

# **Guideline for Classification & Priority Rating for Issues Concerning employment conditions and human and labor rights in Thai Union’s Facilities**

**July 2021**

## **Introduction**

This document provides a set of principles to classify and rate level of priority for actual or potential incidences or issues about employment conditions as well as human and labor rights violations found in Thai Union’s workplaces. The priority rating system serves to ensure that TU’s responses to actual or potential incidences are aligned with international standards or best practices on human & labor rights as well as local laws or regulations. The classification of priority into three levels – “High”, “Medium”, and “Low” – in turn determines appropriate timeline for starting and completing investigation, corrective action, and remediation. Generally, “high” rating requires most urgent actions by Thai Union to minimize human and labor rights impacts and to prevent incidences from escalating.

## **Scope of Application**

This guideline shall apply to actual incidences in Thai Union workplaces. The guideline shall also apply to alleged incidences, where truth of the matter may have not been established at the time that Thai Union becomes aware of them. It shall apply to all incidences reported in any channels such as concerns or complaints raised through worker voice channels (e.g., suggestion boxes, internal or NGOs’ hotlines). It shall also apply to all findings from internal or third-party social audits, internal investigations, or any other means of discovery.

The guideline is employee rights-centric. The guideline scope does not include incidences or issues with no direct impact on employee welfare or employee rights such as food safety standards or quality assurance issues. Such issues should be dealt with according to other applicable policies or guidelines set by Thai Union.

## **Principle for classification**

Reported incidences/issues shall be categorized according to the 12 Fundamental Principles of the [Thai Union’s Business Ethics and Labor Code of Conduct](#) (CoC). The CoC embodies Thai Union’s commitment to conduct business with integrity, openness, and respect for universal human



rights and core labor principles throughout the operations. The CoC's fundamental principles are grounded in internationally-recognized standards<sup>1</sup> and are as follows:

1. Business shall be lawfully conducted with integrity;
2. Work shall be conducted on the basis of freely-agreed and documented terms of employment with legal compliance;
3. All workers shall be equally treated with respect and dignity;
4. Work shall be conducted on a voluntary basis with no forced or compulsory labor;
5. Child labor shall not be permitted;
6. All workers shall be paid with fair wages;
7. Working hours for all workers shall be reasonable;
8. All workers shall be free to exercise their rights to form and/or join trade unions and to bargain collectively where permitted by law.
9. Workers' health and safety shall be protected at work;
10. Workers shall have access to fair procedures;
11. Business shall be conducted in a manner that embraces sustainability and reduces environmental impacts; and
12. Progress and compliance shall be continuously monitored.

If applicable, an incidence/issue should be assigned to more than one category of CoC violation. For example, a complaint about an excessive working hour for pregnant worker could potentially be counted as violation against both CoC Principles 7 and 9.

Where appropriate, each work site may implement its own additional systems for categorizing incidences/issues such as by location, areas of workplace, responsible department, or type of perpetrators or victims.

### **Principles for Priority Rating**

The following types of incidences, actual or alleged, must be automatically assigned '**High**' Priority rating:

- Human Trafficking;
- Forced labor;
- Child labor;
- Severe physical abuse;
- Sexual abuse or harassment;
- Severe restrictions of personal freedom & freedom of movement;

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<sup>1</sup> These are the United Nations Global Compact's Ten Principles.

- Personal Document Retention;
- Severe restriction of freedom of association and collective bargaining;
- Systematic discrimination;
- Occupational health and safety incidences that result in fatality or permanent disability;
- Any other Safety, Health, Environment (SHE) incidences that are classified as “Corporate Crisis” or “BU Crisis”, per Thai Union’s *6 Hours Safety, Health, Environment (SHE) Event Notification Guidelines*;
- Any other incidences with high physical and psychological impact or risk to workers.
- Any incidences involving actual or suspected criminal acts or incidences wherein the government authority should be involved in the investigation;
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Other incidences/issues that do not fit the above categories will be subject to a system of priority rating determined by two key factors: severity of the impact and likelihood of a similar incidence in the future. The severity and likelihood are classified as ‘High’, ‘Medium’, ‘Low’ and according to the definition below. High severity and high likelihood correspond to overall high overall priority rating, whereas low severity/low likelihood tends toward overall low priority rating. Please refer to Priority Rating Matrix below.

### **Severity**

Severity of the impact depends on the number of people impacted by the incidences as well as the gravity of the impact.

- **High** - Substantial negative impact on life, health, or well-being; or large number of impacted individuals
- **Medium** – Moderate negative impact on life, health, or well-being; or moderate number of impacted individuals
- **Low** – Small negative impact on life, health, or well-being; or small number of impacted individuals

### **Likelihood**

- **High** – There is **high** likelihood that a similar incidence will occur in the near future if an effective corrective or preventive action is not taken soon.
- **Medium**– There is **medium** likelihood that a similar incidence will occur in the near future if an effective corrective or preventive action is not taken soon.
- **Low** - There is **low** likelihood that a similar incidence will occur in the near future if an effective corrective or preventive action is not taken soon.

