INDEPENDENT EXTERNAL MONITORING OF SYNGENTA’S SEED SUPPLY CHAIN IN EUROPE AND THE MIDDLE EAST

EXECUTIVE SUMMARY

In July and August 2014, during periods of peak seed production activity, the FLA conducted unannounced independent external monitoring (IEM) visits to assess working conditions at Syngenta’s seed supplier farms in Europe and the Middle East. Two assessments took place in Hungary (covering farms in the provinces of Jász, Nagykun, Szolnok, and Csongrád), two in Romania (in Iasi and Galati provinces) and three in Turkey (in Bergama and Konya) where Syngenta is sourcing corn and sunflower seeds.

Teams consisting of a mix of FLA staff and external assessors visited 16 medium and large farms in Hungary and Romania and 30 small farms in Turkey. They interviewed 98 workers who were involved in pollination and detasseling activities. In those countries, Syngenta often works with seed organizers who act as intermediaries between the growers and the company. Seasonal workers hired during peak activities are recruited through labor contractors, who themselves may be contracted by Syngenta, by local growers, or by seed organizers.

This report summarizes the FLA’s findings for its 2014 assessments, the companies’ responses to the 2014 findings, and company actions taken in 2014 in response to the 2013 round of assessments.

2014 Findings

The table below summarizes the key findings from the FLA’s 2014 IEM visits and provides highlights of the corrective action plans (CAPs) developed by Syngenta and submitted in response to the FLA’s findings. To access the detailed reports, please visit http://www.fairlabor.org/affiliate/syngenta

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<th>SUMMARY OF FLA IEM FINDINGS</th>
<th>SUMMARY OF COMPANIES’ COMMITMENTS (CAPs)</th>
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<td><strong>CODE AWARENESS AND GRIEVANCE SYSTEM</strong></td>
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<td>While assessors observed some efforts by Syngenta to increase workers’ awareness of Syngenta’s Code of Conduct (CoC), workers exhibited a limited knowledge of the code elements due to the lack of communication material and training provided to them.</td>
<td>Syngenta reports that it will implement the following actions to improve code awareness in its corn and sunflower supply chains:</td>
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<td>• Syngenta will further develop and distribute code communication material to seed organizers, labor contractors, growers, and workers. This material</td>
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In addition, workers and growers have low awareness of Syngenta's existing grievance procedure, including the non-retaliation policy that is not available at farm level. Grievances received and actions taken upon grievances are not recorded, carrying the risk of leaving grievances unaddressed.

Syngenta will include information on the grievance procedure and non-retaliation policy.

- Syngenta will further train seed organizers, labor contractors, and growers on Syngenta's CoC and FLA program requirements through regular meetings before and during the season. Seed organizers and labor contractors will themselves be responsible to organize on-the-farm trainings to workers on the CoC and grievance procedure.
- Syngenta will strengthen its internal monitoring system at the farm level by reviewing the internal monitoring tool to cover all issues, organizing regular visits to the fields, and collecting data through a checklist.
- Syngenta will implement a bonus system for growers and labor contractors having good internal monitoring results.

**CHILD LABOR**

In corn production, there is no proper age verification process implemented by the labor contractors who hire the seasonal workforce, leading to a risk of employing under-aged workers. Additionally, special regulations for young workers (between 15 and 18 years of age) were not applied on the visited farms. Young workers were not granted free Sundays as required by Hungarian labor law.

In both crops, there is no established child labor removal and rehabilitation procedure and system in case child labor cases are identified.

Syngenta reports it will improve the workers’ registration system and age verification procedure used by the labor contractors for recruiting seasonal workers in corn production. Syngenta committed to develop a sample registration form with the support of its lawyer. This registration and age verification system will be pilot tested with the “E” category growers, a category of growers where Syngenta contracts directly the labor contractors. Learning and best practices will then be shared with all other categories of growers.

To ensure compliance with special regulations for young workers, Syngenta reports that it will provide plastic armbands for young workers to identify them clearly in the field. In addition, Syngenta will increase awareness on special requirements (e.g. limited working hours) for young workers through banners at the farm level. Syngenta will also strengthen the hours of work record system and pilot it with “E” category growers.

