



[2014-  
2015]

## FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING AGRICULTURAL REPORT

**COMPANY:** Syngenta  
**COUNTRY:** Hungary  
**PROVINCE:** Jász-Nagykun-Szolnok  
**MONITOR:** Janos Nagy/FLA  
**AUDIT DATE:** 8 – 11 July 2014  
**PRODUCTS:** Corn  
**NUMBER OF GROWERS/WORKERS:** 2/12  
**NUMBER OF GROWERS/WORKERS INTERVIEWED:** 2/12  
**NUMBER OF FARMS VISITED:** 6  
**TOTAL AREA COVERED IN AUDIT:** 470  
**PROCESSES:** Detasseling

**FLA Comment:** In Hungary, the corn seed production is directly organized and managed by Syngenta Hungary. The corn growers are organized in different segments, ranging from A to F. Each segment has a different contract, involving different conditions (price, duration) and support in implementing the FLA program. Syngenta contracts with labor contractors only when seasonal workers are needed on segment E growers (where Syngenta rents field). Otherwise, growers organize their labor force directly.

To view more about the FLA's work with Syngenta, please visit the FLA website [here](#).



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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 Syngenta makes some efforts to display information on workplace standards on farms, workers still have limited awareness on Syngenta’s Code of Conduct (CoC). There is no evidence that workers regularly receive awareness training. In addition, Syngenta created “bus window stickers” to inform workers of CoC elements; however, they are not utilized by any of the labor contractors, who transport workers to the fields.

Source: Interviews with workers, farm visits

**Plan Of  
Action:**

1. Further develop and distribute existing communication material
  - Harmonize the CoC information on field information boards (1-3 per grower), bus stickers and field training leaflets (one per trainer).
  - Distribute the material – Field information boards will be delivered to all growers at the beginning of June and stickers will be provided to the organizers (labor contractors) during the “FLA Party” and leaflets distributed to the trainers. “FLA Party” is a meeting that Syngenta organizes at the beginning of each season with the labor contractors and key growers to talk about FLA program and requirements.
2. Improve communication toward the organizers (labor contractors)
  - Organize a “FLA Party” (meeting) gathering mayor organizers and growers working on the field during de-tasseling.
  - Distribute material (PPE, leaflets) and information about CoC to the guests.
  - Invite the external service provider that conducts internal monitoring (IMS) for Syngenta to communicate the requirements of IMS.
3. Improve control of effectiveness of the above listed actions
  - Identify and include awareness specific questions on the IMS check list.
  - Two times during the season, the external service provider is visiting the farms to fill out the checklist.
4. Create a bonus system to support IMS targets
  - Growers will receive an extra bonus based on IMS results provided by the auditor company.
  - Organizers will receive a bonus based on IMS results.

**Deadline  
Date:** July 2015

### Child Labor: Other Means of Age Verification

**CL.4** In those cases where proof of age documentation is not readily available or unreliable, grower will take precautions to ensure that all workers are at least the minimum working age, including medical or religious records, school records or other means considered reliable in the local context.

#### Uncorroborated Evidence of Noncompliance

**Explanation:** There is no proper age verification system or practice at some visited farms. Workers reported that they go through an initial registration process, including control checks of ID cards, tax cards and social security card. However, the labor contractors were not able to tell assessors if a young girl, born on June 1, 1998 is younger than 18 years old. Labor contractors do not take the age verification system serious. Therefore, despite the initial registration process, there is still a chance that under-aged persons could be employed.

Source: Interviews with growers, workers and labor contractors, farm visits, records review

**Plan Of Action:** Improve workers' registration and age verification procedure:

- Develop a registration form with the support of Syngenta's lawyer. This document will be a pilot tested with the "E" category growers, where Syngenta has a direct contract with the labor contractors.
- Provide the required age verification documents for assessment.
- Introduce the pilot with other growers and labor contractors to share best practices during annual grower meetings.
- The result will be monitored during the next season through the IMS checklist.

**Deadline Date:** July 2015

### **Child Labor: Employment of Young Workers**

**CL.6** Growers shall comply with all relevant laws and regulations that apply to young workers, i.e., those between the minimum working age and the age of 18, including those relating to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime.

