

INDEPENDENT EXTERNAL MONITORING OF SYNGENTA'S SEEDS SUPPLY CHAIN IN MOROCCO AND ISRAEL: 2019

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 Participating 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.



Workers in a Moroccan farm supplying to Syngenta

The FLP assesses labor practices on farms against the Syngenta Code of Conduct³. As a Participating Company, Syngenta has committed to meeting 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, the FLA conducts about 20 field-level assessments⁵ covering a large number of farms in various countries for Syngenta⁶. For the 2019 assessment cycle to assess the working conditions at the farms, the FLA conducted two unannounced independent external monitoring (IEM) visits in the MENA Region – one in June 2019 in Morocco⁷ covering four squash and melon farms, and second in November 2019 in Israel⁸ covering 12 vegetable seeds farms.

A team of assessors from the auditing firm Control Union⁹ interviewed a total of 52 workers (24 in Morocco and 28 in Israel) who were involved in pollination, harvesting (for squash and melon) and maintenance (for vegetable) activities. A diverse group of workers including adult workers, women, and young workers were interviewed.

Syngenta does not recruit workers on the assessed farms. In Morocco, workers are directly employed by the Syngenta contracted farmers from nearby villages.

In Israel, most of the workers working in the assessed farms are from Thailand. The Governments of Thailand and Israel signed a bilateral agreement in 2010 under the supervision of International Migration Organization (IOM) to regulate the recruitment of Thai workers for employment in Israel. IOM is responsible for recruiting the

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 Guideline for Multinational with 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](https://www.fairlabor.org/sites/default/files/agriculture_code_of_conduct_and_benchmarks_october_2015.pdf)

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 In Morocco, Syngenta has two types of seed production. First is internal seed operations taking place in Agadir. Second is external seed operations in Meknes and Kenitra. There are three farmers for external seed operation. Squash and melon seed production has processes, including flowering, harvesting, extraction, washing, treatment, drying, ventilation, and control. Flowering, harvesting, and extraction are the most labor-intensive processes. Syngenta established its FLP program in Morocco in April 2018. Implementation steps have been identified by team members collectively to lay a strong foundation, Syngenta conducted a risk assessment, mapped crop calendar and stakeholders, and identified labor intensive periods per commodity.

⁸ In Israel, Syngenta produces tomato, pepper seeds across the country. The FLP Program was launched in May 2018. Country staff received training on the FLP from regional managers. Syngenta conducts general training for all supplier farmers once a year during the general assembly. The last meeting was held on January 16, 2019. The Code of Conduct (CoC) was communicated to Thai migrant workers who are involved in the seed production activities via a presentation on each farm along with a translator in September 2019. In terms of farmer assessments, and according to the sampling, a minimum of 25 percent suppliers have to be evaluated each year. During 2019 the management evaluated 50 percent of the farmers.

⁹ Two assessors in Morocco and one assessor in Israel were engaged in the assessments. Given that these assessors are not yet accredited by the FLA, the FLA staff shadowed the assessments.

migrant workers in Thailand and the recruited workers are connected with farmers in Israel through private recruitment agencies. During the recruitment process, the Thai workers pay about \$2600 (THB80,000) to cover the airfare, medical examinations, and visa handling fees. Workers pay this fee in Thailand before they arrive to Israel according to the bi-lateral agreement. Once employed, farmers pay monthly wages to the workers.

The assessors followed FLA’s IEA methodology, which comprises of four main components (1) visit to Syngenta’s local office for management interviews and documentation review, (2) visit to supply chain intermediaries like seed organizers, labor contractors, or private employment agencies for interviews, and documentation review, (3) farm visits that include documentation review, interviews and visual inspection, and (4) external stakeholder consultations. The FLA staff shadowed field visits in both countries.

This report summarizes farm-level findings for its 2019 assessment cycle and Syngenta’s corrective action plan (CAP) developed in response to the FLA assessments¹⁰.

