



#### FLA Member/Affiliate Update

ofi ended its membership as an FLA Participating Company in January 2026. The company's reports can still be found at Fairlabor.org

## Independent External Verification Report, 2023

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

<b>Company</b>	<u><a href="#">Olam/ofi*</a></u>
<b>Country</b>	Türkiye
<b>Crop</b>	Hazelnuts
<b>Production process</b>	Harvest
<b>Assessment location</b>	Düzce, Sakarya (Gümüşova, Cumayeri, Akçakoca District)
<b>Monitor</b>	Sinem Kavak, Musa Kurt
<b>Assessment dates</b>	5-7 September 2023
<b>Number of assessed farms</b>	15
<b>Total area covered</b>	778 acres
<b>Number of farmers interviewed</b>	15
<b>Total number of workers</b>	221
<b>Number of workers interviewed</b>	153
<b>Related IEM report links</b>	<u><a href="https://www.fairlabor.org/reports/2017-independent-external-monitoring-reports-nestle-balsu-olam-shared-hazelnut-supply-chain/">https://www.fairlabor.org/reports/2017-independent-external-monitoring-reports-nestle-balsu-olam-shared-hazelnut-supply-chain/</a></u>

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

## Employment Relationship

### Employment Relationship Assessment Summary

#### Notable Good Practices

Hazelnut gardens are workplaces with informal labor structures, with temporary workers employed for short-term only during the harvest. However, **ofi** established a system to have written contracts signed by the workers and the farmers. The contract is prepared with the help of **the** sustainability team, mainly by the social workers responsible for sending this written contract to the Turkish Employment Agency, ISKUR. All of the workers in the assessed farms had the contracts, either signed or prepared to be signed upon the start of the harvest in a particular farm.

Furthermore, **ofi** also conducted worker training in workers' cities of origin in 2023. They cooperated with two other FLA-affiliated companies (Yavuz and Sabirlar) in 2022, accessing more than 2500 workers in Sanliurfa and Diyarbakir. These trainings aim to raise awareness on decent working conditions among workers in a more effective way. Experience showed that harvest awareness-raising trainings often comes too late as the workers are already in the harvest region and have agreed to work with the labor contractor by that point. Furthermore, workers are physically and mentally more open during the trainings conducted during the off-season, in their cities, without the presence of farmers. They feel more comfortable providing feedback on their working and living conditions and sharing their experiences.

#### 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 communicate them to workers.	In compliance

#### (2017) IEM Findings

<b>Findings/Noncompliance Explanation</b>	<p>Olam organizes training for workers and farmers about workplace standards and workers' rights. Still, this training has not reached workers and farmers in the assessed area, as it is a new production region for Olam.</p> <p>At the time of recruitment, workers are verbally made aware of the tasks, responsibilities, and working hours. However, workers are not told the exact wage they will get since it depends on the wages paid by leading big farmers in the region and the exact commission amount the labor contractor will deduct from their wage.</p> <p><i>(This finding is shortened to present specifically ER.1.1 related finding in the 2017 IEM)</i></p> <p>Source: Interviews with workers, supervisors, labor contractors, and farmers</p>
<b>Company Action Plan</b>	<p>Olam will expand its training activities to the cities of origin, such as Mardin and Şanlıurfa, to reach more workers. Olam plans to reach about 300 workers in Mardin and Şanlıurfa. For this purpose, Olam cooperates with the Foundation for the Support of Women's Work (KEDV) in a Neighborhood Motherhood Program project, where workers are trained on the FLA Code and daily wages. Similarly, labor contractors receive CoC and responsible recruitment training in collaboration with the Pikolo association. Trainings have taken place in Urfa and Mardin since the beginning of 2018. Olam will</p>

	<p>provide training on FLA CoC in the origin cities of Mardin and Şanlıurfa in October 2018.</p> <p>Within the scope of the USDOL Project, Olam will revise all training materials and methodologies and receive consultancy to update training modules. Olam's Sustainability Department delivers trainings to the farmers, intermediaries, and seasonal migratory agricultural workers in its supply chain.</p> <p>In addition to the above-explained programs, Olam will work with the local authorities to establish welcome centers at the entrance of Akçakoca and Gümüşova districts, where Olam Sustainability Department Staff and the local authorities will inform migrant workers on working conditions, employment terms, working hours, wages, and local Commission decisions (Deadline: August 2018).</p> <p>Moreover, to better inform the workers on the daily wage, Olam will work in coordination with the village heads and local religious institutions to announce the declared daily wage from the sound system of the village mosques in Gümüşova and Akçakoca (Deadline: August 2018).</p>
<b>Deadline Date</b>	October 2018

<b>Verification Findings</b>
<p>ofi has been active in delivering trainings to worker groups to verbally describe the terms and conditions of the employment, such as working hours, job descriptions and compensation. Monitors confirmed that workers have received this training in all the assessed farms. Moreover, ofi prepares written contracts for each farm in the Nestle supply chain, to be signed between the farmers and workers and approved by the ISKUR. These contracts define the nature of the work and the daily wage declared by the local commissions. However, monitors noted that the contracts do not have a provision for hours of work, which is conveyed verbally to workers.</p>
<b>Overall Conclusion of the Verification</b>
<b>Satisfactory</b>
<b>New Findings, if any</b>
<b>Follow-up Company Action Plan (to be filled by the Company)</b>
<b>Deadline Date (to be filled by the Company):</b>

<b>Proof of Age Documentation</b>	
<b>Benchmarks</b>	<b>Compliance Status</b>
<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. 5.1 and 5.2 - noncompliance for three farms (Farm 2, 3, and 9)</p>

<p>ER.3.1.2: In those cases where proof of age documentation is not readily available or unreliable, employers shall take all necessary precautions which can reasonably be expected of them to ensure that all workers are at least the minimum legal working age, including requesting and maintaining medical or religious records of workers, or through other means considered reliable in the local context.</p> <p>ER.4: Employers shall not use employment agencies/labour contractors that rely on any practice that is linked to: using false information to recruit workers; restricting workers' freedom of movement; requiring workers to pay recruitment and/or employment fees; withholding from workers a copy of their employment contract in their native language that sets forth the general terms and conditions of engagement and employment; retaining possession or control of workers identification and other documents like passports, identity papers, work permits, and other personal legal documents; punishing workers for terminating employment.</p> <p>ER.5.1: No worker hired by an employment agency or a labor 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 labor contractor shall pay a fee or get a reduction by applying a fee over his salary.</p> <p>ER.5.3: Workers shall not be engaged to work in a farm by a family member, friend, or associate in order for that family member, friend or associate to receive continuing remuneration, consideration, or any other return from the employer. This prohibition does not refer to normal references, referral bonuses or standard employment recruitment practices.</p> <p>ER.7: Employers may hire temporary, casual, daily, seasonal or migrant workers only when:</p> <p>ER.7.1: contract or temporary employment is allowed by national law;</p> <p>ER.7.2: the production requirements or peculiarities of the labor market do not allow employers to hire permanent workers;</p> <p>ER.7.3: the permanent workforce of the farm is not sufficient to meet the production needs during peak season or activities;</p> <p>ER.7.4: unusual or extraordinary circumstances may result in great financial loss to the producer if delivery of goods cannot be met on time;</p> <p>ER.7.5: work that needs to be done and is outside the professional expertise of the permanent workforce;</p> <p>ER.7.6: work that needs to be done and is outside the professional expertise of the permanent workforce; 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.</p>	<p>Rest are in compliance.</p>
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**(2017) IEM Findings**

<p><b>Findings/Noncompliance Explanation:</b></p>	<p><u>Proof of Age Documentation:</u></p> <p>Monitors observed that farmers do not follow documentation practices, such as maintaining proof of the workers' age, despite receiving farmer handbooks from Olam. The farmers do not take the necessary precautions to ensure all workers are at least the minimum legal working age. Monitors observed 62 migrant child workers aged under 15 on 18 of the 31 visited farms in the region.</p> <p><u>Labor Contractors:</u></p> <p>In the Akcakoca district, the assessed farmers recruit migrant workers through labor contractors. Labor contractors deduct a commission from workers' daily wages (usually around 10%) as a recruitment fee. When farmers pay the minimum wage according to the local commission guidelines, workers receive less than the minimum wage after the deduction of the commission. The local law and commission guidelines require the labor contractors' commission to be paid separately.</p> <p><u>Source:</u> Interviews with workers, labor contractors, and farmers; Documentation review; Observation.</p>
<p><b>Company Action Plan</b></p>	<p>Labor contractors are key people in seasonal agricultural labor. The most crucial problem is the lack of a database of agricultural intermediaries, which is necessary to solve the employment problems of agricultural workers, eliminate child labor, and create a traceable supply chain. For this purpose,</p>

	<p>under the "The Database of Labor Contractors Project," Olam partners with Pikolo Association to Provide training in Şanlıurfa and Mardin, where the Turkish Employment Agency (İŞKUR) will also participate in registering the labor contractors and make them get formal intermediary licenses. The license obligates labor contractors to obey responsible recruitment practices and forbids deductions from workers' earnings. Labor contractors' fees must be paid separately by the farmers. If the labor contractors are paid separately from the workers, this will prevent the cuts from the workers' salaries.</p> <p>During the 2018 harvest season, Olam's social workers working in the field will provide 1 to 1 counseling to registered agricultural labor contractors. Olam's target is to counsel two agricultural labor contractors and make contracts with at least two farmers in the Sakarya and Düzce regions. These contracts will be ignited among the workers, labor contractors, and farmers. With these contracts, Olam aims to mitigate the risk of child labor in labor groups of contracted agricultural labor contractors. A worker list will be a part of the contract; Olam will recommend the inclusion of the workers' national identification numbers and birth dates. This list will enable recording the ages of the workers. As an annex to the contract, Olam will also prepare a salary payroll to be used by contractors. Olam will ensure the "Olam Young Worker Registration Form" is filled in all the contracting gardens. (Deadline: September 2018)</p> <p>In conclusion, Olam will provide two labor contractors, 1, with one counseling in the short term. In the medium and long term, Olam will ensure all the labor contractors sign contracts with farmers and workers in the Sakarya and Düzce regions. Olam will pilot this project in the harvest of 2018. If this pilot work succeeds, it will also positively affect other inappropriate situations in working life. To control the implementation of the project, Olam will conduct internal monitoring. At the end of the harvest of 2018, Olam will make an assessment and plan for the next period.</p>
Deadline Date	

<h3>Verification Findings</h3>	
<p>Monitors observed an increased awareness of the minimum age requirements among the farmers and the workers. Farmers said that they check the IDs of workers, register them to the contract provided by <b>ofi</b>, and get it signed by both parties. <b>ofi</b> social workers also oversee this process during farmer and worker trainings, they keep a record of accompanying children and those younger than 18 years old. They refer the younger children to nearby summer schools run by <b>ofi</b> or any other institution. Some farmers said that even if there are younger potential workers among their workers, they do not let them work.</p> <p>The monitors observed a 15-year-old and two young workers aged 16 among all the farms visited. This constitutes a significant improvement in terms of age verification. The monitors verified the contracts between the farmers and workers and the accompanying family member lists. However, monitors also observed the presence of young workers aged below 18 on the farm whose contracts were not verified during the assessment. There were discrepancies in the numbers of registered workers, those working on the farm during the audit, and their ages.</p> <p><b>ofi</b> also developed the company program on labor contractors. Social workers and agronomists contact the labor contractor and help them get the license.</p>	
<h3>Overall Conclusion of the Verification</h3>	

Satisfactory. The age verification process is well-improved, and the procedures adopted by **ofi** seem appropriate to tackle the difficulties of age verification in seasonal agricultural work. Yet, some improvement is necessary in double-checking the workers who declared to be working (on contracts) and working in the harvest.

As for the activities with the labor contractors, **ofi** developed the company program; they facilitate their registration with the Turkish Employment Agency. The steps are taken to support the contract-making and age-verification efforts, too.

**New Findings, if any**

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

**ofi** attaches importance to the legal working age and working conditions in the farms in **ofi** sustainable supply chain. For this purpose, trainings are organized to ensure that farmers, workers, and, if any, labor contractors know the legal labor relations (young workers, child workers, employees with special circumstances, wages, working hours, etc.), their rights, and responsibilities. "**ofi**" also prepared a farmers' file to help them implement the issues mentioned in training in the farms during the harvest period. The file includes a summary of training subjects and forms (workday registration, young worker registration form, companion form for children, etc.). **ofi** delivers the file to farmers who use seasonal migrant workers. Social workers will continue training workers in the sustainable supply chain during harvest. They will carry out the necessary checks on the records that farmers must keep during these trainings. To check the accuracy of the data, **ofi** social workers will conduct internal spot-checking of farmers during the harvest period using the square root method according to FLA audit standards (This rate was 10% last year). Thus, **ofi** will check the statements of farmers and workers. **ofi** will apply the existing procedure for farms where child labor is detected. If compliance continues, farmers will be removed from the sustainability program.