#### **Noncompliance**

**Explanation:** Assessors identified that free Sundays are not granted to young workers, violating Hungarian labor law requirements (Mt. §114.). Manipulated attendance sheets (see under HOW.1 below) also show a high risk of non-compliance with special hours of work regulations that should apply to young workers.

Source: Interviews with workers, records review

**Plan Of Action:** Identify solutions to distinguish workers on the field in order to improve the management of special requirements:

- Prepare armbands (plastic) to identify young workers on the field (age 15-16) in order to comply with the special category requirements of working time and rest time for young workers.
- Improve the use of registration sheets in order to closely monitor working hours. This action will be pilot tested with “E” category growers (see definition on the cover page), where Syngenta has direct contracts with labor contractors.
- Display banners at farm level about working hours regulations for young workers. Explicitly emphasize that workers have complete freedom of speech.
- Introduce the pilot activity with other growers and labor contractors to share best practices during annual grower meetings.
- The result will be monitored during the next season through the IMS checklist.

**Deadline Date:** March 2015 - 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 action and/or remediation plan for theoretical child labor cases. Such plans should be on hand and should be communicated to the growers who are obliged to apply them when cases arise.

Source: Records review, interviews

**Plan Of Action:** Improve awareness on child labor risks and identify actions if child workers are detected:

- Inform growers about child labor risk and Syngenta's requirements of child work during the two regular grower meetings (March & April).
- Inform labor contractors about child labor risks and Syngenta's requirements of child work during the "FLA Party".
- In case a child worker is identified in the field, Syngenta agronomists will remove him/her from work and inform the government trusteeship council ([www.norsa.gov.hu](http://www.norsa.gov.hu)).
- The internal monitoring (IMS) will closely monitor this issue.

**Deadline Date:** July 2015

### 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 policy on workplace conduct and discipline and an established, well-documented procedure on handling disciplines at the farm level. This carries out risks that violations remain uncontrolled and improperly addressed.

Source: Farm visits, records review, interviews

**Plan Of Action:** Develop documentation and improve knowledge of disciplinary procedures:

- Request the external IMS Company to prepare examples of discipline policies and procedures that can be implemented at the farm level.
- Request the external IMS Company to support growers in order to create their own policy and procedure.
- Educate growers during the growers meetings (March & April).
- Educate labor contractors during the "FLA Party".
- The labor contractors have permanent workers' supervisors who will be tasked to communicate the main elements of the policy and procedure to the workers on the farms.

**Deadline Date:** March 2015

### Harassment or Abuse: Discipline/ Verbal Abuse

**H&A.8** Grower will not use, engage in, or support any form of verbal violence, including screaming, yelling, or the use of threatening, demeaning, or insulting language as means to maintain labor discipline.

#### Noncompliance

**Explanation:** Interviews with workers revealed that some growers use inappropriate communication, indicating that grower's family member(s) engage in intolerable verbal abuse against the workers.

Source: Interviews with workers and growers, farm visits

**Plan Of  
Action:**

Improve knowledge of fair disciplinary practices and procedures:

- Educate growers on the grievance procedure during the growers meetings (March & April).
- Educate labor contractors during the "FLA Party".
- The labor contractors have permanent workers' supervisors who will be tasked to communicate the grievance procedure to the workers on the farms.
- Add questions in the IMS check list about awareness of grievance procedure and past grievances and if issues were solved.
- Create a bonus system to support IMS targets
  - Growers will receive an extra bonus based on IMS results
  - "E" category labor contractors will receive a bonus based on IMS results.

**Deadline  
Date:** March 2015

## Harassment or Abuse: Grievance Procedure

**H&A.12** Company shall have in place grievance procedures that allow first an attempt to settle grievances directly between the worker and the grower but, where this is inappropriate or has failed, it is possible for the worker to have the grievance considered at one or more steps, depending on the nature of the grievance and the structure and size of the enterprise. Company shall ensure that workers know the grievance procedures and applicable rules.

### Noncompliance

**Explanation:** Neither the workers nor the growers are sufficiently aware of Syngenta's grievance procedure that is already in place. Furthermore, there is no record or documentation available on the historical activities related to the Syngenta's toll-free "grievance number".

