



# Human Rights Due Diligence Handbook for Small and Medium-Sized Enterprises

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# Abbreviations and Acronyms

|               |  |
|---------------|--|
| <b>FRA</b>    | European Union Agency for Fundamental Rights                   |
| <b>HRDD</b>   | Human Rights Due Diligence                                     |
| <b>ICCPR</b>  | International Covenant on Civil and Political Rights           |
| <b>ICESCR</b> | International Covenant on Economic, Social and Cultural Rights |
| <b>IFC</b>    | International Finance Corporation                              |
| <b>NAP</b>    | National Action Plan on Business and Human Rights              |
| <b>SDGs</b>   | Sustainable Development Goals                                  |
| <b>SMEs</b>   | Small and Medium-Sized Enterprises                             |
| <b>UDHR</b>   | Universal Declaration of Human Rights                          |
| <b>UNDP</b>   | The United Nations Development Programme                       |
| <b>UNGPs</b>  | United Nations Guiding Principles on Business and Human Rights |

## Overview

Having developed its first National Action Plan (NAP) on Business and Human Rights in 2019, followed by its Second NAP in 2023, Thailand has been using this policy document as the primary guidance to define the roles and responsibilities of state and business actors to protect and respect human rights, and ensure that victims can access effective remedy.

Nonetheless, human rights issues are still new and challenging for the business sector in Thailand, especially small and medium-sized enterprises (SMEs), which currently account for almost 99% of all businesses in the country.

In that regard, the United Nations Development Programme (UNDP) and the Rights and Liberties Protection Department of the Ministry of Justice have together developed this Human Rights Due Diligence Handbook (“the Handbook”) to strengthen businesses’ understanding of their linkages with human rights. This Handbook serves to build businesses’ capacity and understanding of human rights due diligence, including the relevant human rights principles, and is targeted for small and medium-sized enterprises.

The Human Rights Due Diligence Handbook (“the Handbook”) comprises an introductory

explanation of business and human rights, the UN Guiding Principles on Business and Human Rights, and implementation guidance, procedures, case studies, and recommendations related to human rights due diligence. It is designed to increase businesses’ understanding of human rights due diligence and strengthen their capacity and readiness to conduct human rights due diligence (HRDD) within their own organizations and supply chains. The contents of this Handbook are aligned with internationally recognized principles, and the Handbook uses common terminologies that are accessible for general readers.

The objective of each chapter is to provide clarity on the various requirements of human rights due diligence, especially on internationally accepted principles and terminologies. Through following clearly outlined steps, businesses can begin to conduct human rights due diligence, whether as a standalone process or as a part of existing internal assessment processes.

“

*Where, after all,  
do universal human rights begin?  
In small places, close to home—so close and so small  
that they cannot be seen on any maps of the world.  
Yet they are the world of the individual person;  
the neighborhood he lives in; the school or college he attends;  
the factory, farm, or office where he works.  
Such are the places where every man, woman,  
and child seeks equal justice, equal opportunity,  
equal dignity without discrimination.  
Unless these rights have meaning there,  
they have little meaning anywhere.  
Without concerted citizen action  
to uphold them close to home,  
we shall look in vain for progress  
in the larger world.*

”

**Eleanor Roosevelt (1958)**

Chairperson of the United Nations Commission on Human Rights  
Oversaw the drafting of the Universal Declaration of Human Rights.

## Chapter

# 1 Introduction Human Rights

## Defining “Human Rights”

“Rights” are the entitlements granted by law to individuals to freely take certain actions, while “liberties” are the freedoms that individuals have to act according to their will without restraint, as long as it does not violate the liberties of others.<sup>1</sup>

When reflecting on the statement, “All human beings are born with rights, liberties, and human dignity”, some companies may wonder what “human rights” are. To that question, they may look to the Universal Declaration of Human Rights (UDHR), which defines “human rights” as human dignity, and the basic rights and liberties that all human beings have from birth. All humans have the right to be treated equally without discrimination based on difference in nationality, religion, sex, color, language, ethnicity, or any other status.

The condition of being “human” and having fundamental rights and liberties is supported by the foundational principle that all these rights are universal, meaning all individuals have equal rights and liberties no matter where they are in the world. These rights are inherent and present from the moment of birth, and cannot be taken away or transferred between individuals as they are inalienable. Furthermore, human rights are supported and protected in various dimensions - such as economic rights, social rights, and cultural rights - and all these rights are equally important and indivisible, with no right being more significant than others. Moreover, these rights are interdependent and interrelated, meaning that the promotion or violation of one right affects other rights as well.<sup>2</sup>

<sup>1</sup> [https://www.senate.go.th/assets/portals/93/fileups/272/files/S%E0%B9%88ub\\_Jun/1interview/IN35\\_jul\\_8\\_1.pdf](https://www.senate.go.th/assets/portals/93/fileups/272/files/S%E0%B9%88ub_Jun/1interview/IN35_jul_8_1.pdf) (Accessed 15 November 2021)

<sup>2</sup> UN OHCHR, <https://www.ohchr.org/en/issues/pages/whatarehumanrights.aspx> and Guide to Human Rights Impact Assessment and Management (HRIAM) [issues\\_doc/human\\_rights/GuidetoHRIAM.pdf](https://www.ohchr.org/en/issues/doc/human_rights/GuidetoHRIAM.pdf) (d306pr3pise04h.cloud front.net)

# Upholding the Universal Declaration of Human Rights in Thailand

“Human rights” encompass all the human rights concepts that have evolved through the various periods and stages of social and economic development, from past to present. The Universal Declaration of Human Rights, as the first written commitment on human rights to be signed by different countries around the world, serves as the foundational document on human rights. It embodies the broad principles of human rights, while also recognizing subsets of human rights for different circumstances. It emphasizes the importance of considering “vulnerable groups”, which are groups of individuals who are considered to be more at risk of being affected by rights violations than other groups, and should be granted special protection. Examples of vulnerable groups include: women, children and youth, low-income individuals, LGBTQI+ people, migrant workers, refugees, persons with disabilities, ethnic groups, or minorities.<sup>3</sup>

