

A background image showing a large industrial factory with many workers in pink shirts and green aprons working at long tables. The scene is brightly lit with overhead lights.

Ajinomoto Group Human Rights Due Diligence Impact Assessment Report 2019 Thailand



*The Global Alliance for
Sustainable Supply Chain*

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6 September, 2019

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Executive Summary

Ajinomoto Co. Inc. requested The Global Alliance for Sustainable Supply Chain (hereinafter, ASSC), which is a non-governmental organization (NGO) promoting a sustainable supply chain in Japan to cooperate in conducting a human rights risk survey on Ajinomoto Group and to produce this report.

In this research, based on the desk research conducted by Ajinomoto Co., Inc. 2018, a human rights impact assessment was conducted in Thailand, where human rights risks in the supply chain are considered to be relatively high. Based on the OECD Due Diligence Guidance for Responsible Business Conduct published in May 2018 by the OECD, the on-site surveys to manufacturing factories and farms, and the interview surveys to various stakeholders including international NGOs, national human rights organizations, industry groups in the fishery industry and poultry industry was conducted.

As a result of this research, the following points below became clear regarding supply chains in Thailand.

- In Thailand's fisheries industry, there have been many reports of human rights violations such as forced labour from around 2013 to 2016, but since then the legal system of Thailand has been organized and revised, particularly in order to make way for the acceptance of migrant workers.
- With regard to the spread of child labour that has been pointed out for shrimp processing plants for some time now, the risk of child labour has decreased due to in-housing of production using migrant workers. On the other hand, legal framework is being prepared against risk of illegal labour, as well as risk of forced labour/trafficking in response to the increase in dependency on migrant workers. This risk is thought to still exist, however.
- In the poultry industry, the Thai Broiler Processing Exporters Association has led the effort to put measures in place in response to criticism from NGOs on labour issues, and together with the Thai Department of Labor Protection and Welfare and the Thai Department of Livestock they are working to improve the labour standard and work environment.
- It was confirmed that slaughterhouses in the supply chain are working to improve the work environment by operating their own management system based on international standards for labour and human rights.
- In both of these labour-intensive industries it has become clear from researches and interviews with organizations such as the International Organization for Migration (IOM), that importance must be placed on labour and human rights

issues related to migrant workers from neighboring countries around Thailand and to tackle them before such issues become severe in the supply chain.

- In response to the above-mentioned issues, there are NGOs that collaborate with companies that are promoting grievance mechanisms, and such cases in aiming to solve issues with such stakeholders in Thailand are progressing.

From the results of the research above, the following three points are proposed to Ajinomoto.

1. Review measures against challenges in the supply chains such as in shrimp farms
-Introduction and effective utilization of the grievance system-
2. Review actions for facilitating responsible recruitment practices on migrant workers
-Formulation of recruitment policy for migrant workers and its application to supply chain-
3. Raising awareness of best practices in other areas and industries

Introduction

Ajinomoto Co. Inc. requested ASSC to cooperate in conducting a human rights risk research on Ajinomoto Group and to produce this report. The report summarizes the recognized inputs from the research and clarifies the recommendations for the next step in the human rights due diligence activities of the Ajinomoto Group.

Based on “the Group Shared Policy on Human Rights” established in March 2018, Ajinomoto is facilitating the establishment of a human rights due diligence framework to fulfill its responsibility for the respect for human rights within the Ajinomoto Group.

After carrying out human rights impact assessment through desk research in 2018, it was discovered that the risk in fisheries and poultry industries in Thailand was relatively high, which then it was decided to carry out this human rights impact assessment

Before we proceed to the contents of the research, we would like to first confirm the general conditions surrounding the Thai food processing and poultry industries.

According to a report from the Agriculture & Livestock Industries Corporation (Alic), export of prepared chicken, frozen chicken and frozen salted chicken from January to April 2018 are doing well despite the unfavorable exchange rate, where all three recorded an increase¹. Prepared chicken increased year-on-year by 5.8% to 171,000 tons, frozen chicken increased by 29.5% to 84,000 tons, and frozen salted chicken increased by 50.6% to 31,000 tons. Additionally, these items account for over 99% of EU exports that can be exported with low tariffs according to tariff quota, the exchange rate of Thai baht has been trending up against the yen since November 2016, which tells us that export of chicken and prepared chicken to Japan continue to be brisk.

Also, the solid growth of the Thai food processing industry has been reported. According to the National Food Institute of Thailand, the GDP growth rate of the food sector in the first nine months of 2018 was 2.9%, and food exports from Thailand were up 8.3% to 25.26 million tons with an amount increase of 9.4% to 768.797 billion baht². Export items that increased in both quantity and value include chicken, shrimp and instant retort foods etc., which by the end of 2018, the total exports of Thai food reached 1.03 trillion baht, an increase of 8.4% over the previous year. Behind this, was the basis where the last quarter saw an expansion of the global economy, cost of raw material stabilized at low levels, and abundant production of domestic agricultural products. And

¹ Agriculture & Livestock Industries Corporation. 2018. "Monthly Report Information on Farming, August 2018"

² FNA U-MACHINE. 2017. “2018 年、タイ経済復活の烽火 勢い取り戻しつつある輸出 ;政府は EEC への投資を推進,” 1 January 2017. (Japanese Article)

on top of these came the bird flu in East Asia and tainted meat scandal in Brazil, which created a demand for Thai chicken, and overall meat demand went to Thailand.

In light of the above, it is no exaggeration to say that the Thai food processing industry and the poultry industry are important to the food table of the world. Here in Japan too, it's common to find prepared chicken and shrimp from Thailand on the table. However, in Thai poultry and fisheries industries, international NGOs have reported that Burmese migrant workers have been exploited, such as forced labour, breaching minimum wage law, and long working hours in Thailand.

1 Background on the Research

1.1 Purpose

The Ajinomoto Group has established a “Group Policy for Respecting Human Rights” based on the “United Nations Guiding Principles on Business and Human Rights,” and has clarified to build a system for human rights due diligence aimed at fulfilling its responsibility of respecting human rights and to carry it out continuously. Additionally, in order to understand human rights issues, the Ajinomoto Group conducted a dialogue to deepen its understanding of human rights and conducted a human rights impact assessment (identifying human rights risks) in conducting business activities, which can be confirmed with the “Ajinomoto Group Sustainability Data Book³.”

In facilitating human rights due diligence, Ajinomoto Co., Inc. has implemented human rights impact assessment by country and region using Verisk Maplecroft's human rights risk data in desk research and has identified “Labour, Safety and Health, Modern-day Slavery and Child Labour” as high priority for human rights issue and “Thai Food Processing Supply Chain” as high impact for country and business. Additionally, reflecting upon the human rights risks specific to the food industry the data is sorted and analyzed and then summarized as potential human rights risks.

Based on the above, the purpose of this research is to recognize and evaluate the human rights risks that the Ajinomoto Group faces in the supply chain in Thailand and the potential human rights risks through the on-site researches. Based on the results of the fact-finding research and human rights impact assessment for the entire supply chain, the responses and measures against human rights risks will be taken into account, proceed with the establishment of the framework and furthermore mitigate the risk of infringement on human rights by the Ajinomoto Group.

1.2 Method

In order to achieve the objective above, we conducted visits in Thailand for this study to suppliers of raw materials and manufacturing plants for the Ajinomoto Group's aquaculture and livestock processing supply chains. In order to seek broad opinion from stakeholders when conducting human rights due diligence, we also conducted interview researches with international NGOs, human rights organizations and industry groups that operate in the fisheries and poultry industries. This research was conducted from 11 to 15 in February 2019.

³ Ajinomoto Co. Inc, 2018, "Ajinomoto Group Sustainability Data Book 2018"

In the on-site research, the situational facts were confirmed by referring to the guidelines on human rights and labour in the “Guidelines for Group Shared Policy for Suppliers⁴” of the Ajinomoto Group.

In conducting this research, the “OECD Due Diligence Guidance for Responsible Business Conduct” issued in May 2018 by the OECD was referred.

⁴ Ajinomoto Co. Inc., “Guidelines for Group Shared Policy for Suppliers,” Revised in July 2018. Available at: https://www.ajinomoto.com/en/activity/policy/supplier_csr_guidelines.html

2 Research Outline

2.1 Current Situation of Human Rights in Thailand

Amnesty International has stated the following in their 2005 report for Thailand.

"Burmese migrant workers in Thailand are hired at a much lower wage than Thailand's minimum wage and it is now common to find them working long hours in an unhealthy environment and are exposed to the risk of arbitrary arrest and deportation."

The report highlights "the lack of fundamental rights of workers and how smugglers, Thai employers and Thai police abuse and exploit migrant workers. Among them, the fact that the police frequently carry out extensive searches looking for bribes is included.⁵" Amnesty International also "conducted interviews with 115 Burmese migrants at seven locations in Thailand. These migrants reported that they were working or seeking jobs in the fishing, manufacturing, agricultural, construction industries or as daily-contract workers or domestic helpers⁶".

Amnesty International has called on the Thai government to ensure that all Thai workers are able to enjoy the basic rights of work, i.e. adequate wages and hours, safe and sound working conditions⁷.

