

***Tracking Progress: Assessing Business Responses to Forced Labour and Human Trafficking in the Thai Seafood Industry***

**Key Findings:**

**1. Few seafood buyers are building social and environmental compliance into buying price, which undermines efforts to promote labour rights.**

Despite publicly committing to change in Thailand, seafood buyers' business model remains unchanged. Seafood company sourcing decisions are still underpinned by competitive price. Addressing forced labour requires buyers to build social and environmental considerations into price negotiations and commit to long-term supplier contracts.

**2. The private sector response has focused on supply chain oversight, but it is unclear how new insights into operations are being used to mitigate human rights abuses.**

International buyers and Thai suppliers have invested in understanding labour abuses in seafood supply chains, resulting in greater commitments to socially sustainable seafood. Yet it is unclear how increased supply chain oversight is going beyond mitigating business risk, translating into better practices that actually improve conditions for workers.

**3. Workers are not being consulted.**

Buyer engagement with migrant workers in Thailand stops short of consulting workers on policy changes or supporting unionisation. Currently, worker engagement is conducted solely through grievance channels, which do not consult workers on the changes they wish to see in their workplaces or empower workers to defend their rights.

**4. Although the private sector is starting to address recruitment processes, where vulnerability to entering into a situation of forced labour is high, issues related to working under duress and workers' inability to leave exploitative situations remain overlooked.**

Some seafood companies have implemented direct hiring of migrant workers, and several have committed to the Employer Pays Principle for recruitment. However, employers are reticent to bear the full costs of recruitment, particularly when buyers are not factoring these costs into contracts. Furthermore, although responsible recruitment is gaining traction among seafood

companies, little attention is paid to remediation and compensating workers who have paid illegal fees and fallen into debt bondage.

**5. The Seafood Task Force has the potential to drive industry-wide change, but it faces challenges in translating policy into practice.**

The Seafood Task Force is an industry-led initiative that seeks to address forced labour and IUU in Thailand's fishing sector. It is the primary mechanism through which companies are collectively talking about human rights abuses, and it has the potential to drive industry-wide change. Over time, the Task Force has shifted to focus on supply chain oversight; lack of transparency and minimal engagement with workers and other stakeholders has led to external doubt and criticism.

**6. Pushing compliance down to the vessel level without sufficient support has resulted in employer pushback in Thailand.**

Many of Thailand's employers argue that the cost of reform will put them out of business. For change to be effectively implemented and durable, consideration needs to be given to the concerns of employers in the lower tiers of the seafood supply chain, coupled with education on legal and buyer requirements, financial support to incentivise compliance, and penalties for non-compliance.

**7. The private sector has a part to play in promoting the effective implementation of the reforms introduced by the Royal Thai Government.**

Since 2015, the Thai government introduced sweeping reforms to the seafood industry. The shift to a highly regulated industry is welcome, but effective implementation of these reforms will require action and public support from seafood buyers and Thai suppliers.

**8. Labour abuses are not confined to Thailand. Forced labour and human trafficking persist in fishing industries around the world. Stronger international regulation is needed.**

As corporate sourcing decisions are motivated by price, governments have a vital role to play in holding companies accountable for their business practices, to promote decent working conditions across the global seafood industry and not solely in countries under the spotlight. To ensure the long-term protection of workers in global supply chains, governments need to greatly strengthen legal frameworks that regulate corporations domiciled within their jurisdictions to ensure that basic human and labour rights are not jeopardised in the pursuit of profit.

## **Overall impact on workers**

The study found that 83% of surveyed fishers and 32% of surveyed seafood processing workers believe that there has been an improvement in their working conditions. There is greater awareness of rights amongst workers, and, generally speaking, working conditions have improved for both fishers and seafood processing workers. Wages have increased, and there has been a marked reduction in undocumented workers.

However, several ongoing challenges continue to impede decent work at the base of seafood supply chains, and more must be done to end abuses. The new worker registration system, for example, has led to an *increase* in workers' debt to their employers. This, coupled with the ongoing difficulties with document retention and changing employers means that the industry has, in effect, found new ways of replicating some of the troubling aspects of the old system.