2019 Assessment Cycle Findings: Morocco

SUMMARY OF FLA IEM FINDINGS	SUMMARY OF COMPANY COMMITMENTS (Corrective Action Plan)
EMPLOYMENT RELATIONSHIP	
<ul style="list-style-type: none"> Assessors found a lack of age verification process at the time of recruitment. Farmers face challenges in collecting documents that establish the age of young workers. In two assessed farms, the time records were available but did not contain essential information such as regular hours and overtime, worked by the workers. There is neither a transparent disciplinary system available nor is it communicated to the workers. Some HSE instructions are available and displayed at the farms, but there are no clear HSE policies and procedures at the farms. Syngenta has set up a toll-free number, which is available to all workers. However, at the farm level, there is no grievance procedure detailing how supervisors or farmers can redress grievances by the workers. 	<ul style="list-style-type: none"> Syngenta will develop and implement a recruitment procedure in all production sites with clear requirements on age verification according to the Moroccan law and FLP requirements. Syngenta in consultation with growers will develop a grievance mechanism, disciplinary procedures, policy against harassment and abuse and conduct at least one training session for each target group including workers, supervisors, and farmers on the all topics. Syngenta will develop an HSE policy related to the production processes and operations for all contracted production sites. HSE procedures will be developed to cover worker health, safety and environment, reporting accidents, and evacuation procedures.
HARASSEMENT AND ABUSE	
<ul style="list-style-type: none"> Assessors reported that employees were informed about the policy and procedures on harassment, including sexual harassment. Yet they are not trained or made aware of the measures or process that will take place if harassment is reported. 	<ul style="list-style-type: none"> Please refer to the corrective action for grievance procedures under the Employment Relationship.
CHILD LABOR	
<ul style="list-style-type: none"> The young workers have the same working conditions as adults. No specific provisions for the employment of young workers is observed. There is no child labor removal and rehabilitation system or procedure in place. 	<ul style="list-style-type: none"> Syngenta will include the requirements related to working hours, entitlements for breaks, leaves, for young workers and tasks that young workers can undertake in a procedure. The company will develop and deliver a training module on the employment and working conditions for young workers. Syngenta will develop and disseminate a child labor remediation guideline for internal assessors. The guide

¹⁰ For detailed reports, visit: <https://www.fairlabor.org/transparency/workplace-monitoring-reports>

	<p>will lay down the steps to be followed in case child labor is found in farms.</p>
<p>HEALTH, SAFETY AND ENVIRONMENT (HSE)</p>	
<ul style="list-style-type: none"> • Per local regulations, workers doing chemical applications are not subject to regular medical check-ups. • Supervisors and workers did not receive any training on firefighting, fire evacuation procedures and first aid. • Not all workers have protective gloves, and often the gloves that the provided are not the right size. • There is no procedure established to ensure that women are not engaged in work that constitutes a substantial risk to their reproductive health. 	<ul style="list-style-type: none"> • Refer to Employment Relations – HSE Management System for remedial actions. Syngenta will identify the chemical handling (spraying) team and ensure medical checks. • Syngenta will develop and disseminate evacuation procedures and firefighting instructions. Training will be conducted for labor supervisors (in all three farms) focusing on HSE requirements, including first aid. • Suitable PPE (Personal Protection Equipment), such as hats and gloves, will be distributed according to the nature of the production activity. • Refer to Employment Relations – HSE Management System for an action planning to address reproductive health.
<p>HOURS OF WORK</p>	
<ul style="list-style-type: none"> • In one assessed farm, working hours of some workers exceeded the maximum allowable hours of work per day (10 hours).Records verification show workers working 14 hours per day on three separate occasions. 	<ul style="list-style-type: none"> • Syngenta will establish a system to record and check working hours in all contracted farms in Morocco. Contracted farmers will be instructed to appoint a responsible person (from the farm staff) to record and follow up on scorecards (<i>carte de pointage</i>) that cover all the requirements related to working hours, overtime calculation, payments, bonuses, leaves. • Syngenta will develop a procedure that defines working hours management and ensure that growers agree to and check that the maximum working hours does not exceed 10 hours per day. • Communication and awareness sessions for farmers and labor recruiters on the topic of working hours will take place prior to the harvest planning season.
<p>COMPENSATION</p>	
<ul style="list-style-type: none"> • In one farm the workers were paid less than legal minimum wage. They were paid 60 Dh per day instead of 69.73 Dh per day. • In two assessed farms, overtime premium as per the local law is not paid. • Pay slips are not provided to the workers, and there is no justification of payment to the CNSS (social security scheme in Morocco). 	<ul style="list-style-type: none"> • Minimum wage and overtime related non-compliance will be addressed within the action plan of “Hours of Work – Time Recording System.” • Syngenta will develop a policy and a procedure for social security schemes for agriculture workers and will facilitate the CNSS affiliation for the three contracted farms. • Social security checks will be integrated in the internal assessments that Syngenta conducts.

