer was working with a local worker group (farm 12), and another was working with both local and seasonal migrant workers (farm 14). The remaining 14 farmers had hired only seasonal agricultural migrant workers. Local worker groups do not have an agricultural labor contractor, whereas the seasonal migrant workers were all recruited through a labor contractor. It was determined that at 6 out of the 15 farms working with seasonal migrant worker groups, the labor contractors deducted their commissions from the daily earnings of the workers.</p> <p>Farmers who had hired seasonal agricultural migrant workers paid the determined minimum daily wage of 450TL/day to the agricultural labor contractor. The brokerage commission of the labor contractor was generally known as 10%. At farm 3, workers and the farmer were unsure how much money they would receive or pay at the end of the job.</p> <p>Social security, other forms of insurance, annual leave, and holidays are not paid to local or seasonal migrant workers.</p> <p><u>Source:</u> Interviews and observations</p>
<p><b>Company Action Plan</b></p>	
<p><b>Activity</b></p>	<ul style="list-style-type: none"> <li>• In addition to economic conditions, due to the impact of the earthquake that occurred before the 2023 harvest, public institutions directed their work to the earthquake zone, and the Committee Decisions were not published in Sakarya and Düzce provinces, causing farmers and workers to be uninformed about wages.</li> <li>• In cases where the labor contractor deducts from the worker, the wage paid to the worker may fall below the legal minimum wage. For this reason, for the last three years, Balsu has been emphasizing its view that the farmer should cover the wage of the labor contractor on every platform and expresses it strongly in all its trainings. In addition, in the Sustainable Hazelnut Farming Supplier Handbook, there is a labor contractor directive which clearly states that the labor contractor should be compensated for his work by the farmer.</li> <li>• Farmers and workers usually discuss wages in April, but the legal minimum wage in Türkiye has changed twice a year for the last two years, just before harvest. This has led to a lack of information for workers on exact wages.</li> <li>• Balsu provides its farmers in the supply chain with a "Sustainable Hazelnut Farming Supplier Handbook." The handbook has a "Worker Registration List" where seasonal workers can write information such as age, number of days worked, and wages. The training presentations will incorporate the</li> </ul>

	<p>handbook's content to enable farmers to utilize the registration list and conduct identity controls actively.</p> <ul style="list-style-type: none"> <li>In cooperation with İŞ-KUR, Balsu informed and certified 26 labor contractors about commissions during the 2023 harvest. Intermediaries with labor contractor certification do not deduct commissions from workers.</li> <li>In the 2024 harvest, 100 labor contractors will be trained about commission deductions, and at least 30 labor contractors will be certified.</li> </ul>
<b>Output indicators (targeted results)</b>	<ul style="list-style-type: none"> <li>Workers do not receive wages below the minimum wage.</li> <li>Identification of children and young workers by farmers.</li> </ul>
<b>Timeline and Deadline Date</b>	February 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff (title/department)</b>	Social Projects Department - Sustainability Manager - Social Workers

<b>Terms and Conditions</b>	
<b>Benchmarks</b>	<b>Compliance Status</b>
<p>ER.9.2: Employment terms shall be those to which the worker has voluntarily agreed, provided those terms do not fall below:</p> <p>ER.9.2.1: provisions of national laws;</p> <p>ER.9.2.3: the FLA Workplace Code.</p> <p>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.</p>	<p><b>Noncompliance in all farms</b></p>
<p>ER.9.1: Workers should be made aware of the employment terms under which they are engaged.</p>	<p><b>Risk of Noncompliance in farms</b> 2,3,4,7,8,10,11,12,13,16</p>
<p>ER.9.3: There can be no employment terms (including in written or verbal contracts or any other instruments or in any formal or informal recruitment arrangements) that allow employers:</p> <p>ER.9.3.1: to hold wages already earned; or</p> <p>ER.9.3.2: use earned back wages as penalties; and</p> <p>ER.9.3.3: in any way punishes workers for terminating employment.</p>	<p><b>Risk of Noncompliance in farms</b> 3,6,10,11,12,13,14,16</p>
<p>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.</p> <p>ER.12.1.1: Employers shall inform workers that any form of harassment or abuse in the workplace shall be subject to disciplinary measures.</p> <p>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.</p>	<p><b>Risk of Noncompliance in all farms</b></p>
<p><b>Findings/Noncompliance Explanation</b></p>	<p>At all farms, seasonal migrant workers were given verbal information on how to conduct their tasks in a 10-20 minute meeting before starting the work. Farmers discuss wage details only with their supervisors or labor contractors. Workers were informed verbally about working hours and wages or not at all and were left to know when the work would start and the wages would be paid. The farmers signed contracts with the seasonal migrant agricultural workers per the supporting evidence and copies of contracts shared by Balsu. However, the farmers and workers are unaware of the contract's content.</p> <p>The terms of employment are not based on any written contract in the gardens where the farmers hire local workers. This may allow the farmers to terminate the</p>

	<p>workers' employment and not pay their wages anytime. Therefore, the relevant benchmark assessment is “risk of noncompliance” in the gardens where no contract has been signed. The interviewed farmers and workers reported that the farmers do not use wages as a penalty; they never refuse to pay wages as a form of penalty.</p> <p>Monitors did not meet pregnant or disabled workers during the worker interviews and farm walkthroughs. However, there were young workers between the ages of 15 and 17 and child workers under 15. It has been observed that young or child workers work at the same time as adult workers and perform the same hazelnut picking and collecting work as adults.</p> <p>Monitors confirmed that the Company also organized worker and farmer trainings this year during the harvest. However, they reported that farmers who had been newly involved in their program (for less than two years) had lower awareness about labor rights. It was noted that the Balsu would face challenges in effectively communicating the working hours during worker training sessions if farmers were also in attendance. Including farmers in these training sessions could potentially lead to conflicts between the farmers and the workers, as the typical working hours in the gardens were between 9 and 10 hours.</p> <p>During the assessment, some worker groups stated they were happy to have an instructor who spoke Kurdish. On the other hand, most of the female workers stated that they could not attend or listen to the training because they were busy with household chores such as cooking, washing, and childcare during the training. 70% of the workers are female; therefore, the communication section was considered at risk of noncompliance.</p> <p><u>Source:</u> Documentation, interviews, and observations</p>
<p><b>Company Action Plan</b></p>	
<p><b>Activity</b></p>	<ul style="list-style-type: none"> <li>• Contract components will be added to the training modules so that farmers and workers better understand the contract's content.</li> <li>• Balsu has conveyed to farmers and workers in the supply chain that children under 18 are prohibited from working as workers through all its training and activities provided for 2196 farmers, including post-harvest training in 2022 and pre-harvest training in 2023. All children working or at risk of working were referred to the Young Lives Foundation, and case follow-up was initiated. The attendance of identified children to formal education will be monitored during the year.</li> <li>• Jobs where young workers are allowed to work are described to farmers, provided the daily working time does not exceed 8 hours. The Balsu Child Labor Procedure is implemented concerning the procedures and principles set out in the 'Regulation on the Procedures and Principles of Employment of Child and Young Workers.'</li> <li>• Training and information on the importance and content of contract work will be provided for farmers, workers, and labor contractors. At least 100 labor contractors, 1,500 workers, and 2,000 farmers (their families) will be trained.</li> <li>• During the 2024 harvest, Balsu will train seasonal migrant agricultural workers in the hazelnut orchard and conduct harvest internal monitoring. In this context, at least 500 women workers will be actively involved in the training.</li> </ul>
<p><b>Output indicators (targeted results)</b></p>	<ul style="list-style-type: none"> <li>• Ensuring active participation of women workers in trainings.</li> <li>• Eradication of child labor.</li> <li>• Regulation of working conditions of young workers.</li> <li>• Increased awareness of farmers, workers, and labor contractors on contract content.</li> </ul>



<b>Timeline and Deadline Date</b>	February 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff (title/department)</b>	Social Projects Department - Sustainability Manager - Social Workers

<b>Administration</b>	
<b>Benchmarks</b>	<b>Compliance Status</b>
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).	<b>Risk of Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation</b>	<p>Workers usually receive their wages at the end of the harvest. If a worker needs or requests any advances, it is not always explicitly mentioned in both parties' employment contracts. However, this is not solely based on verbal agreement. The employer and the supervisor keep joint written notes. When expenses are mutually agreed upon based on these notes, the amount paid by the employer will be deducted from the compensation.</p> <p>This year, the farmers at farms 11,13 and 15 paid 17,000 TL for the one-way transportation cost of their workers. This was not considered an advance payment but more like support for the workers to travel to the region. With the increase in fuel prices, this practice was seen last year and has spread even more this year.</p> <p>Although written documentation by the farmer is a positive step forward compared to the previous years, the workers' side of the documentation (receipt of a written document and their confirmation) should be supported, too.</p> <p><u>Source:</u> Interviews and observations</p>
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>66 contracts were signed for the 2023 harvest. Some farmers who pay advances or subsidies to workers specify this in the contract. In the 2024 harvest, with the increase in the number of contracts signed between the farmer and the worker, the recording of the payments made will increase.</li> <li>At least 80 contracts will be signed for the 2024 hazelnut harvest.</li> <li>We aim to transfer and disseminate this practice of farmers who pay travel fees and advance payments as a standard in farmer trainings</li> </ul>
<b>Output indicators (targeted results)</b>	<ul style="list-style-type: none"> <li>It will be ensured that advance payments are adequately documented reciprocally.</li> </ul>
<b>Timeline and Deadline Date</b>	February 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff (title/department)</b>	Social Projects Department - Sustainability Manager - Social Workers

<b>Worker Involvement</b>	
<b>Benchmarks</b>	<b>Compliance Status</b>
ER.18.1: Employers shall have a clear and transparent system of worker and employer communication that enables workers to consult with and provide input to the employer or the company management. This might include regular	<b>Risk of Noncompliance in</b>



conversations between workers and employers, suggestion boxes, workers' committees, designated spaces for worker meetings, and meetings between employer and workers' representatives. For small farms with informal labor structures, this means that the workers can openly reach and communicate with the producer/farmer.		farms 1,2,3,4,5,6,7,8,9,10, 11,13,14,15,16
<b>Findings/Noncompliance Explanation</b>	<p>In general, workers and farmers are not in dialogue. The farmer conveys the demands to the workers through the supervisor or labor contractor. Only break and meal times are determined according to the workers' feedback.</p> <p>This communication with the farmer is more open and direct in local worker groups.</p> <p><u>Source:</u> interviews and observations</p>	
<b>Company Action Plan</b>		
<b>Activity</b>	<ul style="list-style-type: none"> <li>In the 2024 harvest, seasonal workers will be trained on good social practices in the hazelnut garden, including employer-worker rights and responsibilities.</li> <li>The garden owner will also be invited to the training in the hazelnut garden and open and direct communication between workers and employers will be strengthened.</li> </ul>	
<b>Output indicators (targeted results)</b>	<ul style="list-style-type: none"> <li>Ensuring open and direct communication between seasonal migrant agricultural worker groups and farmers.</li> </ul>	
<b>Timeline and Deadline Date</b>	February 2024 - September 2024	
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)	
<b>Responsible staff (title/department)</b>	Social Projects Department - Sustainability Manager - Social Workers	

