



June 26, 2014

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## BRIEFING ON HUMAN TRAFFICKING AND ABUSE IN THAILAND'S SHRIMP SUPPLY CHAINS

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### Summary

Weak seafood industry regulations and corruption within Thai law enforcement enable human trafficking in Thailand's shrimp supply chains. Trafficked victims are forced or defrauded onto fishing boats that catch "trash fish", juvenile or inedible fish, to be processed into feed for shrimp. There is clear evidence that Charoen Pokphand (CP) Foods, Thailand's largest feed manufacturer and one of the world's largest shrimp producers, buys raw material from suppliers that own, operate, or source from Thai fishing boats manned with trafficked and forced labor<sup>1</sup>. As a result, leading seafood buyers worldwide are indirectly supporting these egregious abuses by buying and selling Thai shrimp.

Additionally, to keep costs low, major exporters subcontract pre-processing out to "peeling sheds" in which migrant workers prepare shrimp for secondary processing. Inadequate regulation by authorities and a lack of supply chain transparency allow unregulated recruitment practices and processing facilities to operate in secrecy. Recruitment brokers control and exploit worker's documents and pay, leaving them vulnerable to debt bondage and abuse. The Thai Frozen Food Association (TFFA) mandates strict regulatory controls on the health, safety and social aspects of production but only 97 peeling sheds are registered with TFFA<sup>2</sup>, though there have been efforts to register more peeling sheds since this 2013 report. In contrast, hundreds to thousands of unregistered peeling sheds exist without regulation or oversight, and are where the most severe abuses occur, including physical abuse, threats of violence, child labor, and imprisonment.

### Trafficking in Persons (TIP) Report

The Thai government has long faced criticism for its failure to curb labor and human rights abuses occurring in the country. On June 20, the U.S. Department of State downgraded Thailand to the lowest ranking (Tier 3) in the human trafficking index, detailed in the 2014 Trafficking in Persons (TIP) Report<sup>3</sup>. For the past four years, the State Department has labeled Thailand as "Tier 2 Watch List," which means the country has demonstrated efforts to control the problem, but without significant results. The Thai government said it disagreed with the State Department's decision and committed to fighting against trafficking. Thailand recently reversed its initial stance against a protocol to strengthen an International Labor Organization (ILO) convention against slave labor, and voted in favor of the protocol amidst intense public pressure for Thailand to improve<sup>4</sup>.

Tier 3 status indicates insufficient improvement of ongoing human trafficking problems in a number of Thailand's industries, including its seafood industry. The Thai government may be subject to certain restrictions on bilateral assistance, whereby the U.S. government may withhold or withdraw non-humanitarian, non-trade-related foreign assistance. Trade-related assistance will continue. For the seafood trade, the major impact of the Tier 3 ranking will likely be more high profile media stories about forced and unpaid migrant labor in Thai seafood.

### Guardian Article on Thai Shrimp Abuses

*The Guardian* substantiated, and the TIP Report highlights the existence of forced labor, human trafficking, and other abuses on Thai vessels that harvest wild fish for Thai shrimp feed and connected those supply chains to

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<sup>1</sup> <http://www.theguardian.com/global-development/2014/jun/10/asian-slave-labour-prawns-supermarkets-us-uk-thailand>

<sup>2</sup> [http://ejfoundation.org/sites/default/files/public/shrimp\\_report\\_v44\\_lower\\_resolution.pdf](http://ejfoundation.org/sites/default/files/public/shrimp_report_v44_lower_resolution.pdf)

<sup>3</sup> <http://www.state.gov/j/tip/rls/tiprpt/2014/index.htm>

<sup>4</sup> <http://www.nationmultimedia.com/national/Thailand-reverses-earlier-decision-backs-ILO-proto-30236260.html>

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leading producers and retailers. Interviews revealed a tragic reality for trafficked migrants who were misled, sold to boat captains, and kept on fishing vessels for years in deplorable conditions. Men who managed to escape described 20-hour shifts, regular beatings, torture, and execution-style killings. The massive labor shortage in Thailand's fishing sector combined with increased demand for cheap shrimp from the U.S. and Europe drives the need for cheap labor.

