INDEPENDENT EXTERNAL MONITORING OF SYNGENTA’S CORN SEED SUPPLY CHAIN IN THAILAND

EXECUTIVE SUMMARY

For the assessment year 2016-2017, the FLA conducted unannounced independent external monitoring (IEM) visits to assess working conditions at Syngenta’s corn supply chain in Thailand between the months of October 2016 and May 2017. The assessments covered around 30 acres of corn farms located in Kanchanaburi, Lampang, and Tak provinces.

The team of external assessors visited 37 corn seed producing farms engaged in high labor-intensive activities of detasselling and harvesting, and interviewed a total of 269 workers. The farms located in Kanchanaburi and Lampang primarily consisted of family labor and seasonal local workers hired during detasselling. During the harvesting period, neighbors help each other with the work, and farmers hire fewer laborers. In Tak province, many workers engaged in the farms are migrant workers from Myanmar, with most engaged as seasonal workers. A small portion are hired as permanent workers who stay in the area for longer duration in houses provided by their respective employers. Syngenta is not directly responsible for the recruitment of these workers, nor are the local subcontractors called ‘seed organizers.’ The recruitment takes place via the local farmers who own the land who do not have a direct contractual relationship with Syngenta.

2016 Findings

This report summarizes the FLA’s findings for its 2016-17 assessments and Syngenta’s response to those findings. It also summarizes the progress and remaining gaps in remediation of issues found during previous assessments in 2015. The FLA team has observed progress on code awareness among farmers, prohibition of child labor, implementation of health and safety procedures, and assessment of local wages. The team observed a need for continued improvement in strengthening policies, procedures, and field trainings on non-discrimination, health and safety, and freedom of association among the workers, and in increasing stakeholder engagement on issues concerning compensation and working hours. To access the detailed reports of 2016-17, please visit http://www.fairlabor.org/affiliate/syngenta.
## Employment Relationship

- Management systems on establishing policies or procedures are missing. There is a need to develop policies and procedures on worker recruitment, progressive discipline, and grievance mechanisms. Although Syngenta has established local hotline number to enable workers and farmers to raise concerns, the system is not functional as there is lack of understanding and trust in the system or any instructions for workers on how to use it.
- Syngenta provides information on code standards to its seed organizers and farmers during the pre-production meetings, as a result, there is some knowledge that child labor is forbidden but there is lack of understanding of other code elements. There is also lack of awareness among workers about the FLA code standards since there is no formal training conducted with them.
- Syngenta has developed communication materials on code standards and safety instructions but these materials are not made accessible to workers. In Tak province, the communication materials have not been translated into Burmese or Karenese, although these are the dominant languages of the majority of the workforce in the region.

- Syngenta proposed to develop its internal policies and procedures by the end of 2017. The details of the policy and procedures will be shared with the seed organizers and the farmers at the beginning of the following season and they will be encouraged to share the information with their workers. Syngenta will engage field supervisors to inform the workers of the Syngenta hotline numbers and the grievance channel process.
- Syngenta reported that they will strengthen awareness of all code element implementation procedures, to cover almost 80 percent farmers during the next two years. Syngenta will strengthen the system for distributing Grower Documentation Kits (GDKs), customized notebook kits provided to farmers which contain information on code standards, a copy of the contract, and information on worker details.
- Syngenta plans to develop more communication materials in different languages such as Burmese and Karenese (especially for Tak region) and in Thai and English (in other regions). These will be displayed in almost all the farm locations. Syngenta has created a Syngenta/FLA-branded workwear (shirts, caps, aprons) printed with information on code standards for workers to read.

## Non-Discrimination

The team observed gender-based wage discrimination in some farms located in the Tak region of Thailand. Farms which paid THB 120 to women workers, paid THB 150 to male workers; while farms which paid THB 200 to women workers, paid THB 220-250 to male workers for the same detasselling activity and same working hours.