Work Rules and Discipline		
Benchmarks	Compliance Status	
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). ER.20.2: Any person supervising workers shall be aware of the disciplinary rules and practices. 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. ER.20.6: Disciplinary rules and practices shall be clearly communicated to all workers. ER.20.7: Workers must be informed when a disciplinary procedure has been initiated against them. ER.20.8: Workers have the right to participate and be heard in any disciplinary procedure against them. ER.20.11: The disciplinary system shall include a third party witness during imposition, and an appeal process. In the case of smallholder settings, the existing appeal mechanism at the community level is acceptable.	<b>Noncompliance in all farms</b>	
<b>Findings/Noncompliance Explanation</b>	<p>The monitors verified that there are no written or verbal disciplinary rules at the farm level; no disciplinary rules are communicated to workers in any form.</p> <p>Depending on the case and the farmer's expectations, the farmer or the labor contractor can take disciplinary action as they see fit.</p> <p>In general, the worst scenario of disciplinary action is to terminate the worker's employment through the labor contractor if the farmer is not satisfied with the work performance. In this case, they make the payment up to that time. Only a few farmers reported that they could take this kind of action. Most farmers stated they had a constructive and positive approach to discipline issues.</p> <p><u>Source:</u> Documentation, interviews, and observations</p>	
<b>Company Action Plan</b>		
<b>Activity</b>	<ul style="list-style-type: none"> <li>Balsu provides farmers in the supply chain with a "Sustainable Hazelnut Farming Supplier Handbook," which includes the Disciplinary Procedure. According to this procedure, which covers the conditions at the level of</li> </ul>	

	<p>employees, suppliers, and each farm where Balsu works on behalf of Balsu, BALSU monitors and evaluates the violations that will include disciplinary offenses such as physical, psychological harassment, abuse, verbal, physical violence, threats, coming to work under the influence of alcohol, theft, repetition of continuous violations, low performance, etc. from employees both within its organization and within its suppliers with the CSR108 Complaint Procedure and evaluates them within the scope of this procedure.</p> <ul style="list-style-type: none"> <li>• Balsu will mention the Disciplinary Procedure in detail in farmer training modules.</li> <li>• To better convey our Corporate Social Responsibility system, 100 worker groups will each receive a "Sustainable Hazelnut Farming Supplier Handbook" during the 2024 harvest.</li> <li>• The books, which will be left in workers' homes, will be mentioned in farmer training, and the workers will be made more familiar with the disciplinary rules.</li> </ul>
<b>Output indicators</b> (targeted results)	<ul style="list-style-type: none"> <li>• The farmer will transfer disciplinary rules to seasonal migrant agricultural workers.</li> </ul>
<b>Timeline and Deadline</b> <b>Date</b>	February 2024 - September 2024
<b>Input</b> (budget/resources)	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff</b> (title/department)	Social Projects Department - Sustainability Manager - Social Workers

<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>Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation</b>	<p>The interviews verified that only very rarely family members were participating in the trainings.</p> <p>It was reported that some mass farmer trainings were held in the village coffeehouse. Interviewed farmers reported that women do not go to village coffeehouses.</p> <p><u>Source:</u> Documentation, interviews, and observations</p>
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>• For farmer trainings in villages, Balsu prioritizes choosing venues such as village mansions, mosque gardens and teacher's houses where male and female farmers can participate more easily. Village coffee houses are preferred for trainings when there are no options.</li> <li>• As of 9.11.2023, Balsu updated the invitation message sent to farmers for training: "We would love to see you and your family members/wife with us at our training."</li> <li>• Balsu organizes various training programs to empower women workers and farmers. In 2023, as part of the "Agriculture for Our Future, Good Agriculture for the Future of Hazelnut" project, 40 female farmers were trained on different topics such as financial literacy, hazelnut agriculture, and good social practices. In addition, the Balsu does not forget special occasions and organizes various events, and in this context, it came together with 16 women on October 15, International Women Farmers' Day. With this robust</li> </ul>

	communication approach, we aim to increase the participation of women farmers in farmer trainings.
<b>Output indicators</b> (targeted results)	<ul style="list-style-type: none"> <li>Ensuring active participation of women farmers in farmer trainings.</li> </ul>
<b>Timeline and Deadline Date</b>	February 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff</b> (title/department)	Social Projects Department - Sustainability Manager - Social Workers

<b>HSE Management System</b>	
<b>Benchmarks</b>	<b>Compliance Status</b>
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.24.3: Employers shall have a designated responsible person for HSE issues on the farm. For small farms, this could be the farmer's direct responsibility.	<b>Risk of Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation</b>	<p>The Company organizes training for workers about HSE issues. The farmers communicate similar training for 15 minutes on the day of recruitment. However, they are mainly small farmholders, and no one is responsible for HSE issues. They only give simple warnings during these short training such as "do not slip, do not fall." Overall, the interviewed workers only recall some fundamental insights from the training sessions, such as the need to be cautious to avoid accidents, safeguard themselves from insects or sunburn, and prioritize their well-being.</p> <p><u>Source:</u> Interview and Observation</p>
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>Balsu provided Occupational Health and Safety trainings to 2196 farmers with post-harvest training in 2022 and pre-harvest training in 2023.</li> <li>In the 2023 harvest, 2003 workers were trained in Occupational Health and Safety.</li> <li>Balsu placed emergency numbers in the accommodation areas of 3,887 workers in the 2022 and 2023 harvests.</li> <li>Balsu publishes a village panel every month. One page of this panel includes occupational health and safety issues, where all information on occupational accidents is given. Balsu updates this board in 62 regions and shares it with farmers in 118 WhatsApp groups.</li> <li>Balsu will provide First Aid Training to its employees in the field with workers and farmers during harvest time.</li> <li>First aid or garden-level OHS training will be organized for 50 farmers working with seasonal migrant agricultural workers in cooperation with the public.</li> </ul>
<b>Output indicators</b> (targeted results)	<ul style="list-style-type: none"> <li>Ensuring the farmer informs the worker on occupational health and safety issues.</li> </ul>
<b>Timeline and Deadline Date</b>	February 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)

<b>Responsible staff</b> (title/department)	Social Projects Department - Sustainability Manager - Social Workers
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## Non-discrimination

### Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	ND. 1	Noncompliance	All farms
Recruitment and Employment Practices	ND.2.1	Noncompliance	All farms
	ND.2.3	Noncompliance	All farms
Compensation Discrimination	ND. 3	Noncompliance	1,2,3,4,5,6,7,8,9,10,11,13,15,16
Discrimination in Training and Communication	ND. 4	In Compliance	
Marital or Pregnancy-Related Discrimination	ND.5.1	In Compliance	
	ND.5.2	Risk of Noncompliance	All farms
	ND.5.3	Risk of Noncompliance	All farms
	ND.6.1	Risk of Noncompliance	All farms
	ND.6.1.1	Risk of Noncompliance	All farms
Health-Related Discrimination	ND. 7	In Compliance	
	ND.8	In Compliance	
	ND. 9	In Compliance	
Respect for Culture and Religion	ND.11	In Compliance	

### Non-Discrimination Assessment Summary

General Compliance	
Benchmarks	Compliance Status
ND.1: Employers shall comply with all national laws, regulations, and procedures concerning non-discrimination.	<b>Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation</b>	<p>The farmers do not know any local laws, regulations, or judicial processes related to non-discrimination. They are not clear on the definition and scope of discrimination. Interviewed farmers reported that they would not discriminate against workers based on religion, language, or race. However, they do not consider other categories such as age, gender, disability, or pregnancy.</p> <p><u>Source:</u> Documentation, interviews, and observations</p>
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>Balsu gives the "Sustainable Hazelnut Farming Supplier Handbook," which includes the CSR and Ethical Policy, to the farmers in the supply chain. This policy covers employees on behalf of Balsu, suppliers, and the conditions at each farm level where Balsu works. Policy: Explains its commitment to human rights, ethical trade, environmental protection, and business principles and its standards on these issues. It also emphasizes that employees have equal rights and that discrimination is unacceptable. The measures taken by the</li> </ul>

	<p>Company on issues such as working conditions, security measures, environmental protection policy, and wage and salary regulations are expressed in detail.</p> <ul style="list-style-type: none"> <li>Although Balsu explained all the procedures regarding discrimination to farmers, just because farmers raise issues of religion, language, or race does not mean that there is discrimination on issues such as age, gender, disability, and pregnancy, and it is not seen that the farmer.</li> <li>Balsu will request training from FLA to enable farmers to express the issue of discrimination better.</li> <li>CSR and Ethics Policy will be added to the training modules given to farmers.</li> </ul>
<b>Output indicators</b> (targeted results)	<ul style="list-style-type: none"> <li>Ensuring that farmers are more informed about the non-discrimination procedure to which they are bound.</li> </ul>
<b>Timeline and Deadline Date</b>	February 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff</b> (title/department)	Social Projects Department - Sustainability Manager - Social Workers

Recruitment and Employment Practices	
<b>Benchmarks:</b>	<b>Compliance Status</b>
ND.2.1: Recruitment and employment practices shall be free from any type of discrimination. 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.	<b>Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation</b>	<p>The farmers or labor contractors have no non-discrimination policy and limited knowledge or understanding of the concept. The monitors verified during interviews that they only consider religion, language, or race as a basis for discrimination.</p> <p>On the other hand, the farmer in Garden 11 stated that he would not work with pregnant workers.</p> <p>The Company organizes training for workers and farmers, but non-discrimination is not communicated to the workers, who are unaware of the subject.</p> <p><u>Source:</u> Documentation, interviews, and observations</p>
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>Balsu gives the "Sustainable Hazelnut Farming Supplier Handbook," which includes the CSR and Ethical Policy, to the farmers in the supply chain. This policy covers employees on behalf of Balsu, suppliers, and the conditions at each farm level where Balsu works. Policy: Explains its commitment to human rights, ethical trade, environmental protection, and business principles and its standards on these issues. It also emphasizes that employees have equal rights and that discrimination is unacceptable. The measures taken by the Company on issues such as working conditions, security measures, environmental protection policy, and wage and salary regulations are expressed in detail.</li> <li>Although Balsu explained all the procedures regarding discrimination to farmers, just because farmers raise issues of religion, language, or race does not mean that there is discrimination on issues such as age, gender, disability, and pregnancy, and it is not seen that the farmer.</li> </ul>

	<ul style="list-style-type: none"> <li>Balsu will request training from FLA to enable farmers to express the issue of discrimination better.</li> <li>CSR and Ethics Policy will be added to the training modules given to farmers.</li> </ul>
<b>Output indicators</b> (targeted results)	<ul style="list-style-type: none"> <li>Ensuring that farmers are more informed about the non-discrimination procedure to which they are bound.</li> </ul>
<b>Timeline and Deadline Date</b>	February 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff</b> (title/department)	Social Projects Department - Sustainability Manager - Social Workers