Within the international community, human rights have evolved through the creation of covenants on human rights or international treaties. By becoming parties to these treaties, states commit themselves to upholding and implementing the provisions in accordance with the treaty. As they are considered international law, these human rights treaties are legally binding and failure to comply with the stated obligations may result in consequences and penalties on the state.<sup>4</sup>

As a member state of the United Nations, Thailand has become a party to treaties that are important to the promotion of human rights in the country. These include treaties related to political rights, economic rights, social rights, and cultural rights. Additionally, Thailand has adopted other international guidelines and adapted them to the country. The following list outlines the various human rights treaties and covenants that Thailand is party to:<sup>5</sup>

- ▶ **1948**
  - **Universal Declaration of Human Rights (UDHR)**
  - : Sets the foundation for universal human rights and outlines 30 human rights

- ▶ **1966**
  - **International Covenant on Economic, Social, and Cultural Rights (ICESCR)**
  - : Creates conditions to ensure that all individuals have equal access to economic, social, and cultural rights
  - **International Covenant on Civil and Political Rights (ICCPR)**
  - : Recognizes the rights and liberties of all individuals, including rights and liberties to freely participate in political life

- ▶ **1969**
  - **International Convention on the Elimination of All Forms of Racial Discrimination (ICERD)**
  - : Eliminates the distinction, exclusion, restriction, or preference based on difference in nationality, color, descent, national, or ethnic origin

- ▶ **1979**
  - **Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)**
  - : Secures equality between men and women, and non-discrimination on the basis of gender difference

- ▶ **1989**
  - **Convention on the Rights of the Child (CRC)**
  - : Recognizes the liberties and rights of children and specifies that all actions should consider the highest benefit of the child in life, survival, and mental, emotional, and social development, and expression

- ▶ **1998**
  - **ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up**
  - : Recognizes the freedom of association and collective bargaining, and seeks to eliminate all forms of forced labor, child labor, and discrimination in the workplace or occupation

- ▶ **1999**
  - **United Nations Global Compact (UNGC)**
  - : Defines principles for business conduct with regards to human rights, labor, environment, and anti-corruption

- ▶ **2001**
  - **The OECD Guidelines for Multinational Enterprises**
  - : Establishes guidelines for business responsibility in various issues, including: employment, industry-specific issues such as human rights, environment, and reporting and disclosing information

- ▶ **2002**
  - **Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT)**
  - : Defines torture and other cruel, inhuman, or degrading treatment, and sets the objective to prohibit and prevent torture or other acts by which severe pain or suffering, whether physical or mental, is intentionally inflicted on a person

- ▶ **2008**
  - **Convention on the Rights of Persons with Disabilities (CRPD)**
  - : Promotes equal enjoyment of human rights by persons with disabilities, including eliminating obstacles and difficulties in living for persons with disabilities and amending social disadvantage

- ▶ **2011**
  - **UN Guiding Principles on Business and Human Rights (UNGPs)**
  - : Defines guidelines supported by the UN to prevent or mitigate adverse human rights impacts by business, including three key pillars: protect, respect, and remedy<sup>6</sup>

<sup>3</sup> [https://www.un.org/en/fight-racism/vulnerable-groups?gclid=Cj0KCQiA3rKQBhCNARIsACUEW\\_Zb5oS5k\\_\\_czvKnushgKqjouEiHr\\_ytk-m-wjAH0v1aShyntnPFtMaAr-5EALw\\_wcB](https://www.un.org/en/fight-racism/vulnerable-groups?gclid=Cj0KCQiA3rKQBhCNARIsACUEW_Zb5oS5k__czvKnushgKqjouEiHr_ytk-m-wjAH0v1aShyntnPFtMaAr-5EALw_wcB)

<sup>4</sup> <https://www.nhrc.or.th/Human-Rights-Knowledge/International-Human-Rights-Affairs/International-Law-of-human-rights.aspx?lang=th-TH>

<sup>5</sup> Please see Appendix A – Key Human Rights Treaties, Covenants, and Frameworks.

<sup>6</sup> Additional information on the UN Guiding Principles on Business and Human Rights will be provided in Chapter 5.

## Diversity is Unity: The 35 Human Rights<sup>7</sup>

As illustrated above, there is a wide variety of international commitments and guidelines related to protecting human rights. These commitments and guidelines have together resulted in key human rights issues - such as civil rights, economic rights, political rights, children's rights, women's rights, rights of persons with disabilities, and labor rights - that are interconnected and mutually affecting each other. However, the essence of protecting human rights and guaranteeing rights and liberties is **to protect every individual in all parts of society**. In this regard, the International Finance Corporation (IFC) has developed a sustainability framework that consolidates all the human rights outlined in the various human rights treaties, including the Universal Declaration of Human Rights (UDHR), the International Covenant on Economic, Social, and Cultural Rights (ICESCR), and the International Covenant on Civil and Political Rights (ICCPR), into 35 key human rights. They include:

- 1) Right to life
- 2) Right to liberty and security
- 3) Right not to be subjected to slavery, servitude, or forced labor
- 4) Right not to be subjected to torture, cruel, inhuman and/or degrading treatment or punishment
- 5) Right to recognition as a person before the law
- 6) Right to equality before the law, equal protection of the law, non-discrimination
- 7) Right to freedom from war propaganda, and freedom from incitement to racial, religious, or national hatred

- 8) Right to access to effective remedies
- 9) Right to a fair trial
- 10) Right to be free from retroactive criminal law
- 11) Right to privacy
- 12) Right to freedom of movement
- 13) Right to seek asylum from persecution in other countries
- 14) Right to have a nationality

