INDEPENDENT EXTERNAL MONITORING OF SYNGENTA’S
SEED SUPPLY CHAIN IN SOUTH AMERICA

EXECUTIVE SUMMARY

In January and May 2015, during periods of peak seed production activity, the FLA conducted unannounced independent external monitoring (IEM) visits to assess working conditions at Syngenta’s seed supplier farms in Argentina and Brazil. Two assessments took place in Argentina (covering farms in the province of Buenos Aires) and three in Brazil (in the provinces of Goais, Minas Gerais, and Parana) where Syngenta is sourcing corn, sunflower, and soybean seeds.

Teams consisting of a mix of FLA staff and external assessors visited two large farms in Argentina and seven farms in Brazil covering approximately 903 hectares of corn and sunflower seed production in Argentina and 2,285 hectares of corn and soybean production in Brazil. They interviewed 197 workers who were involved in detasseling and field maintenance activities. In Argentina and Brazil, farmers own large tracts of land and grow seeds for Syngenta on small parcels of it. Since 2013, in those two countries, Syngenta has directly hired the seasonal workers involved in the peak activities of their seed production. In most cases, Syngenta is directly responsible for the recruitment of the workers, their transportation, their accommodation, and for supervising their work and paying their salary. Soybean seed production in Brazil is an exception; here, Syngenta has no direct relationship with the growers or the workers, and contract with subcontractors called seed organizers or cooperatives.

This report summarizes the FLA’s findings for its 2014-2015 assessments, the companies’ responses to the 2014-2015 findings, and company actions taken in 2014 in response to the 2013 round of assessments.

2014-2015 Findings

The table below summarizes the key findings from the FLA’s 2014-2015 IEM visits and provides highlights of the corrective action plans (CAPs) developed by Syngenta and submitted in response to the FLA’s findings. To access the detailed reports, please visit http://www.fairlabor.org/affiliate/syngenta
### IN ARGENTINA

#### SUMMARY OF FLA IEM FINDINGS

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<th>NONDISCRIMINATION</th>
<th>SUMMARY OF COMPANIES’ COMMITMENTS (Corrective Action Plan)</th>
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<td>No female workers have been hired for detasseling (hybridization), which is the main production activity. Group leaders and staff in charge of preparing food and for maintenance tasks at the camp were also all men. No in-depth evaluation (due to time and distance constraints) of the recruitment and hiring practices could be done during the IEM visit to assess whether discrimination practices are used or if this is the result of workers’ interest and will.</td>
<td>In order to better understand this potential gender discrimination indicator, Syngenta has started conducting round table discussions on gender and sexual diversity with the support and involvement of local municipalities, universities, and NGOs. Syngenta also reported that it will conduct meetings with local leaders and recruiters to better understand the current situation and lives of rural workers. Syngenta will commission a social study to identify the possibility of hiring women from distant towns and will define appropriate actions based on the results.</td>
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#### HEALTH, SAFETY, AND ENVIRONMENT

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<td>The following fire safety problems were found in the Necochea workers’ camp area: no fire alarm buttons, no functioning emergency lights, and no fire/emergency drills have been conducted with the workers living in the camp. In the Gahan camp area, there was a ladder for accessing a trailer that was in the middle of the hallway to common areas, which presented risk of falling.</td>
<td>Syngenta reported that it will review and re-evaluate the emergency response plans, training, and equipment at the camps in Necochea. In Gahan, Syngenta reported it will conduct a risk assessment in the camps prior to the start of the season, and make the necessary improvements. Syngenta will also develop and implement a policy to involve workers in identifying health and safety risks and reporting them to relevant supervisors.</td>
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#### HOURS OF WORK

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<td>Time tracking records for workers who cook meals for the camp are not accurate and do not reflect the actual working hours they perform on a daily basis. The absence of accurate time records for cooks prevented assessors from determining the actual number of daily and weekly hours of work they perform. Additionally, cooks are not provided with a rest day for every seven-day period. They do not receive any rest day during the entire period they stay at the camp, which is around 30-40 days.</td>
<td>Syngenta reported it will define a general outline for working hours and rest days for camp workers (cooks and maintenance personnel). A rest day for every seven-day period will be granted for cooking and maintenance employees. The Syngenta field supervisors will also keep a daily specific record of the hours worked by workers in the camp. They will monitor working hours on a daily basis to ensure that they do not exceed 60 hours of work per week. All time worked in excess of eight hours per day will be compensated as overtime.</td>
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### In Brazil

