

Responsible Sourcing of Seafood at Nestlé 2018 Thailand Action Plan Progress

In 2015, Nestlé launched a [Thailand Action Plan](#) for the Responsible Sourcing of Seafood, detailing our commitment to eliminating labor and human rights abuses in the seafood supply chain in Thailand. This was developed based on an [assessment](#) of recruitment practices and migrant labor conditions in our Thai Seafood supply chain carried out by our implementation partner, Verité, on our behalf.

This update provides an overview of the progress made in 2018 in the implementation of this Action Plan.

Enforcing traceable supply chains

In 2018, Nestlé sourced approximately 145,000 tons of seafood globally, with around 7% of this originating in Thailand.

100% of our commercial relationships that source seafood from Thailand have incorporated our Responsible Sourcing requirements, and have included them in their relationships with their own suppliers.

We verified our traceability to vessel and farm origins through two annual mock recalls with all our suppliers. We can now trace 99% of our seafood of Thai origins back to the vessel or farm level. This means we can identify all of the Thai flagged vessels used to catch our seafood by name and vessel number. We will continue to update our traceability information on an annual basis.

Additionally, seven vessels in our supply chain have been covered by GPS monitoring of vessel behaviour with [Ocean Mind](#) to identify indicators of illegal fishing activity, providing us regular updates of the alerts and follow up verification.

We aim to audit 10 % of the vessels in our Thai seafood supply chain against the Seafood Task Force limited scope auditable standard on a yearly basis. In 2018, we audited 7% of them, with the remaining audits scheduled for Q1 2019. Our suppliers also implemented the action plans resulting from the 2017 audits.

Demonstrating Safe Working and Living Conditions

In February 2018, Nestlé and our supplier, Thai Union Group PCL, officially inaugurated a demonstration boat to promote and raise understanding of human and labour rights of workers in the Thai fishing industry. The traditional Thai fishing boat, which was [renovated in 2017](#) in collaboration with Verité, aims at demonstrating good living and working conditions, against the standards set by the International Labor Organisation's (ILO) C188 Convention for Human Rights at Sea and Thailand's updated fisheries regulations. This includes adequate and clean food and drinking water, appropriate rest, dining and leisure areas on board, first-aid kit, and toilet facilities with proper sanitation standards.



Figure 1. Khun Cheng Niruttinanon (right), Executive Chairman of Thai Union Group PCL, and Magdi Batato (left), Executive Vice President, Head of Operations, Nestlé S.A., together with Mr. Adisorn Promthep (centre), Director General, Department of Fisheries inaugurate the demonstration vessel

This initiative was supported by the Royal Thai Government Ministry of Foreign Affairs (MFA), Southeast Asian Fisheries Development Center (SEAFDEC) and the Royal Thai Government Department of Fisheries (DOF).

Accompanying the demonstration vessel, a training program on safe living and working conditions was rolled out in collaboration with Verité, SEAFDEC, and Stella Maris. In 2018, 116 vessel owners and crew in the Nestlé supply chain were trained, including migrant workers from Cambodia, Laos, Thailand, and Myanmar.

Recognizing that many vessels do not have the capital to invest in this level of renovations, it is not expected that

Responsible Sourcing of Seafood at Nestlé 2018 Thailand Action Plan Progress

vessels adopt the model practices of this demonstration vessel, but that they adapt the features to their unique operations and take ownership over finding innovative solutions to ensure good living and working conditions for their crew. To support this, we will work with Verité to document an evidence-based business case for Thai fishing vessels around safe working conditions, mechanization, and labour efficiencies.

Worker Voice and Remediation

Nestlé is a strategic partner with the Issara Institute, a US non-profit organisation headquartered in Bangkok. This partnership is driving improvements for workers and suppliers across Nestlé’s Thai seafood supply chain through the provision of a grievance mechanism and remediation actions.