**ofi** understands that legal work must be implemented for all parties. For this reason, **ofi** will continue to organize worker and labor contractor training in provinces of origin (for example, Diyarbakir, Sanliurfa) to provide workers with more detailed information on working conditions, minimum working ages, child labor, and young worker, etc.

**Deadline Date (to be filled by the Company)** October 2024.

**Terms and Conditions**

Benchmarks	Compliance Status
<p>ER.9.1: Workers should be made aware of the employment terms under which they are engaged.                      Employment terms shall be those to which the worker has voluntarily agreed, provided those terms do not fall below:                      ER.9.2.1: provisions of national laws;                      ER.9.2.2: freely negotiated and valid collective bargaining agreements; or                      ER.9.2.3:the FLA Workplace Code.                      There can be no employment terms (including in written or verbal contracts or any other instruments or in any formal or informal recruitment arrangements) which allow employers:                      ER.9.3.1: to hold wages already earned; or                      ER.9.3.2: use earned back wages as penalties; and                      ER.9.3.3: in any way punishes workers for terminating employment.                      ER.10: Employment terms for apprenticeships must be in compliance with local legislations.                      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.                      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.                      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. 11:                      Noncompliance in Farm 9 (nursing woman) and Farm 12 (young workers)</p> <p>Rest are in In compliance.</p>

<p>ER.12.2: Where a union exists on the farm, employers shall make available a copy of the collective bargaining agreement to all workers and other interested parties.</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>	
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**(2017) IEM Findings**

<p><b>Findings/Noncompliance Explanation</b></p>	<p>Olam organizes training for workers and farmers about workplace standards and workers' rights. Still, these trainings have not reached workers and farmers in the assessed area, as it is a new production region for Olam.</p> <p>At the time of recruitment, workers are verbally made aware of the tasks, responsibilities, and working hours. However, workers are not told the exact wage they will get since it depends on the wages paid by leading big farmers in the region and the exact commission amount the labor contractor will deduct from their wage. Labor contractors, supervisors, and farmers who are leading workers have limited knowledge of the local labor laws and the FLA Code. They do not know, for example, that there are special regulations for the protection of young workers and pregnant workers.</p> <p>The employment terms of migrant workers fall below the provisions of national laws and the FLA Code about compensation (when workers are hired through labor contractors) and hours of work. More details on those issues are available in subsequent parts of this report.</p> <p><u>Source:</u> Interviews with workers, supervisors, labor contractors, and farmers</p>
<p><b>Company Action Plan</b></p>	<p>Olam will expand its training activities to the cities of origin, such as Mardin and Şanlıurfa, to reach more workers. Olam plans to reach about 300 workers in Mardin and 150 in Şanlıurfa. For this purpose, Olam cooperates with the Foundation for the Support of Women's Work (KEDV) in a "Neighborhood Motherhood Programme" project where workers are trained on FLA codes and daily wages. Similarly, labor contractors receive CoC and responsible recruitment training in collaboration with the Pikolo association. Trainings have taken place in Urfa and Mardin since the beginning of 2018. Olam will provide training on FLA CoC in the origin cities of Mardin and Şanlıurfa in October 2018.</p> <p>Within the scope of the USDOL Project, Olam will revise all training materials and methodologies and receive consultancy to update training modules. Olam's Sustainability Department delivers trainings to the farmers, intermediaries, and seasonal migratory agricultural workers in its supply chain.</p> <p>In addition to the above-explained programs, Olam will work with the local authorities to establish welcome centers at the entrance of Akçakoca and Gümüşova districts, where Olam Sustainability Department Staff and the local authorities will inform migrant workers on working conditions, employment terms, working hours, wages, and local Commission decisions (Deadline: August 2018).</p> <p>Moreover, to better inform the workers on the daily wage, Olam will work in coordination with the village heads and local religious institutions to announce</p>

	the declared daily wage from the sound system of the village mosques in Gümüşova and Akçakoca (Deadline: August 2018).
Deadline Date	

<b>Verification Findings</b>	
<p><b>ofi</b> has regularly trained farmers and workers on employment terms and rights since 2017 and during the 2023 Harvest. All the worker groups interviewed had received training before the audit, and some workers mentioned that they had also received training in previous years. Monitors noticed that most workers personally recognize the social workers, which is a notable finding.</p> <p>Local commissions decide and announce daily wages paid to workers, and workers were aware of the daily wage, the task, and work hours in 2023. Monitors also observed that <b>ofi</b> put posters in the village centers, informing the workers of their rights, duties, and wages.</p> <p>Furthermore, <b>ofi</b> has been conducting training activities in the workers' places of origin to reach more workers. In 2022 and 2023, the origin training was delivered in collaboration with two other FLA-affiliated companies, and the teams reached over 1000 workers. Regarding the content, most workers remember HSE-related training topics and less on labor rights.</p> <p>The monitors noted that the employment terms of migrant farmers fall below the national provisions on hours of work (in all farms) and minimum wage requirements in farms where workers are recruited with labor contractors (three farms). Please see subsequent sections for more details.</p> <p>Farmers do not identify special groups at the beginning of their employment. The monitors saw one nursing woman (Farm 9) and three young workers (Farm 12) who worked the same hours as all workers.</p>	
<b>Overall Conclusion of the Verification</b>	
<p>The Company performed well, but some progress is needed in identifying protected workers and ensuring they are granted special conditions. <b>ofi</b> has a trained team and has developed an appropriate system to contact migrant workers and inform them of employment conditions and employment-related rights. As a step further, it is recommended to strengthen the worker rights-related module on training.</p>	
<b>New Findings, if any</b>	
<b>Follow-up Company Action Plan (to be filled by the Company)</b>	
<p>As detailed in the Proof of Age Documentation activity, <b>ofi</b> explains and reminds the farmers of all these requirements one or more times before the harvest. During the harvest period, to reach all workers in the supply, the training continues with worker groups and labor contractors to raise worker awareness. In origin, <b>ofi</b> also provides reminder training to all worker groups by conducting house visits. Pre-harvest will be emphasized throughout the year for farmers and workers in harvest and origin training, child-young labor, seasonal agricultural work contracts, working conditions, and worker rights. <b>ofi</b> will add a section on the rights of workers with special conditions to the books issued to workers and will add it to the training modules in the provinces of origin.</p> <p><b>ofi</b> is aware that reaching specific standards in all subjects, as pointed out by the FLA, is the only way to deliver rights and freedoms. <b>ofi</b> continues and will continue to work towards this. For this purpose, <b>ofi</b> will increase the farmer trainings it started last year with the Turkish Employment Agency (İŞKUR). <b>ofi</b> will ask İŞKUR to provide training and explain criminal responsibilities for farmers.</p>	
<b>Deadline Date (to be filled by the Company)</b> October 2024.	

Administration	
Benchmarks	Compliance Status
<p>ER.15.1: If consistent with prevailing labor practices, the employer may make advance payments or advances against payment to the workers to book their time. Wage advances shall not exceed three months' pay or legal limits, whichever is less. The farmer will not pay advances or loans against assets such as jewels, property documents, land deeds, and other valuables of the worker. These advances shall be interest-free and cannot bind the worker as a bonded laborer.</p> <p>ER.15.2: Advances shall only be made following clearly established rules, which have been communicated to workers.</p> <p>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).</p> <p>ER.16.1: Employers may not limit in any manner the freedom of workers to dispose of their wages.</p> <p>ER.16.2: Wages must be paid on regular working days and in principle at or near the workplace. Workers must be free from any coercion to make use of enterprise or works stores.</p>	In compliance

## (2017) IEM Findings

<p><b>Findings/Noncompliance Explanation</b></p>	<p>The workers receive advance payments from labor contractors when they need it. Most labor contractors are relatives or acquaintances of the workers (such as residents of the same village); hence, payment proceeds upon trust and verbal agreement. However, the workers and labor contractors do not document or confirm advance payments in writing, which creates a risk of wrong deductions from their salaries.</p> <p>Additionally, farmers do not pay the wages directly to workers, but they pay the labor contractors or supervisors. This covers a risk that labor contractors or supervisors do not pay the exact wage to the workers.</p> <p><u>Source:</u> Interviews with workers, farmers, and labor contractors; Documentation review</p>
<p><b>Company Action Plan</b></p>	<p>In collaboration with the Pikolo Association, Olam aims to certify 50 labor contractors within the scope of "The Database of Labor Contractors Project" (Deadline: February 2018).</p> <p>Olam will give consultancy to four labor contractors who have received labor contractors' certificates to make contracts with the workers, which would include an article on advances, how the workers would like to receive their wages (through cash, wire transfer, labor contractor, mail, etc.), and write annual reports to the Local Employment Agency (İŞKUR). Olam aims to raise awareness of signing contracts among farmers, labor contractors, and seasonal migrant workers and increase the number of signed contracts. After this first step, all the details of the annual report to be presented by the Local Employment Agency (İŞKUR) will be included (Deadline: September 2018).</p> <p>Olam aims to address the issues at multiple levels with multiple stakeholders under different projects/programs. Olam will address the payment/wage/cut-off topics under the "Village Motherhood Project" in cooperation with KEDV. All the village mothers have received intense training on financial literacy, calculating wages, keeping a record of their working days, etc. They will be passing on this information during their house visits in Mardin. Women and their families actively involved in the hazelnut harvest will be provided with extensive information, such as wage follow-up and individual payment of fees within the scope of the KEDV "Village Motherhood Project." If there is an issue of advance, women know they need to put it in writing and document it properly (Deadline: April 2018).</p> <p>Furthermore, Olam will distribute "Daily Wage follow-up cards" in 10 villages in the Sakarya and Düzce region so workers can calculate their total wages correctly without misconceptions and confusion. These follow-up cards are</p>

	like a simple salary payroll (Deadline: September 2018). Olam will also advise all workers to download the “FLA Support” app to their smartphones to reach Hotlines, Emergency Contact Numbers, informative videos, and related information.
<b>Deadline Date</b>	

<b>Verification Findings</b>
<p>When asked, the workers said they do not need to get advance payments from the labor contractors. In case of need, they would ask the labor contractor or labor supervisor who buys the necessary item, after which the price is deducted from the earnings. Although not prevalent at farms assessed, this practice indicates a verbal nature of possible advances that may constitute a risk. Yet, monitors have not observed advance-related noncompliance in the farms audited. Monitors also noticed that <b>ofi</b> has an emergency hotline that is functional and imprinted on all the promotional material distributed by the Company.</p> <p>Farmers said they give wages to labor supervisors at the end of the harvest season. Some said they do it when the workers and farmers are in the accommodation area.</p>
<b>Overall Conclusion of the Verification</b>
Satisfactory.
<b>New Findings, if any</b>
<b>Follow-up Company Action Plan (to be filled by the Company)</b>
<b>Deadline Date (to be filled by the Company)</b>

<b>Work Rules and Discipline</b>	
<b>Benchmarks</b>	<b>Compliance Status</b>
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 nondiscriminatory 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.	Risk of noncompliance

<b>(2017) IEM Findings</b>
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<b>Findings/Noncompliance Explanation</b>	Monitors cannot ensure farmers apply disciplinary measures fairly and nondiscriminately as there is no control system or management review of the actions imposed. The farmers do not have any disciplinary procedures but are using verbal rules and practices based on local customs. The system, therefore, lacks a few essential components, such as clear communication,
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	<p>hearing workers, third-party witnesses, or an appeal process.</p> <p><u>Source:</u> Interviews with workers, supervisor, labor contractors, farmers, and Olam IMSteam; Documentation review</p>
<b>Company Action Plan</b>	<p>Olam will prepare a Discipline Procedure that contains the rules that workers and farmers must follow as recommendations. A task force within Olam's Sustainability Dept. has been formed to prepare this Discipline Procedure (Deadline: May 2018).</p> <p>Olam will also work on developing a disciplinary procedure during this consultation. In this procedure, the Company's responsibilities, farmers, labor contractors, and workers will be specified (Deadline: August 2018).</p> <p>Olam will also advise all workers how to download the "FLA Support" app to their smartphones to reach Hotlines, Emergency Contact Numbers, informative videos, and related information.</p> <p>After the discipline rules are set and approved, Olam will distribute these procedures in 10 villages in 2018 in the Düzce and Sakarya regions. The written procedures will also be given as an annex to the harvest contracts signed by the farmer, labor contractor, and workers (Deadline: October 2018).</p>
<b>Deadline Date</b>	