Compensation Discrimination	
Benchmarks	Compliance Status
ND.3: There shall be no differences in compensation for workers performing equal work or work of equal value based on gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group, ethnic origin, employment status (e.g., local workers vs. migrant workers), or membership in unions or other workers' representative bodies.	<b>Noncompliance in farms</b> 1,2,3,4,5,6,7,8,9,10, 11,13,15,16
<b>Findings/Noncompliance Explanation</b>	<p>The monitors verified that seasonal and local workers are unpaid for the same harvest work. In addition, it has been observed that seasonal migrant workers were working longer hours (9-10 hours per day) than local workers (8 hours per day). The minimum wage reported to be paid to seasonal migrant workers is 447 TL/day, whereas the interviewed local worker group is paid between 500-600TL/day. It should be noted that there is no standard wage rate among the seasonal migrant workers, and in addition to the minimum wage paid, some farmers may cover their transportation costs, too. This is a relatively new practice in the region and was born due to the labor shortages in recent years. Even though this practice decreases the compensation gap between the different worker groups, the gap is still there, and this is not a standard practice.</p> <p>The triangulation of the interviews with farmers verified that farmers believe local workers are used to the hazelnut harvest work so they can harvest more efficiently "without harming the trees." However, they cannot document or verify their reasons. Monitors saw migrant workers with ten years of hazelnut harvest experience but received less than local workers.</p> <p><u>Source:</u> interviews and observation</p>
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>If the work contractor deducts from the worker, the wage paid to the worker may fall below the gross minimum wage. For this reason, for the last three years, Balsu has been emphasizing on every platform the view that the farmer should cover the contractor's wages, and he has been expressing this strongly in all his trainings. In addition, the sustainable hazelnut farming supplier handbook includes a circular for labor contractors. In this circular, it is clearly stated that labor contractors should receive compensation from the farmers for the work they do.</li> <li>Training is provided to farmers and workers under "Equal pay for equal work." In this context, at least 100 contractors, 1,500 workers, and 2,000 farmers will be trained in 2024.</li> <li>Farmers cover expenses such as transportation, accommodation, and bills of seasonal workers. For local labor groups, these costs are not borne by the</li> </ul>

	farmer. During the 2024 harvest, all expenses paid by 30 farmers to seasonal migrant agricultural workers will be recorded.
<b>Output indicators (targeted results)</b>	<ul style="list-style-type: none"> <li>It will be ensured that the farmer clearly calculates the expense items spent on seasonal workers, and, if any, wage discrimination between local and seasonal workers will be determined.</li> </ul>
<b>Timeline and Deadline Date</b>	February 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff (title/department)</b>	Social Projects Department - Sustainability Manager - Social Workers

<b>Marital or Pregnancy-Related Discrimination</b>	
<b>Benchmarks</b>	<b>Compliance Status</b>
<p>ND.5.2: Employers shall not threaten female workers with dismissal or any other employment decision that negatively affects their employment status to prevent them from getting married or becoming pregnant.</p> <p>ND.5.3: Employers shall not, on the basis of a woman's pregnancy, make any employment decisions that negatively affect a pregnant woman's employment status, including decisions concerning dismissal, loss of seniority, or deduction of wages.</p> <p>ND.6.1: Employers shall abide by all protective provisions in national laws and regulations benefitting pregnant workers and new mothers, including provisions concerning maternity leave and other benefits; prohibitions regarding night work, temporary reassignments away from work stations and work environments that may pose a risk to the health of pregnant women and their unborn children or new mothers and their newborn children, temporary adjustment of working hours during and after pregnancy, and the provision of breastfeeding breaks and facilities.</p> <p>ND.6.1.1: Where such legal protective provisions are lacking, employers shall take reasonable measures to ensure the safety and health of pregnant women and their unborn children.</p>	<b>Risk of Noncompliance in all farms</b>
<p><b>Findings/Noncompliance Explanation</b></p> <p>Monitors did not meet any pregnant or nursing workers during the assessment but identified risks based on the interviews.</p> <p>At farm 11, the farmer stated that he would not work with the pregnant worker.</p> <p>Farmers know nothing about pregnant or breastfeeding workers' employment or working conditions. Few farmers said they would give them lighter work but were not informed about their legal working hours.</p> <p><u>Source:</u> Interviews</p>	
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>Balsu explains the potential risks of long journeys and hazelnut harvesting to pregnant or breastfeeding workers in the provinces of origin through the trainings it conducts during the winter periods.</li> <li>Even if farmers have not been able to clearly state that a pregnant or breastfeeding worker can work a maximum of 7.5 hours, they show that they have received this training by stating that they will give lighter work.</li> <li>Balsu addresses the working conditions of pregnant/breastfeeding workers in the good social practices training module and ensures their understanding by the farmer.</li> <li>In the 2023 harvest, no pregnant or breastfeeding workers worked in any hazelnut orchard, and workers generally do not prefer to work in such a situation.</li> <li>In 2024, at least 100 labor contractors, 1500 workers, and 2000 farmers will be trained on the working conditions of pregnant and breastfeeding workers.</li> </ul>
<b>Output indicators (targeted results)</b>	<ul style="list-style-type: none"> <li>To ensure that farmers are more aware of the employment of pregnant or breastfeeding workers.</li> </ul>



<b>Timeline and Deadline Date</b>	February 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff (title/department)</b>	Social Projects Department - Sustainability Manager - Social Workers

## Harassment or Abuse

### Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	H/A.1.1	Risk of Noncompliance	All farms
	H/A.1.2	In Compliance	
Discipline	H/A.2	In Compliance	
	H/A.3	In Compliance	
	H/A.4	In Compliance	
	H/A.5	In Compliance	
	H/A.6	In Compliance	
	H/A.7	In Compliance	
	H/A.13	Not Applicable	
Violence	H/A.8.1	In Compliance	
	H/A.8.2	In Compliance	
	H/A.8.3	Not Applicable	
Sexual Harassment	H/A.9.1	In Compliance	
	H/A.9.2	In Compliance	
	H/A.9.3	In Compliance	
	H/A.9.4	In Compliance	
Security Practices	H/A.10	Not Applicable	
	H/A.10.1	Not Applicable	
	H/A.10.2	Not Applicable	

### Harassment or Abuse Assessment Summary

General Compliance	
Benchmarks	Compliance Status
H/A.1.1: Employers shall comply with all national laws, regulations and procedures concerning discipline, violence, harassment or abuse.	<b>Risk of Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation</b>	No cases of verbal or physical abuse were detected or reported. However, the awareness of the applicable regulations and penalties was low. <u>Source:</u> Documentation, interviews, and observations
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>Balsu explains the CSR 106 Disciplinary procedure in the Sustainable Hazelnut Farming Supplier Handbook given to its farmers. According to this procedure,</li> </ul>

	<ul style="list-style-type: none"> <li>Balsu follows up and evaluates the notifications/complaints that include disciplinary offenses such as physical, psychological harassment, abuse, verbal, physical violence, threats, coming to work under the influence of alcohol, theft, repetition of continuous violations, low performance, etc., both within its organization and within its suppliers, with the CSR 108 Complaint Procedure and evaluates them within the scope of this procedure.</li> <li>Alliance 8.7 is a collaboration aimed at eliminating forced labor, modern slavery, human trafficking, and child labor, with a focus on the UN's 2030 Sustainable Development Goal 8.7. Türkiye is a pathfinder country in this effort. On October 25, Balsu participated in the National Strategic Workshop on Türkiye's process of becoming a pathfinder country in cooperation with the Ministry of Labor and Social Security and the ILO Türkiye Office and presented policy recommendations.</li> <li>To better communicate our Corporate Social Responsibility system, 150 worker groups will each receive a "Sustainable Hazelnut Farming Supplier Handbook" during the 2024 harvest.</li> <li>The books, which will be left in workers' homes, will be mentioned in farmer training, and workers will be made more familiar with the disciplinary rules.</li> </ul>
<b>Output indicators</b> (targeted results)	<ul style="list-style-type: none"> <li>Awareness raising of at least 2000 farmers registered with the FLA about the regulations on verbal or physical abuse.</li> </ul>
<b>Timeline and Deadline Date</b>	February 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff</b> (title/department)	Social Projects Department - Sustainability Manager - Social Workers

## Forced Labor

### Compliance Status - In Compliance

Section	Benchmark	Compliance status	Farms
General Compliance	F.1	In compliance	
Freedom in Employment and Movement	F.2	In compliance	
	F.3	In compliance	
	F.4.1	In compliance	
	F.4.2	In compliance	
	F.5.3	In compliance	
	F.7.1	In compliance	
	F.7.2	In compliance	
	F.7.3	In compliance	
	F.7.4	In compliance	
	F.7.5	In compliance	
	F.7.6	In compliance	
	F.7.7	In compliance	
	F.8	In compliance	
Work of Family Members	F.6.1	In compliance	
	F.6.2	In compliance	

	F.6.3	In compliance	
	F.6.4	In compliance	
Personal Workers Identification and Other Documents	F.9	In compliance	

## Child Labor

### Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	CL.1	Noncompliance	1, 10
Minimum Age	CL.2	Noncompliance	1, 10
Immediate Family Members	CL.3	Noncompliance	1, 10
Right to Education	CL.4.1 (PR)	In compliance	
Young Workers	CL.5	Noncompliance	1,2,3,4,5,6,7,8,9,10,11,13,16
	CL.6.1	Noncompliance	2,3,4,5,6,7,8,9,10,11,13,14,15
	CL.6.2	Noncompliance	2,3,4,5,6,7,8,9,10,11,13,14,15
	CL.7	Noncompliance	2,3,4,5,6,7,8,9,10,11,13
Apprenticeships and Vocational Training	CL.8.1 (PR)	Not Applicable	
	CL.8.2 (PR)	Not Applicable	
Children on Premises	CL.9	Noncompliance	10
Removal and Rehabilitation of Child Laborers	CL.10.1	In Compliance	
	CL.10.2 (PR)	In progress	All farms

### Child Labor Assessment Summary

#### Notable Good Practices

In cooperation with the Young Life Foundation (YLF) and within the scope of "In a Nutshell Project," Balsu opened safe spaces for the children of seasonal agricultural worker families in Sakarya and Düzce and reached out to the children in remote locations via mobile workshops. A total of 1630 children were registered in the activities. It is also targeted to monitor the school attendance rates of registered children during Winter 2023. Similarly, YLF monitored the attendance of 505 children during Winter 2022.