Human Rights Watch, an international NGO, claimed in its report "Hidden Chains: Forced Labor and Rights Abuses in Thailand's Fishing Industry" that human rights violations such as forced labour, which had been frequently reported in Thailand's fisheries industry from around 2013 to 2016, was still proliferating in 2018. According this report, although the Thai government has declared drastic reforms, effective progress cannot be observed⁸.

According to the report, there are many migrant workers from Cambodia and Myanmar working in the Thai fisheries industry, who are unable to escape from the harsh work environment being laden with debt by their employers. Also, salaries are below the minimum wage, and it has become the norm to be not paid on time. Migrant workers also do not have the right to form a labour union, as the Thai Labor Law does not apply to them. Considering the condition mentioned above, the report appeals to the

⁵ Amnesty International. 2005. "THAILAND: THE PLIGHT OF BURMESE MIGRANT WORKERS," Available at: <https://www.amnesty.org/en/documents/asa39/001/2005/en/>

⁶ *Ibid.*

⁷ *Ibid.*

⁸ Human Rights Watch, 2018, Hidden Chains: Forced Labor and Rights Abuses in Thailand's Fishing Industry," available at <https://www.hrw.org/report/2018/01/23/hidden-chains/rights-abuses-and-forced-labor-thailands-fishing-industry#>

EU, the US and Japanese consumers the importance for the fisheries industry to not be involved in human rights abuses.

As such problems in the Thai fishery industry have come to light, in 2014, the Thai government issued a "Labor Right Protection Order in the Fisheries Industry"⁹ and made some of the obligations of the International Labor Organization (ILO) Convention into domestic law. As a result, an employer was mandatorily required to create and keep a document regarding contract with workers and to present a ship crew roster at port embarkation/disembarkation, thus the migrant workers' risk of being killed or missing during fishing has been reduced. There are also measures to implement ship surveillance systems and limit long-term fishing operation up to a maximum of 30 days.

Despite the efforts of the Thai government, the EU has issued a "yellow card" warning to the Thai fisheries industry in 2015 due to its involvement in illegal, unreported and unregulated (IUU) measures and EU has showed the possibility to ban seafood exports from Thailand to the EU. Additionally, the US government has also placed Thailand on the "Tier 2 Watchlist"¹⁰ in its 2017 Trafficking in Persons (TIP) report, which is subject to a special research. As a result of situation improvement, the "yellow card" warning had been lifted in January 2019.

Human Rights Now, an international NGO, reported to the United Nations Human Rights Commission in 2018 that it was deeply concerned about basic labour rights and human rights violations in Thailand.

“Thailand is the world’s third largest poultry exporter. The sector’s recent rapid expansion has worsened labour rights violations in farms and factories, creating modern

⁹ Thailand Department Labour Protection and Welfare, “Ministerial Regulation concerning Labour Protection in Sea Fishery Work B.E.2557(2014)”, Available at: https://www.labour.go.th/en/attachments/article/338/Ministerial_Regulation_Concerning_Labour_Protection_in_Sea_Fishery_Work_BE2557.pdf

¹⁰ Tier Placement according to U.S. State Department's Trafficking in Persons Report is;
Tier 1: Countries whose governments fully meet the TVPA's minimum standards for the elimination of trafficking.
Tier 2: Countries whose governments do not fully meet the TVPA's minimum standards but are making significant efforts to bring themselves into compliance with those standards.
Tier 2 Watch List: Countries whose governments do not fully meet the TVPA's minimum standards but are making significant efforts to bring themselves into compliance with those standards, and for which:
a) the absolute number of victims of severe forms of trafficking is very significant or is significantly increasing;
b) there is a failure to provide evidence of increasing efforts to combat severe forms of trafficking in persons from the previous year, including increased investigations, prosecution, and convictions of trafficking crimes, increased assistance to victims, and decreasing evidence of complicity in severe forms of trafficking by government officials; or
c) the determination that a country is making significant efforts to bring itself into compliance with minimum standards was based on commitments by the country to take additional steps over the next year.
Tier 3: Countries whose governments do not fully meet the TVPA's minimum standards and are not making significant efforts to do so.

slavery-like conditions. Migrant farm workers are especially vulnerable due to the language barrier and documented discrimination by employers.¹¹⁾

Another statement on this issue has also been published and requested as follows;

“Widespread violations throughout Thailand’s poultry sector call for structural reforms. We urge the Thailand government to facilitate the compliance of Thai chicken farms and factories with labour laws, to develop a National Action Plan on Business and Human Rights based on the UN Guiding Principles on Business and Human Rights, and to take measures preventing private criminal prosecutions harassing complaining workers and labour activists. We further request the governments of relevant states to adopt legislation strengthening companies’ due diligence standards over suppliers, requiring transparency in their supply chains, and restricting the import of food products of forced labour.¹²⁾”

2.2 Selection of Research Target

In this research, we traced back in the supply chain of the core products sold in Japan under the Ajinomoto brand and targeted shrimp products such as “Ebi-Yose-Furai” and “Ebi-Shumai,” and poultry products, such as “Wakadori-no-Karaage”

These products are, of course, strong ties to the fisheries and poultry supply chains, which is under the demand by the international NGOs and the media to make improvements to the issues mentioned above. Additionally, the selection for the Ajinomoto Group was sincerely made for the research targets on the raw materials and processing sites involved in shrimp and chicken procurements, expecting the potential risks and effective measures identified will be beneficial to the application for the whole Ajinomoto Group's supply chain in the future as well as the opportunity to collect that information to build an in-house knowledge base.

2.3 The Supply Chain for the Ajinomoto Group in Thailand

The supply chain for the Ajinomoto Group in Thailand that is part of this research are the fisheries and poultry industries which are organized in the following flows (see Figures 1 and 2).

¹¹ Human Rights Now. 2018. 38th HRC Session: Oral Statement on Labor Conditions in the Thai Poultry Industry, published on June 29, 2018. Available at: <http://hrn.or.jp/eng/news/2018/06/29/38th-hrc-thai-poultry/>

¹² 同上

In the fisheries industry, Ajinomoto Group procures shrimp in Thailand. The main 1-Tier suppliers are trading companies in Japan and Thailand. The research was conducted with Thailand Fishery Japan, which is a trading company with the most trade volume of all the trading firms that Ajinomoto Frozen Foods Co., Inc (hereinafter, FFA) procures from.

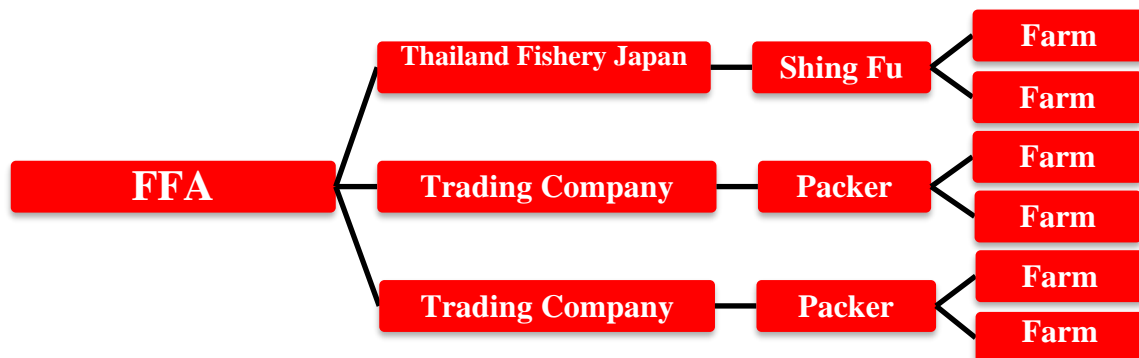


Fig. 1) Overview of FFA’s Shrimp Supply Chain in Thailand

Additionally, for the poultry industry supply chain, the chicken meat procured in Thailand is processed by Thai Betagro Frozen Foods Co., Ltd. ¹³ (hereinafter, TAB) and Thai Ajinomoto Frozen Foods (hereinafter, AFT), and then exported to Japan.

In this research, interviews were conducted with Mr. Kobayashi, President of AFT, in order to understand the structure of the supply chain in Thailand.

¹³ TAB is a joint venture between among FFA, AFT, and BETAGRO.

