

INDEPENDENT EXTERNAL MONITORING OF SYNGENTA'S SEED SUPPLY IN AMERICAS, 2018

INTRODUCTION

The Fair Labor Association's (FLA) Principles of Fair Labor and Responsible Sourcing for the agriculture sector¹ require that the farms in the supply chains of each affiliated company are subject to FLA's annual Independent External Assessments (IEA). Syngenta Seeds has been affiliated with the FLA since 2008 and executes its Fair Labor Program (FLP) in its hybrid seeds supply chain globally². The Fair Labor Program (FLP) assesses labor practices on farms against the Syngenta Code of Conduct³. As an affiliated company, Syngenta has committed to meet the FLA Workplace Code of Conduct for the agriculture sector⁴ in its seeds supply chain globally and develop remediation plans for identified non-compliances.

Each year, FLA conducts about 20 field-level assessments⁵ covering a larger number of farms in various countries for Syngenta⁶. For the 2018 assessment cycle, from December 2018 to January 2019, the FLA conducted Independent External Monitoring (IEM) visits to assess working conditions at Syngenta's seed supplier farms in Argentina and Brazil. Assessors conducted visits in San Luis Province, Merlo city, Argentina in January 2019 and in the province of Uberlandia, Minas Gerais, Brazil during its corn detasseling season in December 2018.

Assessor teams⁷ visited one farm in Argentina and three farms in Brazil. The teams interviewed a total of 44 workers (18 workers in Argentina and 26 workers in Brazil) who were involved in detasseling activities of corn at the time of the farm visits. The assessment teams followed the FLA's

¹ FLA's Principles of Fair Labor and Responsible Sourcing are closely aligned with the United Nations Guiding Principles on Business and Human Rights (UNGP) and the OECD-FAO Guidance for Responsible Agricultural Supply Chains. FLA Principles are available here.

http://www.fairlabor.org/sites/default/files/agriculture_principles_of_fair_labor_and_responsible_sourcing_october_2015_0.pdf

² By 2019, Syngenta's Fair Labor Program covered 99.3 percent of all its seed supply farms globally, representing 29 of 33 seed-producing countries where Syngenta procured seeds from. Find more information here [Syngenta – Fair Labor Program](#)

³ <https://syngenta.pid1-e1.investis.com/sites/syngenta/files/code-of-conduct/download-our-code-of-conduct/syn-cofc-english-2019-v1-lr.pdf>

⁴ https://www.fairlabor.org/sites/default/files/fla_agriculture_code_of_conduct_and_benchmarks_october_2015.pdf

⁵ FLA conducts five types of assessments depending on the maturity of a company's social compliance program in a given country and commodity. These include, 1) Baseline Mapping, 2) Independent External Monitoring (IEM), 3) Independent External Verification (IEV), 4) Focused Assessment, and 5) Social Impact Assessment (SIA).

⁶ More FLA reports can be found here <https://www.fairlabor.org/affiliate/syngenta>

⁷ <https://www.fairlabor.org/transparency/fla-accredited-monitoring-organizations>

IEA methodology, which comprises four main components: (1) visits to Syngenta’s local offices to evaluate Syngenta Fair Labor Program activities, (2) visits to supply chain intermediaries like seed organizers (or grower leaders who manage the production work with a group of growers), labor contractors or Human Resources companies (who are responsible for the recruitment of workers), (3) farm visits, and (4) external stakeholder consultations. This report summarizes the FLA’s findings from its 2018 assessments, the company’s responses to those findings and the progress in its internal management system.

2018 ASSESSMENT CYCLE FINDINGS

The table below summarizes the key findings from the FLA’s 2018 IEM visits and provides highlights of the corrective action plans (CAPs) developed by Syngenta in response to the FLA’s findings. To access the full reports, please visit www.fairlabor.org/affiliate/syngenta.