#### Summary of FLA IEM Findings

**Code Awareness and Grievance System**

- In soybean production where Syngenta does not hire the seasonal workforce directly, Syngenta has provided Code of Conduct (CoC) information to growers and seed organizers but the knowledge has not trickled down to the workers level. Although workers are generally aware of their rights, no CoC training or information has reached the workers. Furthermore, assessors noted that there is no formal grievance channel between the growers/workers and Syngenta in the soybean supply chain.

- Interviews with workers in the Minas Gerais province revealed that workers have no access to information about local unions. Interviewed workers stated they do not have any relationship with the local union, and no union representatives have visited the workers.

#### Summary of Companies’ Commitments (Corrective Action Plan)

- In the soybean seed production, Syngenta reported that it will train growers and seed organizers on how to pass information sufficiently to workers, as well as how to keep records of the delivery of CoC materials and participation at training sessions. Syngenta will regularly monitor the growers and seed organizers regarding communication on the CoC to the workers.

- Regarding the missing grievance channel, Syngenta developed a free grievance line available for all workers hired directly or through seed organizers. Syngenta reported it will further educate all stakeholders on the availability of the grievance channel and will distribute materials disclosing this number, such as uniforms, personal protection equipment (PPE), and banners, which will be displayed at the farm level.

- To improve awareness of local unions in the Minas Gerais province, Syngenta will convey all information to workers on the union they can choose to join during the hiring process, as well as during the working season. Also in Minas Gerais, Syngenta is in the process of setting a bargaining agreement and the union representatives will be invited to join the workers’ integration meeting to introduce the entity.

- Syngenta has a manual that drives the worker integration process, and the syndicate is fully integrated in the process.

#### Forced Labor

- In the Minas Gerais Province, Syngenta has not defined a complete set of rules for the dormitories, and the lack of clear written rules creates the impression for workers that they are not allowed to freely leave the dormitory. Interviewed workers claimed that they were not allowed to leave the dormitories after 10 PM without facing possible consequences from their team leader. During the interview process, the field leaders and group coordinators explained that this rule has been implemented to avoid trouble with alcohol consumption and missing work.

- Syngenta confirmed that workers have the freedom to enter and leave the dormitories at any time they choose. Syngenta will confirm this freedom in writing to the workers.
HEALTH, SAFETY, AND ENVIRONMENT

Assessors found a number of health and safety-related non-compliances at all visited provinces. In the Minas Gerais province, toilets installed by Syngenta were not up to the standards as set by the national legal requirements.

In the Parana province (soybean production), there were no written health and safety policies or MSDS sheets available at the chemical depot or at the farm level. There was no formal health and safety management system describing tasks and responsibilities.

In all three provinces, assessors found non-compliances regarding access to safety equipment and first aid. First aid kits were not always available at the farm level or not adequately equipped, posing a risk in case of an emergency. In addition, there was no designated person for emergency assistance in the Parana province.

In Goias region, in case of an emergency, the workers were not fully equipped with the necessary information and the field coordinators were not accessible.

To address the issue of inadequate toilets in Minas Gerais, Syngenta reported it will study the replacement of the current tents with new toilet installations for 2016.

Regarding the non-compliances in the Parana province, Syngenta will provide an orientation to the growers and seed organizers on how to build a comprehensive management system framework for health and safety. Syngenta will also distribute its health and safety policy and a model of the MSDS spread sheets in the local language to the growers and seed organizers, which will be available at the farm level and chemical depot and contain information regarding the use and handling of chemicals at the farm level. Syngenta will closely monitor the compliance of activities named above.