Source: Interviews with workers and growers, farm visits, records review

**Plan Of Action:** Improve knowledge of the grievance procedure

- Educate growers on the grievance procedure during the growers meetings (March & April).
- Educate labor contractors during the "FLA Party".
- The labor contractors have permanent workers' supervisors who will be tasked to communicate the grievance procedure to the workers on the farms.
- Add questions on the IMS check list about awareness of grievance procedure and past grievances and if issues were solved.
- Create a bonus system to support IMS targets
  - Growers will receive an extra bonus based on IMS results
  - "E" category labor contractors will receive a bonus based on IMS results.

**Deadline Date:** March 2015

## Harassment or Abuse

Others

### Noncompliance

**Explanation:** Representatives of labor contractors attempted to limit the workers in their rights to talk freely and openly about their employment conditions. On one of the farms, workers collectively lied about the length of their working hours, proving that they have been coached or threatened to do so.

Source: Worker interviews

**Plan Of Action:** Improve knowledge of the CoC, FLA regulations and monitoring requirements:

- Educate growers during the growers meetings (March & April).
- Educate labor contractors during the “FLA Party”.
- Add questions on the IMS checklist to see if workers are restricted to talk freely and monitor the issue.
- Create a bonus system to support IMS targets
  - Growers will receive an extra bonus based on IMS results.
  - “E” category labor contractors will also receive a bonus based on IMS results.
- Develop a non-retaliation policy and share it with the workers, growers, and labor contractors. This policy will be a part of the communication material that must be distributed to the workers, growers, and labor contractors during the season.

**Deadline Date:** March 2015

### Health and Safety: Written Health and Safety Policy

**H&S.3** Company, in consultation with growers, organizers, and if possible workers, is required to develop a health and safety policy. The policy must, at the very least, be aimed at complying with legal minimum safety and health standards, regulations, and procedures and with the Workplace Code of Conduct.

#### Noncompliance

**Explanation:** Labor contractors and workers do not have any health and safety policy at disposal. Syngenta's informative "bus window stickers" are not utilized by any of the labor contractors. Furthermore, they are not aware of the existence of such material.

Source: Interviews with workers and labor contractors, farm visits, records review.

**Plan Of  
Action:**

- Improve awareness of HSE and support our partners to improve their system.
- Request the IMS assessment company to prepare relevant documentation.
- Request the IMS assessment company to support growers regarding the creation of their own policies.
- Educate growers during growers meetings (March & April).
- Educate labor contractors during the "FLA Party".
- IMS check list will include questions about HSE awareness and PPE usage.
- Distribute all supporting material (bus stickers, first aid kits, tents, information boards) until mid-June.
- Create a bonus system to support IMS targets
  - Growers will receive an extra bonus based on IMS results.
  - "E" category labor contractors will receive a bonus based on IMS results.

**Deadline  
Date:** March 2015

## Health and Safety: Communication to Workers

**H&S.5** The health and safety policy shall be communicated to all workers in the local language or language(s) spoken by workers if different from the local language.

### Noncompliance

**Explanation:** There is no evidence that workers receive proper H&S training. The labor contractors do not apply Syngenta's informative stickers. Workers could not recall any sufficient H&S-related information when questioned.

Source: Interviews with workers, farm visits.

### Plan Of Action:

Improve HSE education of workers and labor contractors:

- HSE training in April for growers and for the main organizers during the "FLA Party".
- Organize daily training for "E" category workers conducted by labor contractors who are directly hired by Syngenta (using HSE boards provided by Syngenta).
- Use the IMS check list to monitor efficiency of HSE trainings and awareness.
- Use the bonus system as a way to reward the growers and labor contractors based on IMS results to support and stimulate awareness of the FLA requirements.
- Share the tested methodology with other growers and monitor implementation during next season through the IMS questionnaire.

**Deadline  
Date:** July 2015

## Health and Safety: Personal Protective Equipment

**H&S.7** All necessary personal protective equipment (PPE), such as gloves, eye protection, respiratory protection, etc., should be made available to relevant workers to prevent unsafe exposure (such as inhalation or contact with solvent vapors, dust, etc.) to health and safety hazards.

### Noncompliance

**Explanation:** Workers have to bring their own PPE from their homes. There are no additional PPE provided to them. In addition, there is no adequate briefing on the use of PPEs.