ARGENTINA

SUMMARY OF FLA IEM FINDINGS	SUMMARY OF COMPANY COMMITMENTS (Corrective Action Plans)
Health, Safety and Environment	
<p>Assessors observed a few health and safety weaknesses during the assessment. For instance, there was no evidence that all workers had received evacuation drill training during the last 12 months and some of the corrective actions had not been implemented, which leads to some risks for the workers.</p>	<p>Syngenta will have an updated version of the Annual Work Plan (in greater detail and adjusted preparation times) to ensure that all requirements are met correctly and on time. It will also expand and specify new camp procedures with a check list, of which the maintenance team, supplier and HSE auditing team will receive trainings. Finally, after reviewing priorities and schedules of different HSE trainings, Syngenta will define a new methodology for monitoring compliance status of the workers. All of the above corrective actions will be in place by October 31, 2019.</p>
Compensation	
<p>One driver from an external service provider for transportation of rural workers, had not been formally registered and his social security deductions were not properly made.</p>	<p>Syngenta will review the contractor and a new mechanism for prior checking will be in place. Through communication with third parties, the established requirements will be reinforced. All of the above correct actions will be in place by October 31, 2019.</p>

BRAZIL

SUMMARY OF FLA IEM FINDINGS	SUMMARY OF COMPANY COMMITMENTS (Corrective Action Plans)
EMPLOYMENT RELATIONSHIP	
<p>Assessors observed risk of noncompliance as there were no trainings on workplace rules for contract farmers and their permanent workers.</p> <p>Third-party witness system, which supports the party filing a complaint, was not found.</p>	<p>Syngenta will implement Growers Training Program for permanent employees and for producers with active contracts as of August 2019.</p> <p>Syngenta will review the disciplinary process and include a third-party witness system with updated procedure documents by May 2019. This process will be explained to the workers during the integration training.</p>
CHILD LABOR	
<p>There remains a risk for child labor directly hired by the famer. Assessors found no policy and system for removal and rehabilitation of child labor at the farm level.</p>	<p>Syngenta will develop contractual clauses with growers and ensure commitment to no child labor by May 2019. Local law will be applied for removal and rehabilitation of child labor cases.</p>
HEALTH, SAFETY AND ENVIRONMENT	
<p>The occupational risk assessment documentation for each worker is unclearly marked by the different functions of work.</p>	<p>Syngenta will review if the risks are properly mapped and controlled. Considering labor and workplace conditions, the HSE management system will develop a Work Risk Assessment (WRA), which will be communicated to the rural workers. The above corrective action will start August 2019 and will continue its improvement.</p>

CHANGES IN SYNGENTA INTERNAL MONITORING SYSTEM

Syngenta has a company-wide program, Fair Labor Program (FLP), to monitor the compliance against the Syngenta Code of Conduct. The program includes, among others, the assignment of responsible staff, defining its internal audit process (e.g. interviews, document reviews and observations), provision of training, remediation follow-ups, non-compliance analysis and a grievance channel. The below table summarizes the progresses in Syngenta’s Internal Monitoring System in Argentina and Brazil.

PRINCIPLES	COUNTRY	PROGRESS	AREAS FOR CONTINUED IMPROVEMENT
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LABOR STANDARDS	Argentina		Not all of the FLA Workplace Code of Conduct is included in Syngenta’s internal Code of Conduct.
	Brazil	Communication on its Code of Conduct was provided to all staff and implementing partners.	Communication on its Code of Conduct was provided only once to producer partners and did not cover all of them. The Code of Conduct training of permanent workers at producer levels has not yet covered all of them.
MONITORING	Brazil	All internal relevant staff have been trained in auditing techniques and risk analysis.	Syngenta does not have a clear manual that explains the Internal Monitoring System and lists relevant procedures. It also does not have regular revisions. All internal relevant staff have not been yet trained on revised labor laws.
COLLECTION AND MANAGEMENT OF COMPLIANCE INFORMATION	Argentina	Syngenta started to analyze wages paid to field production workers in relation to living wage calculations.	The analysis on wages against local living wage is not yet available.
	Brazil	Syngenta conducts general analysis of non-compliances per code area.	The general analysis conducted does not map systemic issues yet.
REMEDATION	Brazil		Syngenta does not have a functioning child labor removal and rehabilitation system or a remediation policy to assess and consult stakeholders regarding child labor (as it relies on its policy not to hire workers under 18 years old).
CONSULTATION WITH CSOS AND LOCAL AUTHORITIES	Brazil		Syngenta continues to lack a stakeholder list to engage with regarding the design and implementation of its labor compliance program, where appropriate, while it consults with trade unions and other civil society organizations.