In corn production where Syngenta has a direct responsibility over the workers, the company will ensure adequate supply of first aid kits and will make sure to closely monitor it. In the soybean supply chain, Syngenta reported it will distribute sample first aid kits to growers and seed organizers and reinforce growers’ responsibility to have the kits available at the farm level for all workers. Syngenta will further monitor the implementation and give orientation training to growers and seed organizers regarding emergency assistance and safety skills. It will be the growers’ responsibility to designate staff for emergency assistance.

In Goias region, Syngenta will ensure that workers have access to all necessary emergency information during their transportation (stickers on the buses).

HOURS OF WORK AND COMPENSATION

In the Minas Gerais province, assessors noted that during peak periods, workers perform work during Sundays and a rest day is provided on one day during the following week. In addition, travel time to the field is paid as a fixed allocation, rather than calculated as working hours from the actual travel time. Workers receive 1.5 hours of additional payment for the time spent travelling though some workers travel four hours per day from their accommodation to the field. Neither practice allowed unless there is a collective bargaining agreement (CBA) in place covering such arrangements. Finally, workers and group leaders have no common understanding on how to calculate bonuses.

Syngenta reported that there is a bargaining agreement in the process of negotiation in the state of Minas Gerais but it is not complete yet. In the meantime until the bargaining agreement with syndicates and union is completed, Syngenta will respect the maximum working hours per day of the workers, calculating the travel hours as the daily working hours, and implement the rest day provision as stated by the local law.

Syngenta will be monitoring whether the HR service provider delivers the materials with written information about the bonus payment and calculation to the workers. Additionally, Syngenta will assess the possibility of introducing an online bonus payment system.
2014 Actions implemented by Syngenta in Argentina and Brazil

Based on the 2013 assessment results, Syngenta developed corrective action plans to be implemented in the monitored farms and throughout its seed supply chain in Argentina and Brazil. Some of the issues taken up in the 2013 company action plans (CAPs) recur in the 2014 Brazil findings, such as lack of code and grievance procedure awareness among workers and some health and safety issues in the soybean supply chain. In Brazil, workers still sometimes do not receive the required one day of rest in every seven.

The below table summarizes the 2013 findings, Syngenta corresponding CAPs, and the actions that Syngenta reports the company took in 2014. The FLA intends to conduct IEM verification visits at previously assessed farms in the 2015 and 2016 cycles and report its findings.

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<tr>
<th>SUMMARY OF 2013 IEM FINDINGS</th>
<th>SYNGENTA 2013 CAP</th>
<th>ACTIONS TAKEN IN 2013-2014</th>
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<td>CODE AWARENESS AND GRIEVANCE SYSTEM</td>
<td>Syngenta committed to take actions to increase growers’ and workers’ awareness of workplace standards in Brazilian soybean production. Syngenta will organize campaigns to inform growers and seed organizers of Syngenta’s policies and code of conduct, and will provide communication materials for growers and organizers to use at the farm level. Seed organizers have been made responsible to inform and train workers on workplace standards. Syngenta has planned to monitor working conditions on soybean farms through a contracted third party provider. Syngenta will ensure that workers in both countries understand the grievance channels available to them, and will emphasize that the company maintains a non-retaliation policy.</td>
<td>In Argentina, Syngenta reported having performed trainings to growers and workers to explain and reinforce the use of the toll-free number that Syngenta provided to confidentially raise grievances. An evaluation was conducted after each training to ensure that all key concepts were understood by the participants. In Brazil, Syngenta reported having built a stronger relationship and partnership with the growers in the soybean supply chain and reinforced communication of its CoC, working conditions, procurement rules and existing communication/grievance channels. Syngenta has included a clause in the contract with the cooperatives (direct contract with Syngenta) about their responsibility to pass on to its contracted growers the communication of the Syngenta CoC</td>
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Workers’ awareness of a Workplace Code of Conduct was high at all farms where Syngenta has a direct relationship with the workers. However, in Brazil, in soybean production, growers and workers had no knowledge of the company code of conduct, which was not yet communicated to the third-party seed organizer. There was consequently no communication done at the farm level. The same applies to the existence of established grievance procedures, which Brazilian soybean workers were not aware of. Workers in Argentina were also not fully aware of the objectives and functionality of the toll-free number that Syngenta provided to confidentially raise grievances. In Brazilian corn production, some of the workers interviewed stated that they did not feel encouraged to raise their grievances directly to the company. They raise their issues

The 2013 IEM visits took place in different farms from those visited in 2014. To access the detailed 2013 IEM findings and related Executive Summary, please visit: http://www.fairlabor.org/sites/default/files/documents/reports/syngenta_south_america_executive_summary_2013.pdf
informally to their group leaders, who are not well trained and equipped for handling grievances.