Source: Interview with workers, farm visits

**Plan Of Action:** Improve PPE usage and HSE awareness of workers:

- Train growers and labor contractors during the grower meeting and “FLA party” about risk factors to increase awareness.
- Distribute sample PPEs to all growers and labor contractors to raise awareness of good PPE models. The purchase of the PPEs is the responsibility of Syngenta Hungary while its distribution will be the responsibility of the contractors.
- Deliver important COC messages with the help of PPE (prints on shirts and hats with minimum HSE information) to increase workers’ awareness.
- Monitor the results of sample PPE distribution to plan follow up actions.

**Deadline Date:** June 2015



## 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:** [Some labor contractors do not make potable water available for the workers.](#)

[Source:](#) Interviews with workers, farm visits

**Plan Of Action:** [Improve drinking water availability on the field:](#)

- [Inform growers and labor contractors that providing drinking water to workers is a minimum requirement to get the “FLA” Bonus.](#)
- [Closely monitor this issue through the IMS checklist.](#)
- [Pay the bonus based on IMS results.](#)

**Deadline Date:** [June 2015](#)

## 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 newly placed on the fields, presumably, just before the arrival of IEM assessors. Hence, workers are not familiar on the purpose of these tents as rest areas. In addition, most farms do not have appropriate other rest-place facilities besides the tents.

Source: Interviews with workers, farm visits

**Plan Of** Improve distribution of material provided by Syngenta:

**Action:**

- Send all necessary equipment (tents, first aid boxes and information boards) to growers by mid-June.
- Check usage through the IMS checklist.
- The usage of all provided material is the minimum requirement to receive a bonus.

**Deadline** June 2015  
**Date:**

**Hours of Work: General Compliance**

**HOW.1** Growers shall comply with all local laws, regulations, and procedures concerning hours of work, public holidays, and leave.

**Noncompliance**

**Explanation:** Assessors identified manipulated attendance sheets on visited farms. Attendance sheets are not showing Sunday's and Saturday's attendance, whereas workers consistently stated that they are employed on weekends. Moreover, entrance records and workers' narratives report differently on working hours. On one of the farms, workers stated that they work 8 hours daily, whereas entrance records indicated 10 hours/day. This raises several concerns, including possible "coaching", threatening workers, and possible violations with regard to young workers labor regulations. In addition, there is no premium overtime payment for work performed on Sundays, as per Hungarian law requirements.

Source: Interviews with workers, records review

**Plan Of Action:** Clarification of Hungarian regulations on seasonal working employment, check and provision of support to apply regulations:

- Distribute information to growers and labor contractors on legal requirements, which will also be shared with workers.
- Use the IMS checklist to monitor the situation.
- Use IMS results and a bonus system to improve awareness and implementation of Hungarian regulations.
- Collaborate with Syngenta's lawyer and "E" category growers on efficient methods to ensure workers' registration, relevant records on hours of work and payment of workers' wages and benefits.
- Share the solution and best practices with other growers and control its implementation through the next year's IMS questionnaire.
- For actions related to young workers, refer to CL.6.
- Develop a non-retaliation policy and share it with all stakeholders, including workers, growers, and labor contractors. This policy will be part of the communication material that must be distributed to the workers, growers, and labor contractors during the season. In addition, Syngenta will create awareness about working hours and grievance procedures.

**Deadline Date:** June 2015

### Hours of Work: Rest Day

**HOW.2** Workers shall be entitled to at least one day off in every seven-day period. In case workers have to work for several days without a day off due to the requirement of the production cycle, they can do so as far as they voluntarily agree to it.

#### Uncorroborated Evidence of Noncompliance

**Explanation:** Although all questioned employees reported that they had rest days during the past week, the rest days were solely due to weather conditions (rain days), when no fieldwork can be performed. There is a high possibility that labor contractors do not respect the workers' right to have at least one day off for every 7-day working period, as per Hungarian labor law.

Source: Interviews with workers, records review

**Plan Of Action:** Clarification of the Hungarian regulations around seasonal working employment, check and provision of support to apply regulations:

- Distribute information to growers and labor contractors on legal requirements, which will also be shared with workers.
- Raise awareness on the non-retaliation policy and grievance procedure. Communicate these policies through printed material and oral training sessions.
- Improve the monitoring procedures on the use of attendance sheets, hours of work and wage records. Use the IMS checklist to monitor the records.
- Use IMS results and a bonus system to improve awareness and implementation of Hungarian regulations.
- Collaborate with Syngenta's lawyer and "E" category growers on an efficient methodology to ensure workers' registration, relevant records on hours of work and payment of workers' wages and benefits.
- Share the solution and best practices with other growers and control its implementation through the next year's IMS questionnaire.