<b>Verification Findings</b>
<p><b>ofi</b> has prepared a discipline procedure based on a system of progressive discipline conveyed to farmers and workers during trainings. It is also included in the documents distributed to the workers after the training. Monitors have not encountered any instances or heard of any problem that required disciplinary procedures to be implemented during the assessment. However, the disciplinary measures are usually handled between the labor supervisor and the workers, not directly between farmers and workers. Monitors could not ensure that the labor supervisors were adequately trained on the disciplinary procedure and its principles. They are not counted as labor contractors since they do not earn a commission, but they are responsible for controlling and supervising the workers; they are trained like regular workers, not as someone responsible for implementing the procedure. Hence, there is a risk of noncompliance in properly implementing the disciplinary procedures.</p> <p><b>ofi</b> is mediating employment contracts to be signed, which the Turkish Employment Agency approves, and also assisting labor contractors in getting a license that binds them with legal practices in place. Only one of the labor contractors in the assessed farms did not have the license. Monitors recommend <b>ofi</b> to assess and revise their existing internal management system for improvement based on the identified risks.</p>
<b>Overall Conclusion of the Verification</b>
Satisfactory.
<b>New Findings, if any</b>
<b>Follow-up Company Action Plan (to be filled by the Company)</b>
<p><b>ofi</b> will also add the labor contractor disciplinary procedure to the worker training module to be carried out in the provinces of origin and harvest regions. In this way, labor supervisors in the worker group and workers who can become labor supervisors will receive disciplinary procedure training. In addition, <b>ofi</b></p>

prepared a brochure to distribute to workers, labor supervisors and labor contractors in the provinces of origin. The brochure contains an example of the disciplinary procedure.

**Deadline Date (to be filled by the Company)** For origin training: February 2024; the rest of the training: October 2024.

### Access to Training for Family Members

Benchmarks	Compliance Status
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.	Risk of noncompliance

### (2017) IEM Findings

<b>Findings/Noncompliance Explanation</b>	<p>Although farmer family members are invited to attend the training, they do not participate. There might be various reasons, such as the low awareness of the benefits of the training, the female members who have housework at the time of training, the farmers who are not comfortable having their female family members participate in the event at the village coffeehouse, etc. Olam is not yet working on solving the obstacle preventing them from participating.</p> <p><u>Source:</u> Interviews with workers, farmers, and family members</p>
<b>Company Action Plan</b>	<p>Olam will organize good social practices training (related to the FLA Code of Conduct) for the mothers of children in the active schools of the Gümüşova and Uğurlu villages during the winter period. Olam expands its training activities to 12 months and adds active schools to its target group to reach a greater crowd of women. Olam will reach out to mothers sending their kids to local schools by organizing trainings in the schools with the help of teachers and the local school administrations.</p> <p><b>Village Motherhood Program</b></p> <p>Village Motherhood is a program where the women are trained as village mothers and provide one-to-one support to the other mothers living in the same village in observing their children's development, responding to their development and educational needs, and accessing available services and programs through house visits and when needed outside activities. The Village Motherhood program occurs in Mardin, where most seasonal migrant workers live (their hometown).</p> <p>Olam and FISA started a project titled "Awareness-raising Program for Community Members Through Education on the Prevention of Child Labor in Hazelnut Agriculture in the Black Sea Region" to raise awareness of women producers in Ordu, Eastern Black Sea. In partnership with Olam, FISA will organize good social practices training for the mothers of children in active schools. We will reach out to mothers who are directly or indirectly involved in agriculture production and are sending their kids to local schools by organizing training/seminars in the schools with the help of teachers and the local school administrations. Simultaneous workshops with the school's children and teachers will also occur. Olam will organize seminars with the FISA Association in three districts in Sakarya and Düzce.</p> <p>(June 2018).</p>

<b>Deadline Date</b>	
<b>Verification Findings</b>	
Despite being invited by <b>ofi</b> , it is observed that the trainings do not always reach to family members of the farmers, particularly the wives of the farmers, due to various reasons such as health problems limiting the mobility of women, lack of interest, limited involvement in farming, residence in the city during the training period and alike.	
<b>Overall Conclusion of the Verification</b>	
There is still a need for improvement.	
<b>New Findings, if any</b>	
<b>Analiz verilecek uygulama yaygınlaştırılacak.</b>	
<b>Follow-up Company Action Plan (to be filled by the Company)</b>	
<p><b>ofi</b> conducted a root cause analysis to understand why women are less likely to participate in farmer trainings. According to the root cause analysis, it was concluded that the biggest reason for the low participation of women farmers in trainings is that the trainings are held in coffeehouses and mosque courtyards. With this result, <b>ofi</b> started to organize trainings in common areas (town halls, village squares, school farms, etc.) where everyone can participate. In addition, the meeting was held with manuals and village mukhtars to increase the participation of women farmers in training. In this way, the participation rate of female farmers in training increased.</p> <p><b>ofi</b> organized a training only for female farmers to increase the participation and effectiveness of female farmers in the Samsun/Ayvacık district, which was selected as the pilot region. This training increased the participation rate and effectiveness of female farmers in training. <b>ofi</b> will continue to increase trainings that are only for women farmers.</p>	
<b>Deadline Date (to be filled by the Company):</b> August 2024.	

<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.	In compliance

### **(2017) IEM Findings**

<b>Findings/Noncompliance Explanation</b>	In 2017, the harvest was delayed primarily due to weather conditions. Hence, the IEMstook place in the beginning stage of the harvest. At the time of the IEMs, health, safety, and environmental rules were not communicated to all workers efficiently, andnot all workers attended the training in the 15 visited farms. Monitors were informed during the IMS that communication materials were prepared in Turkish and in Kurdish in the framework of a USDOL-funded project on the elimination of child labor and forced labor in the Turkish hazelnut sector. Yet, the dissemination of communication materials (posters) was limited during the monitoring period.
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	Monitors have not observed any communication material posted in the local language of the Kurdish migrant workers from East and Southeast Türkiye. <u>Source:</u> Interviews with workers, supervisors, farmers, and Olam staff; Observation
<b>Company Action Plan</b>	Olam has developed brochures on Occupational Health and Safety in Agriculture. Under the USDOL Project, brochures for migrant workers in Turkish, Kurdish, and Arabic languages were produced. These brochures were distributed during the last two weeks of the 2017 hazelnut harvest. Olam will distribute brochures again in Turkish, Kurdish, and Arabic to all the workers, targeting reaching about 2,000 workers in 20 villages during the 2018 harvest (Deadline: October 2018).  Nestle will create a Best Practices Handbook and a Video for Hazelnut Farming in Türkiye for farmers, seasonal migrant workers, labor contractors, and other value chain actors. The main focus areas are H&S, good labor practices, labor rights, child labor, and access to services (Deadline: October 2018).
<b>Deadline Date</b>	

<b>Verification Findings</b>
ofi trains workers and farmers on health, safety, and environmental procedures. The materials were also provided in the Kurdish language, but monitors observed that the interviewed workers were fluent in Turkish. Overall awareness of HSE issues among the workers is satisfactory, and the trainings were delivered mainly on time. Only two farm workers stated that they received the training later in the harvest. It is recommended to reach workers earlier in the harvest period.
<b>Overall Conclusion of the Verification</b>
Satisfactory.
<b>New Findings, if any</b>
<b>Follow-up Company Action Plan (to be filled by the Company)</b>
<b>Deadline Date (to be filled by the Company)</b>

## Non-discrimination

### Non-Discrimination Assessment Summary

<b>General Compliance</b>	
Benchmarks	Compliance Status

ND.1: Employers shall comply with all national laws, regulations, and procedures concerning non-discrimination.	In compliance
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**(2017) IEM Findings**

<b>Findings/Noncompliance Explanation</b>	<p>There is discrimination in the hours of work schedule and wages between local and migrant workers employed in hazelnut orchards in the region. The migrant workers must work from 7 am to 7 pm, while local workers work from 7 am to 6 pm (one hourless). This is based on the belief that migrant workers work less efficiently than local workers.</p> <p>Additionally, the farmers plan to pay migrant workers 60 TRY/day, while local workers in the area will receive about 70-80 TRY for the same job. The wage difference could not be explained via performance or based on task differences. The farmer provides migrant workers with accommodation and sometimes utilities (water, electricity, etc.), but such wage difference cannot be justified with the accommodation conditions they get. Also, no clear and transparent cost calculation is done to justify a deduction.</p> <p><u>Source:</u> Interviews with workers, supervisors, labor contractors, farmers, Olam staff and external stakeholders</p>
<b>Company Action Plan</b>	<p>Olam will continue to provide training on equal pay for equal work. It is essential to work with local NGOs, other hazelnut exporters, local authorities, and national NGOs because the mindset should change, and it will be achieved by raising awareness from multiple stakeholders on multiple levels. Experts will explain these issues during capacity-building sessions in local authorities' meetings organized under the USDOL Project in the cities of Şanlıurfa, Mardin, Sakarya, Düzce, and Ordu in February 2018. The content of the trainings will include compensation and non-discrimination. Information on national legislation and FLA Standards on working hours will be provided in trainings organized with farmers and workers (July 2018).</p>
<b>Deadline Date</b>	

<b>Verification Findings</b>
<p>Employers sign a contract with the workers <b>ofi</b> mediate this process, and get them approved by ISKUR. Also, <b>ofi</b> is actively working with labor contractors in their supply chains and helping them get licenses to act as labor recruiters. Both contracts bind employers and labor contractors by law to comply with national laws and regulations on non-discrimination. However, discrimination on working hours and daily wages is still relevant. Please see "Compensation Discrimination" below for more information.</p>
<b>Overall Conclusion of the Verification</b>
Satisfactory.
<b>New Findings, if any</b>
<b>Follow-up Company Action Plan (to be filled by the Company)</b>

**Deadline Date (to be filled by the Company)**

**Recruitment and Employment Practices**

Benchmarks:	Compliance Status
ND.2.1: Recruitment and employment practices shall be free from discrimination. ND.2.3: If not provided by law, employers must protect workers who allege discrimination in recruitment and employment practices.	In compliance

**(2017) IEM Findings**

<b>Findings/Noncompliance Explanation</b>	<p>There is discrimination in the hours of work schedule and wages between local and migrant workers employed in hazelnut orchards in the region. The migrant workers must work from 7 am to 7 pm, while local workers work from 7 am to 6 pm (one hour less). This is based on the belief that migrant workers work less efficiently than local workers.</p> <p>Additionally, the farmers plan to pay migrant workers 60 TRY/day, while local workers in the area will receive about 70-80 TRY for the same job. The wage difference could not be explained via performance or based on task differences. The farmer provides migrant workers with accommodation and sometimes utilities (water, electricity, etc.), but such wage difference cannot be justified with the accommodation conditions they get. Also, no clear and transparent cost calculation is done to justify a deduction.</p> <p><u>Source:</u> Interviews with workers, supervisors, labor contractors, farmers, Olam staff and external stakeholders</p>
<b>Company Action Plan</b>	<p>Olam will continue to provide training on equal pay for equal work. It is essential to work with local NGOs, other hazelnut exporters, local authorities, and national NGOs because the mindset should change, and it will be achieved by raising awareness from multiple stakeholders on multiple levels. Experts will explain these issues during capacity-building sessions in local authorities' meetings organized under the USDOL Project in the cities of Şanlıurfa, Mardin, Sakarya, Düzce, and Ordu in February 2018. The content of the trainings will include compensation and non-discrimination. Information on national legislation and FLA Standards on working hours will be provided in trainings organized with farmers and workers (July 2018).</p>
<b>Deadline Date</b>	

**Verification Findings**

The discrimination between the local and migrant workers on hours of work and wages persists, but apart from that, employers have not reported any indication of discriminatory behavior in recruitment.

**Overall Conclusion of the Verification**

Satisfactory.