#### 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.	Noncompliance in farms 1, 10
<b>Findings/Noncompliance Explanation</b> Monitors identified workers under the legal working age of 15 working during harvest at two farms (farms 1 and 10). Farmer no 1 stated that the child was not working at his farms on that day but would work when the harvest began in the coming days. In farm no 10, the child under 15 had started working before the harvest and removed the knots of branches in pruning activity. The child was using a knife as the pruning tool. Additionally, the migrant worker groups employed by Farmers 3 and 4 were interviewed while working that day at another farmer's farm. Child workers were	

	<p>identified among them. However, Farmers 3 and 4 stated that they would not let these children work in their gardens when the work started in their gardens.</p> <p><u>Source:</u> Documentation, interviews, and observations</p>
<p><b>Company Action Plan</b></p>	
<p><b>Activity</b></p>	<ul style="list-style-type: none"> <li>• Within the Child Protection Program scope, Balsu provided the family and location information of the children in farms 1 and 10 to the Young Lives Foundation experts, and the foundation conducted family interviews. Case follow-up and educational attendance will be monitored throughout the winter period. Monitoring-follow-up-intervention activities to be carried out within the scope of winter studies consist of multidimensional intervention stages with a holistic approach.</li> <li>• Due to COVID-19, Balsu took a break from the harvest. Internal monitoring and on-site intervention methods against child labor in 2018 and 2019 focused on internal examinations in identification studies. However, it will resume harvest Internal monitoring in 2024.</li> <li>• Balsu made significant updates to its Corporate Social Responsibility (CSR) documents. The harvest Internal monitoring form will monitor all workers' labor and contract status, accommodation conditions, and health and safety issues on site. At the same time, it will effectively identify the degree of risk against child labor with the Importance test added to the case follow-up form.</li> <li>• Balsu has strengthened its Sustainability Commissions. 2024 Effective and appropriate intervention methods against child labor will be implemented through garden visits and internal monitoring to be carried out at harvest time. Important information will be communicated directly to the Sustainability Commission members, and the impact and power of the commission will be used effectively in this regard.</li> <li>• Balsu continues successfully carrying out the "Sustainable Hazelnut Villages Project" in the Ferizli district between 2022 and 2024. This important project was realized with a working group that brought together representatives of local and regional public institutions. Our project includes risk assessments on essential issues such as child labor, living and working conditions, and formal employment and focuses on the identified risks before each year's harvest. In its final year, we aim to move this successful project to the Hendek district of Sakarya, another important region where Fair Labor Association (FLA) member farmers are concentrated.</li> <li>• Alliance 8.7 is a collaboration aimed at eliminating forced labor, modern slavery, human trafficking, and child labor, with a focus on the UN's 2030 Sustainable Development Goal 8.7. Türkiye is a pathfinder country in this effort. On October 25, Balsu participated in the National Strategic Workshop on Türkiye's process of becoming a pathfinder country in cooperation with the Ministry of Labor and Social Security and the ILO Türkiye Office and presented policy recommendations.</li> </ul>
<p><b>Output indicators (targeted results)</b></p>	<ul style="list-style-type: none"> <li>• Eradication of child labor.</li> <li>• Monitoring the attendance of identified children to formal education during the winter period.</li> </ul>
<p><b>Timeline and Deadline Date</b></p>	<p>February 2024 - September 2024</p>
<p><b>Input (budget/resources)</b></p>	<p>Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)</p>

Responsible staff (title/department)	Social Projects Department - Sustainability Manager - Social Workers
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Minimum Age	
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Benchmarks	Compliance Status
CL.2: Employers shall comply with ILO Convention 138 and shall not employ anyone under the age of 15 or the age for completion of compulsory education, whichever is higher. Suppose a country has a specified minimum age of 14 due to an insufficiently developed economy and educational facilities. In that case, employers might follow national legislation but must work to raise the minimum age to 15 years progressively.	<b>Noncompliance in farms 1, 10</b>

<b>Findings/Noncompliance Explanation</b>	<p>The monitors interviewed workers under the legal working age of 15 at two farms (farms 1 and 10). Farmers 3 and 4 stated that the children were working on another farmer's farm that day, but they would not allow them to work on their farms.</p> <p>The monitors interviewed the same group's child laborers, adults, and young workers and triangulated the findings with farmer interviews. Child laborers working at farms collected hazelnuts from the ground, picked hazelnuts from trees, and bent branches.</p> <p><u>Source:</u> Documentation, interviews, and observations</p>
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Company Action Plan	
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<b>Activity</b>	<ul style="list-style-type: none"> <li>• Within the Child Protection Program scope, Balsu provided the family and location information of the children in farms 1 and 10 to the Young Lives Foundation experts, and the foundation conducted family interviews. Case follow-up and educational attendance will be monitored throughout the winter period. Monitoring-follow-up-intervention activities to be carried out within the scope of winter studies consist of multidimensional intervention stages with a holistic approach.</li> <li>• Balsu has conveyed to farmers and workers in the supply chain that children under 18 are prohibited from working as seasonal migrant agricultural workers through all its trainings and activities. In this context, 2196 farmers were trained in the 2022 post-harvest and 2023 pre-harvest trainings. All children working or at risk of working were referred to the Young Lives Foundation, and case follow-up was initiated. The identified children will be monitored throughout the year with efforts to ensure that their attendance to formal education, health, shelter, and basic needs are met.</li> <li>• The jobs that young workers are allowed to work are explained to farmers, provided that the daily working time does not exceed eight hours. The Balsu Child Labor procedure is implemented concerning the procedures and principles set out in the 'Regulation on the Procedures and Principles of Employment of Child and Young Workers.'</li> <li>• Due to COVID-19, Balsu took a break from the harvest. Internal monitoring and on-site intervention methods against child labor in 2018 and 2019 focused on internal examinations in identification studies. However, it will resume harvest Internal monitoring in 2024.</li> <li>• Balsu made important updates to its Corporate Social Responsibility (CSR) documents. The harvest Internal monitoring form will monitor all workers' labor and contract status, accommodation conditions, and health and safety issues on site. At the same time, it will effectively identify the degree of risk against child labor with the Importance test added to the case follow-up form.</li> <li>• Balsu has strengthened its Sustainability Commissions. 2024 Effective and appropriate intervention methods against child labor will be implemented through garden visits and internal observations to be carried out at harvest time. Important information will be communicated directly to the</li> </ul>
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	<p>Sustainability Commission members, and the impact and power of the commission will be used effectively in this regard.</p> <ul style="list-style-type: none"> <li>Balsu continues successfully carrying out the "Sustainable Hazelnut Villages Project" in the Ferizli district between 2022 and 2024. This important project was realized with a working group that brought together representatives of local and regional public institutions. Our project includes risk studies on important issues such as child labor, living and working conditions, and formal employment and focuses on the identified risks before each year's harvest. In its final year, we aim to move this successful project to the Hendek district of Sakarya, another important region where Fair Labor Association (FLA) member farmers are concentrated.</li> <li>Alliance 8.7 is a collaboration aimed at eliminating forced labor, modern slavery, human trafficking, and child labor, with a focus on the UN's 2030 Sustainable Development Goal 8.7. Türkiye is a pathfinder country in this effort. On October 25, Balsu participated in the National Strategic Workshop on Türkiye's process of becoming a pathfinder country in cooperation with the Ministry of Labor and Social Security and the ILO Türkiye Office and presented policy recommendations.</li> </ul>
<b>Output indicators (targeted results)</b>	<ul style="list-style-type: none"> <li>Eradication of child labor.</li> <li>Monitoring the attendance of identified children to formal education during the winter period.</li> </ul>
<b>Timeline and Deadline Date</b>	February 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff (title/department)</b>	Social Projects Department - Sustainability Manager - Social Workers

Immediate Family Members	
Benchmarks	Compliance Status
<p>CL.3: By national laws and ILO Convention 138, children of producers not younger than 12 years may be involved in light work on their parents' farm provided that:</p> <ul style="list-style-type: none"> <li>The work is not dangerous and not harmful to their health or development;</li> <li>The work does not prejudice their attendance at school and is done within reasonable time limits after school or during holidays;</li> <li>The work is appropriate to the child's age and physical condition and does not jeopardize the child's social, moral, or physical development;</li> <li>The child's parents provide supervision and guidance.</li> </ul>	<p><b>Noncompliance in farms 1, 10</b></p>
<b>Findings/Noncompliance Explanation</b>	<p>Monitors verified during interviews that none of the farmers, labor contractors, or workers were familiar with the concept of light or hazardous work.</p> <p>The child laborers in Farm 1 attended the summer school organized by Balsu last year. However, she wanted to contribute to the family economy this year. She was fit to work for the farmer, too. She would collect hazelnuts from the ground, working the same hours as adults and receiving the same amount. The child laborer at Farm 10 was using a knife for pruning activities. She worked the same hours and received the same wages as adults. Her parents were reportedly in their hometown, and she travelled to Sakarya with her relatives.</p> <p><u>Source:</u> Documentation, interviews, and observations</p>
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>Balsu conveyed hazardous work concepts to 2196 farmers in 2022 post-harvest and 2023 pre-harvest trainings.</li> </ul>

	<ul style="list-style-type: none"> <li>In the 2023 harvest, 2003 workers and 124 labor contractors were informed about hazardous work under the heading of working conditions.</li> <li>In the 2024 harvest, at least 100 labor contractors, 1,500 workers, and 2,000 farmers will be trained.</li> <li>Family and location information of the children in farms 1 and 10 were provided to Young Lives Foundation experts, and the foundation conducted family interviews.</li> <li>Young people who come to the harvest region without first-degree relatives may make this choice for many reasons. These reasons may include separation from their families, having an elderly or single parent, or lack of income-generating activities.</li> <li>In addition, several variable influences, such as the earthquake and economic hardship before the 2023 harvest, caused young workers to arrive at harvest sites without immediate family members.</li> <li>During the winter, Balsu will work with children who do not come to the harvest area with immediate family members to understand the reasons behind this choice and develop solutions.</li> </ul>
<b>Output indicators (targeted results)</b>	<ul style="list-style-type: none"> <li>Preventing individuals under 18 from coming to the harvest area without a first-degree relative.</li> <li>Raising awareness of farmers, labor contractors, and workers on hazardous work.</li> </ul>
<b>Timeline and Deadline Date</b>	February 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff (title/department)</b>	Social Projects Department - Sustainability Manager - Social Workers

<b>Young Workers</b>	
<b>Benchmarks</b>	<b>Compliance Status</b>
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.	<b>Noncompliance in farms</b> 1,2,3,4,5,6,7,8,9,10,11,13,16
CL.6.1: Employers shall comply with all relevant laws that apply to young workers, (e.g., those between the minimum legal working age and the age of 18) including regulations related to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime. CL.6.2: Employers shall maintain a list of all young workers, their entry dates, proof of age, and a description of their assignment.	<b>Noncompliance in farms</b> 2,3,4,5,6,7,8,9,10,11,13,14,15
CL.7: No person under 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 18. Such work includes but is not limited to applying agricultural chemicals, pesticides, and fertilizers, using farm equipment tools and machinery, lifting or moving heavy materials or goods, or carrying out hazardous tasks such as underground, underwater, or at dangerous heights. An adult must supervise every activity performed by a young worker.	<b>Noncompliance in farms</b> 2,3,4,5,6,7,8,9,10,11,13
<b>Findings/Noncompliance Explanation</b>	<p>The monitors verified that only farmers at farms 12, 14, and 15 knew the concept of young workers and that these workers could work fewer hours. The laws allow young workers to perform light work, working a maximum of 8 hours per day and 40 hours per week, with no overtime or hazardous work permitted. Farmers and labor contractors are not taking measures to ensure that young workers work under these conditions.</p> <p>Monitors witnessed at Farm Ten that young workers were removing knots of branches during pruning by using knives. In other gardens, they were harvesting</p>