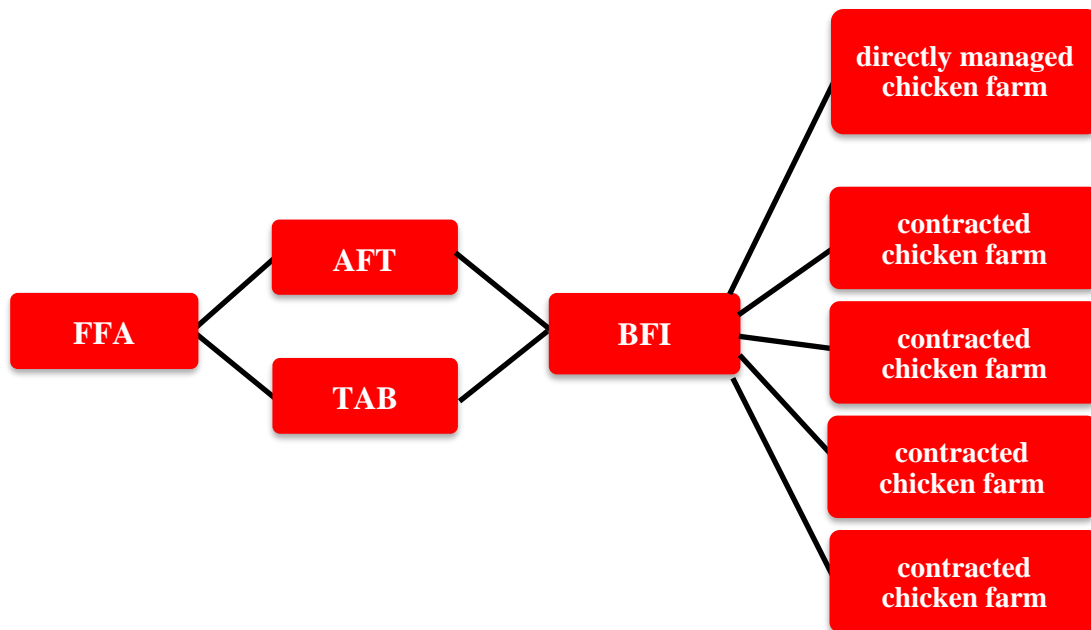


Fig. 2) Overview of FFA’s Poultry Industry Supply Chain in Thailand

TAB, located in Lopburi Province in northern Thailand, has been operating for 20 years in an industrial park operated by BETAGRO. 100% of their chicken is purchased from B. Foods Product International (hereinafter, BFI) and all processed products are exported to Japan.

The number of workers at the plant was about 1,800 at the time of the research, and is directly employed by TAB. The nationality of the employees is Thai only. No migrant workers are engaged.

Since most of the employees in TAB are seconded from BETAGRO, the company’s regulations on human and labour rights are based on BETAGRO’s regulations. This corresponds to the Ajinomoto Group Code of Conduct (see Table 1).

Table 1) Ajinomoto Group Policies Basic Principle and Betagro Labor Standard (employees-related part only)

Ajinomoto Group Policies Basic Principle	Betagro Labor Standard
5.3.a Recognize the right to freedom of association and collective bargaining.	C-12. Grievance and Corrective Action system
5.3.b Prohibit the use of forced labor in any form	A-2. No Forced Labor
5.3.c Prohibit the use of child labor	A-1. No Child Labor
5.3.d Do not tolerate discrimination in employment	A-3. Non-Discrimination
6.1 Providing equal employment opportunities and fair human resource policies	C-10. Effective Communication
6.2 Ensuring the development of the Ajinomoto Group as well as personal growth	C-9. Accountability
6.3	
6.5 Prohibiting discrimination and harassment	A-4. Humane Treatment
6.6	
6.7 Creating safe and comfortable work environments	D-13. Safety Workplace D-14. No Occupational Health Impact

AFT operates at Ayutthaya, producing fried chicken and Japanese dumplings products and shipping them to Japan and Europe.

In the Thai supply chain, AFT's key partner, BETAGRO, has its directly managed farms and contract farms, ensuring traceability to the farms. Also, there are more contract farms than directly managed farms. Furthermore, all quality control is carried out by BETAGRO. They make regular visits to their directly managed as well as contract farms. AFT is generally well-known to consumers in Thailand and exports to Hong Kong, Singapore, etc. as well.

3 Results of the Research

In this chapter, the results of human rights risk assessment on shrimp procurement (4.1), chicken procurement (4.2), and meetings with stakeholders (4.3) are reported below in that order.

3.1 Human Rights Risk Assessment Related to Shrimp Procurement

In order to evaluate human rights risks related to shrimp procurement, we conducted a field research on shrimp processing plants and a visit to the shrimp farms. The results obtained through this process are reported below.

3.1.1 Shrimp Farms

According to Japan's Fisheries Agency, global shrimp production surged from 3.01 million tons in 1992 to 7.68 million tons in 2012. Among them, the proportion of production by aquaculture jumped from 30% in 1992 to 56% in 2012, exceeding the majority of the total output. It can be said that a remarkable development has occurred in shrimp aquaculture in last several decades¹⁴.

The expansion of shrimp aquaculture continues with the rising expectations for the fisheries industry on the conservation of natural resources amid the international criticism on forced labour and trafficking found in pelagic fishing.

One of the characteristics in shrimp procurement is that procurement would come from 50 to 100 small scale aquaculture companies, and there would be a wide variety of suppliers. At this time, one of the shrimp suppliers of Shing Fu Sea Products Development Company Limited (hereinafter, Shing Fu), which is the shrimp farms whose shrimps are purchased by FFA, was selected for this research, which was conducted with the focus of the interview with the owner.

3.1.1.1 Research Outline

This research was conducted on an owner-managed farm, which started operating 10 years ago. The farm concentrates only on producing whiteleg shrimp, and the total area of the farm is approximately 200 rai (1 rai is 1600 sq.m). Currently, the annual production volume is 500 to 600 tons, and it exports about 99%, many of which are shipped to Japan and China. Sales are made not through contract farming, but through auctions by processors, that allow for enterprises that place the highest bid to be able to make the purchase.

¹⁴ Japan Fisheries Agency. 2015. "FY 2014 White Paper on Fisheries," Available at: <http://www.jfa.maff.go.jp/j/kikaku/wpaper/pdf/hakusyo2014e.pdf>. (the English version of the report is only of summary. We cited Japanese version of full report.)

There is a total of 15 workers, out of which there are 12 migrant workers from Myanmar and 3 Thai national workers. Three Thai nationals are mainly engaged in management work, and field workers are of Burmese nationality. The main tasks of the workers are to feed bait into an automatic feeding machine and exchange water, and each worker is in charge of a particular pond.

On the overall working environment, it was confirmed that shrimp farming is not a labour-intensive working environment, but the main task is to monitor the farm with a small number of workers.

The shrimp feed used in this farm was confirmed through the interviews to be commercially available feed. Although there is no particular standard for purchasing shrimp feed, reply given in the interview was that the feed is utilized with the understanding that its production is made with compliance to the appropriate standard.

And although, drainage is often pointed out as a cause for environmental pollution in the operation of an aquaculture farm, we suspect this farm will have relatively small impact, since there is no direct drainage to its external environment. It has been confirmed during our on-site visit where we were able to locate a reservoir where the used water was stored and returned to reusable water quality levels.

Worker interviews were conducted with three Myanmar workers. Although it has been found that a dormitory has been provided and they maintain a good relationship with the owner, they are generally satisfied with the work environment. And as for the status of residence they have completed the procedure for the Nationality Verification as of present.

Lastly, it was discovered in the research that shrimp harvesting operations are outsourced to subcontractors. Although there are no concerns about safety after confirming the video on the operations, it was recognized that in order to identify human rights risks, it will also be necessary to confirm work conditions of the subcontractors involved in harvesting.

3.1.1.2 Risks

The human rights risks identified through the research are as follows:

Guidelines for Group Shared Policy for Suppliers "II Respect for Human Rights": Suppliers are requested to respect the human rights of all employees based on a genuine understanding of the international community, to treat employees with dignity, and to provide a safe and comfortable work environment.

Since respecting rights as a worker is important in respecting human rights, main points on labour management are described below as those regarding risks on human rights.

As for labour management, a point can be made to the lack of maintaining document records. After making checks on the document records, it was discovered that there were no documents such as employment contracts, copy of work permits, salary payment statements (issued receipt and worker signature confirming both labour and management's agreement). Even though handwritten payroll log exists, but this just started from January 2019, so nothing before that exists. Through the interviews with the manager and the person in-charge they replied that it was decided to start maintaining document records from 2019, so we can expect further improvements.

Additionally, it has been confirmed that there are short-term contract workers. We were told that they were daily-contract workers or were paid at the end of their terms, but the payments cannot be confirmed because there are no contract documents.

In order to confirm that workers' rights are protected or respected, a check on the maintenance status of document records such as Terms of Employment or Employment Contracts revealed that it was adequate. It was confirmed that a labour management system needed to be set up most urgently.

Guidelines for Group Shared Policy for Suppliers "II-1 Prohibiting of Forced Labor": All forms of forced labor and the imposition of activities against an individual's will are strictly prohibited.

It was confirmed that the migrant workers are being depended on as a labour force on the farms. Although no definitive statement can be made on this point due to the lack of document records maintenance, given the potential issue of forced labour and trafficking of migrant workers in Thai fisheries having become apparent, it can be assumed that migrant workers are working under the burden of debt caused by having to pay large fees.

Guidelines for Group Shared Policy for Suppliers "II-5 Appropriate Salaries and Wages": Steps shall be taken to pay appropriate wages and salaries to employees in accordance with all related laws and regulations, including the minimum wages, overtime, and statutory benefits.

Cash payments are made for payment of salaries, but there is no indication on confirmation of receipt. After checking the payroll ledger for January 2019, it was found that although the payroll ledger has a signature field, worker's signature was missing but had a record of the payments completed presumably inscribed by the manager. Additionally, there is no statement of overtime work accompanying these.

