

Summary of Results

## Cost and Implementation of EPP Among TTIA Members

THB Version



## Remarks

The document is sharable only to TTIA Members for information purposes.

The presentation should be considered incomplete without oral presentation.

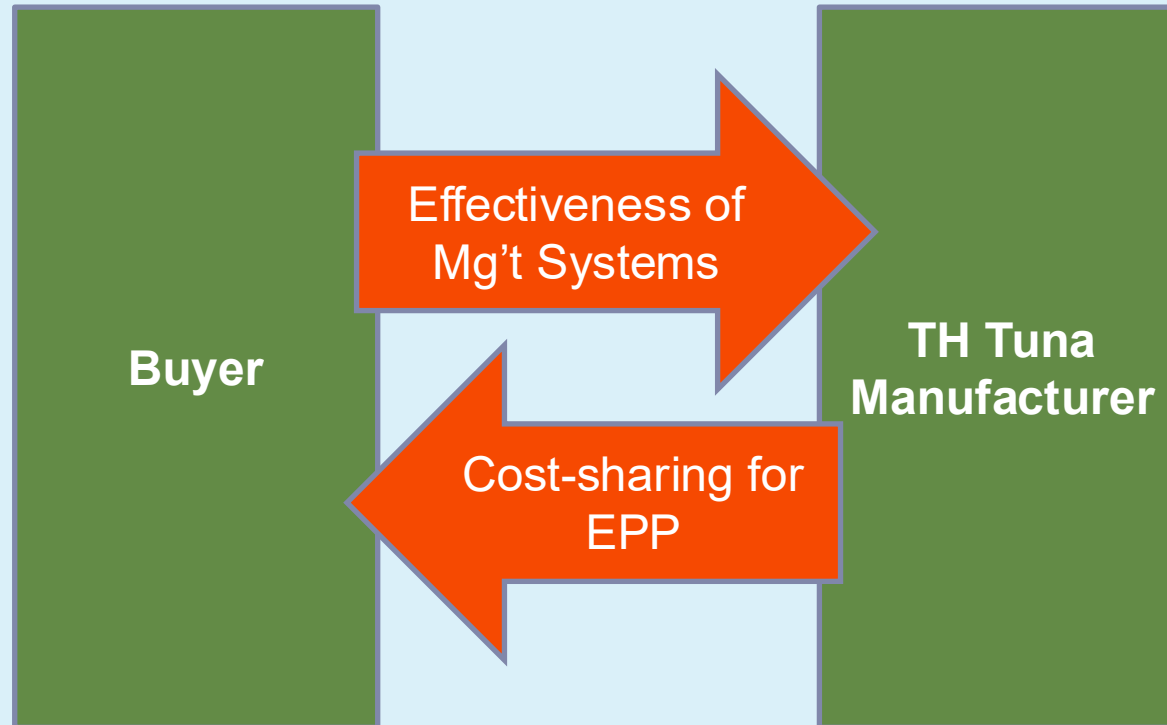
# Interests in Sustaining EPP Implementation in the Thai Tuna Industry

## Interests

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Suppliers have effective management systems to:

- Prevent & mitigate risks of debt bondage
- Remedy is provided



## Interests

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- Buyers fairly share increased cost of EPP
- Buyers don't switch sourcing to non-EPP verified markets
- Competition based on excellence of systems to reduce debt bondage, forced labor, and trafficking

# Methodology Overview

**Objective:** To document the cost of Employer-Pays Principle Implementation, implementation status of management systems elements, and existing buyer support



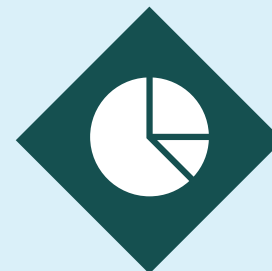
## Study Scope

- Recruitment costs of migrant workers in Thailand between 2018-2024
- Initiation and implementation of management system elements
- Existing buyer support and recommendations



## Data Collection

- Number of Members who provided self-reported data (n26=100%):
  - Recruitment Cost (2018-2024): 4 members
  - Management System: 9 members
  - Buyer Support: 18 members