**Deadline Date:** March 2015

**Wages, Benefits and Overtime Compensation: General Compliance**

**WBOT.1** Growers shall comply with all local laws, regulations and procedures concerning the payment of wages and benefits, including overtime compensation. In any case where laws and the FLA Workplace Code of Conduct are contradictory, the standard that provides the greatest protection for workers shall apply. Where provisions are lacking, growers shall take measures to reasonably accommodate matters concerning the payments of wages and benefits, including overtime compensation.

**Uncorroborated Evidence of Noncompliance**

**Explanation:** Although there is an initial registration process for workers (personal information, tax-registration and social security numbers are registered by the labor contractor), there is no signed contract between the workers and labor contractor. Workers only sign the daily attendance sheet, which is not properly administered by the labor contractor. According to Hungarian law, seasonal workers have to be daily reported to the National Tax and Customs Office (NAC) until 12 AM through a simplified online interface. Through this simplified methodology, the employer fulfills its obligation to pay tax and applicable social security duties for all registered workers. If the employer reports the seasonal workers to the Tax office, the employer is exempt from producing daily contracts for the workers, as of Hungarian law. However, considering the incomplete daily attendance sheets and the lack of proof of daily reporting to the Tax office, there is a high risk that labor contractors illegally employ some of the workers.

Source: Interviews with workers, records review

**Plan Of Action:** Create workable practical solution to improve existing habits:

- Collaborate with Syngenta’s lawyer and “E” category growers on an efficient methodology to ensure workers’ registration and the payment of workers’ benefits.
- Share collected experience and best practices with other growers.
- Use IMS results and a bonus system to improve awareness and implementation.

**Deadline Date:** June 2015

### **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.

#### **Noncompliance**

**Explanation:** Workers are not aware of the fact that their employer is obliged to pay 50% overtime premium in case they have to work on Sunday. In some cases, labor contractors manipulate attendance sheets order to "clear" working hours performed during weekends.

Source: Interviews with workers, records review

**Plan Of Action:** Clarification of the Hungarian regulations around seasonal working employment, check and provision of support to apply regulations:

- Distribute information to growers and labor contractors on legal requirements, which will also be shared with workers.
- Raise awareness on the non-retaliation policy and grievance procedure. Communicate these policies through printed material and oral training sessions.
- Improve the monitoring procedures on the use of attendance sheets, hours of work and wage records. Use the IMS checklist to monitor the records.
- Use IMS results and a bonus system to improve awareness and implementation of Hungarian regulations.
- Collaborate with Syngenta's lawyer and "E" category growers on an efficient methodology to ensure workers' registration, relevant records on hours of work and payment of workers' wages and benefits.
- Share the solution and best practices with other growers and control its implementation though the next year's IMS questionnaire.

**Deadline Date:** June 2015

### **Wages, Benefits and Overtime Compensation: Record Maintenance**

**WBOT.7** Company shall make efforts to educate and assist the growers in maintaining records of wages provided to the worker in cash or in-kind or both, and such records shall be acknowledge by the worker.

#### **Noncompliance**

**Explanation:** Although payment sheets sometimes indicate weekend working hours, attendance sheets do not include weekend working hours and are not regularly maintained. In addition, recorded working hours differ from the actual working hours.

Source: Worker interviews; Records review

**Plan Of Action:** Clarification of the Hungarian regulations around seasonal working employment, check and provision of support to apply regulations:

- Distribute information to growers and labor contractors on legal requirements, which will also be shared with workers.
- Raise awareness on the non-retaliation policy and grievance procedure. Communicate these policies through printed material and oral training sessions.
- Improve the monitoring procedures on the use of attendance sheets, hours of work and wage records. Use the IMS checklist to monitor the records.
- Use IMS results and a bonus system to improve awareness and implementation of Hungarian regulations.
- Collaborate with Syngenta’s lawyer and “E” category growers on an efficient methodology to ensure workers’ registration, relevant records on hours of work and payment of workers’ wages and benefits.
- Share the solution and best practices with other growers and control its implementation though the next year’s IMS questionnaire.

**Deadline Date:** June 2015