Timecards are not used for managing the work hours. We can confirm from the document records that a pay ledger had been created, but working hours were not being managed. According to the interviews, workers sometimes request two-hour lunch breaks, or they accommodate workers leaving work early, so there is no concept of time management and it is left to the discretion of the manager.

Guidelines for Group Shared Policy for Suppliers "II-7 Employees' Right to Organize": The right of employees to organize as a method for facilitating discussions between management and labor with respect to such issues as working conditions and wage levels shall be respected.

There is an owner's association of shrimp farms, where information on the farms is exchanged. However, there is no labour union, so the workers are subjugated to the management of the company, and thus, position-wise they are weak. Given these circumstances, workers' collective bargaining rights and consultations between labour and management are not guaranteed.

3.1.1.3 Brief Summary

In the research of this farm, the visit was mainly conducted by interviews with the owner and managers, but it is difficult to collect accurate information because record documents were incomplete. Items to be confirmed include the above-mentioned risk concerns. Additionally, since there are many small-scale businesses in the aquaculture industry, the possibility of incomplete labour management practices such as record documents occurring in other aquaculture farms cannot be ruled out. Furthermore, due to the dependence of the labour force on migrant workers the risk cannot be deemed low. We would need to first facilitate organizing the legal compliance such as labour

law, and then tackle the parts that can lead to serious risks related to occupational health and safety.

Also, there is a tendency for human rights risk to be generally low for aquatic farms compared to catching wild shrimp, because workers at a farm site would be working at a fixed location, where as it should be expected for nocturnal shrimp farming to potentially have increased risk in infringement of workers' rights and violations of human rights, since workers tend to be disconnected from the external world, due to the characteristics of managing such and the need to maintain hygiene, if the workers reside and live on the farm.

3.1.2 Shrimp Processing Plant

In the supply chain for shrimp, the shrimp are procured through either fishery or aquaculture. They are peeled, deveined, frozen at processing sites that are called “packer” and then shipped. The final processing for the product is made before they are transported to consumption destinations. FFA procures their shrimps from packers via a trading company. This fact-finding research was conducted at shrimp processing plant of Shing Fu, which is one of the packers that Thailand Fishery Japan procures their shrimps from.

3.1.2.1 Research Outline

Shing Fu operates shrimp processing in Samut Sakhon province, Thailand. The volume of cultured shrimps is now half compared to the peak due to the drastic decrease in the number of cultured shrimps brought about by the effects of an infectious disease 4-5 years ago. Shrimp purchased by Shing Fu are only from aquaculture.

There are about 500 workers, out of which 5% are Thais and 95% are Burmese. In terms of job type, Thais are mainly plant manager and work site managers, and all field workers are Burmese. Furthermore, Burmese who speak Thai work as site managers.

According to the interview with the managers, migrant workers from Myanmar are working there, out of which 20-25% have entered and are working under the MOU system¹⁵. The remaining approximately 70-75% are workers outside the MOU system, i.e. workers who have changed jobs from other factories or workers who have been

¹⁵ The so-called MOU System is a common name for the process of accepting legal migrant workers, stipulated in a bilateral memorandum signed by Thailand with three neighboring countries (Cambodia, Laos, and Myanmar). In principle, four years of work is permitted, as a system that allows workers to enter the country through a mediation organization authorized by the competent authorities of both countries.

legalized through nationality certification, etc. Moreover, the applicant pays the recruitment fee.

Work hours vary depending on the work process. The process of receiving shrimp, removal of head, peeling and deveining takes 8 hours from 6 am to 3 pm (1-hour break) with 300 to 400 workers being engaged. On the other hand, 100 workers are engaged in the freezing process, which is 6 hours from 3 pm to 10 pm (1-hour break).

The plant inspection mainly focused on occupational health and safety. The shrimp processing process is carried out in the following order: (1) receiving raw material, (2) removing the head, (3) peeling and deveining, (4) removing foreign matter (infuse flavor, if required), (5) freezing, and (6) packing. From the viewpoint of occupational safety, we confirmed a step using a kitchen knife in the removal process for (3) peeling and deveining process, but special tools made of stainless steel were used to prevent cutting hand, so we recognize considerations were given to safety. Additionally, in (5) freezing process, inside of the storage for storing frozen shrimp is kept at a temperature of -18°C. It was confirmed that the worker can use a buzzer located inside the freezer to contact outside in case the worker finds him/herself locked in the storage.

Although there is no labour union in terms of respect for the right of workers to organize, there is a Welfare and Benefits Committee, which functions like a labour union. The Welfare and Benefits Committee responds to consultations and complaints from workers. Additionally, it was confirmed that the election notifications for the Welfare and Benefits Committee members was posted in the canteen, and it was confirmed that committee members are being appropriately appointed.



Photo 1) Production Line in a Shrimp Processing Plant

3.1.2.2 Risks

The human rights risks identified through this research are as follows.

Guidelines for Group Shared Policy for Suppliers "II-1 Prohibiting Forced Labor": All forms of forced labor and the imposition of activities against an individual's will is strictly prohibited.

Burmese accounted for 95% of the workers in this plant. Based on the fact that forced labor and human trafficking cases of migrant workers in Thai fisheries industry generally having become apparent, there is a concern of a possibility that the workers are working under the burden of debt caused by having to pay large fees and which is regarded as forced labour. Recruitment through the MOU system, which is regarded as the proper recruitment system for migrant workers in Thailand, is currently considered to contribute to reducing risk in the short term. In the future, it will be necessary to understand the hiring fee based on the international debate on recruitment of migrant workers, and to discuss "Zero fee recruitment" to reduce the burden of debt on the workers.

Guidelines for Group Shared Policy for Suppliers "II-5 Appropriate Salaries and Wages": Steps shall be taken to pay appropriate wages and salaries to employees in accordance with all related laws and regulations, including the minimum wages, overtime, and statutory benefits.

The employment contracts are provided in Thai and Burmese. The interpreter mentioned after confirming the contents in Burmese that the translation was indeed made, but the level of the translation was low where parts of the translation did not even make sense. Moreover, an update is necessary.

Upon checking the individual pay slips, it was confirmed that the wages were being properly paid. As with other document records it is necessary to ensure that there are no omissions or errors in the entries for the payroll ledger, and it is also necessary to confirm the consistency between the payroll ledger and pay slips. Lastly, it is important for workers to understand the work regulations and employment contracts, and it is necessary to have the workers fully understand them.

Guidelines for Group Shared Policy for Suppliers "II-7 Employees' Right to Organize": The right of employees to organize as a method for facilitating discussions between management and labor with respect to such issues as working conditions and wage levels shall be respected.

There is no labor union in this plant, but the Welfare and Benefits Committee fulfills the

same function. On the other hand, a grievance box was located in the cafeteria, where opinions can be submitted anonymously. The grievance boxes were installed by the manager seven years ago at three locations including the canteen (male and female lavatories and canteen), but no opinions from workers had been submitted. In view of the guiding principles on business and human rights in the UN, third-party involvement should also be considered in the operation of the grievance mechanism from workers to the employer, so that the system for handling grievances will fail. In the current situation, workers should be informed about the operation of the grievance boxes, so that when the opinions are submitted, the management can seriously consider responsive measures and notify workers of the response. By doing so, it is expected to foster a communication that is transparent between the workers and the employer.

Guidelines for Group Shared Policy for Suppliers "III- 1 Ensure Safety in the Workplace": Steps shall be taken to assess all risks associated with workplace safety and to ensure safety by adopting all appropriate design, technology, and management measures.

The evacuation exits are posted in various locations, but the evacuation route map is not displayed in the plant workplace. In consideration of the safety of workers, it is necessary to create and post an evacuation route map based on a bird's-eye view in both Thai and Burmese and to carry out evacuation drills. Additionally, the evacuation route map shall be posted at a location where it can be confirmed from any location on the premises the workers happen to be in. Also, it is desirable to illustrate that workers can evacuate smoothly from anywhere they operate.

Since there is only one emergency stop button for the belt conveyor of the production line, it is not possible for the emergency stop to be applied in time in a failure or an accident. Therefore, when performing the maintenance for the belt conveyor, it is necessary to add several emergency stop buttons and carry out a safety inspection at least once a year and conduct a full safety education for the workers. It was confirmed that annual evacuation drills are conducted in February. On the other hand, since there are no evacuation drills at their dormitories, it is necessary to conduct the drills and to make workers be familiar with the evacuation procedure at emergent situation.

There is a concern of back pain for workers that are engaged in transferring large volume of shrimp in buckets. For this it will be necessary to consider providing industrial work back brace or occupational back support belts as a measure to prevent back pain. Additionally, the workers at the material receiving process also needs to have countermeasures for back pain like to transfer processing shrimp with bucket, since the speed of the belt conveyor at the receiving point for the containers is high and it also requires heavy lifting.

3.1.2.3 Brief Summary

Previously this plant had been lodged with many complaints about child labor issues when they used to outsource their processing (peeling and deveining) work, but since they established a new processing plant and hired workers to do this in-house, the issue with child labor was eradicated and the risk was reduced. On the other hand, this research provided indications that the situation is relatively increasing on migrant workers' risks related in recruitment process.