Syngenta reports that it will identify and communicate actions that the seed organizers, labor contractors, and growers should implement if child workers are detected.

**HARRASSMENT OR ABUSE**

In both corn and sunflower production, there is no policy on workplace conduct and discipline or an

Syngenta reports that it will develop an example of disciplinary policy and procedure relevant to the farm
established, well-documented procedure on handling discipline at the farm level. In corn-producing farms, FLA’s assessments found evidence of harassment or abuse cases where some growers used verbal abuse against workers as a means to maintain labor discipline. During FLA assessments, representatives of labor contractors attempted to limit the workers in their right to talk freely and openly about their employment conditions. Assessors found that workers’ reporting of their own working hours indicated fewer hours than the farms’ time records, suggesting that they have been coached or threatened.

HEALTH, SAFETY, AND ENVIRONMENT

In corn production, labor contractors and workers did not have any health and safety policy at their disposal. Assessors found that workers did not receive health and safety training. Furthermore, seasonal workers had to bring their own Personal Protective Equipment (PPE) from their homes and no additional PPE was available on the farms. In both corn and sunflower producing farms, FLA assessors found that potable water is not always available to the workers.

Syngenta reports that it will develop the necessary health and safety documentation and provide support to corn growers to create and implement their own policy. Syngenta will educate labor contractors and growers on the health and safety requirements, who will in turn be responsible for educating the workers. Syngenta will distribute sample PPE to all labor contractors and growers to raise awareness about what PPE to provide to workers. Important health and safety messages will be printed on t-shirts and caps that will be distributed to workers. To improve potable water availability in the fields, Syngenta reports that the company will raise awareness of growers and labor contractors on the need to provide water to workers and will provide a bonus if they do.

HOURS OF WORK AND COMPENSATION

In corn production, assessors identified manipulated attendance sheets on the visited farms. Attendance sheets did not show weekend attendance, while workers’ interviews reported that they worked on weekends. In addition, assessment results concluded that there is a high risk that labor contractors do not respect the workers’ right to have one day off for every seven-day working period, as per Hungarian labor law and FLA code. In both crops, workers were not aware of the wage regulations and their entitlement to receive 50 percent overtime premium for work performed on Sunday.

Syngenta reports that it will clarify Hungarian regulations on seasonal work and distribute information on legal requirements regarding working hours to growers, labor contractors, and workers. Moreover, Syngenta will collaborate with its lawyer and growers to develop efficient methods to ensure workers’ registration, accurate recording of working hours and correct payments of benefits and wages. Syngenta will closely monitor the issue through internal monitoring visits and the bonus incentive system. As described above, the grievance procedure and non-retaliation policy will be further communicated to the workers to ensure that such issues are reported.
**IN ROMANIA**

### SUMMARY OF FLA IEM FINDINGS

**CODE AWARENESS, GRIEVANCE AND DISCIPLINARY SYSTEM**

Syngenta made little effort in 2014 to communicate on its CoC and further educate growers and workers on labor standards. Interviewed workers were not aware of the CoC and its meaning. Syngenta’s grievance telephone number (hotline) proved to be an ineffective communication channel, and workers are unaware of the grievance policies and channels available. Additionally Syngenta has not trained the phone operators on how to manage grievances.

At the farm level, there is no grievance procedure to settle grievances between workers and growers. There are also no disciplinary policies and procedures and it was impossible to determine if supervisors are trained on those aspects due to lack of training records. At the sunflower producing farms, permanent workers were informed about disciplinary rules, but casual workers were not.

### SUMMARY OF COMPANIES’ COMMITMENTS (CAPs)

Syngenta reports that it will ensure that enough CoC informative materials are distributed to the farms in 2015. Additionally Syngenta has committed to employing and training seasonal students to communicate the CoC and grievance procedures to all workers and undertake internal monitoring at the farms.

While Syngenta’s hotline will still remain functional, the temporary students will be the direct contact between workers and Syngenta at farm level to handle grievances in a manner that is more appropriate to the culture (face-to-face interactions). Furthermore, they will also ensure that workers can submit grievances and complaints without fear of retaliation.