For the first time, European and U.S. retailers are directly and publicly linked to these abuses. According to *The Guardian*, leading supermarkets sell shrimp supplied by CP Foods and its subsidiaries, including Walmart, Carrefour, Costco, and Tesco, Aldi, Morrisons, the Co-operative and Iceland. The companies responded by condemning slavery and human trafficking for labor, and several added that they are working in partnership with other stakeholders, including the International Labour Organization (ILO) and Ethical Trading Initiative, to improve the Thai fishing industry. Carrefour, ICA, and Whole Foods have discontinued business with CP Foods until the company can substantiate that it has adequately addressed this issue of labor violations. CP Foods has pledged to audit their entire operation and implement an independent system to ensure their shrimp supply chain is slavery free in the long term<sup>5</sup>. CP Foods has also offered additional solutions to improve their supply chain, such as fundraising to support fishery improvement projects proposed by the Sustainable Fisheries Partnership (SFP) and World Wildlife Fund (WWF).

### **Recommendations for Seafood Companies**

Verifying an abuse-free shrimp supply chain is challenging, given the systemic and entrenched problems in Thailand. Improvement programs like Good Labour Practices (GLP) may provide a framework for businesses to implement labor laws and standards through guidelines and supportive training programs. However, voluntary schemes and accreditations by themselves are not sufficient in eliminating trafficking and forced labor in supply chains. Seafood companies therefore should voice their public support for binding and fair regulations that establish a common and market-oriented standard throughout industry to replace voluntary schemes.

Major seafood buyers in the U.S. and EU should:

1. Demand 100% traceability to the farm, feed mill, and the vessels supplying the feed mill, to ensure products can be traced to origin and names and addresses of all entities that handled the product can be identified.
2. Support unannounced labor audits of all steps in the supply chain, including boats providing fishmeal for Thailand's aquaculture species, and worker interviews via certification or as required by vendor agreements.
3. Ensure that recruitment companies and individuals that place workers within all levels of the Thai seafood sector exceed basic compliance with local labor laws and can provide evidence that workers are free from debt bondage and are aware of their legal rights.
4. Ensure that each link in the supply chain makes a binding, documentable pledge to their customer to avoid all forms of labor abuse.
5. Share concerns regarding human trafficking, labor violations and the lack of monitoring of pre-processing facilities by the Thai Government, with vendors of Thai shrimp, then stipulate that continued procurement will be based on improvement by agreed upon timelines.
6. Provide clear, robust information to consumers on the origin of fisheries products (such as production location and method), and the actions taken to guarantee products are not connected to human rights abuses, labor violations or environmental damage<sup>2</sup>.

This briefing document was written by FishWise with input from Labor Safe Screen, EJF, and Verité. For more information on FishWise's research on human rights abuses within supply chains please download its [white paper](#) or email Mariah Boyle (m.boyle@fishwise.org).

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<sup>5</sup> <http://www.undercurrentnews.com/2014/06/13/cp-foods-responds-we-could-walk-away-from-fishmeal-or-use-our-weight-to-drive-progress/>

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**Appendix:**  
**Non-Profit Organizations, Consultancies, Research Centers, and Other Resources**

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The following are listed as resources for any companies seeking more information or to obtain advice on their procurement practices. For more information and contacts please see the FishWise white paper at:  
[http://www.fishwise.org/images/pdfs/Trafficked\\_II\\_FishWise\\_2014.pdf](http://www.fishwise.org/images/pdfs/Trafficked_II_FishWise_2014.pdf).

**Environmental Justice Foundation (EJF)**

The EJF is a U.K. based non-profit working internationally to combat human rights abuses and environmental degradation in a variety of fields, including cotton, fisheries, and shrimp farming. EJF provides film and advocacy training to individuals and grassroots organizations in the global South, enabling them to document, expose, and create long-term solutions to environmental abuses.

<a href="http://www.ejfoundation.org">www.ejfoundation.org</a>	Steve Trent	<a href="mailto:steve.trent@ejfoundation.org">steve.trent@ejfoundation.org</a>
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**Fair Trade USA**

Fair Trade USA, a 501(c)(3) nonprofit organization, is the leading third-party certifier of fair trade products in the United States. Fair Trade USA seeks to address incentive and management challenges by adapting its certification process used around the world for fisheries to improve business capacity, community development programs, and market access, benefiting both ecosystems and people.

