



Sustainability in Action: The Power of Human Rights Due Diligence (HRDD)

KPMG in Thailand
7 February 2025



Agenda



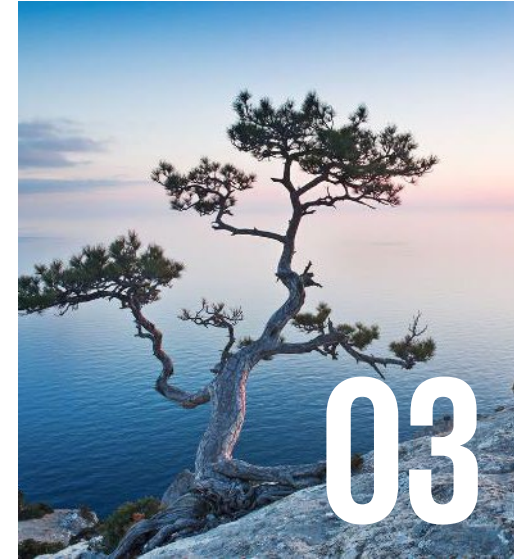
Understanding Human Rights Due Diligence

Brief introduction of the human rights due diligence and drives from global phenomena



Exploring Human Rights Due Diligence Process

Exploring the process of human rights due diligence from commitment to respect for human rights to tracking the human rights risk mitigation.



Best Practices and Challenges

Learning the best practices from the leading companies, as well as the challenges of the human rights due diligence.



Understanding Human Rights Due Diligence

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What is Human Rights ?

- The basic rights and freedom that belong to every person in the world, from birth until death.
- Apply regardless of where you are from, what you believe, or how you choose to live your life.
- **Universal and inalienable.** We are all equally entitled to our human rights and they should not be taken away, except in specific situations and according to due process.



United Nations



International
Labour
Organization

Forced Labor

Human
Trafficking

Child Labor

Working
Conditions

Health and
Safety

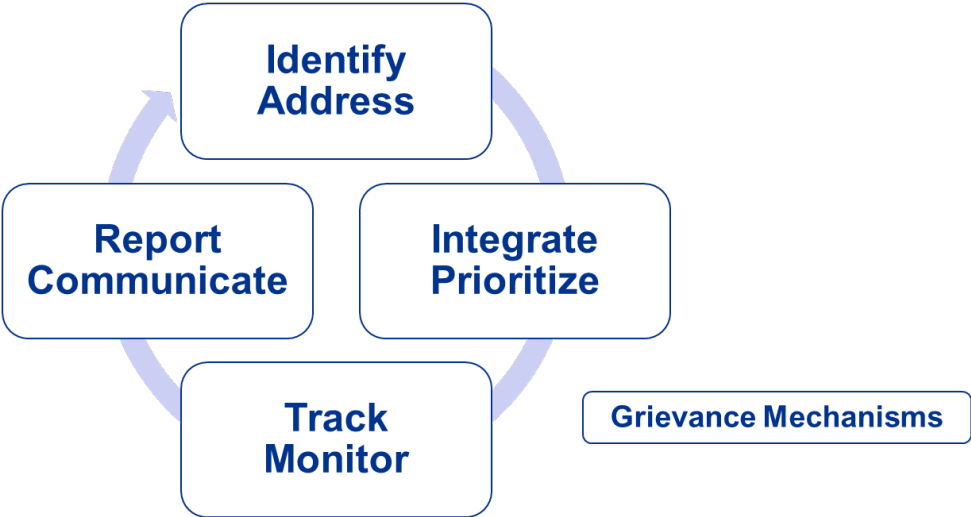
Discrimination

Freedom of
Association

Overview of Human Rights Due Diligence

A mechanism to **enable company identifies the information it needs in order to understand its specific human rights risks** at any specific point in time and in any specific operating context, as well as **the actions it needs to take to prevent and mitigate them**

Tone from the top: Human Rights Policy endorsed by top-level management



Drivers from International Community

1

Regulatory Requirement

The regulatory requirement such as **CSDDD requires company in European Union to conduct human rights due diligence**, this may extend to require some implementation from the supplier in Thailand.

CSDDD has been into force since 2024, the first tier company to comply will start from 2027.

2

Reporting Frameworks

Many of reporting frameworks such as ESRS **require company to disclose its human rights performance** which include Human Rights Policy, human rights risk assessment and mitigation measure, boundary of human rights risk assessment. The **human rights risk assessment extends to the supply chain** as well.

3

Industry Specific Requirement

There are specific sustainability requirements for certain industries/ products which require to address human rights issue, for example, EU Regulation on Deforestation-free Product (EUDR)* which explicitly mandates consideration of human rights and labor rights within its due diligence requirement.

*EUDR covers 7 commodities – cocoa, coffee, cattle, palm oil, rubber, soy, and wood.

Corporate Sustainability Due Diligence Directive (CSDDD)



The Corporate Sustainability Due Diligence Directive (CSDDD) is a EU law that requires European companies to identify, prevent, mitigate, and account for human rights and environmental risks in their operations and supply chains.

