INDEPENDENT EXTERNAL ASSESSEMENT
SYNGENTA SEED SUPPLY CHAIN IN INDONESIA, 2018

Introduction
The Fair Labor Association’s (FLA) Principles of Fair Labor and Responsible Sourcing for the agriculture sector\(^1\) 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 globally\(^2\). The Fair Labor Program (FLP) assesses labor practices on farms against the Syngenta Code of Conduct\(^3\). As an affiliate, Syngenta has committed to meet the FLA Workplace Code of Conduct for the agriculture sector\(^4\) in its seeds supply chain globally and develop remediation plans for identified non-compliances.

Each year, FLA conducts about 20 field-level assessments\(^5\) covering a larger number of farms in various countries for Syngenta\(^6\). For the 2018 assessment cycle, the FLA conducted an Independent External Monitoring (IEM) to assess working conditions at Syngenta’s supplier farms in Indonesia in August 2018. The assessment covered 250 acres of farmland located in the areas of Pasuruan, Malang regency and East Java of Indonesia.

A team of two independent external assessors\(^7\) visited five Syngenta farms producing corn seeds and interviewed 64 workers who were involved in peak production activity of de-tasseling. Syngenta does not directly recruit workers on the farms, relying instead on the recruitment efforts by grower leaders\(^8\), and growers\(^9\) depending on the crop and region. In addition, assessors evaluated Syngenta’s internal management systems (IMS), conducted documentation review, growers’ interviews, visual inspection and consulted with local civil society organizations.

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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](https://www.fairlabor.org/affiliate/syngenta)
8. Also known as seed organizer who manage the production work with a group of growers and organize work force for specific tasks. Grower leaders could themselves be growers.
9. Also known as farmers on whose land production is undertaken.
2018 Assessment Cycle Findings

This report summarizes the FLA’s farm-level findings for its 2018 assessment cycle and Syngenta’s correction action plan (CAP) developed in response to the assessment.

Gaps remain in the areas of age verification system, farm level health and safety program, payment of legal minimum wages to workers, non-discrimination policies and grievance mechanism.

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<tr>
<th>SUMMARY OF FLA IEM FINDINGS</th>
<th>SUMMARY OF COMPANY COMMITMENTS (Corrective Action Plan – To be completed by 2020)</th>
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<tbody>
<tr>
<td><strong>EMPLOYMENT RELATIONSHIP</strong></td>
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<td>Assessors found low level of awareness about employment contracts, age verification system, wages, health, safety, and environmental standards and grievance handling.</td>
<td>Syngenta will develop policy and procedure addressing all aspects of the employment relationship, like workplace rules, wages, age verification, health and safety, grievance handling, legislation and disciplinary procedures.</td>
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<td>Awareness of code standards among growers and grower leaders was limited especially on age verification system.</td>
<td>Syngenta will identify and have dialogue with the growers who do not maintain age proof documentation. The team will develop an 'information kit' for those growers, distribute and disseminate the kit.</td>
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<td>There is no proof of age documentation maintained in three farms and the records are not maintained regularly in other two farms. It was difficult to verify the age of young workers due to a lack of proper age documentation.</td>
<td>Syngenta will conduct a gap analysis to identify at the low level of code awareness and address it in grower trainings.</td>
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<td><strong>HOURS OF WORK AND COMPENSATION</strong></td>
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<td>Assessors found that the wage rate paid to workers for de-tasseling was below the national legal minimum wage, which ranges from IDR 107,283.63/day. The actual individual wage payment for workers falls between IDR 50-80,000 for a full day of work, depending on the farms and regions.</td>
<td>Syngenta will identify the farm where the concerned issue has been raised and establish a dialogue with the grower.</td>
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<td>No records were maintained on working hours and payment of wages.</td>
<td>Syngenta will review the existing wage policies and bulletins of the government of Indonesia. Based on the information received, the team will internally conduct root cause analysis (considering the government wage rates, market prices, prevailing wage rates, inflation, etc.) and develop a one-page assessment paper.</td>
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<td>Assessors found gender-based wage discrimination where women worker were paid less for the same activity.</td>
<td>Once the Root Cause Analysis is done, Syngenta will assess and develop the appropriate remediation and discuss the strategies with the growers.</td>
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<td>Syngenta will ensure that both men and women are paid equally for the same activity.</td>
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**GRIEVANCE MECHANISM**

Assessors found some gaps in the grievance system. Though a local phone number exist to address grievance related calls, the system does not ensure worker confidentiality.

There is lack of awareness about the channel. Growers and workers are not aware of this phone number or its use.

Syngenta will take the following steps to strengthen the Grievance Mechanism:

- Revise the existing policy on grievance handling and include procedures on grievance reporting mechanism, non-retaliation against workers, etc.
- Syngenta will undertake a training with the team responsible for the helpline calls. This training will focus on addressing and handling the grievances.
- Syngenta will develop communication materials, in the local language with a strategic dissemination plan.

**HEALTH, SAFETY AND ENVIRONMENT**

Assessors documented that the growers do not follow any health, safety, and environment procedures.

There was no written HSE policy. The growers and grower leaders in the farm were not aware of health, safety and environment. They have not attended any training on this topic.

Assessors found that workers work without Personal Protective Equipment (PPE) in some farms.

Syngenta will review the details of the local legislation, engage and seek guidance from local stakeholders (like government officers or NGO’s) to help Syngenta staff understand the expectations under the legal system and the requirements on health, safety and environment.

Based on the information received from the external stakeholders, Syngenta will prepare a simple tool, in local language, which will enable the growers to collect information on illness or accidents. Syngenta has an internal system called ‘incident reporting format’ which is a global tool to record such cases. It will be now customized to suit the local regulations.

Syngenta will develop communication materials like posters, pamphlets, pocketbooks, banners. Materials regarding HSE will be placed strategically across Syngenta’s operations.

**Changes and Remediation Gaps in Syngenta Indonesia Seeds Supply Chain**

The below table summarizes the progress noted in Syngenta’s supply chain following corrective action plans in 2017 assessment cycle and the recurring issues and remaining improvement areas identified in the 2018 assessment cycle.
## CODE AWARENESS AND GRIEVANCE SYSTEM

| There has been increase in code awareness levels among growers and grower leaders on some aspects of child labor and young workers, working hours and addressing grievance procedures. | There is limited of understanding of code standards among growers and grower leaders, especially relating to wages, health, safety, and environmental standards and grievance handling. There is a need to strengthen the documentation and verification system and build awareness on systematic recording of the interventions. |

## COMPENSATION

| Payment of legal minimum wage continues to be an issue and not much awareness has been created. Record keeping is a challenge on most farms. | Syngenta needs educate growers and seed organizers about payment of wages and equal payment of wages to both women and men for performing the same activity. Education and awareness campaigns are needed on the principle of equal pay. There is a need to strengthen the wage documentation system. |

## HEALTH, SAFETY AND ENVIRONMENT

| Though Syngenta has provided training on HSE and use of PPE, growers and grower leaders are not fully aware of health and safety procedures. Syngenta made efforts to encourage workers to use PPEs in some farms, but not in all farms. | Growers and grower leaders are not fully aware of Syngenta’s policies and procedures. As a result, the implementation of health and safety procedures are limited in the field. PPE usage remains low. Syngenta needs to develop policies, procedures, and training programs to cover all the growers and monitor HSE practices at the farms. |