## Data Anonymization

- Data anonymized by TTIA from submissions from TTIA members



## Analysis

- Self-reported figures were summarized, when there was sufficient representation
- Otherwise, data was extracted to produce case studies

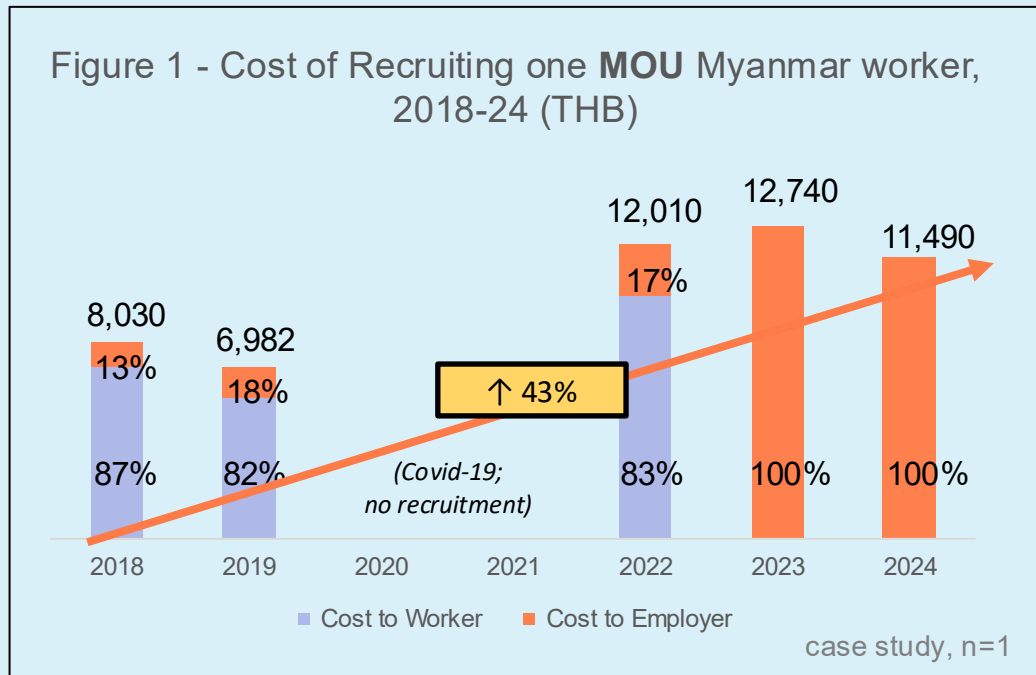
01

**Employer burden has increased as employers started paying for recruitment fees**

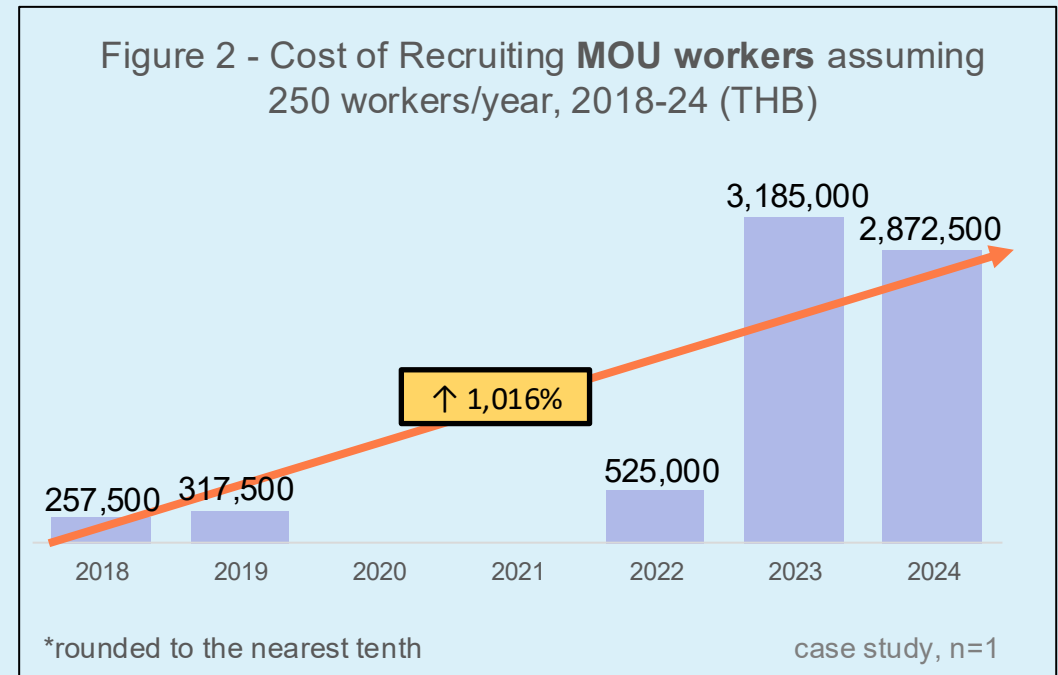
# As the Employer moved towards paying for recruitment fees, the cost to Employer has increased by 1,016% in MOU Recruitment