	<p>from trees, bending branches, and working on steep slopes, considered hazardous work for young workers.</p> <p><u>Source:</u> Documentation, interviews, and observations</p>
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>In the 2024 harvest, at least 100 labor contractors, 1500 workers, and 2000 farmers will receive detailed training on the working conditions of young workers.</li> <li>The jobs that young workers are allowed to work are explained to farmers, provided that the daily working time does not exceed eight hours. The Balsu Child Labor procedure is implemented concerning the procedures and principles set out in the 'Regulation on the Procedures and Principles of Employment of Child and Young Workers</li> <li>Young people who come to the harvest area without a first-degree relative may make this choice for many reasons. These reasons may include separation from their family, having an elderly or single parent, or lack of income-generating activities.</li> <li>In addition, several variable influences, such as the earthquake and economic hardship before the 2023 harvest, caused young workers to arrive at harvest sites without immediate family members.</li> <li>During the winter, Balsu will work with children who do not come to the harvest area with immediate family members to understand the reasons behind this choice and develop solutions.</li> </ul>
<b>Output indicators (targeted results)</b>	<ul style="list-style-type: none"> <li>Preventing individuals under 18 from coming to the harvest area without a first-degree relative.</li> <li>Ensuring that farmers, labor contractors, and workers know the concept of hazardous work.</li> </ul>
<b>Timeline and Deadline Date</b>	February 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff (title/department)</b>	Social Projects Department - Sustainability Manager - Social Workers

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.	<b>Noncompliance in farm 10</b>
<b>Findings/Noncompliance Explanation</b>	<p>Monitors reported that at the farm, ten child laborers were working before harvest by removing knots of branches as pruning work using a knife, which is hazardous.</p> <p><u>Source:</u> interviews and observations</p>
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>In the 2023 harvest, 2003 workers and 124 labor contractors were trained on hazardous work under working conditions.</li> <li>In the 2024 harvest, at least 100 labor contractors, 1,500 workers, and 2,000 farmers will be trained.</li> </ul>

	<ul style="list-style-type: none"> <li>Family and location information of the child in Farm Ten was provided to Young Lives Foundation experts, and the foundation conducted family interviews. In addition, with the Case Follow-up opened, children will be monitored throughout the year with studies on their attendance to formal education, health, shelter, and the sensitivity of not meeting their basic needs.</li> </ul>
<b>Output indicators (targeted results)</b>	<ul style="list-style-type: none"> <li>Raising awareness of farmers, labor contractors, and workers on hazardous work.</li> <li>Eradicating child labor.</li> </ul>
<b>Timeline and Deadline Date</b>	February 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff (title/department)</b>	Social Projects Department - Sustainability Manager - Social Workers

## Health, Safety and Environment

### Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	HSE.1.	Risk of Noncompliance	All farms
Document Maintenance, Permits, and Certificates	HSE.2 (PR)	In progress	All farms
	HSE.3.1	Risk of Noncompliance	All farms
	HSE.4 (PR)	In progress	All farms
Evacuation Requirements and Procedure	HSE.5.1 (PR)	Not initiated	All farms
	HSE.5.2	Risk of Noncompliance	All farms
Safety Equipment and First Aid	HSE.6.1 (PR)	In progress	7,9,13,14
	HSE.6.2 (PR)	In progress	All farms
	HSE.16.3 (PR)	In compliance	All farms
Personal Protective Equipment	HSE.7 (PR)	In progress	All farms
	HSE.8	In Compliance	All farms
Chemical Management	HSE.9.1	In Compliance	All farms
	HSE.9.2	In Compliance	All farms
	HSE.9.2.1	In Compliance	All farms
	HSE.10	Not Applicable	All farms
	HSE.11.1	In Compliance	All farms
	HSE.11.2	In Compliance	All farms
Protection Reproductive Health	HSE.12.1	Risk of Noncompliance	All farms
	HSE.12.2 (PR)	In progress	All farms
Infrastructure	HSE.13 (PR)	Not Applicable	All farms
	HSE.17.1	Risk of Noncompliance	4
	HSE.17.2 (PR)	Not initiated	All farms
	HSE.19 (PR)	In progress	4, 5
	HSE.21 (PR)	In progress	All farms
	HSE.22 (PR)	Not initiated	5,6,7,8,10,11,14,15,16
Machinery Safety	HSE.14.1	In Compliance	All farms
	HSE.14.2	Noncompliance	10
	HSE.14.3	Noncompliance	All farms
	HSE.14.4	In Compliance	All farms
	HSE.15.2 (PR)	In progress	All farms

Ergonomics and Medical Facilities	HSE.16.2	Risk of Noncompliance	All farms
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## Health Safety and Environment Assessment Summary

Notable Good Practices
<p>Balsu provided seven mobile WCs and one mobile shower station to the workers in their supply chain in 2023 and contributed to renovating the bathrooms and toilets of two workers' houses. Additionally, within the scope of the RVO project, Balsu contributed to the improvements in the camp area in Ferizli.</p> <p>During the worker trainings, they distributed personal protection equipment and hygiene kits to all accessed worker groups.</p>

General Compliance	
Benchmarks	Compliance Status
HSE.1: Employers shall comply with all national laws, regulations, and procedures concerning health, safety, and the environment.	Risk of Noncompliance in all farms
Findings/Noncompliance Explanation	<p>The monitors verified that the Company had communicated general information regarding HSE issues to the workers.</p> <p>However, no procedure is related to HSE issues at the farm level. Farmers only have basic knowledge about HSE issues; they have no or limited knowledge about the local regulations related to HSE issues and the working conditions of special category workers. They do not verify if there is a special category worker (pregnant, nursing, elderly, disabled, ill, young workers) present among the group employed.</p> <p><u>Source:</u> Documentation, interviews, and observations</p>
Company Action Plan	
Activity	<ul style="list-style-type: none"> <li>Balsu publishes village panels every month. One page of this panel covers occupational health and safety issues, including all information on occupational accidents. Balsu updates this panel in 62 regions and shares it with its farmers in 118 WhatsApp groups.</li> <li>At least 100 labor contractors, 1,500 workers, and 2,000 farmers will receive detailed training on the working conditions of special category workers for the 2024 harvest.</li> <li>Hand brochures will be prepared for farmers to use at the garden level within the scope of OHS rules.</li> </ul>
Output indicators (targeted results)	Increased knowledge of farmers on OHS and disadvantaged workers.
Timeline and Deadline Date	January 2024 - September 2024
Input (budget/resources)	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
Responsible staff (title/department)	Social Projects Department - Sustainability Manager - Social Workers

## Document Maintenance, Permits, and Certificates

Benchmarks		Compliance Status
HSE.3.1: Employers shall notify the relevant national and/or local authorities of all illnesses, accidents, and environmental emergencies as required by applicable laws		<b>Risk of Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation</b>	<p>During the interviews with workers and farmers, it was reported that they take the workers to hospitals when needed. For example, at Farm 5, a worker was taken to the hospital because of a bee sting. At farm 6, workers were taken to the hospital due to burn formation. At farm 7, 4 workers were taken to hospital due to sunstroke. At farm 15, a worker's eye was scratched by a branch and taken to the hospital.</p> <p>However, farmers do not maintain any records of these cases and do not report them to any authorities.</p> <p><u>Source:</u> interviews and observations</p>	
<b>Company Action Plan</b>		
<b>Activity</b>	<ul style="list-style-type: none"> <li>Information activities will be carried out to inform farmers to report all diseases and accidents experienced by workers to the local mukhtars.</li> <li>An occupational standard for labor contractors has been established. This standard ensures that the duties and responsibilities of labor contractors are clearly defined. In addition, an important step has been taken to ensure that the state records all transactions. Balsu is closely following the process by attending this standard meeting.</li> </ul>	
<b>Output indicators (targeted results)</b>	It will be ensured that all activities carried out for seasonal migrant agricultural workers are recorded.	
<b>Timeline and Deadline Date</b>	January 2024 - September 2024	
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)	
<b>Responsible staff (title/department)</b>	Social Projects Department - Sustainability Manager - Social Workers	

Evacuation Requirements and Procedure		
Benchmarks		Compliance Status
HSE.5.2: Where appropriate, workers shall be trained in evacuation procedures at least once per year.		<b>Risk of Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation</b>	<p>None of the farms have emergency or evacuation procedures.</p> <p>The area is reported as not having any earthquake risk. The farmers express that it is not possible to have firefighting equipment on all of the farms. Significant risks reported in the area are floods and landslides. The farmers apply simple measures for these cases, such as when the rain starts, the workers stop working and return to their accommodations.</p> <p><u>Source:</u> interviews and observations</p>	
<b>Company Action Plan</b>		
<b>Activity</b>	<ul style="list-style-type: none"> <li>The practice of workers leaving the garden and returning to their accommodation when the rain starts may seem simple, but it is a vital precaution. It is a step to minimize potential accidents and ensure the safety of workers. Leaving the garden is not just a simple routine but a vital</li> </ul>	

	<p>measure, as it is a safety measure to minimize the potential impact of disasters such as floods and landslides.</p> <ul style="list-style-type: none"> <li>• During the 2023 harvest, the Young Lives Foundation provided Natural Disaster and First Aid Training to 212 workers in 6 trainings in Düzce and Sakarya provinces. This raises awareness of workers against possible accidents</li> <li>• Balsu publishes a village panel every month. One page of this panel covers occupational health and safety, including all information on occupational accidents. Balsu updates this panel in 62 regions and shares it with farmers in 118 WhatsApp groups.</li> <li>• Through the village boards, Balsu will publish informative content against risks such as floods and landslides caused by rainfall for two consecutive months during the pre-harvest period.</li> <li>• Balsu and Young Lives Foundation will continue to inform workers and farmers about natural disaster risks.</li> </ul>
<b>Output indicators</b> (targeted results)	Raising awareness of seasonal migrant agricultural workers and farmers against natural disasters.
<b>Timeline and Deadline Date</b>	January 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff</b> (title/department)	Social Projects Department - Sustainability Manager - Social Workers

