INDEPENDENT EXTERNAL MONITORING OF SYNGENTA’S SEED SUPPLY CHAIN IN INDIA

EXECUTIVE SUMMARY

For the assessment year 2016-2017, the FLA conducted four Independent External Monitoring (IEM) visits and one Independent External Verification (IEV) visit to assess working conditions at Syngenta’s supplier farms in India, during the period of October 2016-March 2017. The assessments covered around 220 acres of farmland located in the states of Maharashtra, Karnataka, Andhra Pradesh and Telangana.

The team of external assessors visited Syngenta’s contracted farms producing seeds for hot peppers, sweet peppers, squash, corn, and rice. The team visited a total of 117 farms and interviewed 233 workers who were involved in peak production activities of pollination, detasselling, and chemical spraying. Syngenta does not directly recruit workers in these supply chains, relying instead on recruitment efforts by seed organizers or farmers, depending on the crop or region. The IEV was conducted in Warangal district of the State of Telangana to assess the progress of Syngenta’s remediation of non-compliances found at the farm level in previous monitoring visits in 2013 in the same villages.

2016 Findings

This report summarizes the FLA’s findings for its 2016-2017 assessments including Syngenta’s responses to the findings and the actions taken in response to the round of assessments. For the verification visit, comparison of the FLA’s findings in 2016 with findings from 2013 shows progress in some areas like increased code awareness among farmers, introducing customized farm-level grievance systems in certain areas, increased awareness on the prohibition of child labor in farms, strengthening of farm level health and safety systems, and increased company participation in addressing issues concerning working hours and compensation. Gaps remain to be addressed in gender discrimination; strengthening code and grievance-system awareness among workers; strengthening age verification systems at farms; strengthening existing health, safety, and environmental protection systems in the farms; and strengthening systems in farms to help monitor working hours and wages. To access the detailed IEM and IEV reports, please visit http://www.fairlabor.org/affiliate/syngenta.
### SUMMARY OF FLA IEM FINDINGS

#### EMPLOYMENT RELATIONSHIP

- Although Syngenta has been conducting some code awareness programs, the level of worker awareness on standards relating to freedom of association; wages; and health, safety, and environmental efforts were observed to be low.
- Awareness among farmers and seed organizers on code standards was observed to be restricted to prohibitions on child labor or the use of personal protective equipment (PPE). Also, the trainings imparted to farmers during pre-production meetings do not involve workers.
- Although an age verification process has been initiated in a few farms, the system needs to be strengthened. Except for a few farms in Andhra Pradesh, there were no age documents maintained for 55 young workers (workers between 15 and 18 years).
- Although efforts have been made by Syngenta to establish policies and procedures on grievance handling, the process, including company hotline number, is not known to the workers yet.
- In the IEV in Andhra Pradesh rice farms, the code awareness level among farmers and workers have been observed to be significantly better as compared to the past assessment. However, there is a need to expand the scope of code understanding to workers beyond child labor and health and safety.

#### SUMMARY OF COMPANIES’ COMMITMENTS (Corrective Action Plans)

- Syngenta is aiming for 100 percent code awareness by 2020, through farm trainings by field staff and Syngenta-selected field mobilizers. The Syngenta team has identified local women mobilizers in regions of Maharashtra and Karnataka who will provide information on terms and conditions and code standards to workers and their family members, before expanding this program to other regions.
- Syngenta will strengthen the code awareness process with farmers and seed organizers and include all elements of code standards.
- Syngenta team is redesigning the grower documentation kit (GDK) to be more user-friendly and to help farmers and seed organizers include information about hired workers including their ages, wages, hours of work, and advance payment information. Syngenta will also recruit field supervisors to provide special support to farmers who have difficulty in reading and writing.
- Syngenta has designed new communication tools which include reference to all code elements including the local grievance hotline number for more visibility and awareness.

### NON-DISCRIMINATION

Gender discrimination in work allocation was observed at corn and rice farms in Andhra Pradesh and sweet pepper and squash farms in Karnataka. For instance, in Andhra Pradesh, women were preferred for sowing and weeding activities which are paid at lower rates, whereas men were preferred for plowing and spraying.