## Case Study 1: MOU Recruitment from Myanmar

Total actual cost of recruitment **increased** by 43%...



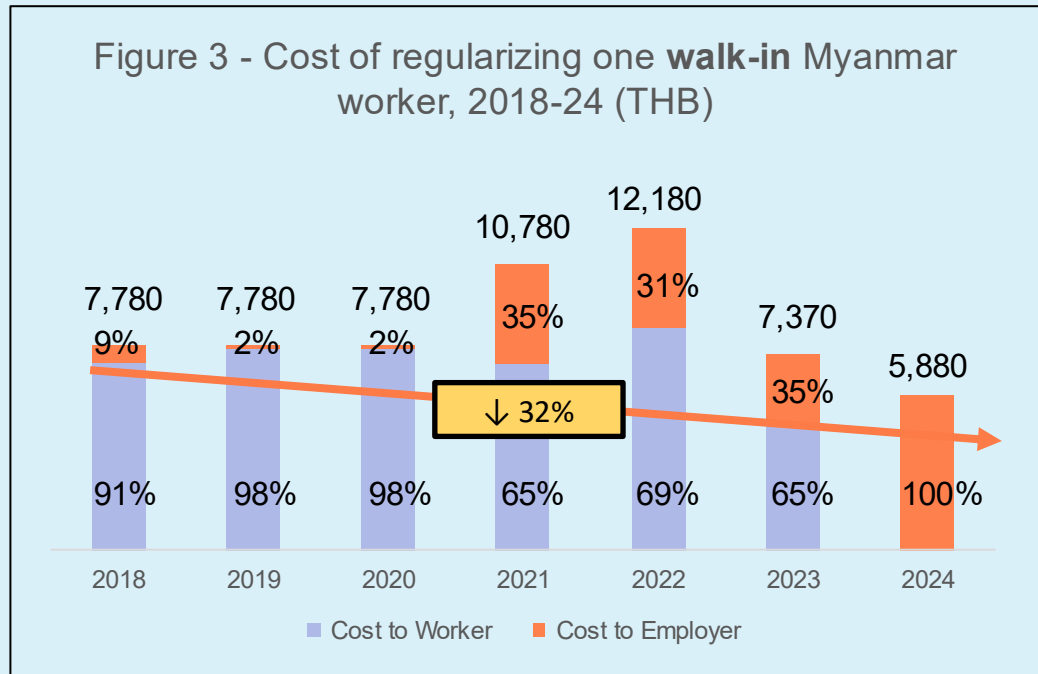
but translated to 1,016% **increase** in cost to Employer