Scope and Implementation Timeline

- July 2024:** Entry into force.
- July 2026:** EU Member States transpose the Directive into national law.
- July 2027:** EU companies with > 5,000 employees and €1.5 Bn. turnover globally | Non-EU companies with > €1.5 Bn. turnover generated in the EU.
- July 2028:** EU companies with > 3,000 employees and €900 M. turnover globally | Non-EU companies with > €900 M. turnover generated in the EU.
- July 2029:** 6,000 EU-based companies and 900 Non-EU companies. (> 1,000 employees and €450 M. turnover)

Impact to companies in Thailand.

“THE RIPPLE EFFECT”

- Comply with the higher requirements/standards from customer from EU.
- Face the increased scrutiny concerning the environmental and human rights practice.
- May need to disclose information about the sustainability effort to remain competitive and attract investors/customers.
- Potential global trend.
- Potential collaboration and support from the companies in EU.

Drivers within Thailand

1 Stock Exchange of Thailand (SET) ESG Reporting Guideline



2 National Action Plan on Business and Human Rights



3 Buyer Requirements – Supplier Code of Conduct



Source: [คู่มือการรายงานความยั่งยืน สำหรับบริษัทจดทะเบียน \(setsustainability.com\)](https://setsustainability.com)

Source: [แผนปฏิบัติการระดับชาติว่าด้วยธุรกิจกับสิทธิมนุษยชน-ระยะที่-2-.pdf](#)



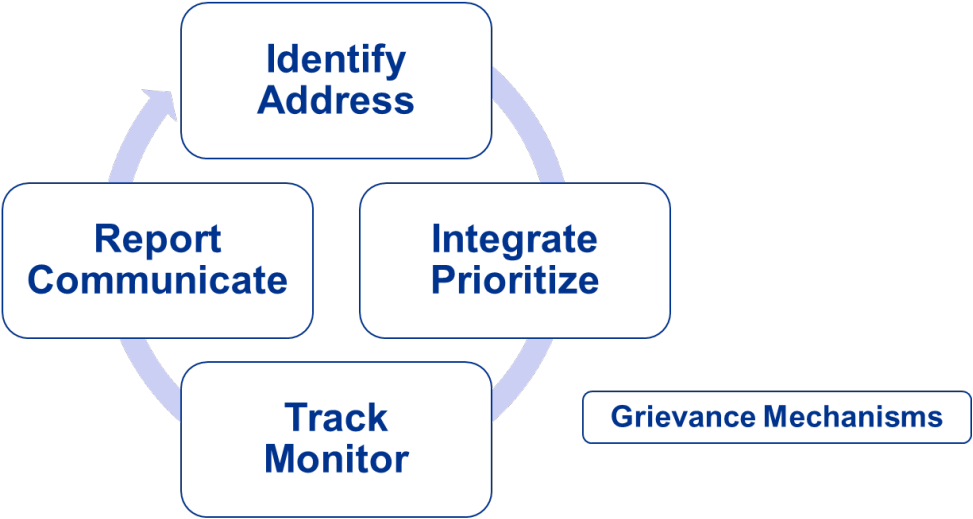
Exploring Human Rights Due Diligence Process

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Human Rights Commitment

Tone from the top: Human Rights Policy endorsed by top-level management



Tone from the top

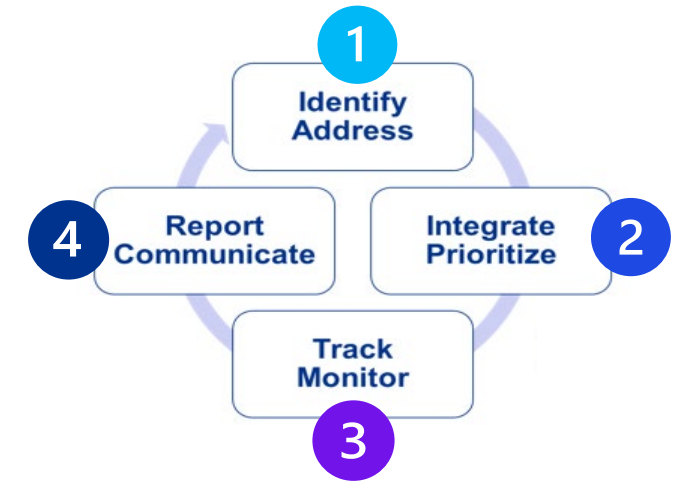
Showing human rights commitment from the top level management by announcing **Human Rights Policy**.

Integration to business operation process

Materialize the human rights commitment through **integrate human rights into business practices** such as, human resources management, business ethics, supply chain management, human rights due diligence, etc.

Human Rights Risk Assessment

“ Assessing human rights risk would help the business to understand the gravity and impact of human rights risk, as well as identify the mitigation measures. ”



1 Identify and Address Human Rights Risk

Identify human rights risks, both actual and potential, through various means and sources such as, **value chain analysis, desk research, peer review, etc.**



2 Prioritize Human Rights Risk and Integrate in the Business operation

Assess the impact and likelihood of the human rights risk, prioritize human rights risk, and identify mitigation measure.