- 15) Right of protection for the child
- 16) Right to marry and form a family
- 17) Right to own property
- 18) Right to freedom of thought, conscience, and religion
- 19) Right to freedom of opinion, information, and expression
- 20) Right to freedom of assembly
- 21) Right to freedom of association

- 22) Right to participate in public life
- 23) Right to social security
- 24) Right to work
- 25) Right to enjoy just and favorable conditions of work
- 26) Right to form and join trade unions and the right to strike
- 27) Right to an adequate standard of living
- 28) Right to health

- 29) Right to education
- 30) Right to take part in cultural life
- 31) Right to self-determination
- 32) Right of detained persons to humane treatment
- 33) Right not to be subjected to imprisonment for inability to fulfill a contract
- 34) Right of aliens to due process when facing expulsion
- 35) Rights of minorities



<sup>7</sup> [https://www.ifc.org/wps/wcm/connect/13fbcd2-b4f9-4d9d-9d3a-19168c33235d/IBHR\\_and\\_IFC\\_Policies%2BPS-DRAFT.pdf?MOD=AJPERES&CVID=jqelf55](https://www.ifc.org/wps/wcm/connect/13fbcd2-b4f9-4d9d-9d3a-19168c33235d/IBHR_and_IFC_Policies%2BPS-DRAFT.pdf?MOD=AJPERES&CVID=jqelf55) (Accessed 15 November 2021)



“  
*...In small places...  
where all seek equal justice,  
equal opportunity...*  
”

## Chapter

# 2 Business and Human Rights

*“...In small places...where all seek equal justice,  
equal opportunity...”*

“Human rights” are rights that belong to each and every one of us. In our society, as we all live and seek equal opportunity and a good quality of life, it is inevitable that one individual’s human rights will be interconnected with other individuals. These interconnections exist at various levels - within families, communities, societies, countries, and internationally. Out of all the different ways our actions affect one another, of particular importance is the role of businesses, which play a critical role in the promotion of environmental conditions, health, and human security.<sup>8</sup>

Business advancements have driven forward innovation and human development throughout human history. This is demonstrated in the development of medical treatments, the production of consumer goods and services, and other technological discoveries designed to improve the quality of life, all of which have also contributed to job creation and employment. However, at the same time, it cannot be denied that businesses are also associated with intensive resource use - both natural resource and labor - which together contribute to complex economic, social, and environmental impacts and, ultimately, the human quality of life. In particular, these impacts may result in the abuse of the human rights of individuals or groups of individuals. For example, when businesses prioritize profits and cut production costs through paying wages below the legal minimum wage, they are violating the right to just and favorable working conditions (fair wages).

Human rights issues in business activities - such as manufacturing, service, or other related activities - are all critical issues that this Handbook seeks to highlight for small and medium-sized enterprises (SMEs). SMEs should be aware of the importance of human rights and take tangible steps to foster a culture of respect for human rights

<sup>8</sup> UNDP HRDD Training Facilitation Guide, p.14

within their organization. This should not be limited to mere compliance with laws and regulations.<sup>9</sup>

Rather, respect for human rights is a responsibility that businesses have towards society to manage risks and create business growth opportunities that respect human dignity. In this way, businesses can support business sustainability in the long-term.

## Human Rights Abuses in the Business Sector: Concerns Under Scrutiny

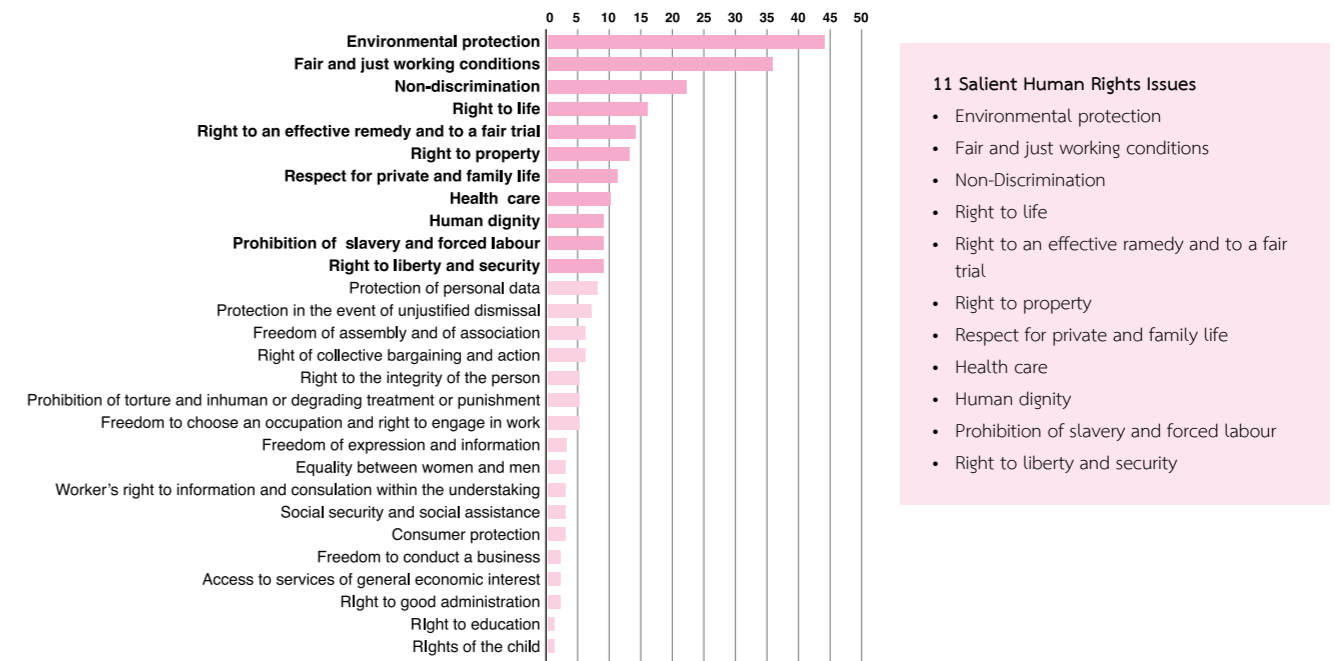
In an age where information is accessible to anyone with communications technology, consumers can easily look up information on a certain business, or the origins of a product or service. Consumers can find specific information on a company's business activities, from where raw materials were sourced to how goods and services are being produced.