2019 – SYNGENTA ISRAEL FINDINGS

SUMMARY OF FLA IEM FINDINGS	SUMMARY OF COMPANY COMMITMENTS (Corrective Action Plan)
EMPLOYMENT RELATIONSHIP	
<ul style="list-style-type: none"> Assessors found that the workers employed in the farms are through employment agencies per Israeli legal guidelines. Workers from Thailand pay recruitment fees per the bi-lateral government agreement between Israel and Thailand. It is a noncompliance as per ILO Conventions and FLA Standards. Assessors found that workers have no information available about legal regulations and Syngenta Code of Conduct. There are no written policies and procedures and practices that encourage ongoing training for workers with the goal to broaden skills to advance their careers in the farm. No confidential grievance reporting mechanism is available to farmers, intermediaries, family members, and workers. 	<ul style="list-style-type: none"> Per Syngenta, the recruitment fee paid by the Thai workers is at their place of origin before they migrate and is decided and controlled by the Israeli and Thai governments. <i>Per FLA, Syngenta needs to engage with the IOM to determine what actions a company like Syngenta can take for the workers to avoid this recruitment fee. FLA will verify this aspect in the future IEAs in Israel.</i> Syngenta will place a bulletin board in workers' living area and display posters on Syngenta Code of Conduct (CoC) and legal regulations. Syngenta will develop a written training procedure specifying that growers' family members will be included in all trainings taking place at the farm. Syngenta will work with each farm to create a grievance reporting and redressal mechanism. <i>Syngenta did not provide a corrective action plan to encourage ongoing training for workers.</i>
NON-DISCRIMINATION	
<ul style="list-style-type: none"> Assessors found that no training on non-discrimination topics is conducted at the farms. 	<ul style="list-style-type: none"> Syngenta will include topics related to non-discrimination in the worker trainings.
HARASSMENT & ABUSE	
<ul style="list-style-type: none"> There is no disciplinary process established at any of the assessed farms. 	<ul style="list-style-type: none"> Syngenta will develop and disseminate information about disciplinary procedures to the workers in collaboration with the growers. Training on disciplinary rules will be conducted once a year.
CHILD LABOR	
<ul style="list-style-type: none"> No child labor was noted during this assessment. However, there is no child labor remediation procedure developed. 	<ul style="list-style-type: none"> Syngenta will add an additional clause to the grower agreement that in case child labor is detected in the farms, the child will be removed from work immediately, and Syngenta and grower conduct an analysis of the root cause.
FREEDOM OF ASSOCIATION	
<ul style="list-style-type: none"> There is no clear and transparent system of workplace dialogue and consultation with workers on areas that concern working and living conditions. In farms 2 and 3; employees were not paid allowance, and family allowance as per the collective bargain agreement (CBA). 	<ul style="list-style-type: none"> Syngenta will provide growers an example of a valid pay slip and follow the standard to make sure all required fees are paid correctly. <i>Syngenta did not provide a corrective action plan for the back-payment of owed allowances to the workers per CBA.</i> <i>Syngenta did not provide a corrective action plan to establish a clear and transparent system of workplace dialogue and consultation with workers.</i>