Low	xxRisk Responsexx
Medium	xxRisk Responsexx
High	xxRisk Responsexx
Significant	xxxRisk Responsexx

4 Communicate the Performance to the Impacted stakeholders and Public

Communicate the performance to the impacted stakeholders and public through communication channels such as, **Human Rights Risk Assessment Report, Sustainability Report, email to stakeholders, disclosure on company website, etc.**

3 Track and Monitor the Effectiveness of Mitigation Measures

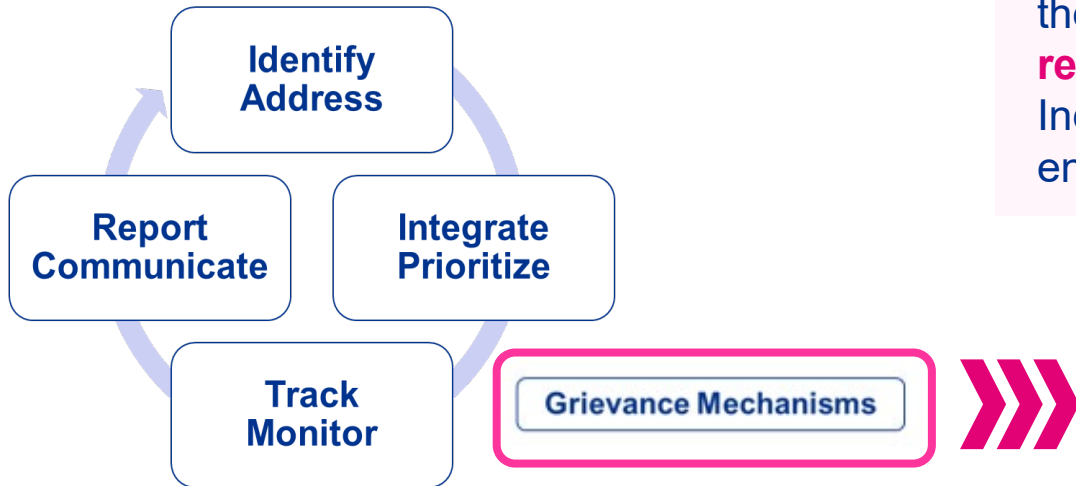
Identify responsible person/unit, track the performance of the mitigation measures periodically with the clear timeframe, *for example Human Resource Department will responsible for mitigation of force labour risk, and will monitor the mitigation measure every quarter.*

According to the UNGPs, a credible human rights assessment should:

- Assess impacts on people, not impacts on business;
- Assess impacts against all internationally recognized human rights;
- Draw on internal or independent external human rights expertise; and
- Highlight the concerns of affected stakeholders.

Grievance Mechanisms & Stakeholders Engagement

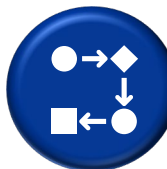
Tone from the top: Human Rights Policy endorsed by top-level management



Grievance mechanisms and stakeholders engagement are platforms for individuals and communities affected by the business operations to **voice their concerns and seek remediation for potential or actual human rights impact**. Incorporating grievance mechanisms and stakeholders engagement activity would help the business to:

- Identify and address human rights risk
- Ensure accountability and remedy
- Build trust and relationships
- Improve business operation

Key consideration for effective grievance mechanisms



Clear process and timeline



Accessibility



Safeguarding measures



Good Practices and Challenges

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Example Cases of Human Rights Violations

Workers in Thailand who made jeans for [redacted] 'trapped in effective forced labour'

Exclusive: Supermarket faces landmark lawsuit in the UK from 130 former workers alleging negligence

Workers tell of sweatshop conditions at Thai factory used by [redacted]



Workers inside VKG factory in Mae Sot, a city near the Myanmar border.

The Guardian

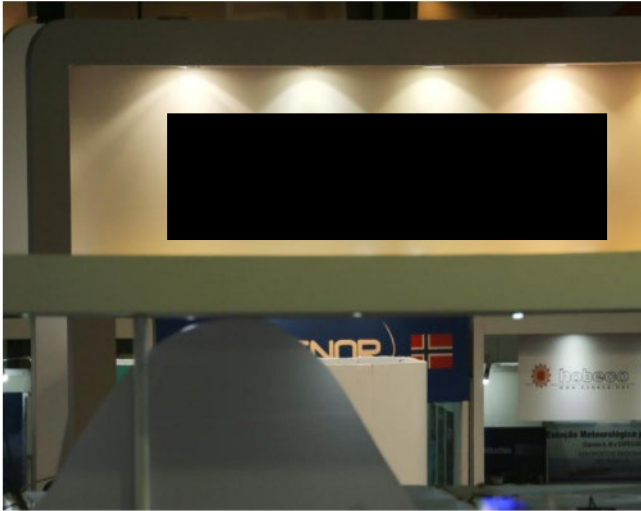
INDONESIA • ARCHIPELAGO
[redacted] settles long-running Aceh torture lawsuit

The two sides agreed to resolve "all matters," said a joint filing from the opposing counsel that did not disclose terms of the agreement.