Syngenta reports that it will develop disciplinary procedures in consultation with the growers. They will train the field supervisors on the disciplinary procedures and will ensure that they are communicated to workers at the beginning of their work.

### HEALTH, SAFETY, AND ENVIRONMENT

Permanent workers are periodically trained on health and safety procedures and management system but casual workers are not. Health and safety regulations and documents are not easily accessible to workers on the farms.

Workers do not have access to safety equipment and first aid kits at all visited farms. Additionally, personal protective equipment (PPE) was not available for casual daily workers.

At the visited sunflower-producing farms, there were no adequate rest areas or areas with shade for the workers.

Following the new local regulation, Syngenta reports that they will train casual workers on health and safety rules and procedures on a daily basis. Furthermore, Syngenta plans to post clear health and safety messages at visible places on the farms.

Syngenta plans to provide safety equipment and first aid kits to the farms during the peak season, in addition to the equipment provided by the growers. Additionally Syngenta is planning to provide basic PPE for the seasonal workers.

Syngenta reports it will provide rest areas (tents) at the largest farms and will ensure that growers follow their obligations on the other farms.
## HOURS OF WORK AND COMPENSATION

| At the visited sunflower farms, there are no time records maintained at the farm level, which prevents a thorough follow-up of working time and potential overtime work. Furthermore, the payment records are not complete and do not include permanent workers. There is no way to verify overtime hours and therefore accurate overtime payment. | Syngenta plans to periodically check and monitor the time and payment records for permanent and seasonal workers at the farm level and take appropriate measures if not properly implemented. |

## IN TURKEY

### SUMMARY OF FLA IEM FINDINGS

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While assessors observed some efforts by Syngenta to increase growers and workers’ awareness of Syngenta’s CoC through the “Seeds Man Project” and other training sessions, both growers and workers exhibited a limited knowledge of the code elements due to the lack of communication material and training provided to them.

In addition, the toll-free hotline to address workers’ grievances is malfunctioning. Most of the workers are unaware of the purpose of the hotline and that they can use grievance channels without fear of retaliation. Grievances and actions taken upon them are not recorded. Moreover, Syngenta changed the hotline number this year without changing the number on the communication material.

In both corn and sunflower production, there are no clear written policies and procedures on workplace conduct and discipline and an established, well-documented procedure on handling discipline at the farm level.

Syngenta reports that it will continue implementing the awareness raising activities that are part of Syngenta’s “Seeds Man Project” to progressively reach a greater number of growers and workers. Labor contractors and growers will be trained before the season on Syngenta’s Code requirements with a particular focus on the areas identified as high risk in previous assessments. For the casual workers’ groups, Syngenta will organize weekly training sessions that will take place during the whole season. Additionally, Syngenta reports that it will produce more communication materials that will be placed at key places in the villages and distributed to workers’ families as well. The grievance procedure will be specifically explained during those trainings and the communication material will include the new hotline number.

Syngenta reports that each of its stakeholder’s contracts (whether generated by the growers’ HR service provider or by labor contractors) will include disciplinary terms, which will be signed by all parties prior to the season. The specific terms will be explained to all stakeholders during the training sessions.

### CHILD LABOR

Although there were no child labor cases detected | Syngenta reports that it will verify the ages of workers |
during the visits, child labor remains a risk due to a weak age verification process. Labor contractors do not always verify the ages of the workers they bring to the farms. As a result, children may arrive at the farms and be involved in farm activities. This risk is even higher when growers recruit workers directly for farm activities without Syngenta’s intervention during low season activities, as growers do not implement any age verification system by themselves. Furthermore, there is some general confusion with regard to age calculation with parental consents missing for some of the young workers. Consequently, there might have loopholes in complying with specific regulations to young workers.

who appear be under-aged before allowing them to be transported to the farms. In addition, Syngenta will prepare a workers’ list prior to the season and distribute it to the labor contractors for pre-selection purposes. Contracts between HR service providers and labor contractors will be reviewed and will include prohibition of child labor, and punitive terms if child labor is found. The age calculation method will be clarified with the labor contractors and HR service provider so that mistakes cannot occur.