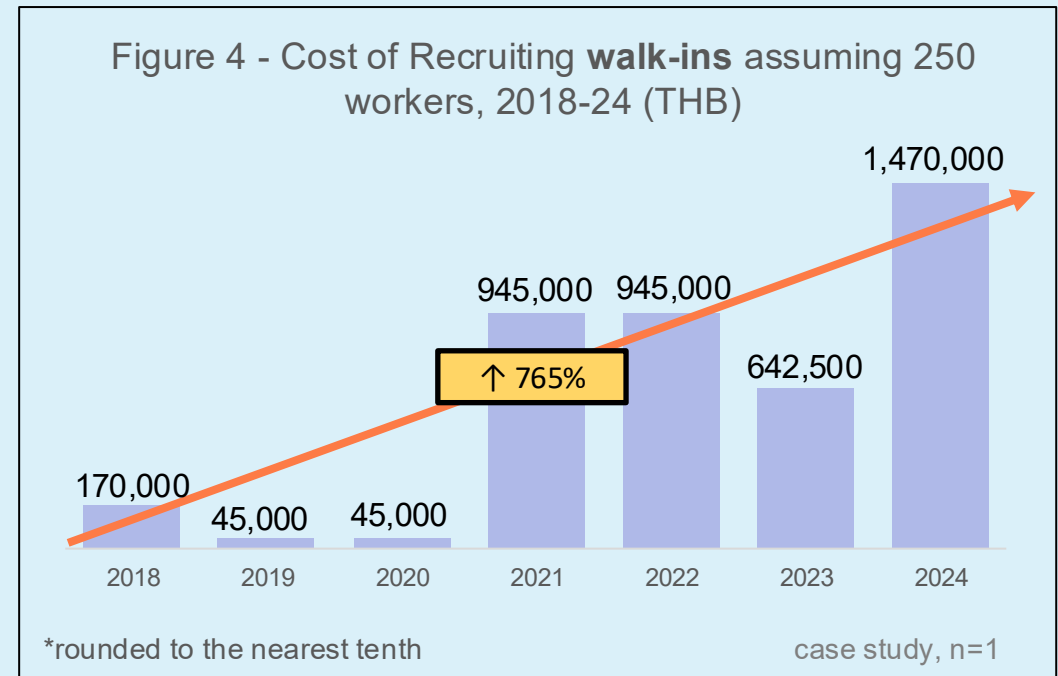
# Despite decreased cost of recruitment, Cost to Employer increased by 765% as the Employer paid for more towards regularization

## Case Study 2a: In-country Recruitment of Myanmar workers (Walk-ins)

Total actual cost of recruitment **decreased** by 32%...



but translated to 765% **increase** in cost to Employer



## 2025 Regularization Cost Expected to increase due to Pre-MOU process

Case Study 2b: Projected cost increase in response to 2025 Pre-MOU Process

2025 Pre-MOU process ...

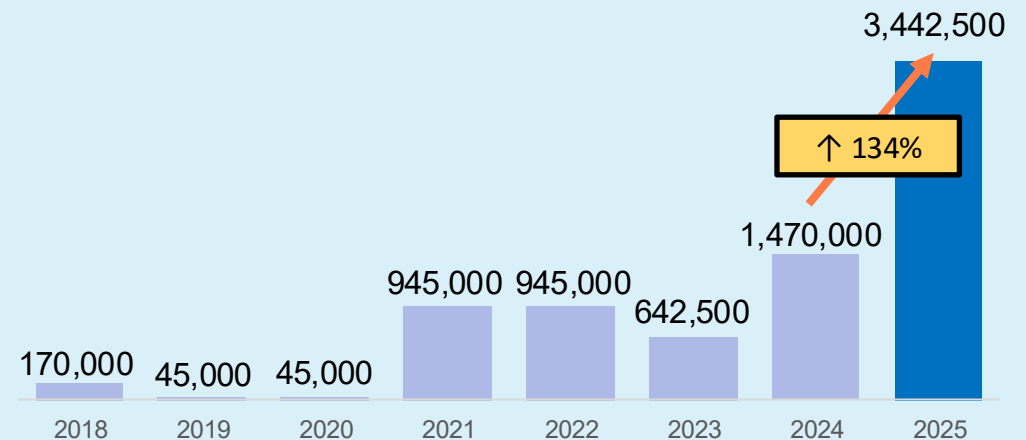
Table 1 – Changes in cost items due to 2025 Pre-MOU process