AFP
New York, United States • Tue, May 16, 2023

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The Jakarta Post



A logo of the [redacted] is seen at the Rio Oil and Gas Expo and Conference in Rio de Janeiro, Brazil on Sept. 24, 2013. (Reuters/Sergio Moraes)

Saudi Arabia: 'Giga-Projects' Built on Widespread Labor Abuses

As 2034 FIFA World Cup Decision Looms, Dangers Are Clear



MORE READING
November 8, 2024 | News Release
Saudi Arabia: 2034 World Cup Risks Widespread Labor Abuse

August 8, 2024 | News Release
Gulf States: Inadequate Heat Protection Putting Workers In Peril

MOST VIEWED
1 December 15, 2024 | Report
Sudan: Fighters Rape Women and Girls, Hold Sex Slaves
2 May 17, 2021 | Report

World's largest carbon producers face landmark human rights case

Filipino government body gives 47 'carbon majors' 45 days to respond to allegations of human rights violations resulting from climate change

The Guardian



Typhoon Haiyan, known locally as Yolanda, struck in 2013 and was one of the most powerful storms ever recorded. Photograph: Erik de Castro / Reuters/REUTERS

Example 1

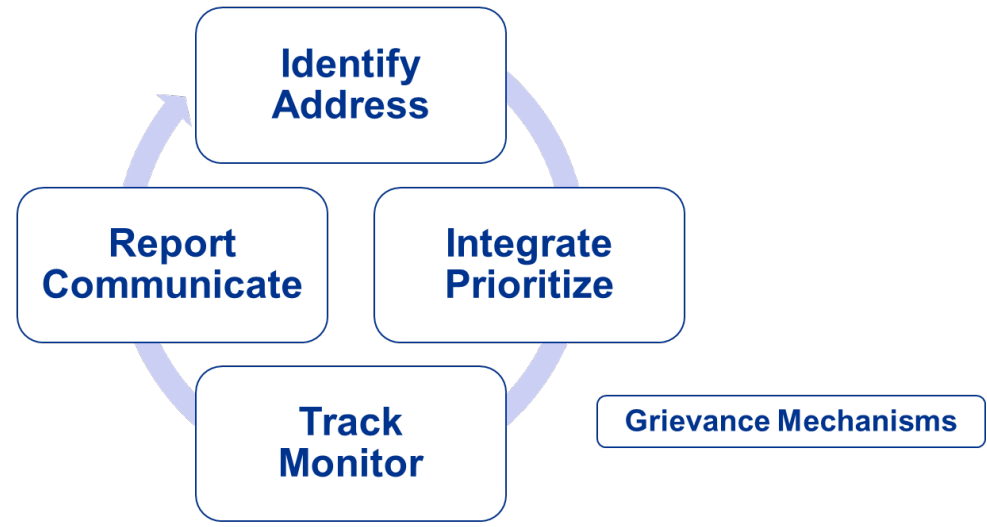
All Nippon Airways (ANA) has established **Human Rights Policy and other related commitments** with governance structure in place.

SDG-related Commitments to 2030

- 1. Responsibility to respect human rights**
 - Based on the UN Guiding Principles on Business and Human Rights, the ANA Group will make every effort to promote the respect of human rights in our corporate activities
- 2. Promote responsible procurement and supply-chain management**
 - Manage procurement in consideration of its impact on the environment and human rights, and build and manage a fair and transparent supply chain
- 2. Use innovation to solve social issues**



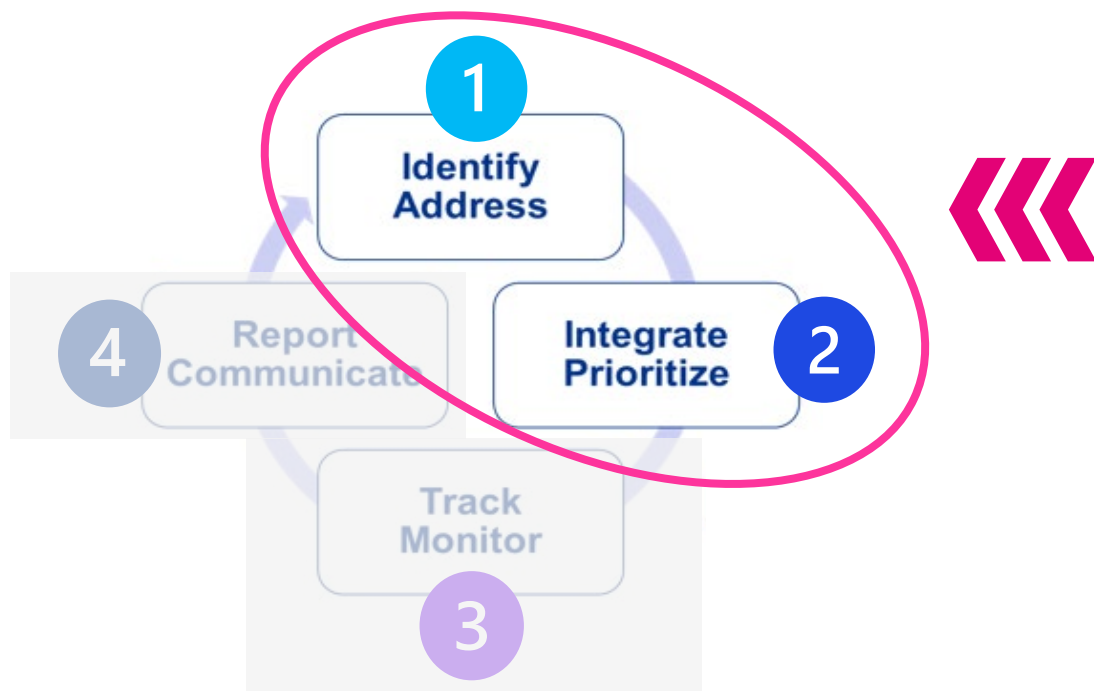
Tone from the top: Human Rights Policy endorsed by top-level management