**New Findings, if any**

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<b>Follow-up Company Action Plan (to be filled by the Company)</b>
<b>Deadline Date (to be filled by the Company)</b>

<b>Compensation Discrimination</b>	
<b>Benchmarks</b>	<b>Compliance Status</b>
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.	Noncompliance

**(2017) IEM Findings**

<b>Findings/Noncompliance Explanation</b>	<p>There is discrimination in the hours of work schedule and wages between local and migrant workers employed in hazelnut orchards in the region. The migrant workers must work from 7 am to 7 pm, while local workers work from 7 am to 6 pm (one hourless). This is based on the belief that migrant workers work less efficiently than local workers.</p> <p>Additionally, the farmers plan to pay migrant workers 60 TRY/day, while local workers in the area will receive about 70-80 TRY for the same job. The wage difference could not be explained via performance or based on task differences. The farmer provides migrant workers with accommodation and sometimes utilities (water, electricity, etc.), but such wage difference cannot be justified with the accommodation conditions they get. Also, no clear and transparent cost calculation is done to justify a deduction.</p> <p><u>Source:</u> Interviews with workers, supervisors, labor contractors, farmers, Olam staff and external stakeholders</p>
<b>Company Action Plan</b>	<p>Olam will continue to provide training on equal pay for equal work. It is essential to work with local NGOs, other hazelnut exporters, local authorities, and national NGOs because the mindset should change, and it will be achieved by raising awareness from multiple stakeholders on multiple levels. Experts will explain these issues during capacity-building sessions in local authorities' meetings organized under the USDOL Project in the cities of Şanlıurfa, Mardin, Sakarya, Düzce, and Ordu in February 2018. The content of the trainings will include compensation and non-discrimination. Information on national legislation and FLA Standards on working hours will be provided in trainings organized with farmers and workers (July 2018).</p>
<b>Deadline Date</b>	

<b>Verification Findings</b>
<p>The discrimination between local and migrant workers on work hours and wages persists in hazelnut harvest. Some farmers said that they recruit local workers for tasks different than hazelnut picking, i.e., for cutting the sprouts and preparing the land, and their daily earnings are higher (around 1000 TRY). Monitors observed that the migrant workers are also doing these tasks since the harvest is delayed and getting paid less (450TRY).</p>

It is important to note that we have not observed any local workers in the harvest, but the local workers in the region earn 600 TRY daily, working 8 hours a day. There is a high risk of compensation discrimination in the region.
<b>Overall Conclusion of the Verification</b>
There is still a need for improvement.
<b>New Findings, if any</b>
<b>Follow-up Company Action Plan (to be filled by the Company)</b>
<p><b>ofi</b> social workers prepared a module on discrimination, equal work and equal pay. <b>ofi</b> social workers explain these modules in farmer and worker trainings. <b>ofi</b> social workers will spend more time on discrimination and equal pay for equal work modules in farmer training.</p> <p>In addition, as written under the heading "Terms and Conditions," in consultation with the Turkish Employment Agency, in other areas of our sustainable supply chain, Turkish Employment Agency employees will be requested to provide training to farmers on discrimination, equal work, equal pay, and overtime pay.</p>
<b>Deadline Date (to be filled by the Company)</b> August 2024

## Harassment or Abuse

### Harassment or Abuse Assessment Summary

Violence	
Benchmarks	Compliance Status
<p>H/A.8.1: Employers shall ensure that the workplace is free from violence, harassment, or abuse, be it physical, sexual, psychological, verbal, or otherwise. This also applies to workers brought to the farm by employers, labor contractors, or service providers.</p> <p>H/A.8.2: Employers shall refrain from any action and shall take all appropriate action to ensure that all workers refrain from any action, that would result in an intimidating, hostile or offensive work environment for workers.</p> <p>H/A.8.3: If not provided under law, employers must provide protection to workers who allege harassment or abuse violations.</p>	<p>Noncompliance in Farm 5</p> <p>In compliance with the rest.</p>

### (2017) IEM Findings

<b>Findings/Noncompliance Explanation</b>	<p>In one of the visited farms in the Gumusova Region, monitors found that the workers' supervisor was giving workers a hard time by constantly yelling at them to work harder and faster.</p> <p><u>Source:</u> Interview with workers and farmers</p>
<b>Company Action Plan</b>	<p>Olam will organize trainings for farmers on violence, especially in the village of Gumusova. Olam will add the topic of violence to the content of its trainings, targeting farmers and workers. The topic of violence will not only cover physical violence, but it will cover eliminating all</p>

	<p>forms of harassment and discrimination. Olam formed a task force within its Sustainability Department in consultation with the national NGO "Nonviolent Education and Research Association based in Türkiye" to work on this issue (Deadline: July 2018).</p> <p>Pikolo during the labor contractors' training and KEDV during the Village Motherhood Program will add the issue of eliminating all forms of violence in their training (April 2018).</p>
<b>Deadline Date</b>	

<b>Verification Findings</b>
<p>In one (Farm 5) farm, monitors observed that the workers' supervisor was giving workers a hard time by constantly yelling at them to work harder and faster. Monitors also observed that some worker groups are intimidated by the labor supervisors monitoring them and pushing them back to work. Also, one farmer (Farm 5) said that the supervisor was beating some of the workers in the group.</p>
<b>Overall Conclusion of the Verification</b>
<p>There is still a need for improvement.</p>
<b>New Findings, if any</b>
<b>Follow-up Company Action Plan (to be filled by the Company)</b>
<p>There is a disciplinary procedure in <b>ofi</b> worker training modules. Accordingly, workers must learn the job details from labor supervisors before starting work. The farmer or supervisor cannot use pressure or violence while inspecting the work. <b>ofi</b> took immediate action for the noncompliance. <b>ofi</b> social workers organized an unannounced visit to the farm. Questions were asked about this issue with workers and farmers. Workers said that labor supervisors had violent tendencies in previous periods, and now they do not. Workers and farmers said this incident was out of date. They were reminded that the <b>ofi</b> support line is entirely confidential, so they can report grievances to <b>ofi</b>.</p> <p><b>ofi</b> will check whether the workers are telling the truth. <b>ofi</b> social workers will visit this group of workers in their homes and receive information about the incident. If noncompliance is detected, farmers will be removed from the sustainability program.</p> <p>To prevent incidents such as violence, etc. <b>ofi</b> social workers will conduct internal spot-checking of farmers during harvest using the square root method according to FLA audit standards.</p>
<b>Deadline Date (to be filled by the Company)</b> October 2024

## Forced Labor

### Forced Labor Assessment Summary

Freedom in Employment and Movement	
Benchmarks	Compliance Status

<p>F.2: All workers shall have the right to enter and terminate their employment freely.</p> <p>F.3.1: Employers shall not bind workers to employment as a condition of fulfilling terms of a debt to a third party or the employer.</p> <p>F.4.1: If workplace entrances are locked or guarded to prevent non-employee access to the premises for security reasons, workers shall have free egress at all times, subject to work rules.</p> <p>F.4.2: No employment term or disciplinary practice shall confine or restrict workers' freedom of movement.</p> <p>F.5.3: The freedom of movement of workers and their families who live in employer-owned or -controlled residences shall not be unreasonably restricted except for valid reasons such as health and safety (e.g., after chemical application). Employers shall not utilize practices that restrict workers' freedom of movement or ability to terminate his or her employment. Examples of such practices include, but are not limited to:</p> <p>F.7.1: (the threat of) physical or mental coercion;</p> <p>F.7.2: requiring deposits;</p> <p>F.7.3: imposing financial penalties;</p> <p>F.7.4: requiring recruitment fees;</p> <p>F.7.5: denying and hampering access to, and renewal of, identity papers and/or work permits or any other personal legal (identification) documents;</p> <p>F.7.6: partially or fully retaining salaries, benefits, or any other rights acquired by workers or stipulated by law;</p> <p>F.7.7: hindering workers to leave work for emergency reasons.</p> <p>F.8: The imposition of overtime where workers are unable to leave the work premises constitutes forced labor.</p>	<p>F.2 and F.8 Risk of noncompliance</p> <p>Other benchmarks are in compliance.</p>
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**(2017) IEM Findings**

<p><b>Findings/Noncompliance Explanation</b></p>	<p><b><u>Freedom in Employment and Movement:</u></b></p> <p>Workers can terminate their employment freely from the farmers' side on each orchard. However, monitors reported a risk of noncompliance that migrant workers had no choice but to complete the harvest season as they had to wait for the entire group to complete the job, as labor contractors organize transportation back home altogether at the end of the harvesting season. On one farm visit in the Gumusova region, monitors reported that the hired group of young workers had no choice but to complete the whole harvest season in the region, as their supervisor requested.</p> <p><b><u>Forced Overtime:</u></b></p> <p>Migrant workers are working an hour longer than local workers and have no choice but to refuse and stop working. This can be considered forced overtime since working time exceeds the limits of national legislation and the FLA Code.</p> <p><u>Source:</u> Interviews with workers, supervisors, labor contractors, farmers, and Olamstaff.</p>
<p><b>Company Action Plan</b></p>	<p>First, Olam will do focus group interviews with workers to determine whether this issue limits freedom of work. Olam will organize this with FLA experts (May 2018).</p> <p>Olam will train their Sustainability Department field staff (including the seasonal social workers who will work during harvest) to increase the promotion of the Olam SupportLine. Olam will receive face-to-face feedback from workers through the interviews conducted by the social workers. In these interviews, public hotlines will also be introduced (September 2018).</p> <p>Olam will give more weight to their new suppliers' farmers who joined their Sustainability program and raise awareness in these regions. Gümüşova is the district in Düzce that Olam will first focus on (July 2018).</p>
<p><b>Deadline Date</b></p>	

**Verification Findings**

Workers say they can leave the harvest and return to their hometowns whenever possible. During the time of the audit, some workers had already left because their regular school term had started. However, the remaining workers in all farms stated that they have to wait for and work until the end of harvest to get their payments and pay their transportation costs. In addition, since it would be difficult to find employment during the harvest season and they feel responsible to the rest of their group, workers tend to continue working on the farms despite all the possible difficulties and disagreements. These findings signal that the risk of compliance noted in the 2017 report is still valid.

Moreover, in the employment contracts, a clause states 'that the workers shall not stop working without an acceptable excuse or seek employment elsewhere until the work regulated by this contract ends.' The contract specifies a start date but does not have a termination date. Some workers understood this clause as binding, and they were not allowed to leave until the end of harvest. Overall, the risk of noncompliance persists.

**Overall Conclusion of the Verification**

There is still a need for improvement.

**New Findings, if any**

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

The Turkish Employment Agency issues a seasonal agricultural work contract. Therefore, **ofi** has no right to change or edit the contract. Turkish Employment Agency is authorized in this regard. **ofi**, in cooperation with the FLA, will propose the Turkish Employment Agency add an article protecting workers' labor rights.

**Deadline Date (to be filled by the Company)** October 2024

Work of Family Members	
Benchmarks	Compliance Status
F.6.1: Spouses and adult children of hired workers are not required to work unless voluntarily contracted. F.6.2: Employers shall not make the employment of a worker or an offer of housing conditional on the employment of their spouses. F.6.3: If more than one member from the same family/household is hired by the employer/producer on the same farm, each one should have a separate contract with no linkage to other members. F.6.4: Farm owners' spouses and adult children have the right to work elsewhere.	In compliance

**(2017) IEM Findings**

<b>Findings/Noncompliance Explanation</b>	The workers from the same family do not have individual agreements and do not receive a separate payment. The farmers pay the wages for all workers to the labor contractors or supervisors, who then pay the head of the family.  <u>Source:</u> Interviews with workers, labor contractors, supervisors, and farmers
<b>Company Action Plan</b>	In cooperation with the Pikolo Association, Olam will inform the labor contractors in detail about the subject in the training context under "The Database of Labor Contractors Project." Olam aims to reach 50 labor contractors who have received their certification after this project (Deadline: February 2018).

	Once Olam reaches the targeted awareness level, Olam will ensure the workplaces of certified labor contractors have individual contracts with the farmers and workers through the three-party contract, which each farmer will sign separately. Olam aims to reach two farmers with individual contracts between them and their workers. Currently, the contract can only be made between farmers and labor contractors. In this respect, it is Olam's priority to make a contract for migrant workers with the farmers. Olam targets the farmers paying wages directly to the workers, and workers will state how they would like to receive their wages through cash, wire transfer, mail, etc. (September 2018).
<b>Deadline Date</b>	

<b>Verification Findings</b>
Monitors observed during the document verification and farm assessment that there is an improvement in having a separate contract for each family member.
<b>Overall Conclusion of the Verification</b>
Satisfactory.
<b>New Findings, if any</b>
<b>Follow-up Company Action Plan (to be filled by the Company)</b>
<b>Deadline Date (to be filled by the Company)</b>

## Child Labor

### Child Labor Assessment Summary

<b>Notable Good Practices</b>
<b>ofi</b> has a partnership with the Duzce University Department of Social Work, working with a professional group of social workers during the harvest. This partnership improved their capacity to reach farmworkers and children at risk. Moreover, <b>ofi</b> has two summer schools in the Düzce-Sakarya region. In villages where they do not have a summer school, they refer children to the nearest summer school run by other companies or NGOs. This shows a broader, more collaborative approach to mitigating child labor, which monitors welcome.