- Syngenta will involve all the farmers during pre-production meetings in discussion of the issue of gender bias and help them understand that the wages paid to men and women must be same for the same activity. To verify that farmers pay the same amount, GDKs will be distributed to all the farmers. They will be encouraged to maintain records of all workers and their wage payments. Internal monitoring of farms will be done by Syngenta field staff to oversee and monitor wage payments.
### HARASSMENT OR ABUSE

- A case of harassment was observed in one farm in Kanchanaburi wherein a transgender worker was often ridiculed by fellow farm workers. The worker was aware that a complaint could be raised with Syngenta, but chose not to report any.
- In general, there was no understanding among workers about what constitutes workplace harassment and what procedures to follow to raise concerns.
- Syngenta field staff was informed about the case of harassment. They conducted interviews with the concerned worker and the co-workers in the farm and informed them of the grievance handling system. Syngenta staff also installed a suggestion box in the seed organizers’ home.
- Syngenta aims to have their hotline number posted in various communication materials like posters, stickers, and pamphlets. These communication materials will be distributed to all the farmers and workers during field inspections. The calls or feedback received by the hotline will be recorded in the regional office. The grievance policy and procedure will be developed and communicated to the farmers during meetings. Syngenta also aims to establish a steering committee (key farmers, village opinion leaders, Syngenta staff, and others) available for workers to report cases of workplace harassment.

### CHILD LABOR

- Although no children were identified on site visits, the FLA team observed that areas in the Phop Phra and Mae Sot regions of Tak Province are prone to the recruitment of child workers especially among the international migrant workers. Migration, lack of access to Thai education, and poverty are some of the root causes making those children vulnerable to work in the field. In one farm location, assessors identified through interviews that children aged 12-13 years were often engaged during harvesting work.
- The team observed a total of 11 young workers working in the field in detasseling and fertilizer application activities. Most of these young workers were associated with the farmers from at least the last few months to as long as 10 years, which means that most were children when they were first hired.
- Due to lack of management policies and systems, and lack of awareness among
- Syngenta proposed developing policies and procedures on child labor prohibition and rehabilitation by the end of 2017, which they accomplished.
- The company plans to further engage in dialogue with regional stakeholders like government, local CSOs, and schools to ensure that their documentation regarding age and identity is maintained, and that children are rehabilitated in schools and provided care and support during the transition period away from child labor.
- Syngenta staff will reinforce communication of its child labor policy to its seed organizers and farmers and will continue to strengthen the dialogue during seasonal meetings.
- Syngenta proposes that they will encourage the farmers to use the GDKs wherein the details of each worker hired can be recorded and reviewed. They will encourage the farmers to retain the details of workers who are in the threshold age between young and adult workers (15 years and above) first, and
farmers, there is no effective age verification system or protection of young workers or child workers in the farms.

then gradually start an age verification system of other adult workers. Random visits by internal staff shall be conducted to ensure that farmers practice age verification regularly.

**FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING**

Given the informal nature and small size of the farms, none of the farms had any labor unions or affiliations with external unions. In a few farms, workers, especially the international migrant workers, expressed their desire to enter into collective bargaining agreements with their employers on matters relating to compensation and working hours. But they were not aware of any channels of systems they could use to raise their concerns or initiate a dialogue with the company representatives.

Syngenta proposes to engage with local CSOs that will offer sessions with the farmers and Burmese-speaking workers on matters relating to freedom of association and collective bargaining. The Syngenta policy and procedures on grievance handling will be promoted and the workers will be encouraged to raise their concerns through proper channels. The Syngenta head office staff, along with the regional staff, shall facilitate discussions between workers and farmers.

**HEALTH, SAFETY AND ENVIRONMENT**

- Recurrent findings were observed related to the lack of use or inappropriate use of personal protective equipment (PPE), often resulting from a lack of understanding among workers on risks associated with health and safety.
- There was lack of worker involvement in the farm trainings provided by Syngenta staff to its farmers. Training to farmers was limited to topics like PPE usage and certain aspects of chemical management only and not on other related matters like first aid, sanitation, farm equipment usage, and others.
- Chemicals used in the farms were not segregated or kept in different storage areas, and there was no labeling of chemicals. There were no policies or procedures regarding the involvement of pregnant workers and young workers in field work.
- The communication materials provided by Syngenta in Kanchanaburi region were available primarily in English and not in Thai language as understood by workers. In the Tak region, the communication materials were made available only in the Thai language, whereas a majority of the