To improve growers’ employment practices during the low season, Syngenta will share examples of workers’ records and payroll sheets with growers during the training sessions.

HEALTH, SAFETY, AND ENVIRONMENT

In both corn and sunflower production, there are no health and safety policies available on the farms. Syngenta has provided some information material to growers during training sessions but it is not relayed to workers who are not fully aware of health and safety measures.

Growers and workers often do not wear the PPE that is distributed to them and are not aware of the possible risk of not using PPE, especially with regard to chemical spraying.

In the sunflower production in Konya, first aid kits are only available in Syngenta’s agronomists’ cars during the peak season. Hence, workers do not have access to first aid kits if agronomists are not at the location site.

Syngenta reports that it will allocate a significant budget on health and safety documentation to be distributed to the different stakeholders. Syngenta has developed booklets, notebooks for children of labor families, brochures, and other communication material to explain Syngenta’s CoC and health and safety in the field, including the importance of proper PPE usage. All communication materials will be distributed during training sessions and displayed in the field and villages.

To improve access to first aid kits, the contract with labor contractors will include an article requiring a first aid kit in all worker transportation vehicles, as required by Turkish law. Syngenta staff will randomly check the presence of first aid kits in the transportation vehicles.

HOOURS OF WORK AND COMPENSATION

In both crops, the rest day requirement is not properly implemented. According to Turkish labor law, one rest day shall be given to every worker in every seven-day period and they should be compensated for it. However, Syngenta and the labor contractors are not implementing any system for tracking the legally required rest days for casual workers who are working from one farm to another and sometimes for multiple companies. Consequently, no rest day is remunerated and workers work as many days as possible to earn more during the season.

In the sunflower production in Konya, assessors found that during the peak production time, workers can work up to two hours overtime per day but are not compensated for it at the overtime premium rate.

In both crops, Syngenta does not pay the legal

Syngenta reports that it will initiate a pilot program to hire a certain number of workers for the total production period, and put them on payroll for the entire period instead of the daily-based payroll. This will allow them to better track workers’ attendance and apply labor law requirements more effectively.

To tackle overtime payment issues, Syngenta will track and record working hours, workdays and respective wage calculations for the casual workers. If the work hours exceed eight hours per day, workers will be compensated according to Turkish law. In addition, training sessions will emphasize workers’ rights on working hours and accurate overtime compensation. Workers will be informed and encouraged to use the grievance channels in case of compensation violations.
minimum wage to casual workers for regular working hours. Workers should get a minimum daily wage of TL 29.70 net or TL 37.80 gross (for workers without social security registration). They are paid a daily wage of TL 27.02, which is less than minimum wage for either category of worker. For the majority of the workers who are not registered in the social security system, this rate is far below the minimum. Additionally in the Konya location, the labor contractors deduct 10 percent from workers' wages as a commission, which decreases the net wage even further below the legal minimum.

In both sunflower and corn production, Syngenta's HR service provider does not register workers for social security, arguing that temporary agricultural workers are exempt from the registration. However, agricultural workers who repeatedly work a stated number of days every year during a defined period of time must be considered as continuous workers requiring social security registration.

Regarding payment of minimum wages, Syngenta will determine the wages by contacting the Chamber of Agriculture in Turkey in order to stay in line with the official minimum wage rate released by the government. It will also follow the guidelines regarding payment of net or gross wage according to the social security status of the workers. Workers will be paid the legally defined minimum wage without further deduction for the labor contractors’ commission.

Regarding social security registration, Syngenta reports that an employer does not need to register workers to social security if they are handling discontinuous tasks (less than 30 days). However, Syngenta and the HR service provider will provide workers with the option of being registered and the social security system will be briefly described in their daily-based contracts. In addition, the training sessions organized by Syngenta will cover the procedures regarding social security registration.

### 2014 Actions implemented by Syngenta in the three countries

Based on the 2013 assessment results², Syngenta developed corrective action plans to be implemented in the monitored farms and throughout its seed supply chain in Hungary, Romania and Turkey. Some of the issues taken up in the 2013 company action plans (CAPs) recur in the 2014 findings, such as lack of code and grievance procedure awareness among growers and workers, gaps in the age verification system, some health and safety issues, and lack of reliable time and payment records. In Turkey for example, in 2014 assessors found labor contractors deducting ten percent deduction of workers’ wages, keeping them suppressed below the legal minimum wage, just as was found in 2013. Some actions described in the 2013 CAPs were not implemented, especially in Hungary, leading to recurring issues in the 2014 assessment findings.

