INTRODUCTION

EXTERNAL MONITORING

SYNGENTA SEED SUPPLY CHAIN IN THE PHILIPPINES: 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 affiliated company, 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) visit to assess working conditions at Syngenta’s supplier farms in the Philippines during March 2019. The assessment covered 5.47 acres of farmland located in the areas of Pangasinan, Mangaldan, and Santa Maria.

A team of two independent external assessors\(^7\) visited six Syngenta farms producing corn seeds and interviewed 47 workers who were involved in peak production activities of de-tasseling and harvesting. A diverse group including elderly, women, and young people were among the workers interviewed. Syngenta does not directly recruit workers working on the farms, relying instead on the recruitment efforts by grower leaders (also called seed organizer who manages the production work with a group of growers and may also organize work force for specific tasks. Grower leaders could themselves be growers as well.), and growers (also called farmers whose land the work is being conducted), depending on the crop and region.

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\(^1\) FLA’s Principles of Fair Labor and Responsible Sourcing are closely aligned with the United Nations Guiding Principles on Business and Human Rights (UNGPs) 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](http://www.fairlabor.org/sites/default/files/agriculture_principles_of_fair_labor_and_responsible_sourcing_october_2015_0.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](https://www.fairlabor.org/affiliate/syngenta)

\(^7\) [https://www.fairlabor.org/transparency/fla-accredited-monitoring-organizations](https://www.fairlabor.org/transparency/fla-accredited-monitoring-organizations)
In addition to the workers’ interviews, assessors evaluated Syngenta’s internal management systems (IMS), conducted documentation review, growers’ interviews, visual inspection and consulted with local civil society organizations.

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 child labor and age verification systems; farm-level health and safety programs; hours of work and compensation; and worker awareness of workplace codes and grievance systems.

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<tr>
<th>EMPLOYMENT RELATIONSHIP</th>
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<tr>
<td>• Assessors found low levels of awareness about employment of young workers, child labor standards, and age verification systems; wages; health, safety, and environmental standards; and grievance handling.</td>
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<td>• Awareness of code standards among growers and grower leaders was observed to be limited especially on prohibition of child labor. A gap exists in the age verification process. For example, it was difficult to verify the age of the young workers due to a lack of proper age documentation.</td>
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<th>HOURS OF WORK AND COMPENSATION</th>
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<td>• Assessors found that the wages paid to workers for de-tasseling and harvesting were below the national legal minimum wage, which ranges from P270-P500. The actual individual wage payment for workers falls between P150-P200 for a full day of work, depending on the farms and regions.</td>
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<td>• The workers in de-tasseling are paid in group and on piece rate. Wages paid for harvesting</td>
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<td>• Conduct a root cause analysis for the noncompliance in the legal minimum wage in line with local government notifications.</td>
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<td>• Once the root cause analysis is complete and corrective actions are identified, consult with the local government units regarding optimum wage basis.</td>
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<td>• Conduct a seminar with grower, grower leaders, service provider, and other personnel involved in the production to align</td>
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are paid on hourly or daily basis. De-tasseling workers work for a few hours on individual farms and move from one farm location to another, working seven to eight hours in a day. Workers for harvesting work are recruited by farmers who are locally based.

**CHILD LABOR**

- Young workers were detected during farm visits. The majority of the farmers did not maintain age verification documents for young workers. Young workers form a big part of the workforce.
- Few young workers were seen at the threshold age of 15-18 years of age.
- The workers were paid on par with adult workers (150 peso) and worked the same hours as adults.
- There was no established system for supervisors to oversee minimum age requirements, wages of workers, age verification and working hours.

Syngenta will consult with local government units to ensure age verification systems and documentation.

Syngenta will revise its Fair Labor Program (FLP) to capture the appropriate and minimum age for field work.

Syngenta will regularly educate growers about minimum working age. Syngenta will strengthen its campaign by consulting with its stakeholders (growers, and grower leaders).

Create publicity materials about the FLP as presented by Syngenta to its growers. Strategic locations where there is a high occurrence or chance of young workers will be selected.

**HEALTH, SAFETY AND ENVIRONMENT**

- Assessors documented there were no rules followed for health, safety, and the environment.
- There were no health, safety, and environment communication materials and no HSE information provided to workers in native or local languages.

An educational event – in partnership with growers and grower leaders – will be conducted for Syngenta farmers and workers to increase knowledge and understanding of health, safety, and environment issues.

Syngenta will ensure that the field personnel and FLP implementers are reaching the field-level employees. Materials regarding HSE will be placed strategically across the different areas of operations of Syngenta.
### Changes and Remediation Gaps in Syngenta Philippines 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.

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<th>Changes identified between the 2017 and 2018 assessment cycles</th>
<th>Areas where sustainable improvements are required</th>
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<tr>
<td><strong>CODE AWARENESS AND GRIEVANCE SYSTEM</strong></td>
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| There has been increase in code awareness levels among growers and grower leaders on some aspects of health safety and addressing grievance procedures. | There is limited of understanding of code standards among growers and grower leaders, especially relating to wages, hours of work, and child labor.  
There is a need to strengthen the documentation and verification system and build awareness on systematic recording of the interventions. |
| **CHILD LABOR**                                               |                                                  |
| Not much awareness among growers and grower leaders has increased regarding the need to establish an age verification system in the farms. | Syngenta must strengthen the age verification system across farms so that among all growers and grower leaders conduct age checks.  
A valid and strong mechanism to address child labor needs to be put into place. |
| **COMPENSATION**                                              |                                                  |
| Payment of legal minimum wage continues to be an issue and not much awareness has been developed. | Syngenta should educate growers and seed organizers about payment of wages and working hours. Education and awareness campaigns are needed on the principle of equal pay.  
Record keeping is a challenge on most farms. |
| **HEALTH, SAFETY AND ENVIRONMENT**                           |                                                  |
| Syngenta has provided personal protective equipment and training about its use.  
Syngenta made efforts to encourage workers to use PPEs in some activities. | Farmers and seed organizers 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 is low. |