HEALTH, SAFETY & ENVIRONMENT (HSE)	
<ul style="list-style-type: none"> • Fire extinguishers were not inspected regularly (farms 1, 3 & 4). Firefighting training was not provided. First aid kits were missing and some of the supplies were expired. • Evacuation drill was not conducted. Emergency lighting was not provided. • Pesticides are stored without secondary containment. Pesticide labels are available in the local language but not translated into the Thai language for Thai workers. • None of the farm holds certificates related to chemical spraying. • MSDS are not kept at any of the assessed farms, neither are accident logbooks maintained on site. • The first aid kits at all visited farms are missing supplies such as scissors, personal bandages, etc. • HSE policies and procedures do not include policies related to environmental issues. • Responsibilities are not assigned to the farmer or employees. Health and Safety training does not include first aid training, fire training, and evacuation procedure in case of fire. 	<ul style="list-style-type: none"> • Syngenta will update its HSE procedures to include yearly inspection for fire extinguishers, and stocking first aid kits as per requirement. The annual HSE training will include an evacuation drill and fire training. • Syngenta will work with growers to maintain all HSE training records at the farms. • Fire extinguishers will be checked once a year. First aid kits will be checked routinely, and missing equipment will be completed. Emergency lighting will be placed in the workers' accommodation and evacuation maps will be posted. • Pesticides will be stored in secondary containment. • The growers will acquire spraying certificates. • MSDS will be available for the pesticides used at the farm. Accident logbooks will be kept on each farm. • Each grower will write an HSE policy that will include environmental issues and aspects. • On each farm, there will be someone assigned an HSE responsible person. Training for the employees will include first aid training, fire training, and evacuation procedure.
HOURS OF WORK AND COMPENSATION	
<ul style="list-style-type: none"> • There are no procedures for the proper management of working hours, overtime, and leave records. Farmers keep track of working hours via manual records. • Seniority pay, family pay, annual bonus, and subsistence allowance are not paid to workers in farm 2 and 3. • Employees receive pay slips monthly. However, these pay slips are not translated into the Thai language. Thus, migrant workers cannot read and understand the pay slip. • In farm 3, assessors noted that the overtime hours are miscalculated, and therefore payments are incorrect for these hours. 	<ul style="list-style-type: none"> • A detailed explanation about working hours and salary calculations will be given to workers, including overtime and other relevant Israeli law regulations. • Working hours will be recorded by the employees (farmers) themselves. Syngenta will provide support for farmers to establish a system. • Pay statements will be given to workers on a weekly basis. • Growers will be trained about Israeli law and regulations concerning the payment of compensation to workers. • An example of a pay slip translated to Thai will be published and available to workers. • <i>Syngenta did not provide a corrective action plan for the back-payment of overtime hours.</i>

EVALUATION OF SYNGENTA INTERNAL MONITORING SYSTEM

The below table summarizes the improvement points in Syngenta's Internal Monitoring System in Morocco and Israel.

PRINCIPLES	COUNTRY	AREAS FOR CONTINUED IMPROVEMENT
LABOR STANDARDS	Morocco	None detected
	Israel	Code of Conduct is not translated into the local languages spoken by the employees and are not posted in the farms.
MONITORING	Morocco	No manual in place explaining the IMS and listing the relevant procedures.
	Israel	Improvements required in terms of: -Documentation and assignment of IMS staff roles, -Training of IMS staff in all the areas under their responsibility, -Taking precautions to ensure that there is no potential conflict of interest in the IMS
COLLECTION & MANAGEMENT OF COMPLIANCE INFORMATION	Morocco	Results of internal monitoring are not reviewed for root cause analysis.
	Israel	Root cause analysis is not a part of the auditing process. Also, the company is not analyzing systemic issues and trends in noncompliance findings.
REMEDATION	Morocco	The company has neither a functioning child labor removal and rehabilitation system nor an assessment procedure to assess the child's situation and consultation with relevant stakeholders.
	Israel	Improvements required in terms of: -Defining responsible persons in the corrective action plans, -Developing a functioning child labor removal and rehabilitation system, -Integrating household level assessment of cases and consultation with stakeholders for sustainable remediation into this system
FUNCTIONING GRIEVANCE MECHANISMS	Morocco	There is neither formalized grievance mechanism, nor a non-retaliation policy attached to the use of the grievance channel.
	Israel	There is no formal internal grievance system
CONSULTATION WITH CSOS AND LOCAL AUTHORITIES	Morocco	Improvements required in terms of: -Developing a clear policy or strategy to engage with relevant civil society organizations, unions and local authorities, -Developing a list of stakeholders to engage with for specific matters, -Consulting periodically with relevant stakeholders, -Consulting with relevant stakeholders to devise collective action plans in high-risk production areas.
	Israel	Improvements required in terms of: -Developing a clear policy or strategy to engage with relevant civil society organizations, unions and local authorities, -Developing a list of stakeholders to engage with for specific matters, -Consulting periodically with relevant stakeholders
PROCUREMENT PRACTICES AND OTHER REQUIREMENTS	Morocco	No benchmarking is done to see if paid wages are aligned with locally recognized wages.

	<p>Israel</p>	<p>More efforts are needed in terms of;</p> <ul style="list-style-type: none"> -Ensuring fair compensation of farmers, -Regular checks on wages paid to the workers for locally recognized living wage calculation, -Providing means to farmers to effectively track labor attendance / hours of work and wage compensation to the workers. <p>There are no copies of relevant labor laws for the agriculture sector maintained by the regional office.</p>
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