It can be observed that consumers and individuals whose human rights have been violated have continuously expressed concerns and raised complaints against businesses for issues that may have created negative impacts. For instance, this could be a lawsuit against a food manufacturer for use of hazardous chemicals in food processing that caused illness for consumers, or complaints against a company for chemical leakages that caused damage to surrounding communities' property, or resulted in injuries or fatalities.

These cases and allegations that have been raised have contributed to increased public awareness over the past several years. Furthermore, it has also led to increased expectations and pressures on businesses to change their practices to ensure respect for human rights throughout their supply chains to advance social responsibility within countries and throughout the globe.

## Recorded Human Rights Abuse Incidents Committed by Businesses

In 2019, the European Union Agency for Fundamental Rights (FRA)<sup>10</sup> conducted an analysis of human rights abuse incidents linked with businesses that supply goods and services to the European Union. The scope of the analysis covered production activities throughout the supply chain, including those located in the Union as well as beyond, and reached over 30 countries. The study revealed a persistent occurrence of human rights abuse incidents across all industries, including but not limited to extractives (natural resources), agriculture, food, beverage, tobacco, apparel and textile, construction and building materials, shipping and handling, finance, energy, and consumer products and retail.



Source: UNDP HRDD Training Facilitation Guide, p.14

Figure 1: Salient human rights issues in the business sector

The results of the FRA study, alongside the pre-existing research cited in the FRA study, highlighted real instances of human rights abuses that were of concern to the global market. Incidents include but are not limited to violations of environmental rights, the right to fair working conditions and wages, freedom from forced labor, right to life, right to property, right to effective remedy, and right to seek justice.

The human rights issues mentioned above suggest that the European Union recognizes the current situation, and this may lead to the development of measures to prevent such human rights violations from occurring in the future. For example, requirements may be imposed on businesses that seek to import or export products and services in or out of the European Union. Business operators may be asked to demonstrate that they have taken action to ensure that the business activities across their supply chain are free of human rights abuses.

## Human Rights Abuse Incidents in Thai Businesses

Around the same time the FRA published its findings, human rights abuses were also being documented in Thailand. A review of data recorded at the time confirms the reality of human rights abuse incidents within business supply chains in Thailand. Indeed, statistical data highlight significant levels of human rights abuse incidents. Based on the number of lawsuits that proceeded to judicial remediation processes in courts across the country, alongside reports by relevant agencies that are publicly disclosed, the situation in Thailand in 2019 is described as follows:<sup>11</sup>

<sup>9</sup> UNDP HRDD Training Facilitation Guide, p.14

<sup>10</sup> [https://fra.europa.eu/sites/default/files/fra\\_uploads/fra-2019-business-and-human-rights-focus\\_en.pdf](https://fra.europa.eu/sites/default/files/fra_uploads/fra-2019-business-and-human-rights-focus_en.pdf) (Accessed 15 November 2021)

<sup>11</sup> Legal case records in Thailand, 2019 <https://oppb.coj.go.th/th/file/get/file/20200617c3e51e6e56c1646370cb0279e3650c67054338.pdf> (Accessed 15 November 2021)

- A total of 12,919 labor-related legal cases that have proceeded through the Labour Court, covering issues including: compensation, illegal and delayed payment of wages, unfair termination of contract, and inadequate working conditions. All of these cases are related to human rights violations. For example, unfair termination of contract counts as violating the right to just and favorable conditions of work.
- A total of 1,018,621 consumer rights-related allegations that have been raised to the Courts of First Instance across the Kingdom and linked to businesses from various industries, including: finance, manufacturing, and product and service sales. The implicated businesses had abused consumer rights and were linked to allegations related to private mortgage, credit cards, loans, and leases, all of which count as violations of the right to property.
- A total of 501 environmental rights-related allegations that have been raised to the Courts of First Instance. Allegations were related to depletion of natural resources and costs to life, physical health, assets, and other rights that resulted due to environmental damage. For example, damage made to a community's natural resources - such as forests or water - count as a violation of the right to self-determination, and may also be linked to the rights of minorities or indigenous peoples.
- A total of 288 potential trafficking cases that were under investigation, with 306 suspected traffickers prosecuted and 304 traffickers convicted.<sup>12</sup> Human trafficking is a violation of human rights, most significantly the right not to be subjected to slavery or forced labor, which may result from illegal recruitment practices.
- The National Statistics Office reports that there are about 170,000 children aged between 15 - 17 years who are working. More than half are child workers in agriculture, retail, wholesale, vehicle maintenance, manufacturing, construction, and hospitality businesses.<sup>13</sup> Employing workers in this age range may result in violations of children's rights.

The statistics from 2019 reported above represent only a part of the actual situation in Thailand, and similar incidents continue to occur to the present. Thus, business operators should recognize their role and legal duty to respect human rights, prevent human rights violations throughout their upstream and downstream business activities, and remediate affected rightsholders in a fair and accessible way. In doing this, businesses also protect themselves from litigation risks.