Items	2024	2025
1 Medical Exam	THB 500	THB 500
2 Work Permit	THB 1,900	THB 1,900
3 Visa	THB 500	THB 500
4 Pink Card Update	THB 20	THB 20
5 Employer Certification	THB 350	THB 350
6 Passport	THB 6,000	THB 6,000
7 Myanmar Name list Processing		THB 2,000
8 Security Deposit (หลักประกัน)		THB 1,000
9 Embassy Facilitation Cost		THB 1,500
<b>Total</b>	<b>THB 9,270</b>	<b>THB 13,770</b>

Source: Group of Entrepreneurs with Foreign Workers (GEFW)

134% increase in Cost to Employer

Figure 6 – Cost increase assuming complete EPP during 2025 pre-MOU process for 250 workers (THB)



\*rounded to the nearest tenth

# The cost impact to Employer is greater with a worker repayment

## Case Study 3: Combined cost impact of paying upfront and repayment

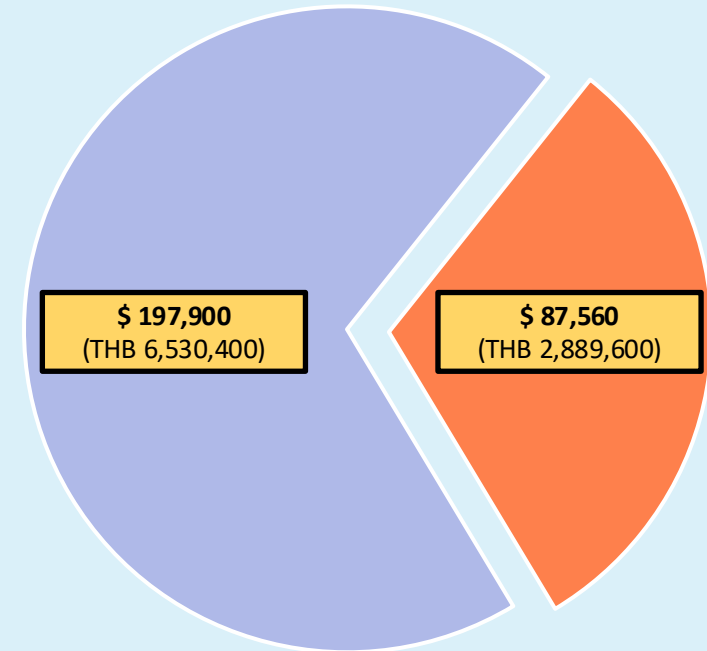
### Context

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- The employer started EPP in 2024, paying for all recruitment fees upfront and implementing a worker repayment program for MOU Myanmar Workers
  - **Cost of Recruitment** – 400 workers  
(~\$495 or THB 16,300 / worker)
  - **Repayment** – 241 workers  
(~\$360 or THB 11,990 / worker)
  - **Total 2024 EPP Cost** –  
  
~ **\$285,454 or THB 9,419,990**  
(~ \$445 or THB 14,700 / worker)

**Interpretation:** Assuming repayment cohort does not overlap with new recruits, this is the total cost of implementing EPP with 641 migrant workers

**Figure 7 – Share of Up-front Payment of Recruitment Cost and Repayment**



■ Cost of Recruitment ■ Repayment Amount

Note: Case study based on figures reported by one employer / company

## Key Takeaways

### On Cost to Employers adopting EPP

- **As employers started paying for more recruitment cost items, their cost has significantly increased between 2018 to 2024**
  - In the case of MOU recruitment, the cost to employer increased 1,016% even as total cost of recruitment increased by 43%
  - In the case of walk-ins, employers' cost has increased by 765% even as total regularization cost has decreased by 32% in the past 7 years
- **With the recent Cabinet Resolution (September 2024), the cost regularization has increased 134% from previous years.** This will further compound employers' cost burden in maintaining / adopting EPP
- **Worker repayments are an essential part of EPP implementation, along with paying upfront for recruitment. When employers pay upfront and implement a repayment, the cost per year for 641 workers can be up to \$285,000 (\$445 / worker)**