The below table summarizes the 2013 findings, Syngenta corresponding CAPs and the actions that were actually taken in 2014 as reported by Syngenta. The FLA intends to conduct IEM verification visits at previously assessed farms in the 2015 and 2016 cycles and report its findings.

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² The 2013 IEM visits took place in different farms from those visited in 2014. To access the detailed 2013 IEM findings and related Executive Summary, please visit: http://www.fairlabor.org/sites/default/files/documents/reports/syngenta_europe_middle_east_executive_summary_2013.pdf
### SUMMARY OF 2013 IEM FINDINGS

#### CODE AWARENESS AND GRIEVANCE SYSTEM

Growers’ and workers’ had a good awareness of the company code of conduct at the visited farms in Romania. However in Turkey and in Hungary, growers and workers had very limited knowledge of the company code of conduct and workplace standards, despite Syngenta’s use of posters, trainings, and distribution of leaflets about these topics. In the three countries, Syngenta has developed a grievance channel to allow workers to reach directly the company, but workers’ awareness of this channel is very low.

In Hungary and Turkey, Syngenta committed to increase growers’ and workers’ awareness of workplace standards. In the corn production in Hungary, Syngenta will place more communication materials on farms and on the workers’ shuttle bus to make sure all workers have a chance to review the code of conduct. Short training sessions will also be given to the workers at the beginning of each working day. In sunflower production, Syngenta will strengthen the awareness program with the seed organizer to ensure a better implementation at farm level. In Turkey, Syngenta organized a “training of trainers,” for a few selected staff to be able to train growers on workplace standards before each season. Syngenta will develop communications materials for growers’ training, and in all the three countries, Syngenta will work to increase workers’ awareness of the company grievance channel through communication material and training.

In Hungary: Syngenta has organized monthly meetings with the growers and contractors to discuss workplace standards and any complaints/suggestions regarding improvements of the fieldwork. Syngenta planned the development of communication materials to be distributed to the growers and contractors during the 2015 season.

In Turkey: Syngenta organized training of trainers on workplace standards (code of conduct, HSE, grievance channel) to have a pool of trainers to train growers before each season. 42 people attended, including Syngenta internal staff and 3rd party contractors.

In Romania: Syngenta has worked on the material and content, along with the legal department, to be incorporated in the workers’ contract and will implement it in 2015.

### EMPLOYMENT RELATIONSHIP

In Hungary, workers do not receive contracts, and their employment terms regarding hours of work and wages are not clearly communicated. In Romania, the workers’ registration system accounts for only one worker per family, who is paid on behalf of the group, making it unclear how.

In Hungary, at the corn-producing farms where Syngenta hires seasonal workers directly, a seasonal contract system will be implemented, and employment terms will be clearly described. In the other farms, contract templates will be shared with the seed organizers, and Syngenta will

In Hungary: Syngenta has worked on the material and content, along with the legal department, to be incorporated in the workers’ contract and will implement it in 2015.

In Romania: Syngenta informed the growers of the
many workers are involved, what their hours are, and whether they are of working age. In Turkey, wages are not paid according to a regular and documented procedure, making workers unsure when they will receive their wages.

strengthen its monitoring of the issue. In Romania, Syngenta will train local growers on the requirement to register all workers, and will confirm through monitoring that growers adhere to this policy in the future. In Turkey, Syngenta will work with a legal consultant to include payment terms and other legal clauses in the workers’ contracts. Labor contractors will also be required to submit workers’ salary payment forms to Syngenta.

legislation requirements to register all workers and requested to apply it on the field. Syngenta included this specific item into its internal monitoring tool to verify implementation.

Turkey: a legal clause was added in the contracts regarding payment time. Syngenta developed a score sheet that indicates all payments done to the workers and other benefits.