## The State of Thai SMEs

Referring to statistics of human rights abuse incidents to determine which business activity is associated with human rights violation and which business operator should be responsible may be difficult and complex. However, all businesses - regardless of type, industry, location, or size - do have a responsibility to comply with the law. Furthermore, no business is free of human rights risks.<sup>14</sup>

<sup>12</sup> <https://www.ryt9.com/s/cabt/3192647> (Accessed 15 November 2021)

<sup>13</sup> <https://www.ryt9.com/s/cabt/3192647> (Accessed 15 November 2021)

<sup>14</sup> UNDP HRDD Training Facilitation Guide

The Office of Small and Medium Enterprise Promotion (OSMEP) conducted a landscape review of SMEs in Thailand and identified 3,105,096 SMEs<sup>15</sup>, accounting for almost 99.53 percent of all business entities in the country. SMEs are operating as juristic persons, ordinary persons, community enterprises, and a range of other types. Together, they contribute to almost 70 percent of employment in the country and are forecasted to expand in the future. The type of business activity conducted by SMEs are quite diverse, including: wholesale, retail, manufacturing, general services, hospitality and food services, real estate, construction, education, professional services, science, academia, logistics and storage, agriculture, forestry, fishery, arts, entertainment and recreation, finance and insurance, water procurement, wastewater and waste management, and mining.

Thus, SME operators have a crucial role to play in the management of human rights risks in Thai businesses. They are an important player in the economy and in society as users of resources, especially workers, in producing goods and services. At the same time, SMEs may also violate the human rights of individuals in their supply chains, such as consumers or surrounding communities. Examples of human rights abuses that may be linked to SMEs are presented below.

- A pet food producer that has established a factory with a large-scale grinding machine within the community may contribute to health issues for surrounding communities. For example, if the grinding machine does not have proper containment mechanisms, it may create dust that affects the respiratory health of surrounding communities.
- A logistics service provider who delivers products without inspecting vehicle conditions may cause road accidents, which would affect human rights related to health and right to life of the employed driver and communities living by the delivery routes.

At the same time, many SMEs may face limitations in terms of financial capital and resources to conduct their business activities. This may lead to business decisions that are related to the violation of human rights. For example, textile factory owners who have to compete with other manufacturers on product prices may decide to reduce production costs in order to sell their products at lower prices. This can involve reducing employee wages and increasing working hours to produce goods in larger quantities, which violates the rights of the workers. These violations include the right to just and favorable conditions of work, the right to marry and establish a family, or the right to participate in public affairs.

In addition, some SMEs serve as suppliers to large businesses, such as companies listed in the stock market. These companies may have awareness and commitment to respecting human rights, along with a commitment to expanding the scope of their responsibility to respect human rights to their own suppliers. For this reason, SMEs that act as suppliers to these companies may need to adapt and prioritize their responsibility to respect human rights in order to maintain their business relationships. SMEs can advance their labor rights standards and conduct risk assessments for human rights violations in the procurement of raw materials that are linked to the large companies they conduct business with.

<sup>15</sup> Situational Report on Small and Medium-Sized Enterprises 2020

[https://www.sme.go.th/upload/mod\\_download/download-20200825165227.pdf](https://www.sme.go.th/upload/mod_download/download-20200825165227.pdf) (Accessed 15 November 2021)

## Respecting Human Rights: A Positive Pressure for SMEs

Although human rights issues and the corporate responsibility to respect may create pressure and increase stakeholder expectations for business operators, it should be noted that respecting human rights will create benefits for businesses in the long-term. For example, it reduces risks related to non-compliance, including the associated costs and time lost in litigation and remediation. Respecting human rights can also mitigate risks of reputational damage. For instance, a food manufacturer was sued for unhygienic manufacturing processes that use dangerous chemicals in producing. Due to this, the factory had to cease its operations and recall all products with its brand. This is a loss of business opportunity. If business operators pay respect to human rights, such as through ensuring that their operations are complying with minimum legal standards, conducting occupational health and safety inspections, and providing a good working environment for employees, it will benefit all stakeholders. This includes ensuring the safety and well-being of consumers and employees, thereby respecting various rights such as freedom and safety, the right to decent working conditions, and the right to health.

In addition to the aforementioned benefits, SME owners may find that respect for human rights can generate positive outcomes for the business, as will be described in **Chapter 6**.

“

*Since the Universal Declaration of Human Rights (UDHR) was signed in 1948, the protection of human rights has continuously evolved and developed into a universally recognized norm.*

”

## Chapter

# 3 The UN Guiding Principles on Business and Human Rights

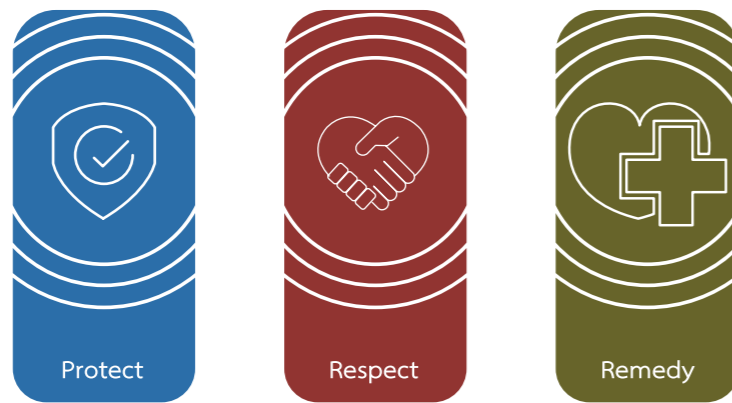
– Putting the master plan on human rights into practice –

Since the Universal Declaration of Human Rights (UDHR) was signed in 1948, the protection of human rights has continuously evolved and developed into a universally recognized norm. This progress has been facilitated by various factors, including firstly the establishment of international organizations and development organizations working on human rights. Secondly, the drafting of specific international treaties for particular issues, such as the rights of persons with disabilities, children’s rights, and labor rights, played a significant role. Finally, international conferences and meetings saw these treaties signed and ratified by states, thus ensuring legally binding obligations for states in implementing the treaty into national laws and regulations.

At the same time, this development has also driven businesses to take responsibility for the impacts they may create on “humans” through their business activities, whether that takes place through relationships with their employees, workers, customers, consumers, or surrounding communities. These responsibilities are essentially human rights responsibilities.

