

## INDEPENDENT EXTERNAL MONITORING OF SYNGENTA'S SEED SUPPLY CHAIN IN SOUTH EAST EUROPE

### EXECUTIVE SUMMARY

In 2017, the FLA conducted three unannounced independent monitoring (IEM) visits to assess working conditions at Syngenta's seed supplier farms. Assessors conducted two of these visits in Hungary in July at farms producing sunflower and corn seeds, and one in October in Turkey during the sunflower harvest.



FLA assessors conducting worker interviews in the Konya region of Turkey.

Assessors visited ten large- and medium-sized farms in Hungary and 21 small farms in Turkey, interviewed a total of 243 out of 566 workers employed at the farms (64 in Hungary and 179 in Turkey). The assessment teams followed the FLA's Independent External Monitoring methodology, which comprises four main components: (1) visits to Syngenta's local offices, (2) visits to supply chain intermediaries like seed organizers, labor contractors, or recruitment agencies, (3) farm visits, and (4) external stakeholder consultations.

This report summarizes the FLA's findings for its 2017 assessments in Hungary and Turkey and the companies' responses those findings. To access the detailed reports, please visit: <http://www.fairlabor.org/affiliate/syngenta>

### 2017 FINDINGS – HUNGARY

SUMMARY OF FLA IEM FINDINGS	SUMMARY OF COMPANIES' COMMITMENTS (Corrective Action Plans)
<b>CODE AWARENESS AND GRIEVANCE SYSTEM</b>	
<p>Syngenta has established a toll-free hotline number as a grievance mechanism, which is broadly promoted at farm level, but assessors reported that non-Syngenta employees, including seasonal workers, are not entitled to use this toll-free number, and the service behind this number is insufficient to handle grievances.</p>	<p>For both supply chains, Syngenta committed to:</p> <ul style="list-style-type: none"> <li>• revise the hotline number function and seek collaboration with an NGO for grievance handling at the farm level; appoint a person responsible for handling the grievance channel.</li> <li>• ensure that the green number is available for all workers on the fields.</li> </ul>
<b>EMPLOYMENT TERMS</b>	

<p>In Hungary, two different systems are used to recruit workers. The farms that directly recruit their workers are compliant with their human resource management systems. However, farms that hire seasonal workers through labor contractors are not. For example, one farm was not maintaining written documentation of terms and conditions of employment, job descriptions, rules of compensation, or working hours for the positions.</p> <p>Assessors also reported shortcomings in the age verification process at two assessed farms in the corn supply chain. For example, labor contractors working in the corn supply chain used multiple attendance sheets complicating worker traceability and confirmation of legal employment and taxation duties. No non-compliance was reported in the sunflower supply chain.</p>	<p>Syngenta committed to:</p> <ul style="list-style-type: none"> <li>• prepare training material for labor contractors on written terms and conditions of employment, job descriptions, rules of compensation, and working hours, and to provide updated record keeping material. Training will be conveyed to labor contractors by Syngenta agronomists.</li> <li>• train labor contractors to carry out documentation and age checks during worker registration and to keep proper and transparent attendance sheets.</li> <li>• prepare a registration sheet that would include the age of the young workers and hours of work.</li> <li>• provide new information boards and brochures on age verification to labor contractors and farmers.</li> </ul>
<p><b>HARRASSMENT AND ABUSE</b></p>	
<p>Assessors reported that there is no written disciplinary policy developed at the farm level both in both supply chains, which creates a risk that potential cases of physical, sexual, psychological, or verbal violence will not be handled properly.</p>	<p>Syngenta committed to extend its written disciplinary policy to the farm level and to inform all the responsible parties about it through information boards and brochures, along with publishing it on the Syngenta website. Syngenta will train supervisors separately on the disciplinary procedures.</p>
<p><b>CHILD LABOR AND EMPLOYMENT OF YOUNG WORKERS</b></p>	
<p>Syngenta has developed a child removal and rehabilitation procedure, which is being implemented in the corn supply chain but not the sunflower supply chain. However, this procedure does not provide measures to assess the situation at the child’s household level and devise remediation in the best interest of the child.</p> <p>At corn-producing farms, assessors found young workers after being informed by employers and labor contractors that all the workers are adults. This raises concerns about age verification and special requirements regarding employment of young workers.</p>	<p>In the corn supply chain, Syngenta committed to appoint a trusted person to assess the household situation of each child found working and to continue working with Prince Job Holding Zrt, a private employment agency, for child removal and rehabilitation.</p> <p>In the sunflower supply chain, the seed organizer Agromag and the growers will be responsible for ensuring that a trusted person is available in the fields who is responsible for child removal and rehabilitation.</p> <p>Regarding the identification of young workers in cornfields, Syngenta committed to train labor</p>