The Company cover **human rights in their corporate strategy**, including setting goals and measures, monitoring performances, and disclosing main activities on human rights.

Source: [Human Rights Report 2023_e.pdf](#)

Example 1

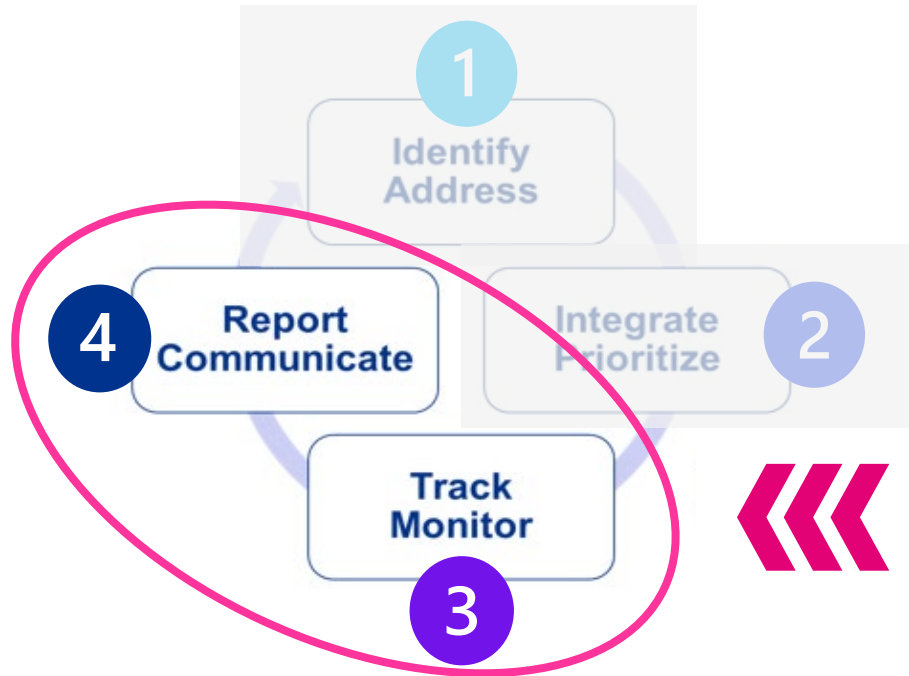


Human rights risks of the company are identified, categorized, and disclosed in themes, including relevant stakeholders for each theme and activities to date that were implemented to manage or prevent such risks, both in own operation and in the supply chain.

	Theme 1 → P.21	Respect the Human Rights of Migrant Workers Working at Contractors and Vendors in Japan and Overseas We will expand our scope of determining the work environment of foreign workers from group companies to contractors and vendors in both Japan and overseas, and will make efforts to promptly improve the work environment when a problem is identified.
	Theme 2 → P.29	Identify Human Rights Issues and Environmental Burdens in the Supply Chain We must strengthen supply chain management not only for in-flight meals, but also for our business as a whole. In addition, we must check whether there are any risks not only from a human rights perspective but also from an environmental perspective.
	Theme 3 → P.33	Prevent the Use of Airplanes in Human Trafficking We will work to prevent services provided by airlines from being unintentionally used by third parties for human trafficking, and we will also promote external awareness of this by stepping up our external communication.
	Theme 4 → P.35	Protect Customer Information and Give Consideration to Privacy We will not only comply with laws and regulations, but will also take into account the demands of society regarding the use of customers' personal data not only in the airline business but also in platform business.
	Theme 5 → P.36	Respect Human Rights When Providing AI, Metaverse and Other Services We will respond to human rights risks such as slander and impersonation of others based on assumptions of risks that may arise in the future in the three-dimensional virtual space created on the internet and in its services.

Source: [Human Rights Report 2023 e.pdf](#)

Example 1



■ Follow-Up Assessment on the Effectiveness of Actions

In FY2019, the ANA Group established medium- to long-term goals for “business and human rights” to enable systematic operation of a management cycle. Furthermore, in the FY2023-25 ANA Group Corporate Strategy “respect for human rights across the supply chain” is one of the major initiatives for promoting ESG management, and we will continue to evaluate and verify the effectiveness of our activities while obtaining the advice of third-party experts (see P. 10, P. 44 for details). We will also consider formulating more specific key performance indicators (KPIs).

Since 2016, the ANA Group has held regular annual dialogue on human rights with international experts to receive their advice regarding the group's efforts to ensure respect for human rights.