- Syngenta provides kits containing basic first aid supplies, PPE, and other workwear to farmers during the pre-production meetings. They instruct farmers about the usage, purchase, and maintenance of PPE for the workers.
- Syngenta will engage field supervisors to provide training on health and safety management to workers during farm activities. Syngenta staff will ensure that internal monitoring assesses the effectiveness of the training.
- Syngenta aims to strengthen its training with farmers on general health and safety including chemical management. The Syngenta local team has initiated some incentives among farmers on the proper use and recycling of chemical containers in. Syngenta will also develop policies and procedures to ensure safety at work for workers. Syngenta aims to consult local stakeholders like the Local Labor Department’s Labor Law Clinic to guide them into its formulation.
- Syngenta will design more communication materials (keeping in mind the need to publish in the languages specific to region), in the form of banners, slogans, stickers, and
workers speak Burmese or Karenese.

shirts. The information will be displayed in the most often visited places including seed organizer’s houses, most of the farm sites, and other areas.

### HOURLS OF WORK AND COMPENSATION

- Thailand does not have a nationally recognized legal minimum wage for the seasonal workers engaged in the agriculture sector. Therefore, in the absence of law, the FLA benchmarks expect Syngenta to conduct consultation with local and regional stakeholders to define appropriate wage levels. Syngenta had not started consulting local or international organizations to discuss an acceptable wage rate for the sector.

- Records pertaining to working hours and wages were missing in all Phop Phra farms except for one. At this farm, wage payment records were manually and informally maintained by the farmer. The available record suggested group payment to workers which increases the risk of incorrect wage payment.

- Syngenta has established initial contacts with local stakeholders like the Labor Department's Labor Law Clinic and international organizations like the International Labour Organization and International Organization for Migration. Syngenta shall continue the dialogue and engage with local partners like Mahidol University to conduct an in-depth study on the wage parameters and establish a locally accepted prevailing wage rate for the sector, in consultation with the regional stakeholders.

- Syngenta will provide support to individual farmers on the maintenance of GDKs which will help them record details of the workers such as their age, gender, wage payments, and working hours. Internal monitoring will be conducted to assess the effectiveness of the system.

**Progress and Remediation Gaps in Syngenta Thailand Supply Chain**

The below table summarizes the progress noted in Syngenta’s corn supply chain following corrective action plans in 2015 and the recurring issues and remaining improvement areas identified in 2016.

<table>
<thead>
<tr>
<th>Progress identified by FLA comparing 2015 and 2016 assessment results</th>
<th>Areas where sustainable improvements is required</th>
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<tbody>
<tr>
<td><strong>CODE AWARENESS AND GRIEVANCE SYSTEM</strong></td>
<td></td>
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<tr>
<td>Farmers have an increased knowledge about certain code elements like the prohibition against child labor</td>
<td>Need to strengthen the farmer awareness on all code elements</td>
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<tr>
<td>Syngenta initiated the process of establishing local hotline numbers as a grievance procedure</td>
<td>Lack of awareness among workers on code standards and grievance handling system</td>
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<tr>
<td>Policies and procedures on grievance system are missing and as a result the system is not being used or being functional</td>
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### CHILD LABOR

| The GDKs have been developed, which shall ensure that the farmers maintain records of all the workers including their age. | ▪ The farmers need to be provided training on the use and maintenance of GDKs as currently there is no recording system observed in any of the farms ▪ Age verification system is still missing in the farms. |

### NONDISCRIMINATION

| No issues observed | Gender wage discrimination observed in a few farms in Tak province |

### HEALTH, SAFETY AND ENVIRONMENT

| Communication materials on health and safety have been developed for workers’ knowledge | Lack of awareness among workers about PPE usage, chemical management, first aid, and sanitation. |

### HOURS OF WORK AND COMPENSATION

| The GDKs have been developed, which shall ensure that the farmers maintain records of all the workers including their working hours and wages. | The farmers need to be provided training on the use and maintenance of GDKs as currently there is no recording system observed in any of the farms |