02

## Employers have started to pay for more items

## At least 81% TTIA Members reported paying for more recruitment cost items between 2023 & 2024

	TTIA Members in GLP Program	2023		2024		% Change
		#	(%)	#	(%)	
<b>Origin Country Expenses</b>						
Passport	26	14	54	21	81	+27
Documentation Fees (Accommodation, Food, Transportation)	26	14	54	23	88	+35
Contract-Signing, T-shirt, Smart card, Travel Insurance in Origin Country	26	15	58	23	88	+31
Agency Fees	26	17	65	23	88	+23
<b>Destination Country Expenses</b>						
Visa	26	21.5	83	24.5	94	+12
Work Permit	26	21.5	83	24.5	94	+12
Health Check	26	21	81	25	96	+15
Testing for Hepatitis virus	26	21	81	25	96	+15
Food, drinks and transportation in Thailand	26	22	85	24	92	+8
Covid-19 Swab test (ATK, PCR)	26	21	81	25	96	+15
Medical Certificate for Work Permit (Testing of 6 prohibited diseases)	26	21	81	25	96	+15
Quarantine period for 14 days due to Covid-19	26	18	69	25	96	+27

Source: Based on information collected by the TTIA through its GLP Program

## Key Takeaways

### On Recruitment Cost Items being paid

- **Most TTIA members reported paying for the majority of recruitment cost items today.**
  - There have been an increase between 2023-2024.
  - More members reported paying for destination country costs than those that pay for destination country costs.
- **Information reported by TTIA members show that majority of companies are paying for cost items beyond legal requirements in Thailand (e.g., passport, work permit, visa)**
- **Actual amounts paid per reported item are not verified**

03

**There have been systems improvement towards implementing Employer Pays Principle**

## Responsible Recruitment Policy & Implementation

**Figure 8 – Self-Reported Presence of Recruitment Policy & Implementation Elements**

Policy states employer will cover all recruitment fees and related costs	100%
Developed a cost table	89%
Clear management responsibilities have been set on RR Implementation	89%
Periodically update recruitment fee and table	78%
Trained relevant process owners on RR	78%
Conduct periodic risk assessment on Responsible Recruitment standards & policies	78%
Conduct management review of Responsible Recruitment Performance	56%

Note: n = 9

### Takeaways

**100% of TTIA members have made policy commitments to cover all recruitment fees and costs**

**Gaps in management review of Responsible Recruitment indicate opportunity for improvement to maintain effective implementation**

# Labor Agency Due Diligence & Performance Improvement

**Figure 9 – Self-Reported Presence of Labor Agency Due Diligence & Performance Improvement Elements**

No labor agency due diligence (in any form)	11%
Communicated EPP Policy to Labor Agency	78%
Embedded enforceable language on RR and EPP expectation in Service Agreement	67%
Embedded RR requirements in Labor Agency Pre-Screening Procedures	67%
Audited Labor Agencies on Responsible Recruitment and EPP	67%
Implemented Corrective Action Program with Labor Agencies	56%
Implemented Improvement Program with Labor Agencies	44%

Note: n = 9

## Takeaways

**Most reported having communicated their EPP policy to their labor agency partner**

**Gaps in corrective action & improvement may hinder labor agencies' capability to meet EPP**

# Worker Verification

Figure 10 – Self-Reported Presence of Worker Verification Elements

No worker verification (in any form)	33%
Implemented a grievance mechanism for workers to report fee-charging practices during the recruitment process	78%
Documented procedures to verify recruitment costs from workers	56%
Implemented worker interviews and surveys on recruitment costs	56%
Implemented Non-Retaliation Policy	56%
Trained facility process owners on how to conduct worker verification	56%

Note: n = 9

## Takeaways

Access to grievance channels on fee-charging during recruitment is essential, but not sufficient for a robust worker verification process

- Worker verification is among the biggest opportunity for improvement.
- Gaps in worker verification makes it challenging to ensure that EPP implementation addresses true cost of labor recruitment paid by workers

# Remediation

## Takeaways

**Figure 11 – Self-Reported Presence of Remediation**

No remediation	<b>33%</b>
Documented procedures for repayment	<b>67%</b>
Implemented a repayment program	<b>67%</b>
Implemented a third-party verification/review of repayment program	<b>56%</b>