This plant has been audited for work environment required by the guidance concerning quality by a major Japanese company and requests from North American customers, so overall it seems that they understand the concept of respect for human rights and workers' rights.

However, there is room for improvement regarding risk concerns. Improvements must be made in the plant for a proper workforce management and for occupational health and safety. Same situation is assumed to apply also for the other packers. Furthermore, this plant, which is a supplier for FFA, is also showing signs of excessive reliance on migrant workers, just like the Thai fishery industry is experiencing, so that the risk of trafficking in regard to the recruitment process and the terms of employment of the migrant workers still remains. To identify the risks, firstly, it will be necessary to promote transparency of the recruitment process of migrant workers and validate that the process is handled properly. And secondly, it is important to confirm that the grievance mechanism is in place to handle complaints. Thirdly, outreach of migrant workers in their home countries is important, and for this purpose it may be effective to ensure that the workers are sent from good sending organizations.

Finally, with regard to processors, the packer procures shrimp from generally from 50 to 100 farms in Thailand, which have a potential to be important partners for the Ajinomoto Group to leverage when promoting respect human rights in the shrimp supply chain. However, according to the research, aquaculture farms supplying shrimp relatively have the upper hand over the processors, based on a large-scale reduction in production by a catastrophic damage caused by the spread of infections several years ago in shrimp farming in Thailand. Additionally, given the selling mechanism of aquaculture farmers is auctioneering (bidding), the "efficacy of leverage" that international NGOs expect from companies may not necessarily work in the shrimp supply chain in Thailand.

3.2 Assessment of Human Rights Risks in the Procurement of Poultry

Regarding chicken procurement, the chicken meat procured in Thailand is processed by TAB and AFT, and then exported to Japan. This time, our research team visited BFI Head Quarter, the processing site for the chicken called “slaughterhouse”.

3.2.1 Suppliers in Poultry Industry

Since its founding in 1967, Betagro Group has expanded its business within the animal-feed, poultry, livestock healthcare, processed foods and food service industries amongst others, as one of Thailand’s major agricultural business corporations.

There are farms that are either directly managed or contracted. There are contracted with 10% of the shipments coming from directly managed farms and 90% from contractors. Visiting every farm, implementations of “Your voice, We care”, which is an initiative of ISSARA, an NGO active in Thailand, have been reported.

At Betagro Group’s farms, the wages are relatively high. In terms of the treatment of migrant workers, they have made efforts by informing the migrant workers in their mother tongue as well as even using migrants’ local jargons on posters, work contracts and internal bylaws to have the workers understand their meaning. Furthermore, Betagro Group takes care regarding employing migrant workers, setting its own hiring policies and bylaws on commissions and enforcing standards for selecting its foreign labour contractors. (See Figure 1)

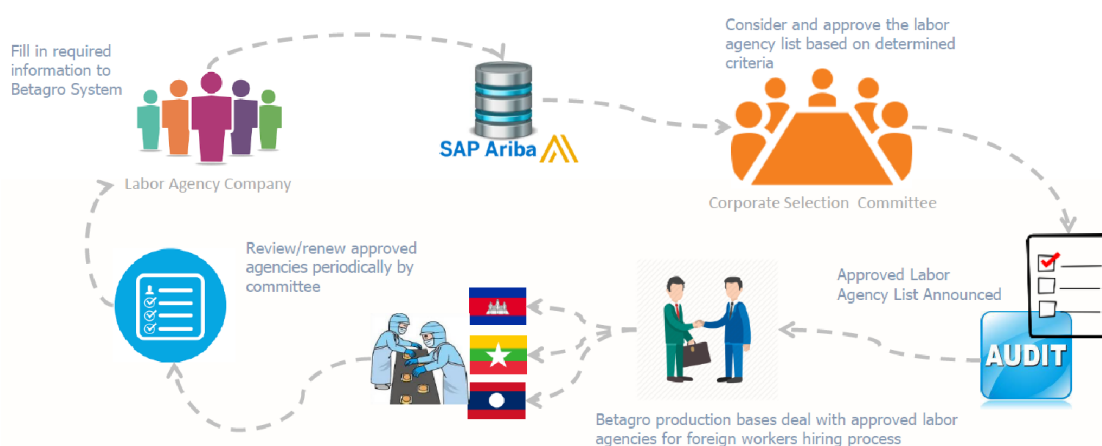


Figure 3) Betagro Group. Process of hiring migrant workers

Furthermore, Betagro Group has instituted the Betagro Labor Standard (called BLS hereafter), its code of conduct regarding the labor practice covering 5 principles:

1.Labor Protection, 2.Welfare and Benefits, 3.Labour Relations, 4.Environment, Health and Safety, and Management System, which are required by the farms to uphold. Also, BLS has been defined 3 versions below.

1. BLS 1.0 Standards aimed at adherence to Thai Laws
2. BLS 2.0 Standard based on International Standards and Reflecting the Aggregated Needs of the Customers
3. BLS 3.0 Beyond the Standard. It is aimed at enhancing the standard of employees' welfares and promoting employee engagement programs.

At Betagro Group, employees are encouraged to communicate by email, suggestion/grievance boxes or have face-to-face meetings with their managers. And even though there is no labour union, they have a similar system for employees to be able to hold discussions regarding labour and wages with management, including welfare management through a welfare committee which made up of the representatives of employees and management.

Progress has been made to the sustainability activities of Betagro Group based on UN guiding principles for business and human rights. Recently the company has set up their human rights policies and are currently working disseminating these to the employees. Now, regarding practices to further this dissemination, we have agreed with Betagro Group for them to contact us in order to confirm separately on how we shall proceed. Currently, we are in the planning phase of executing due diligence on human rights and we plan to integrate with other programmes (such as BLS). After explaining this plan to the management team, it is planned to start rolling it out in May 2019.

Regarding “Your Voice, We Care” provided by the ISSARA, the pilot program was run at BFI (slaughterhouse) and one of its farms. In this program, there were 2 complaints about Betagro Group. and 8 more towards the supplier (contract farm). These complaints were about the work contracts and paychecks not being written in their mother tongue and their contents were not understood.

Table 2) Betagro labor Standard

Principles	BLS Requirements
A. Labor Protection	1. No Child Labor
	2. No Forced Labor
	3. Non-Discrimination
	4. Humane Treatment
	5. Working Hour
	6. Wages
B. Welfare & Benefits	7. Welfare and benefits
	8. Working Environment
C. Labor Relation	9. Accountability
	10. Effective Communication
	11. Participative Employee Program
	12. Grievance and Corrective Action Plan
D. Environment, Occupational Health and Safety	13. Safe Workplace
	14. No Occupational Health Impact
	15. No Environmental Impact
E. Management System	16. Effective Management System
	17. Control of Suppliers and Sub Contractors

In 2018, after working through the problems mentioned above in the pilot program, the programme was expanded to all 150 farms. When expanding to all the farms, they held an event for farm managers to garner better understanding of “Your Voice, We Care”. They explained the implementation by putting up posters and having apps downloaded onto employees’ phones and made personal visits for them to be acquainted with the hotline.

Implementation of “Your Voice, We Care” programme at Betagro Group, originated from the request by the European retail company, TESCO. Furthermore, from 2014 to 2015, this programme was a grievance mechanism that was developed as sole solution to the heated debate on the issue of worker exploitation in the marine products industry in Thailand, called grievance mechanism.

3.2.1.1 Chicken Farms

For this research, to enter the farm was legally not possible, as for sanitary consideration for food safety and disease prevention purposes such as avian flu, one quality manager as well as a supplier manager from BFI Co., Ltd.(hereafter BFI) was interviewed apart from an interview with the Betagro Group's manager.

It was reported that there were no major serious findings regarding workers' health. Furthermore, there were many points where the of emergency exit signs did not exist on the sites. however, these have recently been installed and improvements are being made to ensure the safety of the workers.

As to working-hours, 8 hours per day with 6 workdays a week is the standard, making it a 48-hour work-week. As for overtime, there are cases of even 2 hours a day of overtime, but over a month it comes to 14 hours overall, so no excessive long working-hours were observed. As for the work situation, 6 days of work per week with one day off is upheld, with the workers being able to spend their day off freely.

It is reported that the migrant workers on the farm are employed based on their nationality, and there is so far no discrimination and confrontation based on nationality. Furthermore, Betagro secures the space required in the migrant workers' dormitories, which is stipulated to be at least 3.6 square meters/ person according to ILO Guiding principles on worker's housing standard.

Migrant workers often come to Thailand with their family (couples), making the proportion of men to women 50% to 50%. As they migrate with their families and they move to these dormitories with them, so there are children there, however we have confirmed that there are no cases where child labor is forced.

3.2.1.2 Chicken Processing Plant

BFI is Betagro Group's core processing plant, that started its operation in 1993. It's a facility where "Your Voice, We Care" started by ISSARA was implemented in 2017. Operation is conducted in two shifts, with about 7,200 total workers. The site is separated into two plants, one where the slaughter operations take place (hereafter SLH), and where food processing takes place (hereafter CPD)



Photo 2) Interview with the Managers at BFI.