**CHILD LABOR**

Child labor was identified in all three countries. Children were observed working on detasseling and harvesting activities together with their parents, who bring them to the field. When workers are hired directly by the growers, they do not implement any age verification system and do not maintain proof of age documentation on the farms. No parental consents were observed for the recruitment of young workers below 18. Finally, there is no child labor removal and rehabilitation system implemented by the company.

In the three countries, Syngenta will take measures to improve compliance with child labor requirements. Through communication material and training efforts, Syngenta will emphasize that age verification systems must be followed in each country, and that the employment of young workers requires parental consent. Finally, Syngenta staff in all three countries will develop procedures for removal and rehabilitation of child workers relevant to the local situation.

In the three countries, Syngenta has developed a procedure and a form to be used for age verification process and, if necessary, to request consent from the parents.

Syngenta has shared the form with the growers and contractors and communicated about the importance of it but faced challenges receiving feedback from the growers and contractors.

Syngenta has studied the development of a system for removal and rehabilitation of child workers and how to implement in each country.

**HEALTH, SAFETY, AND ENVIRONMENT**

A number of health and safety issues were identified in the three countries. In Hungary and Romania, assessments showed that health and safety management systems were lacking at farm level. Assessors found that workers had not been provided with access to safety equipment, and that at no point in the supply chain had any particular actor (growers, seed organizers, or Syngenta) taken responsibility for communicating

In Hungary and Romania, health and safety management systems will be strengthened through communication of policies and procedures and enhanced training for growers, emphasizing good chemical management and storage. To improve communication to workers, Syngenta will organize short daily training sessions to remind workers of the most important health and safety measures. Syngenta will also provide basic

**Hungary:** Syngenta organized HSE trainings at the beginning of the season for the growers and contractors. Syngenta distributed sample PPE to the growers to be used as model and inform them of the need to provide PPE to the workers.

**Romania:** the local regulation now requires a daily communication to seasonal on HSE regulations at farm level. Syngenta developed clear HSE
health and safety policies to workers. Most of the visited farms lacked chemical management and training procedures. Additionally in Turkey, growers lacked a system for tracking whether they employed any pregnant workers, and therefore were unable to provide special protective measures for them. In some cases, drinking water was insufficient for workers in the field.

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<td>In the three countries, assessors identified problems with the recording and tracking of hours of work and wages on the farms. This non-compliance affected the verification of other requirements such as overtime work, rest days, and timely payment of wages. In Turkey, assessors found that labor contractors were deducting commissions from workers’ wages, which is not allowed according to the legal regulations.</td>
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<td>In the three countries, Syngenta will implement measures to: (1) clarify employment terms with workers, and (2) better track and record hours of work and wage payments. Payment or payroll templates will be shared and explained to growers or seed organizers. Once the system is established, Syngenta will closely monitor the implementation of hours of work and compensation benchmarks, including overtime work, the provision of rest days, and timely payment of wages. In Turkey, legal aspects with regard to labor contractors’ commissions will be clarified and added to the workers’ contracts. Labor contractors will be required to register with the tax system by contract.</td>
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<td>In each country, Syngenta has developed a template sheet for tracking hours of work and wages paid to the workers. The growers and contractors were trained on how to use and implement the form. In Turkey: Syngenta informed the labor contractors of the legal regulations on the workers’ wages and reviewed the contract to include the registration with the tax system.</td>
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personal protective equipment (PPE) for seasonal workers and will remind its partners of their obligation to provide PPE to their workers. In Turkey, Syngenta will organize trainings for workers before the season starts, and will provide PPE and an information booklet on health and safety. Growers’ training will also be strengthened on health and safety aspects and a clause on pesticide application will be added to their contracts. Issues regarding reproductive health will be clarified with legal assistance and added to the contracts. Syngenta will develop a water distribution plan before the season begins and will establish a monitoring system for the water supply at the farms.

messages with pictures for a better understanding. These materials were displayed at farm level during the season. HSE trainings were organized at the beginning of the season for the growers and contractors.

Turkey: Syngenta conducted trainings on HSE to the growers before the season started, and distributed communication materials on HSE standards and use of PPE.

In the three countries, Syngenta has developed a policy on the availability of sufficient and potable water.