<a href="http://www.fairtradeusa.org">www.fairtradeusa.org</a>	Maya Spaul	+1 510.663.5260	<a href="mailto:mspaul@fairtradeusa.org">mspaul@fairtradeusa.org</a>
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**FishWise**

FishWise is a non-profit conservation organization that promotes the health and recovery of ocean ecosystems by providing innovative market-based tools to the seafood industry. FishWise is working towards a deeper and more comprehensive understanding of how human and labor rights abuses affect the seafood supply chain by collaborating with industry stakeholders serving on the Fisheries Advisory Council (FAC) of Fair Trade USA.

<a href="http://www.fishwise.org">www.fishwise.org</a>	Mariah Boyle	+1 831.427.1707	<a href="mailto:m.boyle@fishwise.org">m.boyle@fishwise.org</a>
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**Humanity United**

Humanity United is a foundation that is committed to building peace and advancing human freedom. Humanity United leads and support efforts to lift up the voices and will of people, ensure good governance and the rule of law, engage markets and businesses as a force for change, and encourage the exploration of promising ideas and innovations to end conflict and slavery.

<a href="http://www.humanityunited.org">www.humanityunited.org</a>	Lori Bishop	+1 415.426.6327	<a href="mailto:lbishop@humanityunited.org">lbishop@humanityunited.org</a>
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**International Labor Organization (ILO)**

International Labour Organization (ILO) is a specialized agency of the United Nation (UN). The Geneva based ILO has done extensive work involving child labor, domestic workers, equality and discrimination, forced labor, trafficking, labour migration and health and safety in the work place. Several recent publications on forced labor and trafficking in fisheries, working conditions in the Thai fishing sector, as well as child labor in shrimp processing have shed much needed light on the international scope of social and human rights abuses in the seafood industry.

<a href="http://www.ilo.org">www.ilo.org</a>	Birgitte Krogh-Poulsen	<a href="mailto:poulsen@ilo.org">poulsen@ilo.org</a>
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**International Labor Rights Forum (ILRF)**

Based in Washington, D.C., ILRF is a policy advocacy organization fighting to end child labor, forced labor, and discrimination and promoting workers' rights to organize and secure safe and decent working conditions. ILRF advocates for government and corporate policies that enable workers to claim their rights at work, amplifies the voices of frontline labor rights defenders, and connects workers in developing countries with consumer activists worldwide.

<a href="http://www.laborrights.org">www.laborrights.org</a>	Judy Gearhart	+1 202.347.4100	<a href="mailto:laborrights@ilrf.org">laborrights@ilrf.org</a>
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**International Transport Workers Federation (ITF)**

Headquartered in London, the ITF is an international trade union federation of transport workers' unions. Fishers (and the fisheries sector in general) are becoming an important part of the ITF's activities. ITF recognizes that exploitative practices experienced on board fishing vessels are closely linked to those of merchant seafarers and is working to further expand regulation of practices and attain, at the very least, minimum standards within the fishing industry.

<a href="http://www.itfglobal.org">www.itfglobal.org</a>	Liz Blackshaw	+44 2079.40.9290	<a href="mailto:blackshaw_liz@itf.org.uk">blackshaw_liz@itf.org.uk</a>
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**Labor Safe Screen**

Labor Safe Screen and Humanity United are developing an auditing protocol for seafood companies to use to help find risk hotspots for unseen poor labor practices in supply chains. The scope of the audit goes all the way back to source through primary processing and transshipping back to fishing grounds to capture all places where supplies are mixed and labor is brokered. A pilot phase with industry partners for Thai seafood products was underway in late 2013/early 2014 and a general use tool will be prototyped and available for the industry to use in 2014.

<a href="http://www.laborsafescreen.com">www.laborsafescreen.com</a>	Katrina Nakamura	skype: katrinanakamura	<a href="mailto:info@laborsafescreen.com">info@laborsafescreen.com</a>
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**NEXUS Institute**

The NEXUS Institute is an independent international human rights research and policy center, dedicated to ending human trafficking as well as other abuses and offenses that intersect with human rights and international criminal law. NEXUS is a leader in research, analysis and evaluation in human trafficking and is pioneering the application and adaptation of methods for the collection, analysis and presentation of new knowledge about human trafficking, including what does (and does not) work in combatting human trafficking and why.