SLH employs 5,068 people, of which 1,800 are Cambodian migrants. Furthermore, 66 are from Laos (As of the February 15th 2019). CPD employs 2,100 people, with 330 of them being Cambodian and the remaining are Thai.

Furthermore, this plant is an authorised facility by BSCI, SEDEX, OHSAS18001, and ISO14001, and has an understanding on the management system, and BLS has also been implied.

Based on research upon the documents provided by Betagro Group, we can assess there is an effort towards securing workers' health and safety. Because of this effort, injuries among the employees are kept low, and is decreasing every year. Looking at the documents carefully, we can see that Cambodian and Laotian workers' rates of injury are lower than those of native workers, which is thought to be due to the orientation lectures given to the migrant workers in their native language at start of employment.

Furthermore, evacuation drills are conducted both day and night once a year. In addition to this, there needs to be an increase in the frequency of the drills to have everyone better understand the evacuation procedures since new workers are hired intermittently. Health checks are conducted once a year, however we suggest increasing this opportunity to twice a year for late-shift employees.

The pregnancy testing at start of migrant employment is legally required for work permit approval under Thai law, while no pregnancy test for normal processes of hiring at Betagro Group which comply by the international standards.

Regarding labour, tendencies for long work hours have been observed. As for the longest, there is one worker who has had 77 hours of overtime in one month. Because of this, there are concerns of death by overwork and more effort toward reducing working hours is recommended.

3.2.2 Risks

The following are the human rights risks confirmed from the research and related policy of Ajinomoto Group:

Guidelines for Group Shared Policy for Suppliers “II. Respect for Human Rights”: Suppliers are requested to respect the human rights of all employees based on a genuine understanding of the international community, to treat employees with dignity, and to provide a safe and comfortable work environment.

Regarding respect for the employee’s human rights, as respecting the rights of the workers is critical, the following major findings regarding labour management are given as human rights risks.

At the chicken processing plant, long working hours have been confirmed. As repeatedly pointed out, attention to shortening the working hours is needed.

3.2.3 Brief Summary

As the result of this research on chicken meat procurement, it can be said, overall, that satisfactory measures for the prevention and reduction of risk have been identified.

As for the chicken farms, from the aspect of the characteristics of their business, since potentially prolonged work hours and periods of isolation within the sites have been observed, there is a risk of prevalent prolonged labour and forced labour. However, at least from the interview research with BFI. we can say that, regarding these problems they are applying and putting into practice a guideline called “Good Labour Practice” (hereafter GLP) drawn up together with the Thai Broiler Processing Exporters Association, and work together with ISSARA, thus deserving praise for taking the actions necessary. In the following, it is important that continued communication with BFI. to understand the course of the measures will be taken.

At the chicken meat processing plant of BFI., improvements on the work environment can be confirmed, and the BLS 2.0 management system is well integrated into their improvement process, which was repeatedly revamped based on measures against previous criticisms of the work environment in the poultry industry and requirements by western corporate business partners, which can be deemed as a best practice. Especially regarding the recruitment of migrant workers, concrete policies and actions like the “Labour Agency Management Program” and the “Recruitment Fee Support Policy” have been confirmed, that can be a policy reference for the Ajinomoto Group and its suppliers.

3.3 Stakeholders Meetings

3.3.1 The Labour Rights Promotion Network (LPN)

3.3.1.1 Organization Outline

The Labour Rights Promotion Network (LPN) is a Thai NGO established in 2004. The purpose of the LPN is to increase migrant workers' access to fundamental rights and to promote social integration in Thailand. The activities range are widely such as providing information regarding Migrant Workers Rights and assistance on workers' issues, assisting in emergency response, and protecting victims of infringed rights. LPN also operates educational services for the Migrant worker community in Thailand. For our meeting, we conducted interviews on migrant workers' issues, managing of the grievance mechanism and collaboration with companies, and efforts on issues in the fisheries industry.

3.3.1.2 Key Points of the Dialogue

Migrants who enter Thailand to work there, either enter Thailand directly or through Thailand to the third country such as Malaysia. The migrant workers whose destination is Malaysia are those who are mainly engaged in the palm oil industry. To obtain a work permit from the Thai government, the migrant would need to register a report within 90 days. If the process, however, ended up being handled via a broker that was malicious, the migrant would end up staying illegally since the broker would not have registered the report in the end.

There are two ways to hire migrant workers: one is to conduct procedures directly with the broker in the dispatching country, and the other is to go through a Thai broker that handles the processing with the broker in the dispatching country. LPN recommends the former to minimize the number of brokers involved. Another problem is that

workers who illegally enter cannot file formal registration procedures, because they do not possess a passport. On this point, the registration can be made by having the government issue a Certificate of Identification (hereinafter, CI). Additionally, as a requirement of CI, the applicant must return to home country after 4 years as a temporary, where it would be possible to re-enter after issuance of the passport in their home country. However, with the hiring fees, it is often found that the workers would bear this, and there remains the problem of working in debt.

The next description is about the operation of the grievance mechanism and collaboration with companies. LPN has set up a 24-hour multilingual hotline to receive complaints and questions from workers. The languages spoken are Thai, Burmese, Laotian and Cambodian. So, a system is in place where the worker directly calls the staff (interpreters) that speak their language. It should be noted that, firstly, the number of hotline responses was 50 to 70 per day (Burmese), and the number of followers on Facebook was 600,000 (Burmese and Khmer version pages combined), indicating that the mechanism is spreading among the workers. To disseminate this further, efforts are underway to raise awareness through placements in Burmese free magazines such as Myanmar Life Magazine. Second point to make is the collaboration work with companies. Some of the examples here are: LPN carrying out collaborative projects centered around the operation of the hotline with Thailand's Charoen Pokphand Foods (CPF), Thai Union and others. In addition to running the hotline, CPF's collaborative programs include training for workers and making visits to dormitories to check their living conditions.

Lastly, on tackling migrant workers issue and human rights issues in the fisheries industry, LNP has established the Multi-Stakeholder Initiative for Accountable Supply Chain (MAST) and created a platform for problem solving in the fisheries industry. Beside this MAST, LNP is carrying out a pilot project to improve the working condition, as well as projects to enable monitoring of the fishing boat route and the boat interior by installing GPS and monitors on the fishing boat.

3.3.2 Thai Broiler Processing Exporters Association

3.3.2.1 Organization Outline

The Thai Broiler Processing Exporters Association was established in 1991 and acts as a regulatory and service agency for a number of Thai chicken producers and exporters. All members of the association are the leading producers and exporters in Thailand. The association is known as a supplier of chicken products to customers around the world, including Japan, Singapore, Hong Kong, Korea, the Middle East, EU countries, South Africa etc. The Association also aims to promote the poultry industry, especially the export market. The activities of the association are mainly to provide information related to production and information on marketing and cooperate with the Thai

government to solve problems that the industry is facing with and tackle challenges to potential restrictions. The Ajinomoto Group imports chickens from Thailand through BETAGRO and has initiated a dialogue with the association familiar with export of the poultry industry, to confirm the situations on the working conditions and human rights issues specific to the poultry industry and to confirm the stance of the association.

3.3.2.2 Key Points of Dialogue

According to one of the reports on workers in the poultry industry in Thailand, written by a human rights activist, unilaterally decided and informed that the working environment was poor and has expressed a concern on NGOs overall. Improvement efforts by the Association are not necessarily recognized externally, as they are not proactive in disclosing information on their improvement efforts. Against the report, it was understood at the time that the livestock farmers had committed illegal activities due to a lack of knowledge on labor laws, and that it was necessary to teach livestock farmers about knowledge on legal requirements. With that undertaking, Good Labour Practices (hereinafter GLP) is drafted, and information and training are provided to livestock farmers in collaboration with the Thai Labor Protection and Welfare Bureau and the Thai Livestock Promotion Agency. As for MOU related to migrant workers, the Association has stated that chickens will not be purchased if members' livestock farmers are involved in illegal activities. There are 6,000 livestock farmers, and in order to disseminate the contents of the MOU, person in-charge from each member company was trained, and they would then visit each livestock farmer, and after a year a large number of farmers was informed. The Association feels these measures have fulfilled the concerns expressed by the above-mentioned report.

We recognize the Happy Workplace Program (hereinafter HWP¹⁶) by the Thai Health Promotion Foundation is not everything good for the migrant workers. For example, many migrant workers are there for making money, so their goal is to work overtime to earn more. We believe that migrant workers are dissatisfied with decreased income, as compliance with the law is a precondition for promoting HWP. Livestock farms are often located in remote areas, so the workers are not able to enjoy their days off. They feel it would be better if they were able to make more money, since that is why there are there in the first place.

Migrant workers at a livestock farm are in a situation where have to stay on the farm for about six weeks. However, this does not mean that they are working for the whole time there; there are sports facilities to enjoy and relax in livestock farm. The reason for this quarantine is to prevent the spread of infectious disease to poultry. So, after working for

¹⁶ The Happy Workplace Program (HWP) is an initiative for promoting health in the workplace with the aim of improving the physical and mental health of employees developed by the Thailand Health Promotion Foundation (Thailand Health).

about six weeks, there are 21 days of paid leave, where migrant workers often return home.