Protection of Reproductive Health	
Benchmarks	Compliance Status
HSE.12.1: Employers shall ensure that women are not engaged in work that constitutes a substantial risk to their reproductive health.	<b>Risk of Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation</b>	<p>Monitors reported that female workers do two types of work during the harvest. It is either cooking at accommodation or harvesting. Since they do not carry tasks related to agrochemicals and chemicals are used long before the harvest, there is no risk of agrochemicals. However, farmers do not verify if there is a pregnant, ill worker or any person with disabilities present among the workers. The farmers have no or limited knowledge about the local regulations related to HSE issues and what conditions workers, especially the disadvantaged workers, could work under.</p> <p><u>Source:</u> interviews and observations</p>
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>• An occupational standard for labor contractors has been established. This standard provides a clear definition of the duties and responsibilities of labor contractors. In addition, an important step has been taken to ensure that the state records all transactions. Balsu attends this standard meeting and closely follows the process. With registered employment, it will be easier to monitor the working conditions of special-category workers.</li> <li>• In the 2024 harvest, at least 100 labor contractors, 1500 workers, and 1200 farmers will receive detailed training on the working conditions of young workers.</li> <li>• Hand brochures will be prepared for farmers to use at the garden level within the scope of OHS rules.</li> </ul>

	<ul style="list-style-type: none"> <li>At the Balsu factory, all working women are provided with training by the Sakarya Provincial Health Directorate Cancer Early Diagnosis Screening and Education Center. In 2024, training on breast and cervical cancer will be organized for seasonal working women, and all working women who request will be directed to screening centers. In this context, 50 women will be trained.</li> </ul>
<b>Output indicators</b> (targeted results)	<ul style="list-style-type: none"> <li>Increased knowledge of farmers on OHS and disadvantaged workers.</li> <li>Raising awareness of health among women workers.</li> </ul>
<b>Timeline and Deadline</b> <b>Date</b>	January 2024 - September 2024
<b>Input</b> (budget/resources)	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff</b> (title/department)	Social Projects Department - Sustainability Manager - Social Workers

Machinery Safety	
Benchmarks	Compliance Status
HSE.14.2: Where appropriate, workers shall receive training in the proper use and safe operation of machinery, tractors, equipment, and tools they use.	<b>Noncompliance in farm 10</b>
HSE.14.3: Employers shall ensure safety instructions are either displayed or posted near all machinery or are readily accessible to the workers in language(s) spoken by workers. Where workers are illiterate, the instructions should be depicted by pictograms.	<b>Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation</b>	<p>Farmer no 10 had employed a worker below the minimum legal age to use a knife for pruning, which was hazardous on its own already, with no proper training.</p> <p>Farmers do not ensure safety instructions are displayed or posted near tractors or pruning tools. The farmers do not even verbally train the workers when they request workers to use tractors or equipment like pruning tools.</p> <p><u>Source:</u> interviews and observations</p>
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>The family information and location of the child in Farm No. 10 was communicated to the Young Lives Foundation experts, and the foundation conducted family interviews. In addition, with the Case follow-up, children will be monitored throughout the year with efforts to ensure that their attendance to formal education, health, shelter, and basic needs are not met.</li> <li>Balsu publishes a village panel every month. One page of this panel covers occupational health and safety issues, including all information on occupational accidents. Balsu updates this panel in 62 regions and shares it with farmers in 118 WhatsApp groups.</li> <li>Through the village boards, Balsu will publish informative content on using equipment such as tractors or pruners for two consecutive months during the pre-harvest period.</li> <li>Hand brochures will be prepared for farmers to use at the garden level within the scope of OHS rules.</li> </ul>
<b>Output indicators</b> (targeted results)	<ul style="list-style-type: none"> <li>Eradicate child labor.</li> <li>Increase farmers' level of knowledge on OHS.</li> </ul>
<b>Timeline and Deadline</b> <b>Date</b>	January 2024 - September 2024

<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff (title/department)</b>	Social Projects Department - Sustainability Manager - Social Workers

Infrastructure	
Benchmarks	Compliance Status
HSE.17.1: Safe and clean potable water for drinking shall be freely available at all times, within a reasonable distance of the workplace. For farm settings in water-stressed regions where access to potable water is not always guaranteed, employers shall work with local authorities and other partners to provide clean water in sufficient volume and quality to guarantee the well-being of hired and family workers.	<b>Risk of Noncompliance in farm 4</b>
<b>Findings/Noncompliance Explanation</b>	Workers at farm 4 reported that the drinking water was not pure color but that they had not had any health issues so far. <u>Source:</u> interviews and observations
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>Generally, during harvest time, farmers have clean water available for workers working in their gardens.</li> <li>At least 100 labor contractors, 1500 workers, and 2000 farmers will be trained in water and sanitation.</li> </ul>
<b>Output indicators (targeted results)</b>	Ensuring free access to safe and clean drinking water for seasonal migrant agricultural workers.
<b>Timeline and Deadline Date</b>	January 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff (title/department)</b>	Social Projects Department - Sustainability Manager - Social Workers

Ergonomics and Medical Facilities	
Benchmarks	Compliance Status
HSE.16.2: Medical facilities shall be established and maintained as applicable laws require. In case of no local law, the employer shall ensure that the workers are able to utilize local service providers in case of medical emergencies and have the local medical officer's contact address available to the workers. In the case of a medical emergency, e.g., injury or sudden illness, growers will not unreasonably delay allowing a worker to have access to medical treatment.	<b>Risk of Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation</b>	No person was identified as responsible for any health incident. The farmer takes the ill worker to the medical facilities in his/her vehicle.  Besides, no proper emergency plan or procedure is available to access the medical facilities. The farmers report taking the worker to the hospital or calling an ambulance. Health centers are 1-5 km, and state hospitals are 5-15 km from the gardens. There are different scenarios and distances to consider.  <u>Source:</u> interviews and observations
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>The labor contractor and the garden owner are jointly responsible for the workers' medical emergencies. Workers are given leave for treatment in case of a health emergency, and the labor contractor and the farmer in transportation to health institutions provide support.</li> </ul>



	<ul style="list-style-type: none"> <li>Balsu has been placing emergency numbers in workers' homes since 2021.</li> <li>In emergencies, Balsu will cover all farmers in its supply chain. It will turn into a procedure for emergency response methods that must be applied, such as evacuation, first aid, natural disasters, and firefighting.</li> <li>The responsibilities of labor contractors and farmers within the framework of the employment relationship are explained to all actors.</li> </ul>
<b>Output indicators</b> (targeted results)	Easier access for workers to medical facilities.
<b>Timeline and Deadline Date</b>	January 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff</b> (title/department)	Social Projects Department - Sustainability Manager - Social Workers

## Hours of Work

### Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	HOW.1.1	Noncompliance	All farms
	HOW.1.2	Noncompliance	1,2,3,4,5,6,8,9,11,13,15,16
	HOW.1.3	Noncompliance	1,2,3,4,5,6,8,9,11,13,15,16
	HOW.1.4	Noncompliance	All farms
Rest Day	HOW.2	In Compliance	
Meal and Rest Breaks	HOW.3	In Compliance	
Protected Workers	HOW.4.1	Noncompliance	2,3,4,5,6,7,8,9,10,11,13,14,15
	HOW.4.2 (PR)	Not initiated	All farms
	HOW.4.3	Noncompliance	All farms
Overtime	HOW.5.1	Noncompliance	All farms
	HOW.5.2 (PR)	Not initiated	All farms
	HOW.6.1	Noncompliance	All farms
	HOW.6.2	Noncompliance	All farms
	HOW.6.3 (PR)	Not initiated	All farms
	HOW.7	Not Applicable	
Public Holidays and Leave	HOW.8.1	Noncompliance	All farms
	HOW.8.2	Noncompliance	All farms
	HOW.8.3	Not Applicable	
	HOW.9	Not Applicable	
	HOW.10.1	Not Applicable	
	HOW.11 (PR)	Not Applicable	
	HOW.12.1 (PR)	Not initiated	All farms
	HOW.12.2 (PR)	In Compliance	
	HOW.13	In Compliance	
	HOW.14	Noncompliance	All farms
HOW.15 (PR)	Not Applicable		
HOW.16 (PR)	Not Applicable		

### 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.1.4: When workers' accommodations and transport are 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 the working time calculation.</p>	<p><b>Noncompliance in all farms</b></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 days; and (4) shall be fully compensated according to legal requirements or worker agreements, whichever is more favorable 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><b>Noncompliance in farms 1,2,3,4,5,6,8,9, 11,13,15,16</b></p>
<p><b>Findings/Noncompliance Explanation</b></p>	<p>A minimal number of farmers and workers were found aware of the national laws, regulations, and procedures concerning hours of work, public holidays, and the right to leave in assessed gardens.</p> <p>The monitors detected that working hours changed among farms. Different working hours were as follows;</p> <p>07:00 -18:00 for seven migrant worker groups (farm 2,3,9,10,11,13,16)</p> <p>07:00-19:00 for six migrant worker groups (farm 1,4,5,6,8,15)</p> <p>08:00-18:00 for one local worker group and two migrant worker groups (farm 7,12,14).</p> <p>The total break times changed from 1,5 to 2 hours, which includes a 1-hour break for lunch in all gardens. After subtracting the break times, the daily working hours were 10 hours for seven migrant worker groups, 9,5 hours for four migrant worker groups, 9 hours for two migrant worker groups, and 8 hours for one local and one migrant worker group. This makes weekly working hours between 56 and 70 hours without overtime payment. The monitors observed that some workers and farmers were aware of regulations about working hours limited to 8 hours, even though the working hours were generally above 8 hours. The legal maximum daily work limit is 8 hours without overtime and 11 hours with overtime.</p> <p>The workers reported working continuously between 10 and 30 days without rest unless the weather was rainy. The workers are granted an unpaid rest day if the weather is rainy.</p> <p><u>Source:</u> Interviews and observations</p>
<p><b>Company Action Plan</b></p>	
<p><b>Activity</b></p>	<ul style="list-style-type: none"> <li>• According to survey results conducted in worker trainings since 2017, the average working hours for 2017-2021 were observed to be 10.5 hours.</li> <li>• However, in the year 2022, the average working hours decreased to 10 hours, and in 2023, it further decreased to 9.5 hours, according to the data.</li> <li>• Balsu, based on observations during the 2024 harvest, will provide information on working hours, wages and payments, official holidays, and the right to leave the orchards, relying on the findings to be made during internal observations.</li> <li>• Every year, before the harvest season, committee decisions determining the working conditions of workers are published by the governorships and governorates. Balsu follows these commission decisions by visiting public institutions in the supply chain regions during the pre-harvest preparation period.</li> <li>• An employment standard for agricultural labor contractors has been established. This standard ensures a clear definition of the tasks and</li> </ul>

	responsibilities of agricultural labor contractors. Additionally, the government has taken an important step to record all transactions. Balsu attends this meeting to monitor the process closely.
<b>Output indicators (targeted results)</b>	<ul style="list-style-type: none"> <li>Reducing the working hours of seasonal migrant agricultural workers.</li> <li>Farmers: It will be ensured that all national laws, regulations, and procedures regarding working hours, public holidays, and leaves are complied with.</li> </ul>
<b>Timeline and Deadline Date</b>	January 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff (title/department)</b>	Social Projects Department - Sustainability Manager - Social Workers