An empowered worker voice driving remediation and system improvements is central to Issara’s approach. Since 2017, Issara uses its [Inclusive Labour Monitoring \(ILM\)](#) approach to provide an independent channel for workers, across all tiers of our supply chain, to safely share feedback - positive and negative - about workplace conditions, labour recruitment, migrants’ rights, and issues of concern. Workers can contact Issara through a range of channels, including the Issara smartphone app [Golden Dreams](#), [Facebook](#) pages in the worker’s own language, smartphone messaging apps such as Line and Viber (both similar to WhatsApp), and a multi-lingual toll-free 24-hour helpline.

Issara is currently working in 100% of our Tier 1 facilities in Thailand with ILM Assessments and Worker Voice channels. Additionally, they conducted worker satisfaction surveys in two processing facilities and the results were very positive.



Figure 2. Pre-departure training attendee shows the Golden Dreams App on his phone

Over 19,000 workers in Thai seafood processing facilities in Nestlé’s supply chain now have access to Issara’s independent helpline and can seek assistance and support. Our ambition is that all workers in our supply chains will have access to independent worker voice and remediation mechanisms. Jobseekers in origin countries considering work with Nestlé suppliers in Thailand have access to this same assistance and support, before they leave their home. This aims to drive more ethical labour recruitment practices and more informed labour migration.



Figure 3. Issara factory outreach

Our aim is to adapt and apply the tools used in our Tier 1 facilities to reach workers at the vessel level through remediation, ethical recruitment, debt relief, and worker voice at sea. This is why we contributed to the launch of Issara’s [Fishery Labour Improvement Program \(FLIP\)](#) in 2018.



Responsible Sourcing of Seafood at Nestlé 2018 Thailand Action Plan Progress

Responsible Recruitment

Labour rights abuses in our supply chains can only be solved by addressing unethical recruitment practices. A key focus of our strategy therefore is on the responsible recruitment of workers throughout our supply chains. As of 2018, all of our Thai seafood suppliers are implementing responsible recruitment initiatives, such as “no fees policy”. Over 3,400 workers in our Tier 1 facilities were recruited under these initiatives in 2018.

Issara Institute is working with one of our suppliers to implement a no fees policy. They are mapping the recruitment chains, identifying fees, and covering fees paid where workers are found to be indebted. Worker surveys following this process yielded positive feedback and demonstrated that fees were transparent and as agreed upon with recruitment agents prior to departure.

Nestlé is one of the first large companies to see measurable results from Issara’s Worker Voice-Driven Ethical Recruitment Program, including increased transparency around the terms, conditions, and fees related to labour recruitment; reductions in fees paid by workers; and, elimination of 100% of informal brokering and first-mile debt, as verified by workers. While this work is transforming our supply chain, we also aim to share the learnings with others to drive broader industry change.

Following Verité’s field research to document the recruitment practices in the Thai-Mekong migration corridor, Nestlé funded them to organize a consultation in Cambodia, the origin country of many workers in the Thai seafood industry. The objective was to share and validate the field research findings about the recruitment practices and experience of Cambodian workers migrating to Thailand, and explore how to collaboratively strengthen current pre-departure interventions in Cambodia. 23 representatives from NGOs, government, commune leadership and recruitment agencies participated. Verité will develop an intervention programme based on this.



Figure 4. Welcome banner at the Verité consultation in Cambodia

Multi-stakeholder collaboration

Addressing the issue of ethical recruitment requires a multi-stakeholder approach. In order to drive industry-wide change Nestlé participates in several platforms and supports several multi-stakeholder initiatives in this area.

Nestlé is a member of the [Seafood Task Force’s Responsible Recruitment sub-group](#), working to develop and deploy industry-wide tools and principles.

Nestlé also spoke at the [Consumer Good Forum \(CGF\) – Institute for Human Rights and Business \(IHRB\) 2018 Global Forum on Responsible Recruitment](#) in Singapore in June. This event culminated in the launch of a CGF Call to Action on Forced Labour and Unethical Recruitment. As a member of the CGF, Nestlé supports the [forced labour Priority Industry Principles](#). In July, Nestlé became a member of the [IHRB’s Leadership Group on Responsible Recruitment](#).

For additional information

For inquiries about responsible sourcing of seafood at Nestlé, please contact us at: creatingsharedvalue@nestle.com