

Stakeholder Engagement in Thailand

~How to manage organizational risk for surviving your business in 21st Century~

Background

Thailand is a vital part of the international supply chain for a large number of Japanese companies, including major multinationals in important sectors such as the automotive, textile, and electronic industries. Most of whom manage their supply chain through contracts with local Thai companies that act as suppliers. Unfortunately, the sort of human rights problems often observed in many countries in South East Asia also take place in Thailand, including labour rights violations such as extremely long hours, withholding of pay, unsafe working conditions, and various types of harassment. Child labour also remains a problem, in particular in the agricultural sector.

The above violations stem from various factors, many of which are out of the control of multinationals. Nevertheless, corporations are now recognized to have a responsibility to conduct due diligence to prevent human rights abuses in their supply chain, and are often subject to harsh criticism by the public when problems do arise. Corporations in Thailand have not been immune to such criticism, and there is wide recognition in the corporate sector that the human rights performance of companies will continue to come under scrutiny.

Legal framework and state of play

Over recent years, many multinationals have started implementing due diligence procedures, through surveys of local suppliers and occasional inspections. Though such steps are important, they are not sufficient.

The Guiding Principles on Business and Human Rights (the “Ruggie Principles”), adopted by the Human Rights Council in 2011, outlines a framework under which corporations are expected to ensure that they respect human rights throughout all of their activities, and that they take measures to ensure that they are not complicit with human rights violations. In order to “identify and assess any actual or potential adverse human rights impacts with which they may be involved either through their own activities or as a result of their business relationships”, the Ruggie Principles state that companies should engage in “meaningful consultation with potentially affected groups and other relevant stakeholders”.

It is clear that non-governmental organisations (NGOs) working on human rights and labour issues are key stakeholders to be included in such a consultation process. Nevertheless, discussions with Thai and Japanese companies operating in Thailand suggest that the majority have not engaged

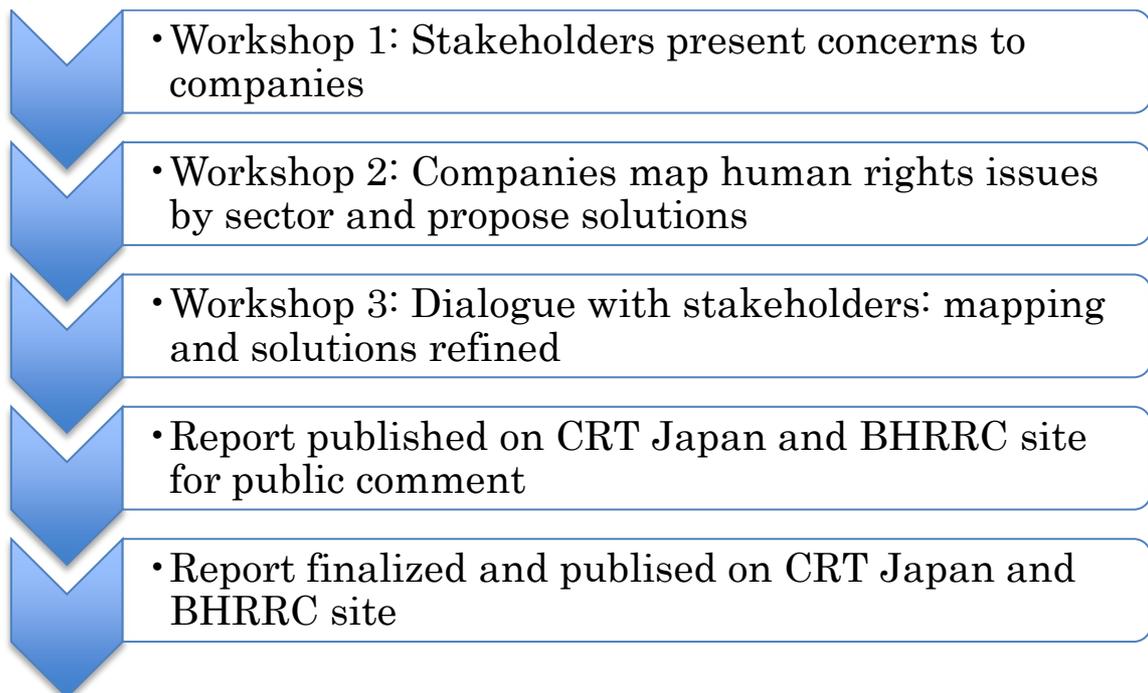
with such stakeholders in any kind of systematic manner. Indeed, it appears to be the norm that Japanese and Thai companies engage with such organisations only when they raise human rights or other issues, either directly or through the media. However, case studies in various countries show that meaningful engagement at an earlier stage is far more effective in identifying problems, and is beneficial for both the company and the stakeholders concerned.