### FORCED LABOR

In Argentina, seasonal workers residing in two housing camps were restricted in their freedom of movement by their group leaders. They were not allowed to leave the camps, even on rest days, and were not allowed to participate in sport activities due to the fear of injury.

In Argentina, Syngenta will take measures to guarantee that workers can leave the camps whenever they want and on rest days. Contact details for taxis and other resources will be provided to the workers. Workers are also allowed to enjoy their hobbies during rest days. The company provides playing cards, bocce ball courts, and TVs for workers staying in the camps so that they can enjoy themselves during weekends.

In Argentina, Syngenta reported that the company has ensured that workers can leave the camps whenever they want and on rest days through increased communication and training on the policy. Syngenta also provided some TVs and playing cards for workers staying in the camps.

### HEALTH, SAFETY, AND ENVIRONMENT

In Argentina, assessors found some health and safety related non-compliances, including improper storage of hazardous substances, issues with workers’ access to drinking water, and improper conditions of the kitchen in the visited camps. In Brazil, a number of health and safety related issues were identified, especially in the soybean seed producing farms. Health and safety policies were not visible at the farms and not communicated to the workers. First aid kits were not available in strategic locations, and there was no established health and safety management system. Periodic medical checks required by local law were not conducted for workers handling chemicals, who also did not receive the required training to perform this task.

In Argentina, health, safety, and environment (HSE) campaigns will be strengthened before and during the season to increase awareness and implementation of good health and safety practices. Syngenta will also reinforce its monitoring of the farms on the problematic aspects identified through IEMs. The same applies to Brazilian soybean farms where Syngenta will undertake a facilitator’s role to foster best health and safety practices on the farms. Special emphasis will be put on ensuring first aid kits are provided in key locations and on chemical management training.

In Argentina, Syngenta reported that the company has ensured that each team of temporary workers has special water containers to drink fresh water during fieldwork. Additionally, Syngenta started a special program to improve food services and conditions of the kitchens in the camps.

In Brazil, Syngenta reported it has implemented a new system of communication to the workers using banners with instructions (visual and written) on HSE rules -- application of chemicals, how to use PPE, first aid awareness, etc. Along with the visual communication (pictograms), the HSE team has developed daily dialogue sessions with the workers focusing every day on a new short topic regarding Health and Safety. The workers also participate in the HSE trainings carried out before and during the
In Brazil, not all workers were allowed the required 24 consecutive hours of rest in every seven-day period, and overtime work exceeded local law requirements. In Argentina, the workers' travelling time to and from the field (up to four hours per day) was not compensated as per local law requirements. The wage calculation was not clearly understood by the workers and had created confusion about the wages earned.

In Brazil, training, document review and monitoring will be strengthened to comply with the rest day provision. In soybean farms where workers are hired and managed by third-party service providers, good practices in record keeping with regard to days and hours worked will be shared with the service provider and monitored. In Argentina, local legislation with regard to travelling time will be further studied and enforced through revised policies and procedures. Syngenta also planned to further train supervisors in implementing payment procedures and to further educate workers on wage calculations and how to read payroll records.

In Argentina, Syngenta reported that travelling time is now being compensated as per local law requirements. Additionally, supervisors educated workers about how to read payroll and wage records.

In Brazil, Syngenta reported that all the workers receive orientation training on the rest day provision, which is also included in the collective bargaining agreement. The workers also receive a manual with the description of the Brazilian legislation regarding rest days and how it should be applied for the workers. Syngenta is communicating those policies to all the producers, partners and contractors. The workers are also trained on how to fill in the internal record form with information on days of work, hours of work, etc.