<b>General Compliance</b>	
<b>Benchmarks</b>	<b>Compliance Status</b>
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 Farm 12 Risk of noncompliance in all farms

## (2017) IEM Findings

<b>Findings/Noncompliance Explanation</b>	<p>Monitors observed 62 child workers on 18 of the 31 visited farms in the region, 31 girls and 31 boys aged between 13 and 15 years, all seasonal migrant workers (56 from Southeast Türkiye and 6 Syrian refugees). These children came to hazelnut picking areas with their families and performed the same tasks as the adult workers, i.e., collecting hazelnuts from the ground and filling their buckets. On one farm, two children were distributing water to other workers. They work the same long hours as all other workers. Some of them dropped out of school, but most continued their education in their hometown.</p> <p><u>Source:</u> Interviews with workers, supervisors, and labor contractors; Observation</p>
<b>Company Action Plan</b>	<p>All intermediaries in the hazelnut supply chain will be informed of the Olam Supplier Code (which also includes eliminating child labor) through the supplier management plan. Every year, Olam organizes Supplier Meetings in the West and the East Black Sea Regions and invites all their suppliers.</p> <p>Olam held the Annual Suppliers' Meeting in the West Black Sea Region in Sakarya in February 2018. This year's theme was "Eliminating Child Labor – Children are at School Not in the Farms." The Suppliers' Meeting brought together hazelnut traders who played an intermediary role between the Company and the farmers in exporting hazelnut.</p> <p>An expert on child labor was invited to the supplier meeting. She gave a speech on eliminating child labor in hazelnut farming, the health and safety issues during harvest, and mitigating risks in the farms. The suppliers are key people in the field who can greatly influence the farmers. Achieving a particular awareness of child labor by the suppliers in the first place will greatly increase the level of awareness of the farmers.</p> <p>A detailed presentation of the Olam Supplier Code and Olam Türkiye was given. All the participants were asked to sign the Olam Supplier Code.</p> <p>Olam also organizes social projects to mitigate the risks of child labor. In the 2015 harvest season, Olam reinstated the unused village school in Esmahanım Village of Akçakoca and brought it back to the use of village people. Olam has been implementing a summer school project to eliminate child labor in hazelnut farming in cooperation with the Akçakoca National Education Directorate and the International Labor Organization (ILO) in every harvest season since 2015 in this school. In the harvest of 2017, Olam increased the number of Summer Schools to two in the Sakarya region by opening up summer schools in Akçakoca and Kirazlı in coordination with ILO and the Young Life Foundation.</p> <p>During the 2017 harvest season, the Gümüşova district was added to Olam's supply chain. Therefore, this monitoring report became a baseline for Olam to allow the implementation of social projects to eliminate child labor. Regarding Olam's previous experiences with Summer Schools in other regions, the influence of the summer school project on child labor is well-known.</p> <p>For this reason, Olam will open a summer school in the Dereköy Village of Düzce's Gümüşova district during the hazelnut harvest season of 2018. Olam aims to collaborate with the ILO and the Public Education Center for</p>

	<p>this summer school. Olam will direct children to this school in the Dereköy village during the harvest season. In this way, they will not be far from education when they are away from their origin (September 2018). In the projects with Pikolo and KEDV, the issues will be covered in all the trainings organized for the workers, labor contractors, and farmers.</p> <p>Olam will increase training sessions for workers and farmers and expand their coverage. If child labor is detected during internal and external monitoring visits, Olam will remove farmers from certification/premium programs and will start the immediate child removal and referral procedure. Olam will increase the internal monitoring conducted in Gümüşova (September 2018).</p>
Deadline Date	

<p><b>Verification Findings</b></p>
<p>Monitors noted three young workers (one aged 15 and the other two 16), all working on Farm 12, who said that they worked in the farms with the same conditions as adults. Monitors have not observed any working children. This constitutes a significant improvement compared to IEM results. During a farm visit (farm 6), monitors witnessed the labor supervisor telling one young-looking worker to return home, who immediately left the farm. The labor supervisor said that she did not work. However, the mother confirmed that she was working. She was also seen actively working by the monitors during the visit. Monitors could not verify her age in the employment contract, worker lists, or list of accompanying family members. Therefore, this points to the risk of child labor.</p> <p>Monitors also observed another risk of child labor (farm 5) during the interview with the farmer, who stated the worker group has children and may be working. Due to the decrease in the yield this year, farmers stated that they do not need as many workers as they needed the previous years and that they can only work with adult workers. It is common for a couple of farmers to share the same group of workers who have accompanying children. Even if one farmer does not allow them to work at a particular farm, they may work at other farms nearby. Monitors also observed children in the neighboring visited farms. The risk of child labor is still high in the region. Having stated this monitors noted a substantial improvement in <b>ofi's</b> age verification, developed capacity to detect child labor risk in the supply chain, and increased awareness of minimum age requirements among farmers and workers. This contributed to a significant decline in child labor numbers in the assessed farms.</p>
<p><b>Overall Conclusion of the Verification</b></p>
<p>An improvement is necessary in double-checking contracts, age documentation, and monitoring the identified risk through the internal monitoring system.</p>
<p><b>New Findings, if any</b></p>
<p><b>Follow-up Company Action Plan (to be filled by the Company)</b></p>
<p><b>ofi</b> does not tolerate child labor and trains farmers, workers, and labor contractors on eliminating child labor. <b>ofi</b> has a Child Labor Monitoring and Remediation System (CLMRS) specifically to address child labor and improve child labor cases' detection, monitoring, and remediation. The system clearly defines the improvements to be made in eliminating child labor, the roles and responsibilities of employees, and monitoring and reporting. This system is a digital system. <b>ofi</b> social workers instantly collect and record data in the field via tablet or phone. In this way, data is safely stored without delay, and overlooked, necessary actions are taken. On the other hand, the whole process is handled meticulously: For registered children, social workers immediately intervene on the scene and implement a remedial action plan within seven days.</p>

**ofi** took immediate action for the noncompliance. When the risk was recognized, **ofi** social workers visited the farm and conducted age verification. **ofi** confirmed the **young labor** used and re-trained the farmers and the workers on the working conditions of young labor.

As detailed in the Proof of Age Documentation activity, **ofi** social workers will conduct internal spot-checking of farmers during harvest using the square root method according to FLA audit standards.

**Deadline Date (to be filled by the Company)** October 2024

Minimum Age	
Benchmarks	Compliance Status
CL.2: Employers shall comply with ILO Convention 138 and shall not employ anyone under the age of 15 or 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.	In compliance

### (2017) IEM Findings

<b>Findings/Noncompliance Explanation</b>	<p>Monitors observed 62 child workers on 18 of the 31 visited farms in the region, 31 girls and 31 boys aged between 13 and 15 years, all seasonal migrant workers (56 from Southeast Türkiye and 6 Syrian refugees). These children came to hazelnut picking areas with their families and performed the same tasks as the adult workers, i.e., collecting hazelnuts from the ground and filling their buckets. On one farm, two children were distributing water to other workers. They work the same long hours as all other workers. Some of them dropped out of school, but most continued their education in their hometown.</p> <p><u>Source:</u> Interviews with workers, supervisors, and labor contractors; Observation</p>
<b>Company Action Plan</b>	<p>All intermediaries in the hazelnut supply chain will be informed of the Olam Supplier Code (which also includes eliminating child labor) through the supplier management plan. Every year, Olam organizes Supplier Meetings in the West and the East Black Sea Regions and invites all their suppliers.</p> <p>Olam held the Annual Suppliers' Meeting in the West Black Sea Region in Sakarya in February 2018. This year's theme was "Eliminating Child Labor – Children are at School Not in the Farms." The Suppliers' Meeting brought together hazelnut traders who played an intermediary role between the Company and the farmers in exporting hazelnut.</p> <p>An expert on child labor was invited to the supplier meeting. She gave a speech on eliminating child labor in hazelnut farming, the health and safety issues during harvest, and mitigating risks in the farms. The suppliers are key people in the field who can greatly influence the farmers. Achieving a particular awareness of child labor by the suppliers in the first place will greatly increase the level of awareness of the farmers.</p> <p>A detailed presentation of the Olam Supplier Code and Olam Türkiye was given. All the participants were asked to sign the Olam Supplier Code.</p> <p>Olam also organizes social projects to mitigate the risks of child labor. In the 2015 harvest season, Olam reinstated the unused village school in Esmahanım Village of Akçakoca and brought it back to the use of village people. Olam has been implementing a summer school project to eliminate child labor in hazelnut farming in cooperation with the Akçakoca National</p>

	<p>Education Directorate and the International Labor Organization (ILO) in every harvest season since 2015 in this school. In the harvest of 2017, Olam increased the number of Summer Schools to two in the Sakarya region by opening up summer schools in Akçakoca and Kirazlı in coordination with ILO and the Young Life Foundation.</p> <p>During the 2017 harvest season, the Gümüşova district was added to Olam's supplychain. Therefore, this monitoring report became a baseline for Olam to allow the implementation of social projects to eliminate child labor. Regarding Olam's previous experiences with Summer Schools in other regions, the influence of the summer school project on child labor is well-known.</p> <p>For this reason, Olam will open a summer school in the Dereköy Village of Düzce's Gümüşova district during the hazelnut harvest season of 2018. Olam aims to collaborate with the ILO and the Public Education Center for this summer school. Olam will direct children to this school in the Dereköy village during the harvest season. In this way, they will not be far from education when they are away from their origin (September 2018). In the projects with Pikolo and KEDV, the issues will be covered in all the trainings organized for the workers, labor contractors, and farmers.</p> <p>Olam will increase training sessions for workers and farmers and expand their coverage. If child labor is detected during internal and external monitoring visits, Olam will remove farmers from certification/premium programs and will start the immediate child removal and referral procedure. Olam will increase the internal monitoring conducted in Gümüşova (September 2018).</p>
<b>Deadline Date</b>	

<b>Verification Findings</b>
Monitors did not observe any workers below the age of 15 and did not notice any risk for this group.
<b>Overall Conclusion of the Verification</b>
Satisfactory.
<b>New Findings, if any</b>
<b>Follow-up Company Action Plan (to be filled by the Company)</b>
<b>Deadline Date (to be filled by the Company)</b>

<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. 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.	Noncompliance in Farm 12 In compliance with the rest

CL.6.2: Employers shall maintain a list of all young workers, their entry dates, proof of age, and a description of their assignment.	
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.	