Currently the petroleum and fishing industries are proposing to the Thai Labor Protection and Welfare Bureau a special law that takes into consideration of their labor environment. This law proposes to have 4 continuous weeks of work and then 4 continuous weeks of holidays. However, as the Association regards the six weeks as the preferred period for raising poultry at a livestock farm, so the Association is now searching for basis for this by investigating cases in other countries.

Furthermore, it was reported that the practical work hours for the day on a livestock farm is 8 hours, where their work is comprised of taking care of and monitoring poultry in the morning, afternoon and evening and then returning to their rooms. The idea based on the overseas code of conduct may not necessarily apply to the arrangement of being confined to a farm for about six weeks. This also differs from the method BETAGRO is encouraging on their directly managed farms and contract farms as well.

3.3.3 The National Human Rights Commission of Thailand

3.3.3.1 Organization Outline

The National Human Rights Commission is an independent monitoring body that investigates and reports on a wide range of human rights issues related to politics, economy, society and culture, and disseminates and promotes respect for human rights. Based on Articles 199 and 200 in the Constitution of Thailand, the National Human Rights Commission Law was enacted in 1997 and the Commission was created. Under the Constitution the Commission is defined as an independent body that does not receive any restrictions from the government. It consists of a Chairperson and 10 members, who are appointed by the King from among the experts based on the nomination of the Senate. It was established on July 13, 2001 and has only one term lasting six years. It has since resumed after being suspended by a coup d'état in 2006.

The National Human Rights Commission of Thailand (hereinafter NHRCT) must function with independence and equity and has a wide range of responsibilities. The main responsibility of NHRCT is to "promote the respect for human rights domestically and internationally," "to examine acts of human rights violation or those which do not comply with the country's international human rights obligations and propose remedial measures to individuals or organizations concerned," "to submit an annual report on the country's human rights situation to the Parliament and the government," "to propose to the Parliament and the government revision of laws, rules or regulations, and policy recommendations for the purpose of promoting and protecting human rights," "to

disseminate information and promote education and research in human rights" and "to cooperate and coordinate with government agencies, NGOs and other human rights organizations."

3.3.3.2 Key Points of Dialogue

NHRCT is working on “Collaborating with Business” and “Accepting Complaints, Promoting UN Guiding Principles on Business and Human Rights, and Commitment to Developing National Action Plans.” The complaints received here include cases of labour-related issues, environmental pollution, and poor working conditions. Additionally, as problems related to safety and health, such as "The worker does not possess the skills required." or "Training on health and safety has not been conducted properly." can be mentioned. The response to such complaints is that each governmental agency implements according to the law, which shows gaps between the human rights protection aspect that it originally seeks and the law. So, the challenge here is to fill these gaps.

In the poultry industry, the livestock farms are facing pressure from having laws revised for the protection of the workers within Thailand. The current labour law cannot accommodate this. With this fact the Association is requesting facilitating the revision of the labour law. The complaints on the environment is focused on farms located in places where it is not appropriate, in that they are impacting the surroundings due to drainage. Currently, a use of agrochemicals for killing weeds is having a negative impact on environment.

With regards to the foreign workers in Thailand, there are one to two million migrant workers who are not officially registered, and a couple of hundred thousand of registered migrant workers, and they are from Laos, Cambodia and Myanmar. Those migrant workers work on fish boats, on farms, and at a food factory. Previously, there were forced labor issues, such as retention of passport by brokers when migrant workers entered Thailand, and high commission fees taken by brokers. If they entered the country through brokers, they are entering under forced labour conditions. The research in 2016 discovered a modern slavery issue about migrant workers on fish boats, but the issue was caused by labor shortage in Thailand and Thais tend to shy away from 3D (difficult, dirty, and dangerous) work, so a number of foreign workers have been hired in such industries.

Currently, there are MOUs with countries around Thailand, but the official migration taking a longer time than the illegal migration process has been raised as an issue. There is also an issue which many migrant workers do not understand the contents of their contract with their company. If no contract exists, payment of their salaries would be a

problem, and on top of that the workers are in debt bondage. Such migrant workers are often in a situation of slave labor, where their salaries are spent on repaying the debt and there is no money left for them. Also, such migrant workers often have the issue of retention of their identification documents.

Among migrant workers who work on fish boats, illegal migrant workers are required to register with authorities with “seamen's books¹⁷”. With regards to solutions and cases related to the issue, various measures (such as GPS for fishing vessels, import and export), revision of the law, and being opened to NGOs have also been raised.

3.3.4 ISSARA Institute

3.3.4.1 Organization Outline

The Issara Institute (hereinafter, ISSARA) is a non-profit organization incorporated in the United States (501 (c) (3)) and in Thailand (non-profit foundation). It was established in January 2014, with the support of Humanity United, a US-based non-profit organization, focusing on expert members for solving trafficking issues through activities at the United Nations. The aim of their activity is to provide freedom, choice, and opportunities for those who need it most, from unemployed plant workers, to abused fishermen, migrants and minority children.

We conducted a dialogue to confirm the relief mechanism for workers operated by ISSARA, and the situation regarding the poultry industry and shrimp aquaculture.

3.3.4.2 Key Points of the Dialogue

The dialogue with ISSARA can be summarized into three key points.

First point is about ISSARA advocates Inclusive Labor Monitoring (ILM) as a system for corporate supply chain monitoring that utilizes a hotline for workers. This is a system that promotes work environment improvement by identifying labour issues in the supply chain, based on workers' opinions and providing technical support to plants. ILM is a system that accepts and responds to the opinions of workers through various platforms such as smartphone applications and SNS and is implemented in Cambodia, Laos, and Myanmar, where there are many migrant workers that enter Thailand. The strategic partnership agreement has been concluded with focus on multinationals conducting procurement activities in Thailand, where this system was introduced to plants in their supply chain. Furthermore, with regard to companies that will become strategic partners, there has been a relatively large number of collaborations particularly

¹⁷ Seaman Book points to a document issued by the Thailand Marine Department to anyone who wants to work on a vessel. Records the work history on a vessel and confirms the work hours on the vessel.

with British companies, due to the legally binding effects of laws and regulations such as the UK modern-day slave law of 2015.

Second, the factors that led to the spread of ILM. As a factor that ISSARA's activities have expanded over a short span of five years, many multinational companies are increasingly interested about the importance of grievance mechanism through the spread of hotlines following the global trend on sustainability activities. And unlike other traditional NGOs, ISSARA places collaboration with companies at the core of their engagement. At the same time, companies in Thailand have also started implementing hotlines to see how it would work in-house. ISSARA pursues their activities talking to organizations such as the Ministry of Foreign Affairs and the Labor Standards Oversight Office.

Third point is about the ethical recruitment program. ISSARA promotes ethical recruitment efforts and supports companies in implementing ethical recruitment while communicating with dispatching agencies in Thailand, Cambodia and Myanmar. Specifically, ISSARA aims to solve issues among diverse stakeholders through the implementation of their own program based on the “ethical recruitment principle” and the holding of a global forum aimed at promoting ethical recruitment.

3.3.5 International Organization for Migration Thailand

3.3.5.1 Overview

Established in 1951 International Organization for Migration (hereafter, IOM) is an inter-agency of the United Nations that specializes in migrant issues. There are 173 member states and field offices in more than 100 countries. The IOM works in line with the principle that humanitarian and orderly migration benefits immigrants and society. To further this end, IOM provides services and advice to governments and immigrants. The history of IOM's activities in Thailand started when it began operating project in Thailand in 1975 in supporting resettlement of Indochina refugees to countries where they were given permanent residence status. Later, when Thailand joined the IOM as a member country in 1986, the organization's cooperation with the Thai government increased to include every aspect that the immigrants were confronted with impacting Thailand and its neighboring countries, such as labour migration, health of the migrant, trafficking, emergency situations. IOM has a strong presence in Thailand, with 400 staff working actively in more than 35 locations at 10 locations throughout Thailand, making it the country with the world's largest mission for IOM.

3.3.5.2 Key Points of the Dialogue

IOM Thailand plays an important role in the international migration of the region, as a country of origin, destination, and country of migration. The status as a middle-income country with four borders with Myanmar, Laos, Cambodia and Malaysia presents

complex and difficult challenges for immigration. There is a large stream of international migration, including refugees, professional migrants and migrant workers due to the bi-directional exchange with other countries taking place in international investment, trade and tourism.

The characteristics of economic development in a globalized world reinforce the role of migrant workers in the Thai economy. Thanks to a thriving and stable economy, Thailand is attracting millions of migrants from neighboring countries in search of a better living standard. Workforce in fields such as fishing, agriculture, domestic help and manufacturing rely heavily on migrant workers. Most of Thailand's migrant workers are from across the border in Cambodia, Laos and Myanmar. Their presence demonstrates the economic success of the Thai economy, providing high wages and better employment opportunities.

As international migration has increased, private recruitment and placement agencies have been established to facilitate migration. The current challenges are illegal immigration including human smuggling and trafficking, and their impact on occupational health and safety in labour markets and businesses.