Summary of the review in 2023

On October 19, 2023, we invited human rights experts from two overseas organizations to Tokyo and reported on the progress of the ANA Group's efforts to respect human rights. We received advice regarding our group's overall efforts in the area of human rights, as well as recommendations on matters such as our approach to disclosure of human rights due diligence, addressing issues in the supply chain, and the employment of foreign nationals.

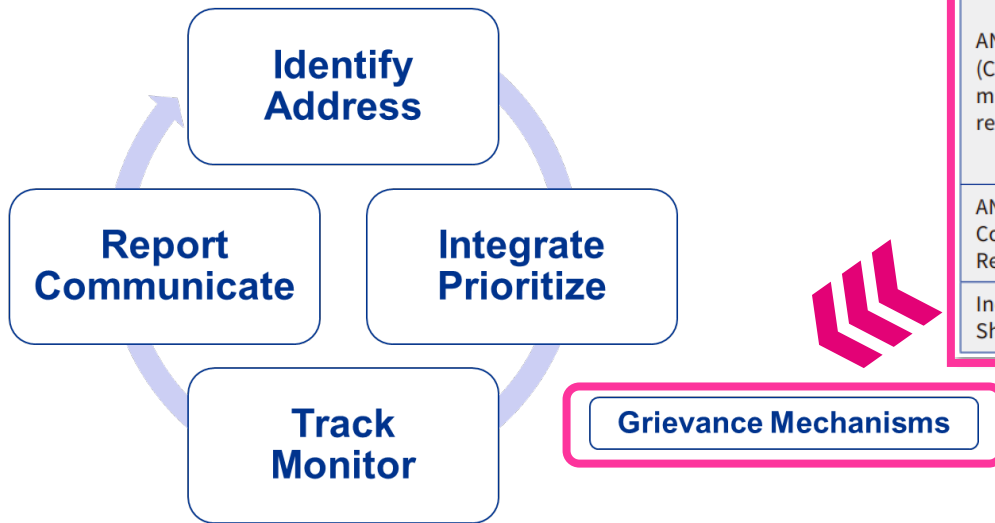
Based on the advice we received during this review, we will continue to promote efforts to ensure respect for human rights.

The Company sets **medium- to long-term goals for business and human rights** together with holding regular annual consultation with experts and publishing **annual disclosure** of their human rights performance

Source: [Human Rights Report 2023 e.pdf](#)

Example 1

Tone from the top: Human Rights Policy endorsed by top-level management



Name	Main Target	Description
“Ninja” (Contact point for grievances)	Workers working in the ANA Group supply chain	A platform for workers working in the ANA Group supply chain, “Ninja” is a contact point for receiving complaints and concerns on diverse matters as well as inquiries and reports on human rights violations. The service is provided and operated by third-party organization CRT Japan, and is available in seven languages. Users may use “Ninja” anonymously without fear of disadvantage.
ANA Alert (Contact point for making whistleblower reports)	Primarily for employees working in the ANA Group	A platform for compliance-related issues such as violations of laws and regulations as well as internal rules, ANA Alert is accessible to all ANA Group executives, employees, and temporary personnel as well as ANA Group retirees and employees of business partners of the ANA Group. Protection of the privacy of callers and other relevant parties is assured and assurance that no punitive measures will be taken against persons seeking consultation or cooperating in confirming facts is also given. A contact point has also been established at an external law firm. Reports can also be made in English.
ANA Desk for Comments and Requests	Customers	This is a contact point for customers who use ANA services, and receives not only inquiries regarding ANA services but also concerns and opinions regarding human rights and other matters. Customers can make contact by phone, email, or letter. The service is also available in English.
Inquiries for Shareholder Relations	Shareholders	This is a contact point for answering inquiries from shareholders and can be reached by telephone.

The Company places importance on their grievance mechanism by establishing multiple contact points **to pick up on potential or apparent human rights risk from feedback from various stakeholders** such as workers, customers, and shareholders.

Receipt of Complaints by “Ninja”

Subject of complaint	2020	2021	2022	2023	Total
Harassment			8		8
Salary				3	3
Everyday life				2	2
Working hours, leave		1	1		2
Work content				2	2
Health			1		1
Total	0	1	10	7	18

Source: [Human Rights Report 2023 e.pdf](#)



Example 2

Standard Chartered Bank has published **Human Rights Position Statement** to express their commitments to equal rights.

Standard Chartered Human Rights position Statement 2024

2

Human Rights Position Statement

We are committed to respecting human rights across our business as defined in the [International Bill of Human Rights](#)¹, and the [International Labour Organisation Declaration on Fundamental Principles and Rights at Work](#). Our commitment is guided by the [UN Guiding Principles on Business and Human Rights](#) (“UN Guiding Principles”), the [United Nations Global Compact](#), the [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#) (“OECD Guidelines”) and the [International Finance Corporation \(“IFC”\) Performance Standards on Environmental and Social Sustainability](#) (“IFC Performance Standards”) and related Guidelines.

We recognise our responsibility, as a business, to respect human rights. This is embedded in our [Code of Conduct and Ethics](#) and our valued behaviours, which provide the guiding principles for how we work together and the way we do business.