### 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.	<b>Noncompliance in farms</b> 2,3,4,5,6,7,8,9,10,11,13,14,15
HOW.4.3: If not provided by law, employers must protect 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.	<b>Noncompliance in all farms</b>

<b>Findings/Noncompliance Explanation</b>	<p>The monitors identified young workers at 13 out of 16 gardens visited. Young workers worked the same daily hours as adults (up to 10). No regulation has been implemented for protected and disadvantaged workers in the gardens.</p> <p><u>Source:</u> interviews and observations</p>
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### Company Action Plan

<b>Activity</b>	<ul style="list-style-type: none"> <li>Balsu has conveyed to the farmers and workers in the supply chain that children under 18 are prohibited from working as seasonal migratory agricultural workers through all the training and studies it has carried out. In this context, 2196 farmers were trained with 2022 post-harvest and 2023 pre-harvest training. All children working or at risk of working are directed to the Young Lives Foundation, and case follow-up is initiated. With Case follow-up, children's attendance at formal education will be monitored throughout the year through studies aimed at their sensitivity to health, shelter, and lack of basic needs being met.</li> <li>The jobs that young workers are allowed to do are explained to farmers, provided that the daily working hours do not exceed eight hours. Balsu Child Labor Procedure is implemented concerning the procedures and principles determined within the scope of the 'Regulation on the Procedures and Principles of the Employment of Child and Young Workers.'</li> <li>Balsu has strengthened its Sustainability Commissions. 2024 Effective and appropriate intervention methods will be applied against disadvantaged workers (pregnant women, nursing women, and young workers) through garden visits and introspections during harvest time. Important information will be conveyed directly to the members of the Sustainability Commission, and the influence and power of the commission will be used effectively in this regard.</li> </ul>
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	<ul style="list-style-type: none"> <li>Balsu explains the potential risks of long journeys and hazelnut harvesting to pregnant or nursing women workers in the provinces of origin through the trainings it provides during the winter periods.</li> </ul>
<b>Output indicators</b> (targeted results)	<ul style="list-style-type: none"> <li>Compliance with the working hours regulated for disadvantaged workers.</li> <li>Eradicating of child labor.</li> </ul>
<b>Timeline and Deadline</b> <b>Date</b>	January 2024 - September 2024
<b>Input</b> (budget/resources)	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff</b> (title/department)	Social Projects Department - Sustainability Manager - Social Workers

Overtime	
Benchmarks	Compliance Status
<p>HOW.5.1: Where national laws, regulations, and procedures allow it, employers may calculate regular hours of work as an average over longer than one week, provided all formal and procedural requirements attached to such calculation are met (for instance, obtaining official permission from the relevant authorities or observing limits to the period during which such calculations can be made). However, for overtime calculation, regular hours of work may not exceed 48 hours per week, irrespective of whether national law provides or not a limitation.</p> <p>HOW.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>	<b>Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation</b>	<p>All the worker groups worked more than 48 regular hours per week, between 56 and 70 hours. These workers are not paid for any overtime hours. The farmers and workers verbally agree on a total number of work days against the agreed daily wage without calculating the premium for any overtime hour. All hours in daily work and any work on a holiday are considered regular working hours, without any special agreement for overtime. The workers have to accept this deal to work on the farm.</p> <p>There is no awareness of working hours and overtime among farmers and workers.</p> <p>The interviewed workers stated that the working hours are too long and exhausting. Workers work seven days a week (often in different farmers' gardens) if there is no rain break for 3 to 6 weeks.</p> <p><u>Source:</u> Documentation, interviews, and observations</p>
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>A professional standard has been established for labor contractors. This standard ensures that the duties and responsibilities of labor contractors are determined. Additionally, an important step has been taken to record all transactions by the state. Balsu continues to follow the process closely by attending this standard meeting. This standard may allow working hours to be regulated and recorded.</li> <li>Every year before the harvest period, committee decisions determining the working conditions of workers are published by district governorships and governorships. During the pre-harvest preparation period, Balsu visits public institutions and organizations in the regions within the supply chain's scope and follows this commission's decisions.</li> <li>Balsu gives the "Sustainable Hazelnut Farming Supplier Handbook," which includes the "worker registration list form," to the farmers in the supply chain. The worker registration list form includes age, gender, number of days worked, type of work, daily wage, and daily working hours.</li> </ul>

	<ul style="list-style-type: none"> <li>Balsu, in the 2024 harvest: In the training modules, information about national laws, regulations, and procedures regarding working hours, public holidays, and the right to leave the gardens will be provided, and monitoring and evaluation studies will continue with the findings during harvest introspections.</li> <li>In this context, training will be provided to at least 100 labor contractors, 1,500 workers, and 2,000 farmers.</li> </ul>
<b>Output indicators (targeted results)</b>	<ul style="list-style-type: none"> <li>Improving working conditions and ensuring legal working hours are implemented.</li> </ul>
<b>Timeline and Deadline Date</b>	January 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff (title/department)</b>	Social Projects Department - Sustainability Manager - Social Workers

Public Holidays and Leave	
Benchmarks	Compliance Status
HOW.8.1: Employers shall provide workers with all official public holidays as required under national laws, regulations, and procedures. HOW.8.2: Employer may engage with workers on a specific working scheme which allows workers to work on holidays if voluntarily agreed by the workers without any pressure to accept or retaliation if refuse. HOW.14: Employers shall provide workers sick leave as required under national laws, local provisions, regulations, and procedures.	<b>Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation</b>	<p>There is no implementation of rights of public holidays, sick leave, or rest days for workers in assessed farms. If a worker is ill, s/he can go home to rest or is taken to the hospital as unpaid leave.</p> <p>Since no permanent or long-term work is applicable in the hazelnut harvest employment, annual leave is not applicable.</p> <p><u>Source:</u> interviews and observations</p>
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>A professional standard has been established for labor contractors. This standard ensures that the duties and responsibilities of labor contractors are determined. Additionally, an important step has been taken to record all transactions by the state. Balsu continues to follow the process closely by attending this standard meeting. This standard may allow working hours to be regulated and recorded.</li> <li>Every year before the harvest period, committee decisions determining the working conditions of workers are published by district governorships and governorships. During the pre-harvest preparation period, Balsu visits public institutions and organizations in the regions within the supply chain's scope and follows this commission's decisions.</li> <li>Balsu, in the 2024 harvest: In the training modules, information about national laws, regulations, and procedures regarding working hours, public holidays, and the right to leave the gardens will be provided, and monitoring and evaluation studies will continue with the findings during harvest introspections.</li> <li>In this context, training will be provided to at least 100 labor contractors, 1,500 workers, and 2,000 farmers.</li> </ul>

<b>Output indicators</b> (targeted results)	<ul style="list-style-type: none"> <li>Improving working conditions and ensuring legal working hours are implemented</li> </ul>
<b>Timeline and Deadline Date</b>	January 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff</b> (title/department)	Social Projects Department - Sustainability Manager - Social Workers

## Compensation

### Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	C.1.1	Risk of Noncompliance	1,2,4,5,6,7,8,9,10,11,13,15,16
	C.1.2	Noncompliance	1,2,4,5,6,7,8,9,10,11,13,15,16
	C.1.3	Not Applicable	
	C.1.4	Not Applicable	
Minimum Wage/Fair Compensation	C.2.1	Noncompliance	1,2,4,5,6,7,8,9,10,11,13,15,16
	C.2.2	In Compliance	
	C.2.3	In Compliance	
	C.2.4 (PR)	Not initiated	All farms
	C.2.5 (PR)	In progress	1,2,4,5,6,7,8,9,10,11,13,15,16
	C.2.6 (PR)	In progress	All farms
Farmer/Producer Income	C.3	Not Applicable	
Wage Payment and Calculation	C.4 (PR)	Not initiated	All farms
	C.6	In Compliance	
	C.7.1	In Compliance	
	C.7.2	Noncompliance	All farms
	C.7.3 (PR)	In progress	All farms
	C.7.4 (PR)	Not initiated	All farms
	C.7.5	In Compliance	
	C.8.1	Noncompliance	All farms
	C.8.2	Noncompliance	All farms
	C.8.3	Noncompliance	All farms
	C.8.4 (PR)	Not initiated	All farms
	C.9 (PR)	Not Applicable	
	C.10.1	Not Applicable	
	C.10.1.1	Not Applicable	
C.10.2	Not Applicable		
C.10.3	Not Applicable		
Workers Awareness	C.11.1.1	Noncompliance	All farms
	C.11.1.2	Not Applicable	
	C.11.1.3	In Compliance	
	C.11.1.4	Not Applicable	
	C.11.1.5	Risk of Noncompliance	All farms
C.13 (PR)	In progress	All farms	
Fringe Benefits	C.12.1	In Compliance	
	C.12.2 (PR)	Not initiated	All farms
	C.12.3	In Compliance	
	C.12.4	In Compliance	

## Compensation Assessment Summary

General Compliance	
Benchmarks	Compliance Status
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.	<b>Risk of Noncompliance in farms</b> 1,2,4,5,6,7,8,9,10,11,13,15,16
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.	<b>Noncompliance in farms</b> 1,2,4,5,6,7,8,9,10,11,13,15,16
<b>Findings/Noncompliance Explanation</b> <p>The farmers report that they would pay the seasonal workers a minimum wage of 450 TL/day up to 500 TL/day. However, these worker groups do not know precisely how much they will receive due to the unknown amount to be deducted as the commission by the labor contractor. The labor contractor can abuse this situation. Therefore, seasonal migrant workers are at risk of being paid below the minimum daily wage.</p> <p>The seasonal migrant worker groups and the farmers reported that workers' wages were 450 TL/day at 11 farms (farm 2,4,5,6,7,8,9,10,11,13,15), 470 TL/day at two farms (farm 1,16), and 500 TL/day at farm 14. Farmer no 3 said he had not decided yet on the wage he would pay.</p> <p>The farmers have hired these workers through labor contractors, who, as a general practice, deduce 10% of the labor contractor's commission from workers' wages. After the deductions, interviewed workers would receive 405, 423, and 450 TL/day. Considering the legal minimum wage is 447,15 TL/day, the wages below this amount are considered below the legal wage. In contrast, one local worker group at farm 12 would receive 550 TL/day without deductions.</p> <p>Monitors did not detect any financial disciplinary measures.</p> <p><u>Source:</u> Documentation, interviews, and observations</p>	
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>Farmers and workers usually talk about wages in April, but the legal minimum wage in Türkiye has changed twice a year for the last two years and just before harvest. This resulted in workers' lack of information about exact wages.</li> <li>In cases where the labor contractor makes deductions from the worker, the wage paid to the worker may fall below the gross minimum wage. For this reason, for the last three years, Balsu has been emphasizing his view that the farmer should cover the labor contractor's wages on every platform and has strongly expressed it in all his trainings. In addition, there is a labor contractor circular in the sustainable hazelnut agriculture supplier handbook, which clearly states that the labor contractor must receive compensation from the farmer for his work.</li> <li>Responsibilities and payments within the scope of the Employment Relationship are conveyed through the Good Social Practices Training Module given to labor contractors, farmers, and seasonal agricultural workers.</li> <li>The training module includes that workers' daily wages are calculated based on the minimum wage and should not fall below this amount. Balsu delivered</li> </ul>