To address this issue, Syngenta staff engaged in social dialogue with farmers, seed organizers, and workers, including women workers to help them assess the situation. Syngenta highlighted that there is a traditional acceptance to do a certain kind of activity by women workers. Syngenta reported that they will address this.
pesticides which are less labor intensive and more highly paid. In Karnataka, women were preferred for activities like cross pollination, weeding, and harvesting over plowing, and fertilizer or pesticide application which are higher paid activities. This practice is in violation to the Equal Remuneration Act which calls for prevention of discrimination against women in employment. Syngenta shall aim to track this by reviewing the GDKs provided to the farmers and ensure that work allocation is not based on any gender bias.

FORCED LABOR

- Although instances of forced labor were not observed, there were indicators observed in farms of Karnataka, where individual members from the same family did not receive individual wages from the farmer. Collective wages are controlled by the head of the family.
- Syngenta reported it will inform the farmers and seed organizers during the pre-production meetings that all payments be made to individual workers. Syngenta will encourage the farmers to use GDKs to help them strengthen the system and ensure that individual payments are made to workers.

CHILD LABOR

- Issues of child labor were not detected in any of the visited farms. However, the majority of the farmers did not maintain age proof documents for the young workers who form a big part of the workforce.
- At the Andhra Pradesh rice farms where monitors conducted the verification visit, they observed an age-verification system in 30 percent of farms.
- There were no systems to ensure that children who accompany their parents during farm activities have a separate space, away from the workplace, to protect them from hazardous chemicals and other farm-related hazards.
- Syngenta reported that they will ensure that all farms are use age-verification systems by 2020.
- To address the issue of children on work premises, Syngenta will focus on creating awareness for farmers and their family members on field safety which also includes keeping children away from the reach of chemicals or other hazardous objects or materials. In farm regions of Maharashtra, the Syngenta staff has sometimes recruited someone to care for workers’ children while their parents are working. Syngenta production field staff will try to incorporate this practice in other regions by 2019.

HEALTH, SAFETY AND ENVIRONMENT

- There has been no training provided to workers on handling pesticides or the use of PPE in almost all visited farms except in Maharashtra. Even in cases where some PPE was supplied by Syngenta, it was provided to a limited number of workers during specific activities.
- Syngenta has developed various field safety training manuals for farmers and workers. The company has developed various tools for different target groups such as posters, pocket cards, pamphlets, and other communications materials.
- In 2016, Syngenta distributed personal
- In almost all farms, chemical containers were not segregated to ensure safety for children. MSDSs (Material Safety Data Sheets) were not maintained in any of the visited farms. They were posted in English in the Syngenta office which is not accessed by farmers and workers.
- Assessors observed that machines like electrical motors, ploughing tractors, and irrigation pump sets were unguarded in most farms, except in Maharashtra.
- The monitoring team observed a notable feature in the Karnataka region. Syngenta had recently conducted an assessment study, with the help of an external organization, to review implementation of health, safety, and environmental protection (HSE) efforts at the farm level. Syngenta is in the process of reviewing its strategies for HSE implementation based on the recommendations of this study. Syngenta is the first agricultural company in the region to initiate such process at the farm level.

### HOURS OF WORK AND COMPENSATION

- Minimum wages were not being paid to workers engaged in farms in Karnataka and Andhra Pradesh. In Karnataka, the minimum wage is INR 304 per day whereas the wages paid to workers ranged between INR 200-250 for women and INR 300-350 for men. Men workers engaged in chemical spraying were paid more than the minimum wage at INR 350. In Andhra Pradesh, the legal minimum wage differs based on activities and zones and ranges between INR 282-346, while in this assessment workers were paid between INR 120-150 for detasselling activities, with the exception of male workers engaged in chemical spraying for which they get paid INR 350.
- The non-payment of minimum wage was also observed during the IEV in Andhra Pradesh rice farms. Whereas the minimum wage of the zone is INR 309 for six hours of pollination work, the workers were paid between INR 200-225 (depending on region).