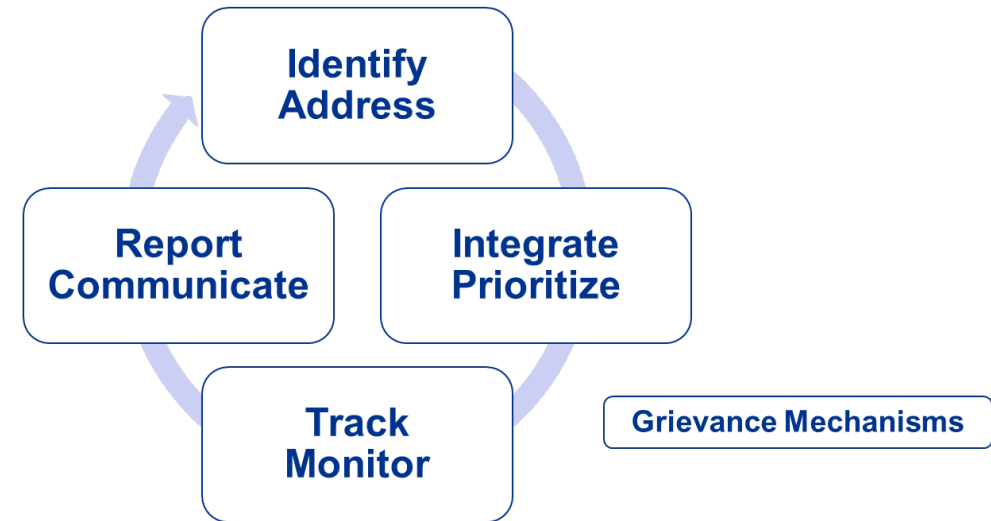
As a bank operating in over 50 markets, our expansive presence offers us unique opportunities to serve businesses that are the engines of global growth and support people to meet their ambitions. We comply with applicable laws, and in the event of a conflict between such legal requirements and internationally recognised human rights, we seek ways to honour the relevant human rights principles including through the application of our due diligence processes.

¹ Comprising the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights.



[Human Rights Position Statement 2024](#)

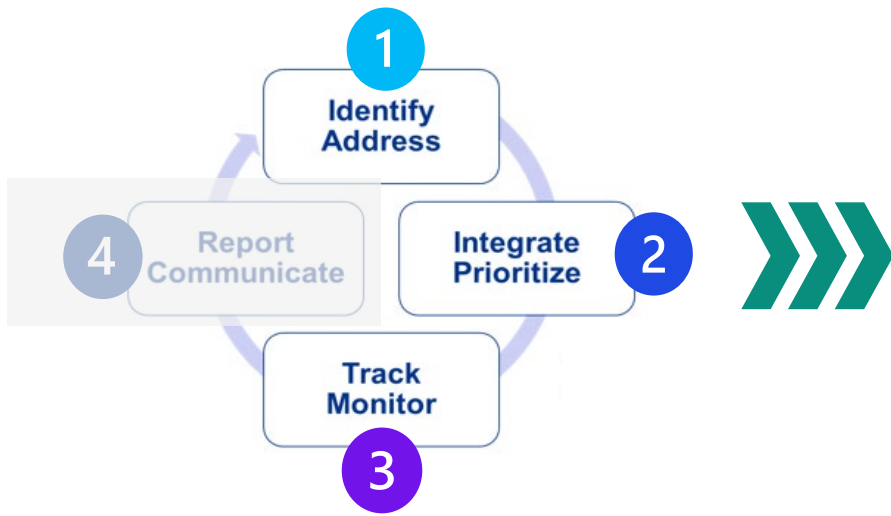
Tone from the top: Human Rights Policy endorsed by top-level management



Embedded human rights related process into their operations as stated in their code of conduct.

Example 2

Established a **Environmental and Social Risk Management Framework**, which includes Human Rights Risk Assessment.