	<p>contractors on how to use a new and improved registration sheet that requires input of information on the age and working hours of young workers.</p>
<p><b>FREEDOM OF ASSOCIATION AND BARGAINING</b></p>	
<p>Hungary Labor Law requires stewards to be elected for all workplaces with more than 15 employees, and for worker councils to be formed for all workplaces with more than 50. Assessors reported that one corn farm with more than 50 workers failed to fulfill this legal requirement.</p> <p>Assessors also reported that growers do not facilitate worker association with the only existing Hungarian Trade Union active in the agriculture sector (MÉDOSZ) and Syngenta does not include this information to the training content.</p>	<p>Syngenta committed to contact MÉDOSZ and try to collaborate on reaching out to workers, in addition to better informing workers about the opportunity to join the union through billboards, brochures, and the Syngenta website.</p>
<p><b>HEALTH AND SAFETY</b></p>	
<p>Seasonal field workers had poor access to clean water and toilets in two sunflower farms and one corn farm.</p>	<p>At the corn farms, Syngenta committed to rent several mobile sanitation facilities for seasonal workers and to ensure that growers will provide clean water to workers whenever necessary.</p> <p>At the sunflower farms, Agromag, the seed organizer, will provide disinfectants, toilet paper, and hand-washing water to workers in collaboration with the growers.</p>
<p><b>HOURS OF WORK AND COMPENSATION</b></p>	
<p>Existing attendance sheets, which are used to track the working hours, do not include a section specifically to track the working hours of special-category workers such as pregnant or nursing women and young workers. There is no process in place for workers to validate and counter-sign these hours of work records.</p> <p>Assessors also reported that some labor contractors in the corn supply chain failed to document that they pay taxes and social security contributions for each of the seasonal workers</p>	<p>Syngenta reported that its agronomists will inform the subcontractors and the seasonal workers on proper usage of attendance sheets and bracelets to identify young and pregnant workers in the field. Syngenta will train labor contractors on the process of requiring workers to countersign attendance records and agronomists will be in charge of checking implementation.</p> <p>Regarding the taxation duties of labor contractors, Syngenta states that the newly</p>

they employ.	<p>launched IT system of the Hungarian Tax Authority will provide a long-term and effective solution to registration of the activities of labor contractors.</p> <p>Syngenta will improve the registration sheet by adding fields for overtime payment and wage calculations, the total number of hours worked, bonuses, and earned wages.</p>
--------------	--

## 2017 FINDINGS – TURKEY

SUMMARY OF FLA IEM FINDINGS	SUMMARY OF COMPANIES' COMMITMENTS (Corrective Action Plans)
<b>EMPLOYMENT TERMS</b>	
<p>For the recruitment of seasonal workers, Syngenta works with an employment agency that finds workers with the help of labor contractors. While the employment agency possesses legal permits, the majority of labor contractors involved in recruitment process do not hold formal labor intermediary licenses.</p> <p>Syngenta implements a reliable age verification process for workers they employ through the employment agency. However, the growers do not implement age verification for the production phases for which they are responsible. This creates a risk with regards to child labor and young workers when growers recruit additional workers.</p>	<p>Syngenta reported it will:</p> <ul style="list-style-type: none"> <li>- prioritize working with labor contractors who already hold an official intermediary licenses and train the rest of labor contractors on the requirement to obtain a license.</li> <li>- train the growers on the FLA Workplace Code of Conduct and on the importance of age verification in every stage of production. Syngenta will provide worker registration sheets to growers who will be instructed to fill out the form when they employ daily workers. Compliance will be randomly verified by Syngenta.</li> </ul>
<b>HEALTH AND SAFETY</b>	
<p>Assessors reported that fewer than half of all growers possess the required plant protection application certificate although all growers apply chemicals.</p> <p>Not all first aid kits contain the necessary items such as solutions, sprays, or medicines, and not all worker groups have first aid kits. The expiration dates of the materials need to be controlled.</p> <p>There is no policy or procedure in place for the protection of workers' reproductive health.</p>	<p>Syngenta committed that their agronomists will provide plant protection application trainings to growers.</p> <p>Syngenta will create a procedure for the control of first aid kits, and the employment agency will check the completeness of the first aid kits on a monthly basis.</p> <p>Syngenta will prepare procedures about protection of reproduction health and train growers on these procedures.</p>