### PRIORITY RATING MATRIX

Likelihood

High

Medium

High

High

Medium

Low

Medium

High

Low

Low

Low

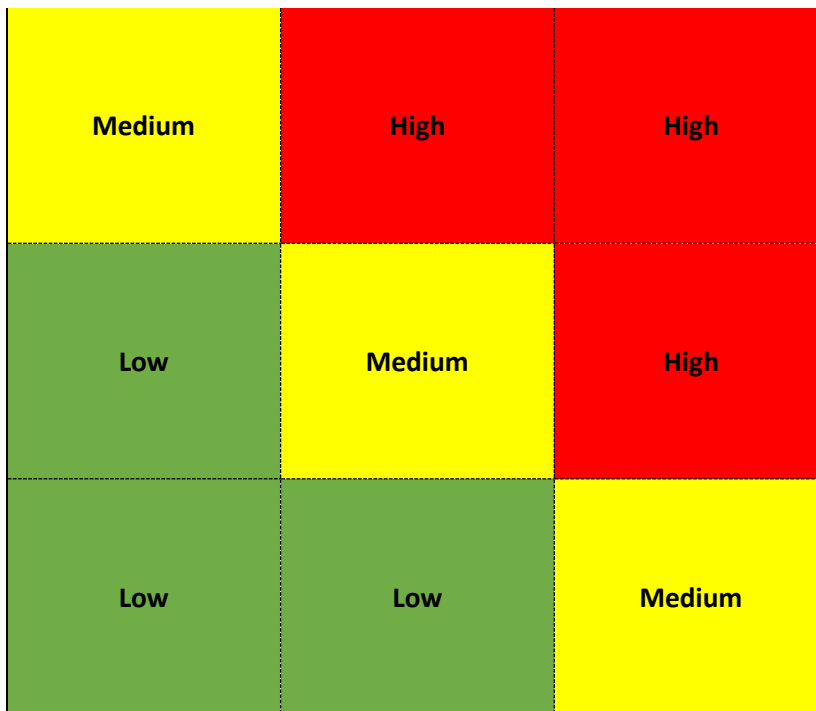
Medium

Low

Medium

High

Severity



## Response Timeline & Guidance

Priority Rating	Response Timeline & Guidance
HIGH	<ul style="list-style-type: none"> <li>Investigation should begin immediately within <b>24</b> hours and be completed within <b>5</b> working days after the incidence/issue is first reported.</li> <li>While investigation is ongoing, precautionary measure, if necessary, to protect the victim or affected individuals (such as separating victim from alleged perpetrator) should begin immediately after the incidence/issue is first reported.</li> <li>Preventive, corrective, or remedial action should begin as soon as an investigation is completed. Please refer to a separate Thai Union’s Remediation Guideline for determining appropriate remediation.</li> <li>A follow-up monitoring and discussion with affected individuals/victims to verify effectiveness of the preventive or remedial actions should take place regularly after they have been implemented, until proven effective.</li> <li>For incidences related to Safety, Health, and Environment (SHE) in this category (i.e. those classified as “Corporate Crisis” or “BU Crisis”), escalation to CEO level must happen within 6 hours. Investigation shall be completed within 70 days. For complicated incident which requires in-depth investigation, extension of period shall be notified and approved. For more details, please refer to the <i>6 Hours Safety, Health, Environment (SHE) Event Notification Guidelines</i>.</li> </ul>
MEDIUM	<ul style="list-style-type: none"> <li>Investigation should begin within 48 hours and be completed within 7 working days after the incidence/issue is first reported.</li> <li>Preventive, corrective, or remedial action should begin as soon as an investigation is completed. Please refer to a separate Thai Union’s Remediation Guideline for determining appropriate remediation.</li> <li>A follow-up monitoring and discussion with affected individuals/victims to verify effectiveness of the preventive or remedial actions should take place regularly after they have been implemented, until proven effective.</li> <li>For SHE-related incidences classified below “Corporate Crisis” or “BU Crisis”, all incidences must be investigated. Record of the incidences should be entered to a designated Reporting Platform within a month.</li> </ul>
LOW	<ul style="list-style-type: none"> <li>Investigation should begin within 72 hours and be completed within 10 working days after the incidence/issue is first reported.</li> <li>Preventive, corrective, or remedial action should begin as soon as an investigation is completed. Please refer to a separate Thai Union’s Remediation Guideline for determining appropriate remediation.</li> <li>A follow-up monitoring and discussion with affected individuals/victims to verify effectiveness of the preventive or</li> </ul>

remedial actions should take place regularly after they have been implemented, until proven effective.

- For SHE-related incidences classified below “Corporate Crisis” or “BU Crisis”, all incidences must be investigated. Record of the incidences should be entered to a designated Reporting Platform within a month.

### Other Guiding Principles

Thai Union shall also follow the below principles in setting classification and priority rating for actual or alleged incidences.

1. **Legal compliance** – Thai Union management shall comply with local laws and regulations at all times when it responds to incidences or issues impacting employees. When incidences/issues involve cross-border jurisdiction such as issues of recruiting migrant workers, all laws and regulations of relevant countries must be followed.
2. **Consideration of risks to the company** – as mentioned above, the guideline solely concerns human & labor rights. As such, it focuses on the negative impact and risk on the workers, and not on the company, although certain incidences/issues could pose substantial risks to both workers and companies at the same time. Incidences or issues classified as “low” in this guideline’s priority rating matrix may warrant urgent actions nevertheless if they pose high legal or reputation risks to the company. Thai Union Management should closely follow corporate policies and guidelines related to company risks.
3. **Adapting to new information** – When an incidence is first reported or discovered, management team often have limited information to gauge its accuracy or determine true impact on the people. Therefore, the management should be ready to assign new priority rating based on new information that is brought to light. For example, a follow-up investigation of a small incidence may uncover possible negative impacts on large number of individuals and call for a higher prioritization of the incidence. The opposite may apply in other cases.
4. **Consultation with affected individuals** – whenever possible, relevant management team should engage and consult with affected individuals/victims to understand true impact on the workers.