**(2017) IEM Findings**

<b>Findings/Noncompliance Explanation</b>	<p>Olam trains farmers on implementing an age verification system and distributes handbooks where they can record the details of each worker. The training content covers workplace rules and terms for young workers, such as age limits and suitable tasks for young workers. However, documentation practices are low among hazelnut farmers. Assessed farmers were not verifying and requesting proof of age documentation. Monitors found 163 young workers – 89 girls and 74 boys – working in the orchards, representing 19% of the workforce. All of them are seasonal migrant workers from Southeast Türkiye (154) and Syrian refugees (9). They worked in the same circumstances as adult workers and worked 10.5 hours daily. Young workers, especially the boys, are involved in hazardous work, such as carrying heavy jute bags.</p> <p>The ILO 182 Convention ratified by Türkiye describes the migratory agricultural seasonal work between the ages of 16 and 18 as one of the worst forms of child labor.</p> <p><u>Source:</u> Interviews with workers, labor contractors, supervisors, and farmers; Observation</p>
<b>Company Action Plan</b>	<p>Under the project “The Database of Labor Contractors Project,” the labor contractors will be informed of the working conditions for young workers.</p> <p>Olam will distribute the "Young Worker Registration Form" and "Young Worker Family Permission Form" to the farmers in five villages in the Gümüşova district. Olam will check through the social workers in its sustainability department during their internal monitoring to see that the forms have been filled out (September 2018).</p> <p>Olam will explain in detail and with examples to farmers that young workers can work in light work. Olam will inform farmers that if young workers work in challenging conditions, they might have many psychological and physical problems (July 2018).</p> <p>Olam will do internal monitoring in 20 villages in Nestle's supply chain in the cities of Ordu, Sakarya, and Düzce. During the internal monitoring, Olam will distribute the "Young Worker Registration Form" and the "Young Worker Family Permission Form" (September 2018).</p>
<b>Deadline Date</b>	

<b>Verification Findings</b>
<p>Monitors observed three young workers on Farm 12 assessed. One worker aged 17 was reported to be injured while working on a steep farm. Monitors also noticed some young-looking workers whose ages could not be verified. These workers work in the same conditions as the adult workers, 10 to 10.5 hours daily.</p>

<b>Overall Conclusion of the Verification</b>
There is still a need for improvement.
<b>New Findings, if any</b>
<b>Follow-up Company Action Plan (to be filled by the Company)</b>
<p><b>ofi</b> trains farmers on an age verification system and working conditions for young workers and distributes farmer handbooks where they can record details of workers. "Young worker registration forms" are available for all inspected farmers.</p> <p>In the trainings, the necessity of filling these age verification forms as employers by the farmers as soon as the workers arrive will be emphasized. <b>ofi's</b> social workers will check during their internal monitoring visits if the forms are filled out. <b>ofi</b> will continue to explain in detail and with examples to farmers that young workers can work in light work.</p>
<b>Deadline Date (to be filled by the Company)</b> October 2024

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.	In compliance

### (2017) IEM Findings

<b>Findings/Noncompliance Explanation</b>	<p>Children of migrant groups and the farmers who do not work but accompany their parents were exposed to natural risks, such as falling at steep places or being bitten by insects. There is no precaution taken to try to mitigate those risks.</p> <p><u>Source:</u> Interview with workers and observation during visits</p>
<b>Company Action Plan</b>	<p>Olam will inform the farmers and workers about the risks children may face on the farms in their training. Olam will talk to families about the necessity of orienting their children to our summer schools, especially in the Gümüşova and Düzce districts (September 2018).</p> <p>To ensure that children can live with their families, Olam made renovations of some workers' houses in the Karasu and Akçakoca districts during the harvest season of 2017 (five houses in total - three of these were renovated through the USDOL Project budget, and two of them were renovated from the joint budget of Nestlé and Olam). Before the harvest season in 2018, Olam will continue renovating two workers' houses in Esmahanım Village of Akçakoca district (July 2018).</p>
<b>Deadline Date</b>	

<b>Verification Findings</b>
<b>ofi</b> trains farmers and workers to raise awareness of children on premises. <b>ofi</b> also had two summer schools to provide safe spaces for the children on premises in the region assessed. In case of the absence

of summer schools in the vicinity, <b>ofi</b> identifies these children and refers them to schools run by other companies and NGOs. Moreover, <b>ofi</b> distributes backpacks to children appropriate to their age group, composed of playdoughs, notebooks, drawing books, pencils, and paints to keep them entertained while their parents work. Monitors have not observed children on farms.
<b>Overall Conclusion of the Verification</b>
Satisfactory.
<b>New Findings, if any</b>
<b>Follow-up Company Action Plan (to be filled by the Company)</b>
<b>Deadline Date (to be filled by the Company)</b>

Removal and Rehabilitation of Child Laborers	
Benchmarks	Compliance Status
CL.10.1: If a child laborer is found working on a farm, all relevant downstream suppliers, including the participating Company, shall immediately assess the situation at the child's household level and shall engage with relevant stakeholders to find a sustainable remediation solution that is in the best interest of the child.	In compliance

**(2017) IEM Findings**

<b>Findings/Noncompliance Explanation</b>	<p>Olam carries out an intensive program to combat child labor in its supply chain. With the social workers of the USDOL project, the Olam team visits the families in their households, tries to create awareness regarding child labor, and convinces the children to attend summer schools. Olam cooperates with stakeholders on child labor prevention. Olam has a child labor removal and rehabilitation procedure described in its social audit manual, but the policy lacks key remediation components. It does not include assessing the child's household level or engaging with relevant stakeholders to find a remediation solution in the child's best interest. Given the gaps, there is a risk that the children are not adequately removed and rehabilitated when observed working in the orchards.</p> <p><u>Source:</u> Interviews with workers, supervisors, child labor's families, and Olam staff; Observation</p>
<b>Company Action Plan</b>	<p>Olam has a "Procedure for the Prevention of Child Labor ." This procedure defines the tasks of Olam field staff and managers' roles and responsibilities. Additionally, Olam has a Child Labor Action Plan and Internal Social Audit Manual where the removal and rehabilitation of child laborers are explained. Olam will ensure these procedures are up to date and more efficient for Olam employees and the relevant stakeholders before the harvest season 2018 (September 2018).</p>
<b>Deadline Date</b>	

**Verification Findings**

ofi has a farm-level worker registration and age verification mechanism that is effective in identifying children at risk of child labor. Moreover, with various stakeholders, the Company conducts awareness-raising activities in workers' hometowns and the hazelnut-producing area in Northern Türkiye to remediate the phenomenon.
<b>Overall Conclusion of the Verification</b>
Satisfactory.
<b>New Findings, if any</b>
<b>Follow-up Company Action Plan (to be filled by the Company)</b>
<b>Deadline Date (to be filled by the Company)</b>

## Health, Safety and Environment

### Health Safety and Environment Assessment Summary

<b>Notable Good Practices</b>
ofi included a nurse to the worker training, who checks the worker's general health and provides training on reproductive health to female workers.

<b>General Compliance</b>	
<b>Benchmarks</b>	<b>Compliance Status</b>
HSE.1: Employers shall comply with all national laws, regulations, and procedures concerning health, safety, and the environment.	Risk of Noncompliance in all farms except for Farm 2  In Compliance in Farm 2

### (2017) IEM Findings

<b>Findings/Noncompliance Explanation</b>	Workers are carried on tractors on very steep roads. They sometimes have to sit onloaded tractors, and the drivers are not always careful. Olam and farmers have not taken the required measures to mitigate the risks related to means of transport to prevent accidents or injuries.  <u>Source:</u> Interviews with workers and farmers; Observation
<b>Company Action Plan</b>	Olam will risk assessing vehicles used for transportation to the hazelnut farms. According to these risk results, Olam will work on preventive measures and

	solutions that align with national laws, regulations, and procedures concerning health and safety and the environment. Olam will prepare educational material about the topic. Olam aims to inform farmers in the ten villages in the Karasu district of Sakarya and the ten villages in the Kabatas district of Ordu. Olam will collaborate with the local governorships of the Gümüşova and Akçakoca districts to redo the unsafe village roads and provide traffic signals, speed limits, and warning signs that go to hazelnut farms with the labor contractors.
<b>Deadline Date</b>	

<b>Verification Findings</b>
Transport by tractor is common as the farms are located in remote areas, down in the valleys, or higher up in the steep mountainous areas. Neither the farmers nor the workers mentioned being transported by tractors loaded with hazelnuts, a practice that makes transport riskier. The roads in the villages of Esmahanım and Dilaver have been damaged by floods in previous years, adding to the risk. In addition, although it was not one of the farms assessed, farmers and workers reported a tractor accident one week before the FLA audit. A young female worker was seriously injured and hospitalized. This shows there is still a risk of transport accidents in the villages covered by the assessment. Farm 2 complies because the orchards were situated close to worker accommodation, and workers walked to the orchard.
<b>Overall Conclusion of the Verification</b>
There is still a need for improvement.
<b>New Finding, if any</b>
<b>Follow-up Company Action Plan (to be filled by the company)</b>
<b>ofi</b> social workers explain legal transportation conditions in worker and farmer training. Banners of suitable transportation conditions will be prepared and used in these trainings. <b>ofi</b> also included news about work accidents in its materials during farmer and worker training. The prepared banners will also be used in the provinces of origin. Thanks to these banners, awareness will be raised against work accidents.
<b>Deadline Date (to be filled by the company):</b> October 2024

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

## (2017) IEM Findings

<b>Findings/Noncompliance Explanation</b>	<p>It is not common for hazelnut farmers to have special chemical storagerooms; they usually store chemicals in their usual storages or basements with other stuff. Olam has placed special containers in villages for the disposal of chemicals.</p> <p>However, farmers' interviews showed their awareness of using these containers is not high yet.</p> <p><u>Source:</u> Interviews with farmers and Olam staff; Observation</p>
<b>Company Action Plan</b>	<p>Olam placed approximately 30 chemical waste containers and pesticide preparation areas in Ordu, Sakarya, and Düzce provinces. In Olam's good agricultural practices trainings, Olam informs the farmers and workers on how to dispose of empty agricultural pesticide boxes and bottles. In addition, within the Good Agricultural Practices Project scope, Olam placed pesticide storage cabinets for farmers who store pesticides for more than 1000 producers. In 2018, Olam will continue to give pesticide cabinets to its new project farmers (July 2018).</p> <p>Olam will continue to give biodiversity trainings in 2018 in coordination with the Middle East Technical University. Olam will specifically refer to environmental and waste management issues in these trainings (July 2018).</p> <p>Furthermore, Olam will prepare a document on the harm of commonly used pesticides on human health. Olam will distribute it to farmers with a list of pesticides forbidden by the Ministry of Food, Agriculture and Livestock (July 2018).</p>
<b>Deadline Date</b>	

## Verification Findings

ofi had placed chemical waste containers in the villages under the audit's scope, and the farmers stated that they were using these containers. Farmers also mentioned that they store pesticides and fertilizers properly according to the standards; monitors have not observed any irregularity in terms of storage. Workers have not reported any work involving chemicals and other hazardous substances.

## Overall Conclusion of the Verification

Satisfactory

## New Findings, if any

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

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

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.	In Compliance

## (2017) IEM Findings

<b>Findings/Noncompliance Explanation</b>	Potable water is available to workers on all assessed farms, except when workers complain about dirty water. The water comes from the city supply, but their lines are probably damaged and need maintenance. The farmers and labor contractors are not taking any measures to provide the workers with an alternative source of potable water.  <u>Source:</u> Interview with workers
<b>Company Action Plan</b>	Olam will provide the necessary guidance to the local authorities, especially the Public Health Directorate, in collaboration with the labor contractors about the problem in the hazelnut farm problem mentioned in Uğurlu Village. Olam will inform the authorities how filtration can convert dirty water into clean drinking water. Olam will guide farmers in applying to the Public Health Directorate to obtain chlorine (July 2018).
<b>Deadline Date</b>	

Verification Findings
All interviewed workers stated that farmers provided clean, potable water in water dispensers. Monitors also observed the availability of a water supply network meant to provide water to farmers' houses within walking distance of assessed farms. Monitors were told workers could also use this water supply network.
<b>Overall Conclusion of the Verification</b>
Satisfactory.
<b>New Findings, if any</b>
<b>Follow-up Company Action Plan (to be filled by the company)</b>
<b>Deadline Date (to be filled by the company)</b>

## Hours of Work

### Hours of Work Assessment Summary

General Compliance	
Benchmarks	Compliance Status

<p>HOW.1.1: Employers shall comply with all national laws, regulations and procedures concerning hours of work, public holidays and leave.</p> <p>HOW.1.2: In countries where local law does not set out hours of work specific to the agriculture sector, the participating company shall consult with local stakeholders representing the employers (farmers), workers, and civil society to define the hours of work. As a general principle, the total hours of work: (1) shall not exceed the number of work hours freely (individually and/or collectively) agreed upon by workers, including that all overtime work is consensual; (2) shall not adversely affect workers' physical and mental health; (3) shall allow for adequate breaks and rest periods during a working day, as determined by the workers, including at least 24 consecutive hours of rest in every seven 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>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>Noncompliance in all farms</p>
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**(2017) IEM Findings**

<p><b>Findings/Noncompliance Explanation</b></p>	<p>The local commission's decree regarding working hours exceeds national regulations, FLA, and Olam's Code of Conduct. The local commission declared working hours from 7 am to 7 pm, with 1.5 hours break during the working day. Consequently, migrant workers work 10.5 hours a day and 73.5 hours a week, and local workers 9.5 hours a day and 66.5 hours a week. The local commission does not recognize overtime.</p> <p>Although it varies, depending on the distance of the orchards, the workers may spend up to an hour traveling on roads during the day. Whether this traveling time is calculated in or excludes working hours is not fixed. It changes per each case, but most of the time, it is not calculated as part of working time.</p> <p>Workers informed monitors that they find the working hours very long and exhausting. They accept these working terms at the beginning of the season because they have no other choice.</p> <p><u>Source:</u> Interviews with workers, farmers, Olam, and external stakeholders</p>
<p><b>Company Action Plan</b></p>	<p>Olam will talk about working hours in the training of farmers and workers. In addition, Olam will organize trainings for workers with PIKOLO and KEDV at their place of origin (Şanlıurfa and Mardin).</p> <p>Olam will inform authorities on the relevant issues at the Ministries Coordination Meetings held under the USDOL Project. Olam will also make visits at the Central government level after the USDOL project (June 2018).</p> <p>In Olam's labor contractors' pilot project, Olam will make arrangements so working hours can be followed daily in the workers' lists attached to the seasonal agricultural contracts. During internal monitoring, Olam will also follow up on completing the contracts and continue to give information about working hours in training (September 2018).</p>
<p><b>Deadline Date</b></p>	

**Verification Findings**

The noncompliance explained in the 2017 IEM findings persists. Local working hours exceed national regulations and the FLA Code of Conduct. Workers stated that they are at the farm 12 hours a day from 7 am to 7 pm, with 1.5 hours of break-in total. They also stated towards the end of harvest in September, they finish the daily work at 6.30 pm since the days are shorter, and it gets dark earlier.

