INDEPENDENT EXTERNAL MONITORING OF SYNGENTA’S SEED SUPPLY CHAIN IN INDIA

EXECUTIVE SUMMARY

For the assessment year 2017-2018, the Fair Labor Association conducted three independent external monitoring (IEM) visits to assess working conditions at Syngenta’s seed farms in India during the period of October to December 2017. The assessments covered about 40 acres of farmland located in the states of Maharashtra and Karnataka. The team of external assessors visited Syngenta’s contracted farms producing seeds for sweet corn, tomato, and hot pepper.

Two farm locations in Maharashtra (hot pepper) and Andhra Pradesh (corn) were selected to administer the working conditions with a particular focus on compensation and working hours, as these locations are part of FLA special project under ‘Syngenta’s Fair Compensation / Minimum Wage Program’.

During the timeframe, the monitoring teams visited a total of 59 farms and interviewed almost 100 workers who were involved in peak production activities of cross-pollination (for tomato and hot pepper) and detasseling (for sweet corn). Additional interviews were also conducted with nearly 50 farm owners, some of whom also till their own land, including local seed organizers (the contractors in charge of production, quality and compliance in the farms and act as mediators between the company and the farmers).

2017 FINDINGS

This report summarizes the FLA’s findings for its 2017-2018 assessments including Syngenta's responses to the findings and the actions taken in response to the round of assessments. To access the detailed IEM reports, please visit http://www.fairlabor.org/transparency/workplace-monitoring-reports.

An additional IEM was also planned in Andhra Pradesh for Syngenta corn farms during the month of February 2018 however, the IEM could not be accomplished due to unavoidable circumstances.
• Syngenta’s effort in creating awareness on FLA code standards is visible among seed organizers and detasseling workers in sweet corn production of Andhra Pradesh. However, information on legal awareness on the code standards was observed to be low in all locations. Additionally, family workers usually do not participate in any COC trainings provided by Syngenta because as a tradition only the farmers attend the trainings. No effort is made by Syngenta staff to include the family members.

• Syngenta has established local grievance channels in all the farms by providing a local helpline number (a phone number for Syngenta staff) and suggestion boxes at seed organizer houses. However, there is no awareness among farmers and workers (Maharashtra and Karnataka) about these channels. Seed organizers in Andhra Pradesh have a fair idea about the system and have informed some of the detasseling workers. However, the information is not available with the newly recruited detasseling workers or the non-detasseling workers.

• Syngenta reports that it shall strengthen the code awareness program by communicating about the code elements with the farmers and seed organizers during the pre-season meetings. Regarding workers, they intend to create awareness program via phase-wise manner, by first including the workers engaged in pollination activity (most labor intensive) and then subsequently reaching the workers in other activities. Syngenta has developed visual communication materials like posters and pamphlets, in local languages, to include key points on code knowledge. Syngenta intends to engage with local organizations to help the company develop strategies on awareness generation among the farms and communities.

• Syngenta reported that it had received 20-25 calls on its helpline number. The relevant calls have farmers expressing the need to be informed about Syngenta products, social security policies, or procurement pricing. Syngenta staff have started directing the calls to the relevant department for intervention and maintaining records of the calls and the actions taken. They intend to strengthen the system reinforcing information during pre-season meetings and also engaging women mobilizers2 in select regions to disseminate information to workers. The helpline number shall also be posted in communication materials to increase awareness among workers about the system and encourage workers to approach Syngenta staff with their concerns.

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2 Full time employee hired to impart door-to-door information to farmers and their families on FLA code standards and compliance issues
**EMPLOYMENT RELATIONSHIP**

- While external assessors observed some positive efforts by Syngenta to encourage its farmers to establish and maintain age verification systems (like maintaining age proof records) in sweet corn farms of Andhra Pradesh. However, the situation at tomato (Karnataka) and hot pepper (Maharashtra) farms was not conducive as the assessors identified 23 young workers at nine farms; none of the farms maintained age-verification at these locations.

- Information on employment terms and conditions are not communicated by the farmers to workers (Karnataka and Maharashtra). In Andhra Pradesh, the de-tasseling workers seemed to be aware of the general terms and conditions, but their awareness of legal regulations was low.

- There are no disciplinary rules and procedures maintained at any of the farms. As a result, any dispute arising from recruitment and termination practices are not reported or addressed.

- Providing wage advances to workers is a common practice observed in all the farms in Andhra Pradesh. Wage advances are used by the farmers to secure the labor force during peak season.