<a href="http://www.nexusinstitute.net">www.nexusinstitute.net</a>	Stephen Warnath		<a href="mailto:office@NEXUSinstitute.net">office@NEXUSinstitute.net</a>
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**Not For Sale**

Based in the San Francisco Bay Area, Not for Sale fights modern day slavery around the world by creating sustainable enterprises in vulnerable communities, offering social services to survivors and those at-risk to human trafficking, and evaluating the use of child and forced labor in mainstream supply chains. Not For Sale, in collaboration with the International Labor Rights Forum (ILRF), developed an assessment program called Free2Work, which measures and grades a brand's efforts to prevent and address the risk of child and forced labor in its supply chain.

<a href="http://www.notforsalecampaign.org">www.notforsalecampaign.org</a>	David Batstone	+1 650.560.9990	<a href="mailto:team@notforsalecampaign.org">team@notforsalecampaign.org</a>
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**Slave Free Seas (SFS)**

SFS is a nongovernmental organization based in Tauranga, New Zealand with a specific focus on slavery at sea. Primarily directed at seafarers who are least able to stand up for themselves (or have a meaningful voice), SFS sees its work as critical to high seas governance and related environmental issues. SFS has a team of some of the world's foremost experts on modern slavery, including international lawyers specializing in human rights and maritime law along with a diverse group of advocates from the private sector.

<a href="http://www.slavefreeseas.org">www.slavefreeseas.org</a>	Craig Tuck	+64 (7) 579.9815	<a href="mailto:info@slavefreeseas.org">info@slavefreeseas.org</a>
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**Solidaridad Network**

Solidaridad Network builds sustainable supply of 13 commodities by bringing together supply chain actors and engaging them in innovative solutions to improve production with a view to accelerate the transition to a sustainable and inclusive economy. In aquaculture they currently focus on building the sustainable supply of shrimp for export markets, and a number of species for local markets. They are working with exporting processors in Bangladesh and Myanmar in order to build transparent supply chains and enable seafood companies to build long-term sustainable businesses.

<a href="http://www.solidaridadnetwork.org">www.solidaridadnetwork.org</a>	Sebastian Teunissen	+1 510.409.8751	<a href="mailto:sebastian@solidaridadnetwork.org">sebastian@solidaridadnetwork.org</a>
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**Solidarity Center**

The Solidarity Center is a non-profit organization that assists workers around the world who are struggling to build independent trade unions. The Solidarity Center works with unions and community groups worldwide to achieve equitable, sustainable, democratic development and to help men and women everywhere stand up for their rights and improve their living and working standards.

<a href="http://www.solidaritycenter.org">www.solidaritycenter.org</a>	Kate Conradt	+1 202.974.8360	<a href="mailto:kconradt@solidaritycenter.org">kconradt@solidaritycenter.org</a>
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**Upstream**

Upstream is a unique consultancy that applies a “change management” philosophy to help companies address and protect themselves from social risk within their supply chains. Upstream provides fact-based, human impact solutions including benchmarking, gap analysis, strategy and initiative planning, as well as implementation, monitoring, and impact measurement.

www.upstream.is	Mark Bauhaus	+1 650.787.8616	mark@upstream.is
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**Verité**

Verité is a US-based nonprofit consulting, training, research and advocacy organization that works around the world with companies, workers, and other stakeholders to improve supply chain labor conditions across all sectors of the global economy, including seafood. Verité aims to ensure that globalization is made to work for poor and vulnerable people around the world. Verité has conducted a range of private and public research efforts on indicators of forced labor, human trafficking, and other labor problems in various seafood supply chains and conducts a range of compliance activities (audits, trainings, capacity building, labor broker due diligence, strategic consultation) and works with companies on model compliance plans.

www.verite.org/	Shawn MacDonald	+1 413.253.9227	smacdonald@verite.org
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**Warnath Group, LLC**

Based in Washington, D.C., the Warnath Group, LLC is a specialized consulting firm that offers strategic advisory services to company management and in-house counsel to comply with the new legal framework and transparency disclosure requirements about company efforts to preclude human trafficking in supply chains (e.g. SB 657). In addition the Warnath Group is a leading provider to the U.S. State Department of training on human trafficking issues to government officials and professionals world-wide, and offers industry and company-customized awareness and response training programs.

www.WarnathGroup.com	Stephen Warnath	info@WarnathGroup.com
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