**Making worker repayments and having a procedure for it are essential part of EPP**

**Third-party verification provides an effectiveness check to ensure that repayments address risks of debt bondage**

Note: n = 9

## Key Takeaways

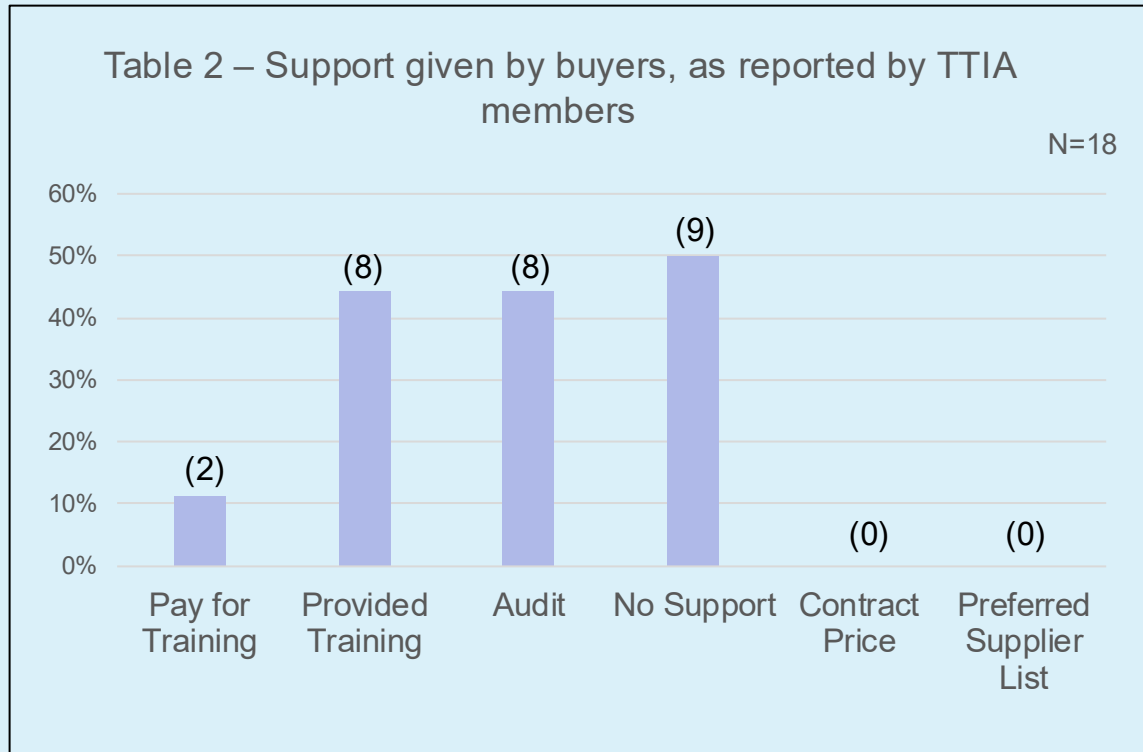
### On Management Systems to Implement the Employer Pays Principle

- **TTIA Members reported gradual implementation of the Employer Pays Principle Management System Elements between 2018 and 2024.** In fact, some reported implementing a Recruitment Fee Policy that covered partial costs since 2016. This suggests a track record of improvements over time.
- **100% of respondents reported having policies committing to cover all recruitment fees and related costs, but there are gaps to ensure effectiveness.** These gaps include (a) Labor Agency Due Diligence & Performance Improvement, (b) Worker Verification, and (c) Remediation. Notwithstanding this, it is worth noting that more than half of respondents reported having implemented key elements.

04

## There is a lack of buyer support

## Buyer support on EPP has been focused on audit and training



### Takeaways

- Current buyer support: audit & training
- None reported being supported through contract price or preferred supplier list
- TTIA members who export only to Middle East and Japan reported having no impact/pressure on EPP

## Summary of desired buyer support

- Adjust contract price
- Only buy from suppliers with comparable EPP performance
- Adjust expectations on EPP
- Support recruitment fees
- Support cost of training & audits