Addressing risks in Thailand's sugarcane supply chain

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Thailand ranks among the world's top sugar producers, with a significant share of global exports. As part of our commitment to upholding human rights, in 2023 Unilever partnered with Bonsucro the International Organisation for Migration (IOM), Diginex, Coca-Cola and local organisations to enhance our understanding of the human rights risks within the Thai sugar supply chain. The project, funded by the Bonsucro Impact Fund, focused on the recruitment and employment experiences of workers, in particular gaps in migrant worker rights and the high risk of forced labour and gender discrimination.

The assessment combined <u>IOM's Participatory Rural Appraisal</u> approaches, and Diginex's digital worker and employer tools. It consisted of document reviews and rightsholder engagement, involving interviews with 107 workers, including vulnerable migrant workers and lower tier suppliers, alongside site visits and risk mapping.

Common risks identified through the engagement

Unique in its focus on rightsholder engagement with field-level worker voices, the assessment revealed risks related to recruitment practices, working conditions and lack of access to effective grievance mechanisms. The recruitment of workers across farms was predominantly through informal channels (e.g. referrals from friends or family) which meant a significant number of workers did not have formal employment contracts. This was higher for women (12%) than men (8%). Some workers reported long working hours and poor sanitation at work sites, while 25% reported experiencing verbal abuse or threats from supervisors or subcontractors. Few workers reported receiving health and safety training prior to commencing their employment. Only 15% of workers were aware of any formal grievance mechanism, and fewer than 10% had ever used it – citing fear of retaliation or lack of trust.

Sharing findings to influence industry-wide change

Following the assessment, Unilever has worked with the IOM and key suppliers across three important areas. Firstly, we established a multi-pronged corrective action plan with the supplier involved in the assessment. The action plan outlines the key risks and proposes targeted mitigation interventions, such as supplier training and amendments to company policy. Secondly, we co-authored a policy-brief with Bonsucro and the IOM, raising awareness of the findings, highlighting gaps in Thai labour law enforcement and proposing new ethical recruitment and employment standards. Thirdly, we have led and participated in a series of capability building sessions with Thai sugar industry stakeholders. These included a public-private roundtable with the IOM and the government's Office of the Cane and Sugar Board to present findings, enhance

understanding among government officials and employers, and foster dialogue on improving recruitment and employment practices within the sugar industry.

Unilever is committed to continued monitoring and will conduct a structured follow-up with the supplier before the end of 2025 to review progress of the corrective action plan.