When a business learns that a human rights violation has occurred linked to its business activity, that business may wonder how they can manage the risk or human rights violation, and demonstrate responsibility towards society. With this in mind, the United Nations, together with business representatives, have collaborated with other international and civil society organizations to develop a resource to govern and promote businesses in managing risks and impacts on human rights. This was the origin of the “UN Guiding Principles on Human Rights”, or UNGPs, which was endorsed by the UN Human Rights Council in 2011.

The UNGPs have received widespread recognition as the international framework to set rules and regulations and tools in managing adverse impacts on human rights created by businesses. It includes 31 principles with additional commentaries on roles, responsibilities, and the approach that business and state should take to follow these principles. The principles are framed under three pillars, including Protect, Respect, and Remedy, as demonstrated in **Figure 2**.



**Figure 2: The 3 Pillars of the UNGPs**



### **Pillar 1 – Protect**

States have a duty to protect and prevent human rights abuse by business enterprises through establishing policies, enacting laws, and announcing requirements and measures that businesses must comply with.



### **Pillar 2 – Respect**

Businesses have a responsibility to operate with respect for human rights. This responsibility applies to all businesses regardless of their type or size. In practice, there are three actions that businesses should do to respect human rights:

- 1) Embed their responsibility to respect human rights by establishing a policy commitment,
- 2) Conduct human rights due diligence (HRDD), and
- 3) Remediate adverse impacts on human rights.



### **Pillar 3 – Remedy**

States and businesses have a shared role to ensure that human rights impacts or abuses resulting from business activities are addressed, and that victims are able to access effective rehabilitation, compensation, and remediation. This may be facilitated through judicial mechanisms, or court proceedings, as well as other non-judicial mechanisms, such as the complaint channels of the National Human Rights Commission, channels to access financial compensation for victims, or restorative justice mechanisms facilitated by relevant national agencies, such as mediation centers.

The UNGPs are not considered new regulations or laws in themselves. Rather, they are measures that will foster a multisectoral dialogue between state, private sector, civil society, and academic actors to drive the development and convergence of policies that lead to the effective assessment and management of human rights risks. To that end, states of different countries that are committed to put the UNGPs into practice will prepare “National Action Plans on Business and Human Rights” (NAPs) as a policy framework at the national level to regulate business conduct, reduce human rights impacts resulting from business activities, and mitigate and remediate the damages that have occurred.

## **The UNGPs and Progress in Thailand**

The Thai government has recognized the role of businesses in human rights impacts and abuses, and has demonstrated its intention to systematically address this issue by aligning domestic policies, rules, regulations, and other measures with international treaties and the UN Guiding Principles on Business and Human Rights (UNGPs) and its three pillars, including the state’s duty to protect its citizens, the responsibility of businesses to operate with respect for human rights, and the shared role of the state and businesses to remediate victims.

In this regard, the Thai government tasked the Rights and Liberties Protection, Ministry of Justice, to prepare the National Action Plan (NAP) on Business and Human Rights. The NAP was developed through a consultative process with stakeholders from various sectors.<sup>16</sup> The First NAP on Business and Human Rights was launched in 2019, followed by the Second NAP in 2023. The NAP serves as a foundational framework to guide all relevant parties in the implementation of measures to prevent, mitigate, and remediate human rights impacts or abuses resulting from business activities.

The NAP consists of four important parts:

- 1) Integrating the key contents of the UNGPs;
- 2) Development of key priority areas that are linked to other national policies and the **Sustainable Development Goals (SDGs)**;
- 3) Detailed description of the action plan, including: activity, responsible agencies, timeline, and indicators; and
- 4) Promotion of implementation of the NAP and mechanisms for monitoring, follow-up, and evaluation.

Thailand is committed to managing four key priority areas, as outlined in the NAP, including:

- 1) Labor;
- 2) Community, land, natural resources, and the environment;
- 3) Human rights defenders; and
- 4) Cross border investment and multinational enterprises.

<sup>16</sup> [https://www.th.undp.org/content/thailand/en/home/library/democratic\\_governance/thailand-s-1st-national-action-plan-on-business-and-human-rights.html](https://www.th.undp.org/content/thailand/en/home/library/democratic_governance/thailand-s-1st-national-action-plan-on-business-and-human-rights.html)

Thus, in Thailand, the NAP has been a key driving force for businesses to respect human rights. The NAP clearly defines the responsibility of businesses to conduct human rights due diligence, as stated in **Pillar 2: Respect of the UNGPs**.

Although the HRDD is not legally mandatory, current trends suggest a movement towards mandatory human rights due diligence (mHRDD) for businesses in several countries. Beyond being a voluntary measure, HRDD would become an expected standard of conduct for businesses. In this context, businesses would be expected to create shared value for society at the local, national, and global levels. Businesses will be required to ensure that the production and delivery of their goods and services are not linked to human rights abuses.<sup>17</sup>

Thus, it can be said that the time is ripe for business operators to develop their understanding of HRDD, build their organizational readiness, and begin their journey to integrate respect for human rights in their business activities. Doing so will help business enterprises make certain that they are ready to manage their human rights risks and impacts, and can promote sustainable practices in their supply chains and ensure they are free of human rights abuse. Further, taking action to align their practices with the UNGPs will help businesses access new market opportunities, especially those in geographies with mandatory human rights due diligence legislation, such as the European Union.

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<sup>17</sup> UNDP HRDD Training Facilitation Guide

“  
*This Handbook will present and break down how SMEs can plan and initiate human rights due diligence.*  
”

## Chapter

# 4 Getting Ready to Conduct Human Rights Due Diligence

– The basics that SMEs should know before starting HRDD –

This Handbook will present and break down how SMEs can plan and initiate human rights due diligence. Human rights due diligence is the second recommended action under Pillar 2: Responsibility to Respect of the UNGPs, and makes one of the three recommended actions that businesses should take to demonstrate respect for human rights (See **Figure 3**). The three recommended actions include:

**Action 1: Establish a human rights policy commitment/statement.**

Businesses should demonstrate their commitment to respect human rights through developing and announcing the commitment as a standalone policy, or integrate it as part of the code of business conduct. Targets should also be defined through engagement with all employees, from management to operational staff.

