

[2014-2015]

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING AGRICULTURAL REPORT

COMPANY: Syngenta
COUNTRY: Hungary
PROVINCE: Csongrád
MONITOR: Janos Nagy/FLA
AUDIT DATE: 8- 10 July 2014
PRODUCTS: Sunflower

NUMBER OF GROWERS/WORKERS: 4/47
NUMBER OF GROWERS/WORKERS INTERVIEWED: 4/28

NUMBER OF FARMS VISITED: 4
TOTAL AREA COVERED IN AUDIT: 346
PROCESSES: Flower-head selection, weeding

FLA Comment: In Hungary, the sunflower seed production is not directly organized and managed by Syngenta. Syngenta contracts a seed organizer, Agromag that is managing the sunflower seed production and processing for Syngenta Hungary. Agromag is contracting the growers and labor

contractors directly and Syngenta supervise the whole process.



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Code Awareness:

GEN 2: Ensure that all Company growers as well as Seed Organizers inform their workers about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by workers) and undertake other efforts to educate workers about the standards on a regular basis.

Noncompliance

Explanation:

Although there are some efforts on the farms to display information on workplace standards, and some growers do train their employees on their own working standards, workers still do not have much awareness on the Company Code of Conduct (COC). Additionally, there is no evidence that workers receive awareness training on a regular basis.

Source: Worker interviews; Farm visits

Plan Of Action:

Improve communication with labor contractors, growers, and workers

- Organize a monthly meeting for the representatives of Agromag (seed organizer) about COC requirements, and they in turn will train the growers and labor contractors.
- Develop printed communication materials for labor contractors and growers about COC requirements.
- The Agromag representatives regularly visit the production fields, and during these visits, they organize worker training using the available materials.
- Syngenta will organize random visits by its IMS service provider to supervise Agromag's work.
- Syngenta is participating in Agromag meetings to support decisions on remediation actions

Deadline Date:

May 2015



Code Awareness:

GEN 3: Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees, Supervisors and employees of Seed organizers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.

Noncompliance

Explanation:

The seed organizer relies entirely on Syngenta's established grievance system since they are not able to allocate sufficient human and financial resources to maintain their own grievance system, non-retaliation, and disciplinary policies. There is no evidence that Syngenta's grievance system works efficiently and there is no dedicated communication channel between the Company and the Seed organizer in order to deal with grievance-related issues. This carries a significant risk of leaving grievances unaddressed, due to the inefficient grievance channel and the Seed organizer's partially functional Internal Monitoring System.

Moreover, there is no non-retaliation policy at farm level. Growers and workers are not aware of the fact that they can use the grievance channel without fear of prejudice for doing so.

<u>Source:</u> Records review; Interview with Seed organizer's regional representative; Farm visits

Plan Of Action:

Improve knowledge and awareness of the grievance procedure

- Educate the representatives of Agromag during the "FLA Party"
- Agromag representatives will, in turn, educate growers and labor contractors, and require them to inform their workers.
- Share the discipline and non-retaliation policies at the farms, and make sure that are available to the workers/growers/labor contractors.
- Develop a checklist to create an Internal Monitoring System (IMS), i.e. create a
 questionnaire that Agromag will use to collect information at the farm level.
 The checklist will cover aspects such as the level of awareness regarding the
 grievance procedures and other COC aspects.
- Syngenta will organize random visits by its IMS service provider to supervise Agromag's work.
- Syngenta is participating in Agromag meetings to support its decisions on remediation actions.

Deadline Date:

August 2015



Child Labor: Removal and Rehabilitation of Child Laborers

CL.10: If a child laborer is found working on the farms, the grower and the company shall ensure that the child is immediately removed from the farm and is rehabilitated and brought into the mainstream school system. The grower and company will make efforts to make this rehabilitation sustainable.

Noncompliance

Explanation:

There is no established guidance, or action/remediation plans if child laborers are eventually discovered working on the farms, therefore a properly coordinated solution would not be readily available for such cases. Detailed guidance or action/remedial plans should be available on hand and are to be communicated to the growers who are to apply them when cases arise.

<u>Source:</u> Record review; Interview with Seed organizer's regional representative, Syngenta and growers

Plan Of Action:

Improve awareness regarding the risk of child work and actions if child workers are identified

- Agromag representatives are to inform growers and labor contractors about the risk of child labor and Syngenta's requirements on child workers.
- In case a child worker is identified on the field, Agromag representatives will remove him/her from work and inform the trusteeship council. (www.norsa.gov.hu)
- The future IMS questionnaire will include questions targeted toward field workers to identify the level of information provided by growers to their workers.
- Syngenta will organize random visits by its IMS service provider to supervise Agromag's work.
- Syngenta is participating in Agromag meetings to support its decisions on remediation actions.