Of the 4 million to 5 million migrants living in Thailand, about 1 to 2.5 million are considered to be in precarious situations. Lack of an effective law enforcement agency is also responsible for several pressing issues such as poor working conditions, exploitation, human smuggling and trafficking, and cross-border crimes.

In recent years, the Thai government has adopted a pragmatic and innovative approach in developing its own migration management model. Related to this, issues concerning forced labour, working conditions and trafficking have been signed in the bilateral agreement (Memorandum of Understanding; MOU) with neighboring countries.

IOM continues to strengthen the partnership between the government and the international community and supports the difficult challenges of implementing MOU and promoting migration management in Thailand. Also, IOM aims to ensure an orderly humanitarian migration management, promote international cooperation on immigration issues, support the search for practical solutions to immigration issues, and provide humanitarian assistance to refugees and other migrants, including those within the country.

More than half of the world's 21 million forced labour victims work in the Asia-Pacific region. They manufacture our clothing, harvest food, and manufacture and provide products and services that we use in our everyday life. Many of these forced labour victims are migrant workers.

Companies are required to show that these goods and services are free from slavery and trafficking. A positive approach to corporate ethical recruitment and supply chain management can guide an ambitious workforce and promote better recruitment of migrant workers.

Utilizing IOM's expertise, its strong presence in the field, and labour migration dedicated to good relationships, modern slave and trafficking eradication (CREST) program

was developed in cooperation with the Thai Labor Protection and Welfare Bureau. The program is organized around three pillars and is developed to enable companies to maximize the benefits of migrant workers in the supply chain. The three pillars of the CREST program consist of (1) training on slavery and trafficking, (2) training in pre-departure and post-arrival orientations, (3) supply chain mapping and ethical recruitment support.

The IRIS program also employs a management system approach so that ethical recruitment, transparency and due diligence are prioritized throughout the recruitment process. While a typical hiring business model is developed on the premise of labour exploitation, IRIS promotes sector-to-sector partnerships aimed at making changes across the industry. IRIS is developed and revised through consultation with IOM and multiple stakeholders committed to ethical recruitment and protection of migrant workers.

IRIS aims to bring about change with “Identification and Support of Ethical Labour Recruiters”, “Principle of Recruitment Fee Payment by the Employer”, “Improvement of Due Diligence by Corporations, Governments, and Workers” and “Improvement in Transparency in Recruitment Process and Labour Supply Chain”

Furthermore, the Thailand Migration Report 2019 issued in January 2019, that IOM was responsible for the research, was introduced. In this report there are eleven chapters that covers areas such as working conditions, access to services, remittances, trafficking, and



Photo 3) Meeting at IOM Thailand

exploitation. Written by specific United Nations agencies, it provides updates on migration trends and patterns in Thailand, as well as independent analysis of migration-related issues and policy development.

4 Recommendation

We will propose the following content regarding future human rights due diligence endeavors of Ajinomoto Co., Inc. based on the results of this research.

4.1 Review on Measures for Challenges in the supply chains such as in shrimp farms: Introduction and Effective Utilization of Grievance System

First, the achievement in this research can be identified as a more accurate risk assessment of so-called raw materials procurement such as aquaculture and chicken farms.

This fact-finding research has highlighted the tendency for aquaculture and chicken farms, in the process where raw materials are produced, to restrict external access for various reasons. For example, as mentioned previously, external access to the facility tends to be blocked due to the characteristics of aquaculture farms that manage nocturnal shrimp and the necessity of thorough hygiene management which also applies to chicken farms. Furthermore, it is not uncommon for workers to live on facilities for these reasons and be required to reside there for a long period. Based on such circumstances, it is suggested that workers engaged in these locations are unintentionally isolated and separated from their surroundings. Therefore, it is important to make sure that occupational safety and compliance, which is without mentioning, are thoroughly met, the grievance system has been introduced and that it is functioning.

By introducing the grievance system in aquaculture and chicken farms, it is possible to grasp the current condition of the work environment and, by extension, ensure the transparency of labour practices in the supply chain, which is important for the Ajinomoto Group to fulfill its human rights due diligence. In that sense, solutions should be sought, including, for example, collaboration with local stakeholders such as local NGOs, NPOs and industrial groups. Specifically, in promoting the grievance system and making it functional, the organizations that actually work on the chicken farm, such as ISSARA who participated in the stakeholder dialogue in this research, and in cooperation with suppliers with directly relations, such as BETAGRO and Shing Fu, is considered to be one of the effective measures to execute effectively.

4.2 Review on Actions for Promoting Responsible Recruitment Practices for Migrant Workers: Formulating Migrant Worker Policy and Impacting the Supply Chain

Risks associated with migrant workers were suggested throughout the study. It is important to facilitate responses, so that migrant workers in the supply chain are not exposed to the risks of trafficking or forced labour. Therefore, as a second recommendation, it is important to develop the migrant worker policy as an action to disseminate responsible recruitment practices for migrant workers and to further increase the effectiveness of impacting the supply chain.

In order to impact the supply chain, a clear policy will be required on how responsible recruitment practices for migrant workers are defined and what actions will be taken to achieve that, and how suppliers should act.

The content of the policy should be decided after a specific study with reference to the opinions of external stakeholders such as international organizations and NGOs has been conducted. Also, it is worth to note that company-centered initiatives, organizations working on migrant workers' issues and trafficking solutions, or international organizations such as the IOM should be referred to, since they have already published statements in the form of policies, principles and guidelines on responsible recruitment for migrant workers.

Ajinomoto Group's related policies for suppliers include “Ajinomoto Group Policy Guidelines for Group Supplier Transactions,” however, it would be worth to consider of including provisions on recruitment of foreign or migrant workers.

4.3 Raising Awareness of Best Practices in Other Regions and Industries

This research was able to confirm not only understanding human rights risks, but also various best practices undertaken in Thailand. Examples include the creation of an efficient and effective grievance system, the implementation of problem solving through multi-sector collaboration, and initiatives for responsible recruitment of migrant workers. And the third recommendation is to actively utilize these in future human rights due diligence activities.

For example, regarding the issue of migrant workers, issues found with recruitment of foreign workers in Japan are similar to the situation of migrant workers in Thailand and other countries, such as high fee collection, labour exploitation and discrimination. In order to solve these issues, in recent years it has become increasingly important to build an efficient and effective grievance system, taking into account the limitations pointed out in recent years on methods such as identifying the current situation and corrective improvements made by social audits.

Therefore, it can be said that it is adequately possible, as well as effective, to adopt the approach to the migrant worker issues revealed in this research on to the roadmap for human rights due diligence going forward. When doing so, it will be important to hold discussions with organizations in various sectors and work on solving problems through collaboration.

Closing Remarks

We would like to take this opportunity to thank Ajinomoto Co., Inc., AFT, Thailand Fishery Japan, Shing Fu, BETAGRO, and international NGOs and industry associations operating in Thailand and the Thai National Human Rights Commission for providing their utmost support in the research.

As mentioned above, we recognized the issues of human rights and labour issues in the aquaculture and poultry industries in Thailand, and also confirmed the current response from each group in this research.

At present, the possibility of minor risks has occasionally been found in the Thai supply chain of the Ajinomoto Group, but at the same time, since each in the group has been working on issues that the NGOs and media have pointed out and reported after 2015, we can expect improvements to the situation.

It can be said that collaborative efforts with ISSARA and requirements from North American and European companies' codes of conduct have without doubt brought the Betagro step towards improvement. However, elements in the company's activities are advanced, which are recognized as best practices in this report.

We would like to direct the attention to the actions of each group represented by ISSARA, which implements realistic measures aimed for resolution by emphasizing the relationship with the stakeholders as the word engagement suggests and not unilaterally direct criticism to the companies.

this report is released with the hope that it will be used by every Japanese company as a clue for their future sustainability activities.

This report will be beneficial and meaningful not only for us, but also for most of businesses and society aiming for a sustainable world. We reaffirm our purpose for creating a sustainable world and facilitate activities that are not only sustainable, yet highly viable and effective.

The Global Alliance for Sustainable Supply Chain

Shoto Mori, Masaki Wada, and Takeshi Shimotaya

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The articles below are only written in Japanese.

- FNA 月刊 U-MACHINE (2017) 「2018 年、タイ経済復活の烽火 勢い取り戻しつつある輸出
政府は EEC への投資を推進」, 2017 年 12 月 1 日
- 独立行政法人 農畜産業振興機構 (2018) 「月報 畜産の情報 2018 年 8 月」

Organizations participated in the stakeholder meetings in this research

① The Labour Rights Promotion Network (LPN)

Interview Date: Tuesday, 12 Feb 2019

Website: <http://lpn-foundation.org/>

② Thai Broiler Processing Exporters Association

Interview Date: Thursday, 14 Feb 2019

Website: <http://www.thaipoultry.org/>

③ The National Human Rights Commission of Thailand

Interview Date: Thursday, 14 February 2019

④ ISSARA Institute

Interview Date: Thursday, 14 February 2019

Website: <https://www.issarainstitute.org/>

⑤ International Organization for Migration (IOM Thailand)

Interview Date: Thursday, 14 February 2019

Website: <https://thailand.iom.int/>

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