**Action 2: Conduct human rights due diligence (HRDD).**

HRDD is a process that involves assessing risks and potential impacts associated with a company's business activities. The scope of HRDD is comprehensive and covers all aspects of a company's supply chain and business relationships. The HRDD process also includes steps to prevent, mitigate, and address the impacts that may have occurred. HRDD should be conducted for all business activities and on an ongoing basis.<sup>18</sup>

**Action 3: Remediate adverse impacts on human rights that have already occurred.**

Businesses have a responsibility to remediate victims of human rights abuses and restore them to their original state before the abuse occurred. Furthermore, businesses should also support victims in accessing remediation processes. This can be achieved through various means, such as establishing grievance mechanisms specifically designed for human rights complaints within the company, implementing transparent procedures for managing grievances, providing financial compensation for victims of corporate human rights abuses, or supporting victims in accessing state-based remedy mechanisms, such as courts of justice.

<sup>18</sup> <https://www.nhrc.or.th/getattachment/businessandhumanrights/Data/BHR-for-Business.pdf.aspx>



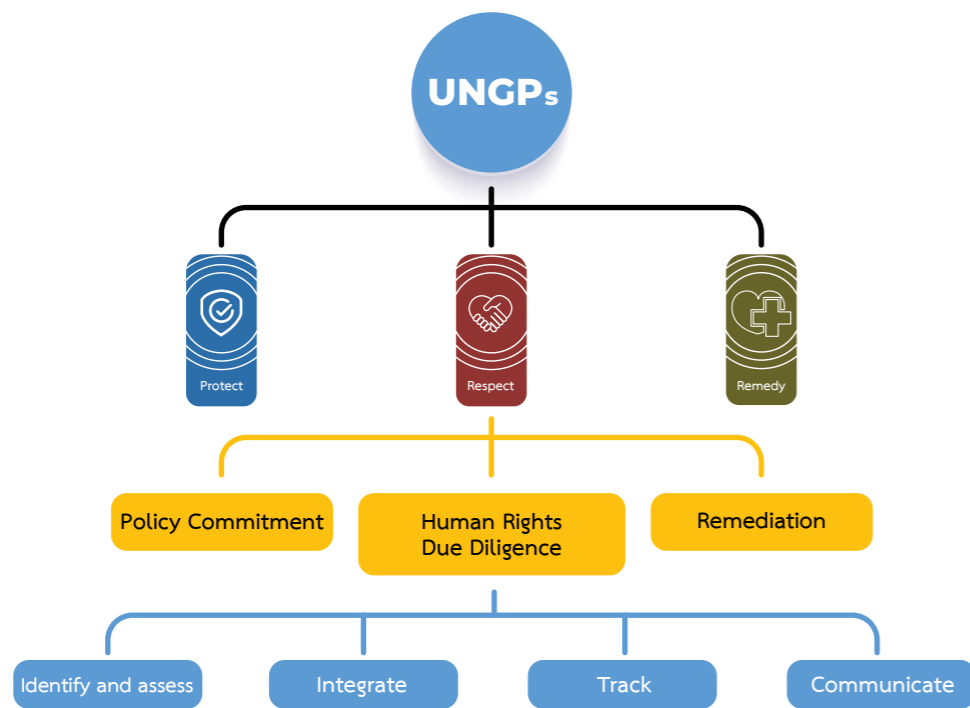


Figure 3: The four steps of human rights due diligence, as outlined in the UNGPs

The remaining part of this chapter will outline the steps of human rights due diligence (HRDD). SME readers will gain an understanding of what is meant by “knowing and showing respect for human rights”, and the actions they can take. However, to ensure they have a strong foundational understanding, SMEs should first familiarize themselves with the following key topics:

- 1) What is human rights due diligence, and what steps does it include?
- 2) What is a supply chain?
- 3) What are the different types and characteristics of human rights abuses that businesses may be associated with, and how do they occur?
- 4) Who are the individuals or groups affected by corporate human rights abuses?
- 5) What are the common human rights abuses associated with businesses?

## 1. What is human rights due diligence, and what steps does it include?

Human rights due diligence includes the following four steps:<sup>19</sup>

### Step 1: Identify and assess

Business enterprises should identify the human rights risks associated with the business activities in their supply chains, and assess the level of risk and impact on human rights that have occurred or may occur in the future.

### Step 2: Integrate

Business enterprises should integrate the findings of the human rights risk and impact assessment conducted in Step 1 across internal processes. This can be done through establishing policies, setting up management systems, and defining measures to manage, mitigate, remediate, and reduce human rights risks and impacts.

### Step 3: Track

Business enterprises should track the effectiveness of efforts taken to respect human rights, and monitor and review the effectiveness of actions taken in response to the findings of the human rights risk and impact assessment.

### Step 4: Communicate

Business enterprises should communicate the actions they have taken to manage their human rights risks and impacts to internal and external stakeholders.

## 2. What is a supply chain?

A supply chain includes all the processes involved in the production of a product or service, from sourcing raw materials, managing manufacturing processes, storing finished goods, to coordinating the logistics required to deliver the product or service to the consumer and meet customer demand.