- Syngenta has been encouraging farmers to maintain the age proof documents, as a mandatory system, for all the young workers employed. Proof of age documentation between 30 percent and 40 percent of the total workforce has been collected. Syngenta intends to engage the farmers during pre-season meetings to strengthen the system in all farms. Syngenta has also developed a GDK (grower documentation kit) format which would allow farmers to insert worker detail including age, and other information such as wages, advance payments, and working hours.

- To address the issue of disseminating information on employment terms and conditions, Syngenta has been organizing an awareness generation program at the farm level for its workers. Syngenta, in a phase-wise manner, intends to include the pollination workers, and subsequently other workers as well. Syngenta aims to develop communication materials and appoint woman mobilizers to reinforce information on code standards.

- Syngenta is in the process of developing an internal policy on disciplinary rules and procedures (due by December 2018). The policy shall be shared with the production team to help disseminate it among the farmers. It shall be included in the communication kit provided to farmers.

**NON-DISCRIMINATION**

- Gender-based recruitment decision making leading to culturally ingrained discriminatory practices could be observed in the farms of Karnataka and Andhra Pradesh. There is a tendency to recruit women workers in labor-intensive, low-paid activities (like weeding, sowing, pollination) while men are employed for higher paid activities like chemical spraying, de-tasseling, etc.

- Wage discrimination based on age of workers was observed in Karnataka farms where the wages paid to adults (between INR 170-250) was more than that of...

- Syngenta commits to engage seed organizers and farmers in sensitization programs which shall address issues concerning discrimination and hiring processes. As a first step, Syngenta will emphasize the policy on no gender-based discrimination during the farm level pre-season meetings with farmers. During the meetings, case studies and videos will be shared with farmers to encourage the idea that women workers can conduct all field related tasks. As a second step, Syngenta shall engage in field level monitoring to facilitate workers to approach farmers on their willingness to perform higher paid activities.
| FORCED LABOR |
|------------------|---------------------------------------------------------------|
| • Risks of forced-labor situations could be observed in Karnataka farms, where in one instance young female workers, usually hired in groups, are paid collectively instead of individually. As a result, the practice imposes a risk of actual wage payment and a lack of knowledge by workers of their correct wage calculation. |
| • In another instance, farmers had retained the original government identity document of the workers in lieu of maintaining age proof records, thus creating a risk of restricting workers’ freedom of movement. |
| • Syngenta staff shall mobilize farmers to monitor the working hours and wage payments of young workers, with the help of the GDKs distributed to all the farmers. The farmers shall be sensitized to paying equal wages to all the workers who are engaged in the same activities and working hours. |
| • Syngenta reported that it has been sensitizing farmers to pay workers individually. The company has been distributing GDKs in all farms to ensure that farmers know the standard and to assist Syngenta’s field production team to review the payment and working hours. The field staff has been imparting extra time to farmers who have difficulty in reading and writing. |
| • Syngenta has been sensitizing farmers about the proper procedures regarding document maintenance the risks associated with holding a worker’s original paperwork. The women mobilizers have been advised to impart the information during field visit. Farmers shall be encouraged to collect only photocopies of original documents. |
### CHILD LABOR

- It was observed that if a child is identified working in the Karnataka farms, there is no effort taken by Syngenta for his or her safe rehabilitation. Procedure suggest that when a child is found, s/he should be removed from the field and if the instance is repeated in the same farm, Syngenta stops working with the farmer without providing any sustainable procedures of child removal and rehabilitation. Syngenta does not maintain any record of any child identified in any of the farms or the steps undertaken for its rehabilitation.

- Syngenta is in the process of updating its child labor removal and rehabilitation policies and procedures. Syngenta will be reinforcing the policy during the pre-season meeting with the farmers. Syngenta will also advise women mobilizers to report children working in the farms and conduct a thorough analysis of children’s background and residential status. Based on the report submitted, Syngenta shall undertake procedures of further establishing contact with the Child Welfare Committee, conducting counseling with the parents, and reinforcing child labor restrictions with the farmers. Syngenta engages in three levels of warning to farmers to discourage child labor on farms.

### FREEDOM OF ASSOCIATION

- There are no worker associations at any of the assessed farms. It was observed that there is no system to facilitate wage negotiation between farmers and workers. Workers are usually hired by a local labor supplier who also doubles as a transport driver. All wage dialogue, including commission payments, are discussed between the labor supplier and farmer only.