<b>HOURS OF WORK AND COMPENSATION</b>	
<p>Workers are not informed of the regulations regarding payment if work is suspended due to weather during the day, creating a risk of non-compliance regarding compensation.</p> <p>Syngenta employs workers through an employment agency for about 50-60 days on and off during the season. Workers are free to take unpaid rest days but Syngenta does not provide any paid rest-days to the workers.</p> <p>Syngenta provides daily contracts for workers but does not provide a counter-signed paycheck, which is necessary for workers to trace their payments.</p>	<p>Syngenta reported it will:</p> <ul style="list-style-type: none"> <li>- add rules regarding suspension of work to workers' contracts.</li> <li>- grant a half-day paid rest day per week to all the workers.</li> <li>- prepare a pay check to be signed by the workers.</li> </ul>

**Progress and Remaining Gaps in Syngenta Supply Chains in both Countries**

The below table summarizes the progress noted in Syngenta’s Turkey and Hungary supply chain following corrective action plans implemented in 2016 and shows recurring issues and remaining improvement areas identified in 2017.

Code Elements	Country	Progress identified between the 2016 and 2017 assessment results	Areas where sustainable improvement is still needed
Code Awareness	Turkey	* Increased awareness on code elements among workers and family members	* Labor contractors need to obtain formal labor intermediary licenses
	Hungary	* Increased code awareness among workers in sunflower and corn supply chains	* Low levels of awareness of grievance mechanisms *Grievance mechanisms need to be extended to seasonal workers
Child Labor	Turkey	* Age verification process of the employment agency	* Age verification and recording at the farm level for workers hired by the growers
	Hungary	* Development of a child removal and rehabilitation policy	*Shortcomings in the age verification and identification of young and pregnant workers * Improvement of the child removal and rehabilitation policy is needed

<b>Freedom of Association</b>	<b>Hungary</b>		<ul style="list-style-type: none"> <li>* Worker councils must be formed for farms with more than 50 workers</li> <li>* Worker awareness of the existing union is low</li> </ul>
<b>Harassment and Abuse</b>	<b>Hungary</b>		<ul style="list-style-type: none"> <li>* Lack of disciplinary policy and procedure available at the farm level for the workers</li> </ul>
<b>Health and Safety</b>	<b>Turkey</b>	<ul style="list-style-type: none"> <li>* <b>Systematic distribution of PPE to all workers</b></li> <li>* <b>Safe transportation for all workers to and from farms</b></li> </ul>	<ul style="list-style-type: none"> <li>* Inclusion of adequate equipment and regular controls of the first aid kits</li> <li>* Procedure on reproductive health</li> <li>* Growers need to obtain chemical management certificates to growers</li> </ul>
	<b>Hungary</b>	<ul style="list-style-type: none"> <li>* <b>Training on proper lifting techniques</b></li> <li>* <b>Procedure for the maintenance of first-aid kits and training of responsible personnel</b></li> </ul>	<ul style="list-style-type: none"> <li>* Access to sanitation facilities in some of the farms</li> </ul>
<b>Hours of Work and Compensation</b>	<b>Turkey</b>	<ul style="list-style-type: none"> <li>* <b>Inclusion of social security payments in workers daily earnings</b></li> <li>* <b>Awareness raising on social security registration</b></li> </ul>	<ul style="list-style-type: none"> <li>* Paid rest day</li> <li>* Prior information about the earnings on suspended work time</li> </ul>
	<b>Hungary</b>	<ul style="list-style-type: none"> <li>* <b>Sample contracts and registration sheets issued to growers</b></li> </ul>	<ul style="list-style-type: none"> <li>* Multiple attendance sheets</li> <li>* No system for validation of the paychecks by the workers</li> <li>* Lack of record keeping and workers' registration by labor contractors, leading to non-payment of taxes and social security in some instances</li> </ul>