<p>They take a total of 1.5 hours break during the day, two short breaks of 15 mins in the morning and afternoon, and a one-hour lunch break. Hence, migrant workers work 10- 10.5 hours per day.</p> <p>Unless there is rain or other climatical issues, workers work seven days a week, up to 70 to 73.5 hours a week. Monitors observe that there is no overtime payment. Workers stated that they had been complaining for years about the length of working hours, also considering they had to wake up even earlier to arrive at the farm. Yet they tend to work every day of the week to earn more money. The contracts signed do not have any provision on the working hours.</p>
<p><b>Overall Conclusion of the Verification</b></p>
<p>There is still a need for improvement.</p>
<p><b>New Findings, if any</b></p>
<p><b>Follow-up Company Action Plan (to be filled by the company)</b></p>
<p>Information about the working hours of seasonal migrant workers is given to the farmers and workers by the social workers of <b>ofi</b>. Although the farmers know the subject, they do not comply with the legal working hours because they want the hazelnuts to be collected as soon as possible. In this regard, the sanctions of public institutions are essential. For this reason, <b>ofi</b> holds meetings with district governorships throughout the year and demands that legal deadlines regarding working hours be followed. <b>ofi</b> informs seasonal migrant workers about the public institutions they should apply regarding their working conditions in the trainings in provinces of origin and harvest region. <b>ofi</b> will increase the farmer trainings it started last year with the Turkish Employment Agency (İŞKUR).</p>
<p><b>Deadline Date (to be filled by the company):</b> October 2024</p>

Rest Day	
Benchmarks	Compliance Status
<p>HOW.2: Pursuant to any permanent or temporary contract, workers shall be entitled to at least 24 consecutive hours of rest in every seven-day period. If workers must work on a rest day, an alternative consecutive 24 hours must be provided within that same seven-day period or immediately following. For short-term seasonal work during peak activities (2-3 weeks), workers have the option to work more than seven days without a day off if they voluntarily agree with it, unless local law prohibits it. When the peak activity period exceeds three weeks, and the employer has control over the workers' schedule, the rest day provision must apply.</p>	<p>Noncompliance in Farm 9 Risk of noncompliance for all the rest of the farms</p>

**(2017) IEM Findings**

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

<b>Verification Findings</b>
<b>Overall Conclusion of the Verification</b>

There is a need for improvement.
<b>New Finding, if any</b>
<p>On one farm (Farm 9), workers stated they were working non-stop for 27 days without any rest days. This particular worker group harvests hazelnut for two different producers, who are close relatives and both in the supply chain of <b>ofi</b>. The farmer we interviewed stated he cares for both orchards (the other belongs to his father-in-law). He controls the worker group during harvest to decide which orchard to harvest on a given day. Since one farmer controls the group and there is no mechanism to track the rest day provision, monitors report noncompliance for this particular worker group.</p> <p>Moreover, due to changing climate conditions, harvest lasts more than a month, and workers stated they would spend 6 to 8 weeks in the region. Worker groups work on multiple farms throughout the entire harvest period. There is no system to check if they get a rest day after the three-week non-stop work period.</p>
<b>Follow-up Company Action Plan (to be filled by the company)</b>
As the Seasonal Agricultural Worker contract states, farmers and seasonal migrant workers agree on a daily wage. The farmer cannot follow this because he is employed short-term. Labor contractors can follow. This topic will be added to the Labor contractors' trainings.
<b>Deadline Date (to be filled by the company):</b> October 2024

Protected Workers (pregnant or nursing women, young workers)	
Benchmarks	Compliance Status
<p>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.</p> <p>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.</p>	<p>Noncompliance in Farm 9 and Farm 12</p> <p>Risk of noncompliance in others</p>

**(2017) IEM Findings**

<b>Findings/Noncompliance Explanation</b>	<p>The monitors did not observe any nursing or pregnant women in the assessed farms. However, the young and child workers worked in the same conditions as adult workers, working 10.5 hours daily. Pregnant, nursing and young workers should have differentiated work schedules. According to local law and FLA benchmarks, young workers should not work more than 40 hours weekly.</p> <p><u>Source:</u> Interview with workers, supervisors, labor contractors, farmers, and Olamstaff; Observation</p>
<b>Company Action Plan</b>	<p>Olam will distribute the "Young Worker Registration form" in 20 villages in Sakarya, Ordu, and Düzce. Olam will inform the farmers how to fill out this form, and Olam Sustainability Department field staff will control it during the internal monitoring (September 2018).</p> <p>Olam will create some forms for tracking pregnant and nursing women. These forms will include some information about age and tasks. Then, Olam</p>

	<p>will add these forms to the revised Quality Management System (QMS) (June 2018).</p> <p>A description of light work and heavy work will be made. The jobs that pregnant, nursing, and young workers should not do will be identified, and information will be given to the migrant workers and farmers (See Child Labor Section, Young Workers' CAP - September 2018).</p> <p>To raise awareness of women producers through education, Olam and FISA started a project titled "Awareness-raising Program for Community Members Through Education on the Prevention of Child Labor in Hazelnut Agriculture in the Black Sea Region" in Ordu, Eastern Black Sea. In partnership with Olam, FISA will organize good social practices training for the mothers of children in active schools. We will reach out to mothers sending their kids to local schools by organizing trainings/seminars in the schools with the help of teachers and the local school administrations. Simultaneous workshops with the school's children and teachers will also occur. Olam will organize seminars with the FISA Association in three districts in Sakarya and Düzce, namely, Kocaali, Akçakoca, and Gümüşova. The seminars will take place in April-May 2018 in the local primary schools of Kirazlı, Uğurlu, and the Community Center of Gümüşova. In these seminars, Olam will distribute brochures about nursing and pregnant women workers' labor standards to about 30 women farmers in each location and all teachers enrolled in the schools (June 2018).</p>
<b>Deadline Date</b>	

<b>Verification Findings</b>	
<p>Monitors observed three young workers (Farm 12) and one nursing woman (Farm 9) in the farms working the same hours as the rest of the workers, for 10.5 hours a day and every day of the week since the workers do not have a rest day. The nursing woman was not identified during worker registrations and was not informed about the special requirements during the training. According to FLA benchmarks and national legislation, protected workers should not work more than 40 hours weekly.</p>	
<b>Overall Conclusion of the Verification</b>	
<p>There is a need for improvement.</p>	
<b>New Finding, if any</b>	
<b>Follow-up Company Action Plan (to be filled by the company)</b>	
<p>Information on working conditions will continue to be given to seasonal migrant workers and farmers. Pregnant and nursing employee conditions and disciplinary procedures are included in the books given to the farmers.</p> <p><b>ofi</b> distributes worker notebooks for each worker after the trainings. As detailed in the Terms and Conditions activity, <b>ofi</b> will add a section on the rights of workers with special conditions to the books issued to workers and add it to the training modules in the provinces of origin.</p>	
<b>Deadline Date (to be filled by the company):</b> October 2024	

**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> <p>HOW.7: Employers shall be able to provide an explanation for all periods when the exceptional circumstances exception has been used. Clear communication and consultation will be held with workers, and any extended work hours will be levied upon obtaining (verbal / written) consensus from the workers.</p>	Noncompliance in all farms

**(2017) IEM Findings**

<b>Findings/Noncompliance Explanation</b>	<p>The local commission's decree regarding working hours exceeds national regulations, FLA, and Olam's Code of Conduct. The local commission declared working hours from 7 am to 7 pm, with 1.5 hours break during the working day. Consequently, migrant workers work 10.5 hours a day and 73.5 hours a week, and local workers 9.5 hours a day and 66.5 hours a week. The local commission does not recognize overtime.</p> <p>Although it varies, depending on the distance of the orchards, the workers may spend up to an hour traveling on roads during the day. Whether this traveling time is calculated in or excludes working hours is not fixed. It changes per each case, but most of the time, it is not calculated as part of working time.</p> <p>Workers informed monitors that they find the working hours very long and exhausting. They accept these working terms at the beginning of the season because they have no other choice.</p> <p>Source: Interviews with workers, farmers, Olam, and external stakeholders</p>
<b>Company Action Plan</b>	<p>Olam will talk about working hours in the training of farmers and workers. In addition, Olam will organize training for workers with PIKOLU and KEDV at their place of origin, in Şanlıurfa and Mardin.</p> <p>Olam will inform authorities on the relevant issues at the Ministries Coordination Meetings held under the USDOL Project. Olam will also make visits at the Central government level after the USDOL project (June 2018).</p> <p>In Olam's labor contractors pilot project, Olam will make arrangements so working hours can be followed daily in the workers' lists attached to the seasonal agricultural contracts. During internal monitoring, Olam will also follow up on completing the contracts and continue to give information about working hours in training (September 2018).</p>
<b>Deadline Date</b>	

**Verification Findings**

Monitors observed that in all the farms visited, workers worked above the required legal working time of 8 hours and were not paid for this overtime work. Interviewed workers stated they worked 10.5 hours per day and 73.5 hours per week, which exceeds the regular 48 hours of working time and 60 hours of maximum weekly working hours, including overtime, based on FLA benchmarks and national laws and

regulations. Regarding the excessive working hours, the workers stated they were too long and could not refuse to work these hours considering the conditions and circumstances.
<b>Overall Conclusion of the Verification</b>
There is a need for improvement.
<b>New Finding, if any</b>
<b>Follow-up Company Action Plan (to be filled by the company)</b>
<p><b>ofi</b> explains the working hours in farmer and migrant worker trainings and the working standards of all workers in trainings. <b>ofi</b> has prepared posters regarding working hours. <b>ofi</b> social workers hang these posters in village squares and accommodation areas. Labor contractors need to establish working hours with farm owners before going to the harvest. For this reason, <b>ofi</b> will also focus on working hours in labor contractors training.</p> <p><b>ofi</b> will increase the farmer trainings it started last year with the Turkish Employment Agency (İŞKUR).</p>
<b>Deadline Date (to be filled by the company):</b> October 2024

## Compensation

### 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.	Noncompliance in Farm 2, 3 and 9  In compliance with the rest
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.	
C.1.3: In countries where local law does not specify compensation specific to the agriculture sector, the participating company shall consult with local stakeholders representing the employers (farmers), workers, local government and commissions, and civil society to define the appropriate wage level. As a general principle, employers shall follow the minimum wage standards set for other sectors in the same region.	