- To address the minimum wage issue, Syngenta introduced a pilot project in 2016 in two locations in Andhra Pradesh and Maharashtra. Syngenta is collaborating with the FLA and local implementing partner Glocal to raise awareness among seed organizers and farmers on minimum wages and also to engage in external stakeholder networking to advocate minimum wage implementation.
- To address the excessive working hour issue, Syngenta requested farmers along with the seed organizers to engage workers in two shifts of no more than five to six hours per shift to avoid engaging them for long working hours.
- Syngenta reported that GDKs are distributed to farmers to document that working hours and wage payments are in compliance with the legal regulations. Syngenta field production staff will continue to encourage the seed protection equipment to 100 percent of their supplier farms in India free of cost. Syngenta will continue to supply PPE and will encourage the farmers to buy more appropriate PPE to cater to all the workers hired in the field. During farm level awareness sessions or field visits by the production team Syngenta staff will explain and demonstrate how to use PPE.
  - Syngenta staff have planned field safety trainings and distributed too to the farmers and workers.
  - Syngenta will incorporate the HSE study recommendations and include the details of the implementation during the next production cycle.
- Non-payment of minimum wages has also been attributed to the lack of awareness among farmers and workers about legal minimum wages.
- Due to the seasonality of the activities, daily working hours exceed the legal limit in Andhra Pradesh. FLA monitors have observed workers working for 10-12 hours a day and 70 hours a week continuously, with no overtime compensation made to the workers. This has been observed also in the sweet corn farms of Karnataka.
- Lack of record keeping of wage and working hours has been observed in almost all farms.

Progress and Remediation Gaps in Syngenta India Supply Chain

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

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<tr>
<th>CODE AWARENESS AND GRIEVANCE SYSTEM</th>
<th>Progress identified between 2015 and 2016</th>
<th>Areas where sustainable improvements are required</th>
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<tr>
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<td>- There has been increase in code awareness levels among farmers and seed organizers on child labor prohibition and some aspects of health safety.</td>
<td>- There is still lack of complete understanding of all code standards among the farmers and seed organizers, especially relating to wages, hours of work, freedom of association, and harassment and abuse.</td>
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<td>- Syngenta has established local systems of identifying women mobilizers in a few regions to facilitate training and awareness among workers.</td>
<td>- There is a need to strengthen the system of local women mobilizers who could reach out more workers, engaged in all field activities, to increase code awareness.</td>
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<tr>
<th>CHILD LABOR</th>
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<td></td>
<td>- Awareness among some farmers and seed organizers has increased regarding the need to establish age verification system in the farms. A few farms have started the process of maintaining documents for the</td>
<td>- Syngenta needs to strengthen the system among all farmers and seed organizers so that age verification practiced at all farms.</td>
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<td><strong>workers, including for a few young workers.</strong></td>
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### Nondiscrimination

- There is some knowledge about non-discriminatory practices concerning caste and religion.
- Syngenta should educate farmers and seed organizers about gender discrimination, allocation of work without gender bias, and the principle of equal pay for equal work.

### Health, Safety and Environment

- Syngenta has undertaken various initiatives related to health and safety like formulating policies and procedures in some regions.
- Syngenta has provided personal protective equipment and training about its use.
- Syngenta has made efforts to inform farmers and seed organizers about chemical management.
- Farmers and seed organizers are still not fully aware of Syngenta’s policies and procedures and as a result, there is little implementation of health and safety procedures in the field.
- PPE usage is low.
- Syngenta should ensure that vulnerable populations including pregnant women, young workers, and children accompanying their parents to the farms are protected from the hazardous chemicals in use on all farms producing for Syngenta.
- Syngenta should create safe spaces for children accompanying their parents during field work.

### Hours of Work and Compensation

- Syngenta has initiated a farm level study and internal pilot to assess the dynamics of the prevailing wages vis-à-vis the legal minimum wages.
- It has initiated contacts with local stakeholders and international development organizations to help facilitate a discussion on the implementation.
- There is lack of awareness among farmers, seed organizers, and workers about applicability of minimum wages and working hours in the farms.
- Regulation of excessive working hours of work and payment of overtime wages is required.
- Record keeping is still an issue in most farms. GDKs distributed to farmers are not being maintained appropriately.