	<p>Good Social Education Modules to 2196 farmers, 2003 workers, and 124 agricultural business intermediaries in this context.</p> <ul style="list-style-type: none"> <li>Balsu, in cooperation with İŞ-KUR, informed and documented 26 labor contractors about the commissions in the 2023 harvest. Intermediaries with a labor contractor certificate undertake that they will not deduct a commission from workers.</li> <li>In the 2024 harvest, 100 labor contractors will be trained on commission deduction, and at least 30 labor contractors will be certified.</li> </ul>
<b>Output indicators (targeted results)</b>	<ul style="list-style-type: none"> <li>Ensuring that workers receive at least the minimum wage.</li> <li>Ensuring that the garden owner pays labor contractors.</li> </ul>
<b>Timeline and Deadline Date</b>	January 2024 - September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff (title/department)</b>	Social Projects Department - Sustainability Manager - Social Workers

Minimum Wage/Fair Compensation	
Benchmarks	Compliance Status
<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. The employer should also inform workers about the legal minimum wage.</p>	<p><b>Noncompliance in farms</b> 1,2,4,5,6,7,8,9,10,11,13,15,16</p>
<b>Findings/Noncompliance Explanation</b>	<p>The Ministry of Labor and Social Security announced the national minimum wage as 447,15 TL/day. This was the minimum wage applied in the region. However, in all assessed farms, the assessors reported that farmers agreed to pay 450 TL/day, 470 TL/day, and 500 TL/day to the seasonal migrant workers and 550 TL/day to the seasonal local workers. The labor contractors deduct 10% from the seasonal migrant worker's wages, reducing these wages to 405, 423, and 450 TL/day, below the legal minimum wage in 13 farms.</p> <p>Farmers pay the labor contractors, so the farmers do not follow up on how much is paid to the workers afterward. There were groups of workers who did not know how much they would receive.</p> <p>The farmer (farm 15) with the seasonal local worker group was paying the supervisor 800 TL/day for him to transport the workers with the minibus to and from the orchards. Three farmers (farms 11,13,15) who employed seasonal migrant workers reported they paid 17000 TL as a contribution to workers' travel costs from their hometowns. 2 farmers (farms 1,16) paid 470 TL per day by adding 20 TL to the minimum daily wage to support their travel expenses. Other farmers employing migrant workers reported they would not pay workers any travel costs.</p> <p><u>Source:</u> interviews and observations</p>
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>The Good Social Practices Training Module provided to labor contractors, farmers, and workers conveys responsibilities and payments within the scope of the employment relationship.</li> <li>The training module includes information on calculating daily wages based on the minimum wage for workers and the necessity of not falling below this</li> </ul>

	<p>amount. Balsu distributed Good Social Practices Training Modules to 2196 farmers, 2003 workers, and 124 agricultural labor contractors in this context.</p> <ul style="list-style-type: none"> <li>In cases where labor contractors deduct from the worker, the wage paid to the worker may fall below the legal minimum wage. Therefore, for the past three years, Balsu has emphasized its view on the farmer covering the wage of the labor contractors on every platform and strongly expressed it in all its training sessions. Additionally, the sustainable hazelnut farming supplier handbook contains a directive for agricultural labor contractors, explicitly stating that the labor contractors should receive payment from the farmer for the work performed.</li> <li>Balsu, in collaboration with the Turkish Employment Agency (ISKUR), informed and documented 26 agricultural labor contractors about commissions during the 2023 harvest. Certified agricultural labor contractors commit not to charge commissions from workers.</li> <li>In the 2024 harvest, 100 agricultural labor contractors will be trained on commissions, and at least 30 labor contractors will be certified.</li> </ul>
<b>Output indicators (targeted results)</b>	<ul style="list-style-type: none"> <li>Ensuring that workers receive at least the minimum wage.</li> <li>Ensuring that the farmer compensates agricultural labor contractors for their labor.</li> </ul>
<b>Timeline and Deadline Date</b>	January 2024-September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff (title/department)</b>	Social Projects Department – Sustainability Manager – Social Workers

<b>Wage Payment and Calculation</b>	
<b>Benchmarks</b>	<b>Compliance Status</b>
<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.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>	<b>Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation</b>	<p>During interviews, the farmers and workers reported that they pay all wages upon completion of the harvest task at their farms. Depending on recruitment practices, the farmers may pay the worker's wages to the labor contractor, the supervisors, or directly to workers. Supervisors and labor contractors pay their worker groups when the entire seasonal work is completed. The total harvest period is about 20 to 30 days. The workers confirmed that they prefer to receive their wages in bulk at the end of work as this way, they keep it safe and avoid spending the money before going home.</p> <p>The farmers and workers do not receive any premiums.</p> <p>The farmers pay all wages in cash except for farm no. Seven reported that he makes payments through bank transfers. The workers verified during interviews that they prefer payments in cash. Workers report they receive their wages through labor contractors, and as they have no other alternative, they must rely on them. At only farm no 11, payment documents were signed during payment.</p>

	<p>The workers, farmers, and labor contractors do not agree on any overtime payment as this is not applied. The farmer agrees on one standard wage for total daily work hours with labor contractors or workers without any calculation on overtime payments.</p> <p><u>Source:</u> Documentation, interviews, and observations</p>
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>In the 2023 harvest, 66 Seasonal Agricultural Working Contracts were signed. Some farmers who provide advances or support payments to workers specify this in their contracts. With the increase in the number of contracts signed between farmers and workers in the 2024 harvest, the recording of payments made will also increase.</li> <li>The Seasonal Agricultural Working Contract will include specific clauses regarding daily/weekly or monthly payment timing.</li> <li>At least 80 Seasonal Agricultural Working Contracts will be signed for the 2024 hazelnut harvest.</li> <li>We aim to convey and promote the practice of farmers who provide travel expenses and advances as a standard in farmer training.</li> <li>Training and informative sessions on the importance and content of contractual work will be provided to farmers, workers, and labor contractors. At least 100 agricultural labor contractors, 1,500 workers, and 2,000 farmers will be trained.</li> </ul>
<b>Output indicators (targeted results)</b>	<ul style="list-style-type: none"> <li>Ensuring that farmers pay workers for all hours worked</li> </ul>
<b>Timeline and Deadline Date</b>	January 2024-September 2024
<b>Input (budget/resources)</b>	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff (title/department)</b>	Social Projects Department – Sustainability Manager – Social Workers

<b>Workers Awareness</b>	
<b>Benchmarks</b>	<b>Compliance Status</b>
C.11.1: Employers shall make every reasonable effort to ensure workers understand their compensation, including: C.11.1.1: the calculation of wages,	<b>Noncompliance in all farms</b>
C.11.1.5: Employers shall communicate in writing or orally, where necessary, all relevant compensation information to all workers in the local language or language spoken by the workers, if different from the local language.	<b>Risk of Noncompliance in all farms</b>
<b>Findings/Noncompliance Explanation</b>	<p>The workers showed awareness during interviews about the legal minimum wage for hazelnut harvests. They all knew that the authorities determined the wages, but most workers were not informed about the exact wage they would receive before commencing work. Neither migrant nor local worker groups were communicated regarding the payment and the details of the compensation calculation at the start of the harvest.</p> <p><u>Source:</u> Documentation, interviews, and observations</p>
<b>Company Action Plan</b>	
<b>Activity</b>	<ul style="list-style-type: none"> <li>Farmers and workers typically discuss wages in April, but in Türkiye, the legal minimum wage has changed twice yearly for the past two years, precisely</li> </ul>

	<p>before each harvest. This situation has led to a lack of information among workers about their exact wages.</p> <ul style="list-style-type: none"> <li>• Balsu conveys the necessity of providing wage information to farmers throughout the year and seasonal agricultural workers and agricultural labor contractors during harvest through the Good Social Practices Training Module.</li> <li>• Every year, before the harvest season, Committee Decisions are issued by district governors and provincial authorities to determine the working conditions of the workers. Balsu visits public institutions and organizations in the regions within the supply chain during the pre-harvest preparation period to track and follow these Committee Decisions.</li> </ul>
<b>Output indicators</b> (targeted results)	Ensuring that daily wage information is communicated in advance from farmers to workers.
<b>Timeline and Deadline</b> <b>Date</b>	January 2024-September 2024
<b>Input</b> (budget/resources)	Balsu Staff (Sustainability Manager, Social Workers, Temporary Social Workers)
<b>Responsible staff</b> (title/department)	Social Projects Department – Sustainability Manager – Social Workers

## Overview - Farms vs. Noncompliances

**Total number of Farms: 16**

	Employment Relationship	Non-discrimination	Harassment or Abuse	Forced Labor	Child Labor	Freedom of Association and Collective	Health, Safety and Environment	Hours of Work	Compensation	Total
<b>% of farms with one or more noncompliances or risk of noncompliance</b>	100%	100%	100%	0%	94%	0%	100%	100%	100%	
<b>Total number of benchmarks (excl. progressive benchmarks)</b>	48	14	19	19	9	25	16	19	27	196
Farm No. 1	23	8	1	0	4	0	6	12	9	66
Farm No. 2	24	8	1	0	5	0	6	13	9	68
Farm No. 3	34	8	1	0	4	0	6	13	6	74
Farm No. 4	27	8	1	0	4	0	7	13	9	71
Farm No. 5	26	8	1	0	4	0	6	13	9	69
Farm No. 6	30	8	1	0	4	0	6	13	9	73
Farm No. 7	24	8	1	0	4	0	6	11	9	65
Farm No. 8	24	8	1	0	4	0	6	13	9	67
Farm No. 9	23	8	1	0	4	0	6	13	9	66
Farm No. 10	34	8	1	0	8	0	7	11	9	80
Farm No. 11	34	8	1	0	4	0	6	13	9	77
Farm No. 12	30	7	1	0	0	0	6	10	6	61
Farm No. 13	34	8	1	0	4	0	6	13	9	77
Farm No. 14	30	7	1	0	2	0	6	11	6	64
Farm No. 15	27	8	1	0	2	0	6	13	9	68
Farm No. 16	26	8	1	0	1	0	6	12	9	65
<b>TOTAL</b>	450	126	16	0	0	0	98	197	135	1111
<b>Average % of compliance per code element</b>	41.41	43.75	94.74	100.00	59.72	100.00	61.72	34.87	68.75	67.22