### (2017) IEM Findings

<b>Findings/Noncompliance Explanation</b>	<p>In Akcakoca, where migrant workers are recruited through labor contractors, the labor contractors deduct a commission of 10% from workers as an intermediary fee. The local regulation requires farmers to pay this commission to labor contractors separately. However, farmers make a total payment to labor contractors covering workers' wages, commissions, and supervisor salaries. Hence, labor contractors continue deducting their 10% commission from their daily wages, and the amount could even be higher since the payment system is not transparent.</p> <p><u>Source:</u> Interviews with workers, labor contractors, farmers, Olam staff and external stakeholders</p>
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<b>Company Action Plan</b>	Olam will disseminate training activities throughout the year (12 months). Within the scope of the USDOL Project in 2018, Olam will arrange two training courses in Şanlıurfa and Mardin in collaboration with the PiKOLO Association. In these trainings, Olam will also inform them about the necessary regulations, ILO Conventions, and FLA Standards and Code of Conduct. Immediately after the training, the labor contractors can have their agricultural employment certificate in cooperation with İŞKUR. We also aim to achieve a solution to the problem by ensuring that wages are given to the workers directly (February 2018).
<b>Deadline Date</b>	

<b>Verification Findings</b>
Monitors noted that labor contractors still deduct a 10% commission fee from the workers' daily wages in three farms (Farm 2, 3,9), which the employers do not compensate. Monitors also found out in one farm that the labor contractor had not previously notified some of the workers about the commission fee. This proves the risk of noncompliance in the recruitment process, where the payment system is usually non-transparent.
<b>Overall Conclusion of the Verification</b>
There is a need for improvement.
<b>New Finding, if any</b>
<b>Follow-up Company Action Plan (to be filled by the company)</b>
<p><b>ofi</b> provides training to both farmers and labor contractors throughout the year. Workers and labor contractors will continue to be trained about labor contractor's commission fees in origin training.</p> <p><b>ofi</b> requested the relevant public institution to participate in Wage Determination Commissions to include labor contractor deductions and working hours in the decisions made. However, since <b>ofi</b> is a private company, <b>ofi's</b> participation was not accepted. <b>ofi</b> will request FLA to meet with the relevant public institution.</p>
<b>Deadline Date (to be filled by the company):</b> October 2024

<b>Minimum Wage/Fair Compensation</b>	
<b>Benchmarks</b>	<b>Compliance Status</b>
<p>C.2.1: Employers shall pay workers at least the legal minimum wage, the prevailing industry sector wage, or the wage pursuant to Collective Bargaining Agreements that are in force, whichever is higher, for regular working hours (not including overtime). Hourly or daily compensation shall be calculated based on the legal minimal wage, the prevailing industry sector wage, or the wage pursuant to Collective Bargaining Agreements that are in force, whichever is higher. Workers should also be informed by the employer about the legal minimum wage applicable to them.</p> <p>C.2.2: Employers shall provide all legally required benefits to all workers.</p> <p>C.2.3: Employers shall not set production targets at such a level that workers need to work beyond regular working hours as set under the FLA Workplace Code, excluding overtime, in order to achieve at least the minimum wage.</p> <p>C.3: Employers shall ensure that the wages for the daily, casual, long-term, task-specific, or contract workers are paid in accordance with the national laws applied to regular workers. For work based on production quotas and piecework performed during regular working hours, workers must get paid the proportionate minimum wage or the relevant industry average wage, whichever is higher.</p>	<p>Noncompliance in farms 2, 3, and 9.</p> <p>In compliance with the rest.</p>

## (2017) IEM Findings

<p><b>Findings/Noncompliance Explanation</b></p>	<p>The migrant workers do not receive the legal minimum wage after deducting the 10% commission from the labor contractors. The Ministry and the local commission announced the daily minimum wage as TRY 59,25, and farmers pay TRY 60 per worker per workday to labor contractors. However, migrant workers will only receive TRY 54 after the deduction, below the legal minimum wage.</p> <p>Additionally, the Ministry has announced the legal minimum wage for an 8-hour working day, while the local commission uses the same wage for 10.5 hours. This reduces the hourly wage, and the rate used contradicts the national laws and FLA standards, where overtime payment should be considered.</p> <p><u>Source:</u> Interview with workers, supervisors, labor contractors, farmers, Olam staff and CSOs.</p>
<p><b>Company Action Plan</b></p>	<p>Olam will organize training for farmers in Ordu, Sakarya, and Düzce regarding working conditions. Olam will also discuss the details of hours of work and wage deductions in the training of migrant workers and labor contractors, which we will organize with the help of local NGOs.</p> <p>Through the Database of Labor Contractors Project of the Pikolo Association, Olam informed 277 labor contractors about employment rules/contracts in agriculture. The registration of the labor contractors to İşKur is essential for improving employment conditions. The labor contractors will be informed in the trainings, especially on the fight against child labor and their legal responsibilities.</p> <p>The presence of a registered workforce and labor contractors will allow workers to receive wages they are entitled to and to be under social security. Labor contractors' fees must be paid separately by the farmers. If the labor contractors are paid separately from the workers, this will prevent the cuts from the workers' salaries.</p> <p>Olam will also inform authorities about the relevant issues at the Ministries Coordination Meetings held under the USDOL Project and visit the Central government level after the USDOL project ends.</p>
<p><b>Deadline Date</b></p>	

## Verification Findings

Monitors observed that workers in three visited farms (Farms 2, 3, and 9) do not receive legal minimum wage due to a 10% commission deducted by labor contractors. It should also be considered that this does not necessarily mean this issue occurs only on three farms, but it should also be considered that the same worker groups work on other farms during the harvest season. Monitors also observed that all workers worked 10.5 hours a day (excluding the 1.5 hours rest time) over the legal eight working hours set by national laws, for which they were not paid overtime. Additionally, monitors noticed that neither the employers nor the workers knew the legal minimum wage calculation set by the national laws and regulations. Hence, they do not know whether they receive legal minimum wage.

## Overall Conclusion of the Verification

There is a need for improvement.
<b>New Finding, if any</b>
<b>Follow-up Company Action Plan (to be filled by the company)</b>
<b>ofi</b> social workers inform workers about how the commissions determine the minimum wage they can receive daily during worker trainings in the harvest and origin provinces. <b>ofi</b> will also add daily wage calculations to the brochure, distributed in the provinces of origin. In this way, workers can calculate the minimum wage they receive before even agreeing with farmers and labor contractors.
<b>Deadline Date (to be filled by the company):</b> October 2024

Wage Payment and Calculation	
Benchmarks	Compliance Status
<p>C.6: All wages, including payment for overtime, shall be paid within legally defined time limits. Where no time limits are defined by law, compensation shall be paid at least once a month or upon completion of a seasonal task that takes less than a month.</p> <p>When workers are hired through contractors, brokers, or external agencies, employers shall ensure workers are paid according to the benchmark requirements.</p> <p>C.7.1: All payments to workers, including hourly wages, piecework, fringe benefits, and other incentives, shall be calculated, recorded, and paid in a manner that is convenient to workers (e.g., in cash, by bank transfer, or check).</p> <p>C.7.2: FLA affiliates shall ensure that farmers/producers receive payments and certification premiums through a traceable and reliable payment system.</p> <p>C.7.5: No one can receive wages on behalf of a worker unless the worker concerned has, in full freedom, authorized in writing for another person to do so.</p> <p>C.8.1: Employers shall compensate workers for all hours worked.</p> <p>C.8.2: Employers shall comply with all applicable laws, regulations, and procedures governing the payment of premium rates for work on holidays, rest days, and overtime. There might, however, be specific working schemes voluntarily agreed by the workers to work on holidays and rest days for short-term seasonal work, which would make this provision not applicable.</p> <p>C.8.3: Workers shall be informed in writing or orally, where necessary, in language(s) spoken by workers, about overtime wage rates prior to undertaking overtime.</p> <p>C.10.1: Voluntary wage deductions for union membership, savings clubs, loan payments, etc., can only be made with the expressed and written consent of workers and fall within the limits and conditions specified by law or by the collective bargaining agreement.</p> <p>C.10.1.1: Written consent shall be documented in employee files or, where applicable, be obtained in front of a trusted witness according to the local context.</p> <p>C.10.2: All such voluntary deductions shall be credited to proper accounts, and funds shall not be held illegally or inappropriately by employers.</p> <p>C.10.3: Workers shall have access to regular and full information concerning the status of relevant accounts and the status and level of their payments.</p>	Risk of Noncompliance

**(2017) IEM Findings**

<b>Findings/Noncompliance Explanation</b>	<p>The farmers pay the labor contractors or supervisors as the head of the group on behalf of all workers. Monitors could not confirm that all workers have complete freedom to do so and whether they will receive their earned wages directly at the end of the work.</p> <p>Migrant workers work 10.5 hours, and local workers work 9.5 hours daily, which is above national law and FLA benchmarks. According to the law and benchmarks, the farmer should compensate workers for all hours worked, and these excess hours must be calculated as overtime. However, farmers pay workers the minimum legal daily wage announced by the Ministry for a 10.5 or 9.5 hour working day.</p>
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	<u>Source:</u> Interviews with workers, farmers, Olam staff, and external stakeholders
<b>Company Action Plan</b>	<p>Olam will organize trainings for farmers in Sakarya and Düzce about working conditions. Olam will also talk about hours of work and payment of wages in the training of migrant workers and labor contractors, which will be organized with the help of local NGOs.</p> <p>In collaboration with the Pikolo Association, Olam aims to certify 50 labor contractors within the scope of “The Database of Labor Contractors Project” (Deadline: February 2018).</p> <p>Olam will give consultancy to four labor contractors who have received labor contractors' certificates to make contracts with their farmers and workers and write annual reports to the Local Employment Agency (İŞKUR). Olam aims to raise awareness of signing contracts among farmers, labor contractors, and seasonal migrant workers and to increase the number of signed contracts over time (Deadline: September 2018).</p>
<b>Deadline Date</b>	

<b>Verification Findings</b>
<p>It is still a common practice for farmers to either give the payment in total to the labor contractor or labor supervisors, who then distribute the earnings to workers. <b>ofi</b> also distributes a document resembling a pay slip to each worker to record their workdays. Even though the workers stated that they get their earnings at the end of the harvest, there is no mechanism to track and ensure it. Moreover, the earnings are not usually handed to individual workers but to the head of the family if the worker has other members from their households, such as their mothers or fathers. In this case, one cannot be sure if the worker receives the money at all or not. Monitors did not verify or notice any written authorization from the worker.</p> <p>Migrant workers' daily working hours are between 10.5 and 10 hours, above national law and FLA benchmarks, given that most workers work at least six days a week. Workers continue to receive daily wages announced by the local commission based on the daily equivalent of a minimum wage calculated according to legal hours of work. According to the law and benchmarks, the farmer should compensate workers for all hours worked, and these excess hours must be calculated as overtime and paid separately. On the other hand, local workers are reported to be working 8 hours a day. It is essential to note that we have not encountered any local workers during the assessment, and all the farmers under the scope of assessment work with migrant workers.</p>
<b>Overall Conclusion of the Verification</b>
There is a need for improvement.
<b>New Finding, if any</b>
<b>Follow-up Company Action Plan (to be filled by the company)</b>
<p><b>ofi</b> prepared a wage delivery record on the payment of wages to individual workers. A copy of the delivery record is available in the file given to farmers, and the handbook is included in workers' packages. As <b>ofi</b> is written in former sections, it is explained that overtime fee must be paid if the total working hours are more than 8 hours daily. The Governorship announces wages, working hours &amp; conditions before harvest and sends these decisions to all villages. In the Wage Determination Commissions, FLA may discuss the inclusion of working hours in these decisions announced by the governorships.</p>

**Deadline Date (to be filled by the company):** October 2024

## Workers Awareness

Benchmarks	Compliance Status
C.11.1: Employers shall make every reasonable effort to ensure workers understand their compensation, including: C.11.1.1: the calculation of wages, C.11.1.2: incentives systems, C.11.1.3: fringe benefits, and C.11.1.4: bonuses they are entitled to at the workplace and under applicable laws. C.11.1.5: Employers shall communicate in writing or orally, where necessary, all relevant compensation information to all workers in the local language or language spoken by the workers, if different from the local language.	In Compliance

## (2017) IEM Findings

<b>Findings/Noncompliance Explanation</b>	<p>The monitors noticed during interviews that workers did not know the exact wagethey would receive. They just knew it would be close to the announced minimum legal wage.</p> <p><u>Source:</u> Interview with workers</p>
<b>Company Action Plan</b>	<p>In collaboration with Pikolo and KEDV, Olam will inform workers that the local commission determines the minimum daily wages, and they shall not receive less during workers' training and labor contractors' training in Mardin and Şanlıurfa.</p> <p>Olam will design brochures and banners about worker's wage decisions of the local commissions and distribute those brochures in the villages throughout the harvest.</p> <p>Olam will work with the local authorities to establish welcome centers at the entrance of Akçakoca and Gümüşova districts, where Olam Sustainability Department Staff and the local authorities will inform migrant workers on working conditions, employment terms, working hours, wages, and local Commission decisions (Deadline: August 2018).</p> <p>Moreover, to better inform the workers on the daily wage, Olam will work in coordination with the village heads and local religious institutions to announce the declared daily wage from the sound system of the village mosques in Gümüşova andAkçakoca (Deadline: August 2018).</p>
<b>Deadline Date</b>	

## Verification Findings

Monitors observed that the workers were aware of the announced daily wage by the local commission but lacked awareness of the legal minimum wage set by national laws. The announced daily wage was also written in the employment contracts and conveyed during the trainings by **ofi**'s social workers.

## Overall Conclusion of the Verification

Satisfactory.

## New Finding, if any

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

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