- Syngenta, in close collaboration with FLA’s Fair Compensation Project, is in the process of understanding the various regional wage setting mechanisms and the implications. Syngenta acknowledges that ensuring worker empowerment to engage in wage negotiation can be achieved when workers are aware of their rights. Thus, Syngenta plans to implement code standard awareness for the pollination workers in phases and targets to reach 100 percent of workers by 2022.

### HEALTH, SAFETY, AND ENVIRONMENT

- Syngenta has developed HSE (health, safety, and environment) policy for farmers which include general do’s and don’ts of farm safety, but there is no system established to educate workers. Farmers do not conduct any training for workers.

- Lack of chemical management was observed in almost all farm locations. Farmers and workers seemed unaware of the hazards associated with using chemicals and lacked knowledge of protective equipment, chemical hazards and the implications, and proper storage. There was little or no effort to make information accessible for vulnerable groups like children, young workers, pregnant workers, etc. This was attributed to a lack of farm monitoring.

- Syngenta has created various field safety training modules which include guidelines customized to farmers and workers. One module contains an information deck on chemical risk assessment, including chemicals and their hazards, storage, and disposal, machine safety management, the use of protective equipment, precautions and preventions for farm accidents, and emergency preparedness planning, and evacuations.

- Based on the requirement and farm needs, the respective modules are imparted with the farmers during the pre-season meeting. Syngenta plans to deliver farm level training to
- Additional issues concerning lack of farm machine maintenance was observed in Karnataka and Andhra Pradesh, which poses risks of farm accidents due to open water bore wells, unguarded machines, etc. Lack of training or visual communication were attributed to the limited management system. In addition, a lack of a farm emergency preparedness plan in sweet corn farms of Andhra Pradesh was identified, which is important since the corn farms involve dense plans which then pose a risk during an evacuation.

**HOURS OF WORK AND COMPEN$ATION**

- Payment below legal minimum wages and excessive working hours were seen in almost all farm locations.
  - In Karnataka tomato farms, workers are paid between INR 170-250 for eight hours of work, whereas the legal minimum wage is INR 318 for eight hours.
  - In Maharashtra hot pepper farms, workers at eight farms were paid INR 200 (the rest of the farms paid at par with the legal wages) while the legal minimum wage is INR 214.12
  - In Andhra Pradesh sweet corn farms, workers are paid INR 300 for eight to nine hours of work, whereas the legal minimum wage is INR 402.40 (Zone I) and INR 353.35 (Zone II) for six hours.

- Workers have worked excessive hours, without rest breaks or paid leaves provided. For instance, workers work 60 hours in a week in tomato farms (exceeding 48 hours limit as per FLA benchmark) and 20 hours of additional work per week in sweet corn farms of Andhra Pradesh. The additional hours of work are not compensated with any legally defined overtime payment.

- Awareness of legal wages and working hours is observed to be less among farmers and nil among workers. Syngenta does not include the minimum wage information in the contracts maintained with seed organizers and farmers. It was observed that some farmers who are aware of the wages in hot pepper farms of Maharashtra chose not to inform workers of the higher wages.

- There is no system of recording working hours, wage advances, and the total wage payments made to workers. Double bookkeeping records were observed in the Karnataka IMS center where the total working hours of the were recorded six hours (which is legally

workers, in a phased implementation program. By 2022, Syngenta targets to cover 100 percent of the workforce with its HSE awareness program. Syngenta also aims to develop farm-level communication materials which could be used to disseminate information.

- To address the issue of compensation, Syngenta has been collaborating with FLA on a Fair Compensation project in Maharashtra and Andhra Pradesh farms, to increase understanding of the nuance, dynamics and challenges of minimum wage implementation. Syngenta engaged with the local implementing partner and undertaken stakeholder engagement to improve understanding of the various wage setting mechanisms and conducted training with seed organizers and farmers on minimum wage awareness. Syngenta further aims to include the recommendations from the project program to implement the minimum wages in other regions.

- Syngenta intends to mobilize the farmers and sensitize them about legal working hours. Taking into account the seasonality challenges of the seed production, Syngenta intends to engage in a dialogue with seed organizers and farmers to work on production planning vis-à-vis the number of workers employed to work on the farm and to control exceeding legal working hours.

- Syngenta staff has been communicating the main points of the FLA code elements with the farmers during the pre-season meetings. In order to achieve awareness of the training program, Syngenta shall engage with local organizations to facilitate strategies to include accurate information on legal hours of work, compensation topics, and their dissemination to farmers and community members.

- Syngenta re-designed its existing GDK to include more information on worker wage payments, working hours, etc.
defined) instead of 10 hours (including break time, which is actual working hours).