Deadline Date:



Harassment or Abuse: Discipline/Worker Awareness

H&A.3: Grower will follow disciplinary practices that are fair and are clearly understood by the workers. The grower will take necessary steps to ensure that the farm's disciplinary procedure is clearly understood by the workers.

Noncompliance

Explanation:

There is no Discipline Policy and an established, well-documented procedure on handling discipline at the farm level. This carries a risk that discipline cases remain uncontrolled and are improperly addressed.

<u>Source:</u> Interview with Seed organizer's regional representative, Syngenta, growers and workers; Records review

Plan Of Action:

Develop documentation and improve knowledge of disciplinary procedure

- Syngenta is developing a Discipline Policy based on our Code of Conduct and local legislation.
- Agromag will be informed and, in turn, will inform growers and labor contractors of Syngenta's requirements and inform the their workers.
- Workers will be trained on the new discipline policy (responsibility of Agromag and labor contractors).
- We will monitor the progress and implementation of these procedures through internal monitoring (IMS) by interviewing workers regarding if grower communicates the training info toward their workers.
- Syngenta will organize random visits by his IMS service provider to supervise Agromag's work
- Syngenta is participating in Agromag meetings to support decisions with regard to remediation actions

Deadline

July 2015

Date:



Health and Safety: Drinking Water

H&S.13: Company should make efforts to create awareness among growers and workers about clean drinking water. Growers shall not place any undue restrictions on drinking water in terms of time and frequency.

Noncompliance

Explanation:

Despite the seed organizer's written recommendation to the growers, no additional potable water has been made available within easy reach of the workers.

Source: Worker interviews; Farm visits

Plan Of

Action: Improve drinking water availability in the fields.

- During the farm visits, the seed organizer's representatives will inform the growers and labor contractors about the importance of drinking water availability.
- The Agromag field supervisors always have 20 liters of mineral water in the car that they are distributing to field workers, if they are not provided with enough water.
- Syngenta will organize random visits by its IMS service provider to supervise Agromag's work.
- Syngenta is participating in Agromag meetings to support decisions on remediation actions.

Deadline Date:



Health and Safety: Rest Areas

H&S.14: Grower shall make provision for adequate rest area for workers in case of extreme weather, protection from animals and in case of health emergency.

Uncorroborated Evidence of Noncompliance

Explanation:

Tents were placed in the fields just before the arrival of IEM monitors; consequently, workers are not familiar on the purpose of these tents as rest areas. Apart from these tents, most farms are not otherwise equipped with appropriate rest-place facilities.

Source: Worker interviews; Farm visits

Plan Of

Action:

Improve awareness and knowledge about the utilization of the rest tents.

- During the farm visits, the seed organizer's representatives will inform the growers and labor contractors about the importance of the rest tents.
- In the case where a tent is not available, the Agromag supervisor has committed to providing a rest tent. Agromag has the full responsibility of ensuring that there are tents everywhere.
- Syngenta will organize random visits by its IMS service provider to supervise Agromag's work.
- Syngenta is participating in Agromag meetings to support decisions on remediation actions.
- Agromag and its representatives will be responsible for providing the tents to the workers.

Deadline Date:



Wages, Benefits and Overtime Compensation: Worker Wage Awareness

WBOT.6: Grower/Organizer/Company will make an effort to educate workers so that the terms of employment, wages, benefits and deductions shall be clearly understood and acceptable by the worker.

Uncorroborated Evidence of Noncompliance

Explanation:

Workers are not aware that they are entitled to receive a 50% bonus salary in case they work on Sundays. However, at the examined farms, Sunday was not a working day.

Source: Workers interviews

Plan Of Action:

- Clarify the Hungarian regulations around seasonal working employment; provide support to apply regulations.
- Distribute easy to read information about legal requirements to growers and labor contractors, and request that they forward this information to the workers.
- Communicate wage policies to the workers. Agromag and its representatives are responsible for training the workers regarding wage procedures; Syngenta will monitor this work.
- Use the IMS checklist to monitor the situation and check if the grower has communicated the regulations to its workers.
- Syngenta will organize random visits by its IMS service provider to supervise Agromag's work.
- Syngenta is participating in Agromag meetings to support decisions on remediation actions.

Deadline

Date:

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