4.1 Overview

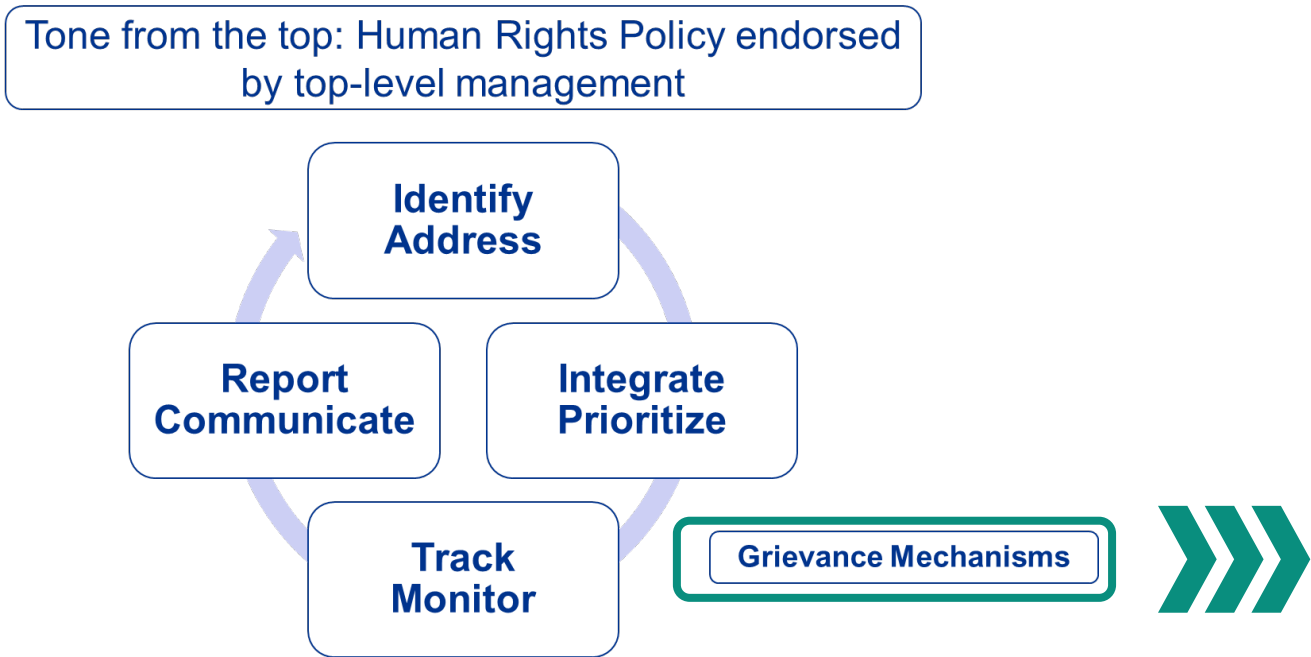
There are four stages to our ESRM process for CIB clients:



[Source: Environmental and Social Risk Management Framework](#)

Example 2

Established grievance mechanism for raising potential human rights impacts.



Raising concerns, and access to remedy

We encourage our stakeholders to raise concerns including about actual or potential human rights related impacts by writing to our dedicated sustainability email address: sustainability.feedback@sc.com.

In addition, we offer secure and confidential [Speaking Up](#) channels to raise concerns that could relate to a number of issues, including breaches of our Code of Conduct and Ethics.

We are a signatory of the Equator Principles, a framework for banks to identify, assess and manage environmental and social risks in connection with in-scope project-related financings. As part of this framework, a client undertaking a new project or expansion of an existing operation will need to conduct inclusive stakeholder engagement (Principle 5) and establish effective operational grievance mechanisms (Principle 6) for potentially impacted stakeholders. These grievance mechanisms are intended to give workers and affected communities an avenue to speak directly with the project company about any negative impacts they are experiencing and access remediation as relevant.

Example 2



Includes human rights risk assessment into their **credit underwriting process** to ensure a responsible investment.

Our transaction level assessments include the following:

- 1 Where we identify heightened risks of potential human rights impacts, we may require clients to engage independent specialists with human rights expertise to assess those risks.

[Source: Human Rights Position Statement 2024](#)



As a part of their credit underwriting process, they have **included the assessment criteria for human rights risk**. The criteria will flag any businesses/clients that have high risk of potential human rights impact for further investigations.

Cross sector requirements



The potential human rights impact could lead to **rejection of credit application**, as such impact is stated in **Prohibited activities**

We will **not** provide financial services to clients who:

- We find are involved in child labour or forced labour.
- Have operations that adversely impact upon the Outstanding Universal Value of UNESCO World Heritage Sites.
- Trade or process species listed on the Convention of International Trade in Endangered Species of Wild Fauna and Flora (CITES).

[Source: Prohibited activities | Standard Chartered](#)

Our position statements

Prohibited activities

Effective October 2024

Challenges

Many companies face challenges while conducting human rights due diligence. These are some challenges that commonly occur.

Unsuccessful and/or unmeaningful human rights due diligence.

01 Lack of legal enforcement on HRDD implementation

02 Limited awareness and understanding

03 Resource constraints

04 Data collection and analysis

05 Limited stakeholder engagement

06 Lack of commitment from top-level management

Key Consideration and Action Plan

1) Understanding Importance and Gravity of Human Rights Risk

- Provide **training programs** for employees, suppliers, and contractors to raise awareness about human rights risks.

2) Creating Tone from the Top

- Establish a **human rights policy** aligned with international frameworks
- Assign a **dedicated committee or responsible team** to oversee human rights due diligence and reporting.
- Develop **internal communications**

4) Engage with stakeholder

- Conduct **regular stakeholder consultations**
- Publish **human rights impact assessments and reports** to maintain transparency and accountability.



3) Integrating Human Right Aspect into the Operation

- Embed **human rights due diligence processes**
- Conduct a **human rights risk assessment**
- Establish a **monitoring and reporting system** to track human rights performance and ensure compliance
- Implement **grievance mechanisms** accessible to stakeholders

A large, blue, rounded square graphic is centered in the image. Inside this square, the letters 'Q/A' are written in a large, white, bold, sans-serif font. The background of the entire image is a low-angle shot of a modern glass skyscraper with green trees in the foreground and sky in the background.



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