Concept

CRT Japan plans to hold a stakeholder engagement programme in Thailand. The objective of the programme, which will be implemented over a span of four to five months, will be as follows:

To provide a non-confrontational forum where Thai and Japanese companies can engage with stakeholder organisations and identify, through a collaborative process, relevant human rights, labour, and environmental issues, and possible solutions for those issues.

This programme will be modeled on the unique and successful stakeholder engagement programme that CRT Japan has been conducting in Japan since 2012. The programme is as follows:



Besides the above three workshops, three occasional seminars by external experts will also be held, on relevant human rights topics and issues raised during the workshops.

In more detail, the process proceeds as follows:

1. Understanding the context in which human rights issues arise--Corporate participants sponsor presentations on the particular context in which human rights issues arise by members of NGOs/NPOs, human-rights experts, and academics.
2. Reviewing and identifying adverse human rights impacts that can arise from corporate activities -- Corporate participants conduct a series of discussions by sector to discuss the likely significant human rights concerns they need to address.
3. Integrating perspectives from both corporations and stakeholders--Participants summarize the discussion contents and exchange the views with NGOs/NPOs, human-rights experts, and representatives of academia. They provide comprehensive assessment of the report.
4. Collecting public comments and finalizing the report--The secretariat of the workshop produces a draft report and invites public comments on it. Following consideration of the received comments, the secretariat releases the final report.

The above programme will be managed by CRT Japan in co-operation with Marimo5, a local partner in Thailand.

CRT Japan is ideally placed to assist both companies and rights holders in engaging effectively. Established in 2006 as a chapter of Caux Roundtable, a global network of business leaders working to realize a fair, free and transparent society through sustainable and socially responsible business, CRT is a registered Japanese NPO (non-profit organization), and has, since 2012, held annual stakeholder dialogue programmes, which remain unique in Japan. The last stakeholder engagement programme involved over 40 companies and over 10 NGOs active in the business and human rights field. Marimo5 develops workplace health education services for corporate clients in Thailand, aiming at the prevention of NCDs (Non-Communicable Diseases). Services include "Health Education Workshop for Employees", "Canteen Evaluation and Improvement", and "Healthy Product Promotion in the workplace". Marimo5 also organises international seminars and workshops related to healthy and "happy workplaces" in Asia, including sustainable supply chain management and decent work.

As a pilot, the programme will target Japanese and Thai corporations. A seminar in February 2016 in Bangkok held by CRT Japan and Marimo5 indicated strong interest and commitment by companies to the process.

Schedule

The workshop schedule is currently being narrowed down as follows, with exact dates and venues to be confirmed (the venue will be in Bangkok). The workshops will be conducted in English, to facilitate access for an international audience. Breakout sessions will be conducted in Japanese or Thai as appropriate.

Workshop	Potential dates
Workshop 1 (Stakeholder presentations, business mapping of concerns and solutions)	7 June (one day)
Workshop 2 (Further stakeholder consultation)	28 June (one day)
Presentation of final report	30 August (half day)

Participation fees

Companies have two options:

Option A: free participation in workshops and free citation of summary report in company CSR or sustainability report

Option B: JPY 300,000, or BHT100,000 for participation in workshops, inclusion of company logo on final workshop report, and free citation of full workshop report in company CSR or sustainability report

Participation of other stakeholders, e.g. NGOs, is free.

Registration

Please go to the following link to complete the registration.

<https://business.form-mailer.jp/fms/cba85b1a55633>

For more information, please contact Hiroshi Ishida, Executive Director of CRT Japan, at hiroshi_ishida@crt-japan.jp and/or Saul Takahashi at saul_takahashi@crt-japan.jp by **25 May**.