HUMAN RIGHTS WATCH

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April 20, 2012

Mr. Paiboon Dussadeevutikul Managing Director Phatthana Seafood Co., Ltd 44/2-3 Soi Charoenkrung 69 Yannawa, Sathorn Bangkok 10120 Thailand



HRW.org

Re: Labor Rights Concerns at Songkhla factory

Dear Mr. Paiboon Dussadeevutikul,

I am writing on behalf of Human Rights Watch to request information about labor conditions at a Phatthana seafood factory located at 70/8 Moo 3, Khao-rup-chang, Muang district, in Songkhla province, Thailand.

Human Rights Watch has received credible allegations indicating that serious labor rights abuses have been occurring at the Songkhla factory, as well as in connection with recruitment companies who supply workers to the factory. It is our understanding that most of the workers at the factory are from Cambodia and Burma.

We understand that workers at the Songkhla factory may have paid recruiters excessive placement and transport fees, and may have been compelled by Phatthana to relinquish portions of their wages to pay these debts as well as various other fees to Phatthana. We understand that many workers cannot pay off these debts and as a result are unable to stop working at the factory. We are concerned that, if such reports are accurate, these may amount to conditions akin to debt bondage.

1. Can you explain the company's relationship to recruiters, detail any fees incurred to the company, and how the company recoups those costs from workers?

We understand that Phatthana officials at the Songkhla factory may have been holding the official identification documents, including passports and national ID cards, of as many as 2,000 of the migrant workers employed at the factory. As you may be aware, seizure and retention of worker documents is a violation of Thailand's labor laws.

- 2. Can you confirm whether the factory takes possession of workers' identification documents and, if so, for what purpose?
- 3. More generally, have you undertaken or will you undertake an investigation into the allegations of labor rights violations noted above?

We also have concerns about basic wage and compensation issues. We have received credible reports that the company may not have paid workers the minimum wage contained in contracts, and may not have met commitments to provide promised housing and minimum work hours.

4. What is your company's response to these allegations? Please describe your company's policies towards housing and minimum hours of work and wages for employees.

We understand store packaging and US Customs data indicate that your company is major supplier of shrimp to the US-based company Walmart as well as other US-based companies.

5. Can you confirm whether shrimp from the Songkhla facility is exported to the United States, and to Walmart in particular?

We understand that all suppliers to Walmart are obliged to adhere to Walmart's "Standards for Suppliers," including provisions related to compliance with labor laws and issues of voluntary labor, labor hours, freedom of association, and compensation.

6. Assuming that you are a supplier to Walmart, can you describe your efforts to comply with these standards and whether any representative of Walmart has contacted you about compliance with these standards in this instance or at any other time?

As you know, a major labor dispute erupted at the Songkhla factory last week, reportedly following a decision by employers at the factory to cut a daily food allowance. Workers began a strike on April 8, and say that they agreed to leave the factory when Phatthana managers agreed to negotiate on the morning of the next day, April 9. When workers arrived that morning, they say, they found management had locked them out, and began to protest. The assembly was dispersed by Thai police who fired shots in the air.

7. Can you describe what has led to the labor dispute and what steps the company is taking to resolve this dispute? Can you describe what communications you have had with Thai government or police authorities about maintaining security and order at the factory site during the strike? Can you describe what safeguards are in place to prevent the excessive use of force by either police or security contractors and other agents of the company?

We would appreciate a prompt response in order to reflect your views in any reporting on our part. Thank you for your assistance in these matters.

Sincerely yours,

Arvind Ganesan

Director, Business and Human Rights Division

Human Rights Watch