



H.E. Ambassador of Thailand, Mr. Rachanant Thananant

Helsinki, May 20<sup>th</sup> 2013

Dear Mr. Ambassador,

Finnwatch and the Finnish League for Human Rights would like to thank Thailand's government for giving us the opportunity to review the report prepared by Thai labour officials concerning the working terms and conditions at the Natural Fruit factory. The report, which is based on factory visits that took place on 28 January and 4 February 2013, seeks to address the findings of the Finnwatch report *Cheap has a high price* ("Halvalla on hintansa").

We would like to take this opportunity to comment upon and pose clarifying questions regarding Thai labour officials' report.

## 1. Methodology

We consider it important that Thai labour officials have had the possibility to interview factory management and review the company's accounting documents. We regret that Natural Fruit was not willing to cooperate with Finnwatch at the time of the research and that therefore there was no possibility for us to engage in fruitful dialogue with the company prior to the publication of the report.

Thai labour officials' report includes six worker interviews. The Finnwatch report is based on the interviews of 12 workers. Even though the sample was relatively small compared to the overall workforce of the said factory, we believe that the consistency of the worker testimonies lends credence to our conclusions.

For the Finnwatch report, workers were interviewed anonymously outside the factory area. Company management was not informed of the interviews taking place. This method was chosen because we believed that it allowed Finnwatch to obtain more credible information on the conditions at the factory. The interviews have been recorded.

Thai labour officials' report does not include a comprehensive description of the research methods applied. As we are not familiar with official Thai procedures regarding such undertakings, we would appreciate it if you could provide further information concerning the following questions:

- Was Natural Fruit factory management notified of the audits beforehand?
- Was factory management aware of the identities of the workers interviewed?
- Were factory management or other administrative personnel present when the worker

interviews took place?

- Who chose the workers interviewed for the report and based on what criteria?

## **2. Use of child labour**

All workers interviewed by Finnwatch stated that undocumented children aged 14-17 years were working at the factory. The conclusions of the Thai labour officials' report with regard to child labour are in large part dependent on the research methods applied during their visits (cf. questions above).

## **3. Unlawfully low wages and lack of days off**

Each of the 12 workers interviewed for the Finnwatch report stated that their wage was unlawfully low. At the time of research, the local minimum wage was 240 baht per day. The workers interviewed said their daily compensations ranged between 200-230 baht. Undocumented workers were subject to discrimination and received smaller remunerations than those in possession of official documentation.

The report by Thai labour officials states that the factory pays its workers 300 baht per day as of 1 January 2013.

In order to better understand the situation, Finnwatch and the Finnish League for Human Rights would like to seek clarification to the following questions:

- Did the auditors also assess wages paid by the factory in 2012? (Finnwatch report described the situation in late 2012.)
- Is the information regarding wages paid in 2013 based on the factory's accounting documents and workers' pay slips?
- The report does not describe whether overtime compensation has been in accordance with official legislative standards since the beginning of 2013 or the practices adhered to during 2012. The workers interviewed by Finnwatch stated that their overtime compensation was unlawfully low, merely 30-35 baht per hour.
- The report notes that Natural Fruit has not paid appropriate wages for days when there has not been enough work for a full day. Has the company compensated such unlawful pay deductions to the workers?
- The workers interviewed by Finnwatch stated that the company did not pay them between July and September when the factory was closed. Has the company compensated the workers for such unlawful non-payments?
- Does the company provide its workers with statutory annual leave with pay? This has not been addressed in the audit report.

## **4. Confiscation of passports and work permits, and undocumented migrant workers**

All workers interviewed for the Finnwatch report stated that Natural Fruit had confiscated their passports despite their contrary wishes. They also reported that the company did not return their personal documents even when explicitly requested to do so. Workers that did get their personal documents back had to leave a considerable amount of money as deposit. In this regard Thai labour officials' report is in contradiction with Finnwatch's findings.

The 6,010 baht passport fee mentioned in Thai labour officials' report is unreasonably high and inconsistent with standard fees for passports and residence permits.

Thai officials' report states that there are undocumented workers working at the factory. According to Thai legislation, hiring undocumented migrants is illegal.

## **5. Unclear wage deductions and excessive overtime**

Finnwatch is pleased to note that unclear wage deductions have been assessed comprehensively in Thai official's report and that our findings regarding unlawful deductions are corroborated.

We also appreciate that the report confirms the findings of the Finnwatch report that Natural Fruit has made its employees work unlawful amounts of overtime. However, the extent of the problem is downplayed by the factory's management in the report. All of the 12 workers interviewed by Finnwatch stated that overtime work was mandatory.

## **6. Open questions**

Several problems described in the Finnwatch report remain unaddressed in Thai labour official's report. They include the following:

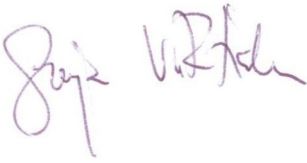
- Workers do not have written work contracts
- Workers do not receive pay slips
- Workers are not issued permits that would enable them to change employer
- Dangerous machinery and substandard working conditions (excessive heat causing heat strokes, lack of drinking water)
- Occupational hazards are not compensated appropriately
- Discrimination of migrant workers in terms of wages and treatment (e.g. violent behaviour by management)

We hope that these issues will also be thoroughly investigated by Thai officials, and we would appreciate additional information on these issues.

We thank the Government of Thailand and the Embassy of Thailand in Finland for a good cooperation. Finnwatch and the Finnish League for Human Rights would like to ask Thailand's authorities to provide clarifying information concerning the questions above. We would also like to ask whether we could have a copy of the original report of the Thai labour officials of which we already got an English version copy. We believe that an open dialogue between civil society organisations and authorities is of vital importance in order to further improve the human rights situation in Finland and Thailand. If you would need further information from our side, please do

not hesitate to contact us in any matter. Looking forward to a continuous dialogue with the Embassy and the Government of Thailand.

Sincerely,

Handwritten signature of Sonja Vartiala in purple ink.

Sonja Vartiala  
Director  
Finnwatch

Handwritten signature of Päivi Mattila in purple ink.

Päivi Mattila  
Secretary-General  
Finnish League for Human Rights