It should also be noted that supply chain processes encompass a range of activities, such as resource extraction to produce key raw materials, human resource management, communication or dissemination of information related to products and services, and other components necessary for producing the finished product or service<sup>20</sup>

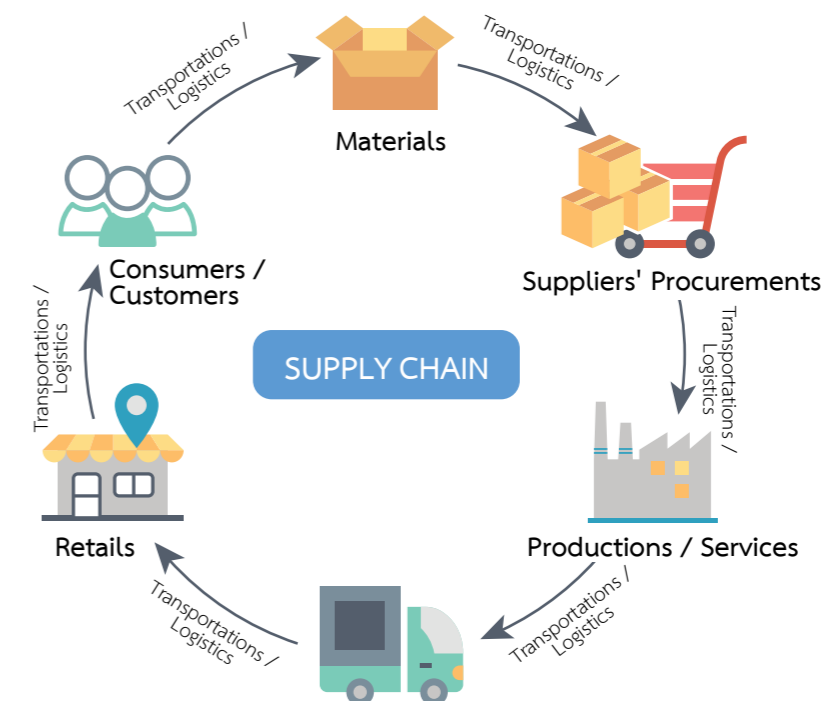


Figure 4: An example of a supply chain

<sup>19</sup> UN Guiding Principles on Business and Human Rights, Principles 18 - 21 <http://library.nhrc.or.th/ulib/document/ebook/E08289/ebook.html#p>

<sup>20</sup> <https://corporatefinanceinstitute.com/resources/knowledge/strategy/supply-chain/>

### 3. What are the different types and characteristics of human rights abuses that businesses may be associated with, and how do they occur? <sup>21</sup>

The supply chain depicted above demonstrates that businesses tend to be associated with other businesses in order to conduct their activities. For instance, a business may source raw materials from another location and use them to manufacture products in its factory, and subsequently deliver the finished products to end users (customers/consumers). Throughout its activities, businesses are exposed to the risk of violating the rights of various stakeholders involved.

For example, consider Company A, a company engaged in milk packaging and distribution:

- Company A lacks a quality control system to ensure that its milk packaging processes meet international standards. Consequently, the finished milk products delivered to customers are not subjected to adequate quality control measures, thus increasing the potential risk of contamination during distribution. Such contamination would have impacts on the health of consumers.
- In Factory C, the facility responsible for manufacturing and supplying cow's milk to Company A, workers are forced to work excessive hours that exceed the legal limit. Furthermore, they are not compensated for overtime work and are not granted the right to engage in collective bargaining. As a result, Company A is able to purchase cow's milk from Factory C at a lower price than the market price.

The example detailed above highlights that businesses not only have the potential to directly cause human rights abuse, but can also be involved in or complicit in human rights abuse. In that regard, there are three distinct forms of corporate complicity in human rights abuse: 1) direct complicity, 2) beneficial complicity, and 3) silent complicity.<sup>22</sup>

#### • Direct Complicity

Businesses may have direct complicity in human rights abuse if as part of their business activities, they engage with an intermediary or third party that is involved in human rights abuse. To engage entails promoting, assisting, supporting, financing, or providing products or services knowing that they will be used to commit human rights abuse against individuals or groups.

#### Case Study

A garment factory has disposed wastewater to a community's water source. This resulted in impacts on the community, and the community together decided to gather and call on the factory to stop discharging its wastewater. Eventually, the factory decided to provide funds and equipment to a group of individuals (third party) to dissolve the community gathering. This action violated the community's rights, such as the right to life and the right to health.

#### **Observation:**

In addition to directly violating the community's right to natural resources, the factory was also involved and directly complicit in the violation of the community's right to gather and protest.

#### • Beneficial Complicity

Businesses may have beneficial complicity in human rights abuse if their business partners, subcontractors, customers, or other entities in their supply chain commit human rights abuse that results in benefits or advantages to the business.

#### Case Study

A garment factory needs to procure raw materials - specifically, cotton - to produce garments for its customers. The procurement department was able to locate a supplier that could supply the cotton at a lower cost than other suppliers. However, it later surfaced that in their cotton farms, the cotton supplier paid its workers below the legal minimum wage and also used child workers aged 10-12 years old. These factors, which violate labor law as well as children's rights, were what enabled the supplier to sell the cotton at a lower cost than other suppliers.

#### **Observation:**

The garment factory benefited from the ability to procure raw materials at a lower price through sourcing from a supplier that violated labor rights, paid unfair wages, and used child labor. Thus, the factory has beneficial complicity in human rights violations.

<sup>21</sup> UN Guiding Principles on Business and Human Rights, Principle 17

<sup>22</sup> <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-2>

- **Silent Complicity**

Businesses may have silent complicity if they continue to operate in abnormal circumstances, such as during times of war or political conflicts where severe human rights abuses are being committed by the state, without taking any action in the face of continuous human rights abuse. Silent complicity tends to occur with multinational corporations operating in countries with high political instability, ongoing conflicts, and non-democratic regimes. Although silent complicity cases are complex, it cannot be denied that businesses have a connection to the ongoing human rights abuse.

**Case Study**

A multinational company from Country A operates in Country B, where a coup d'état has occurred. Following the coup, civilians expressing dissent were reportedly abducted and murdered. Employees of the company were some of the civilians who have become victims during this coup. However, the company has remained silent and continues to operate without taking any action in the face of continuous human rights abuse, even to its own employees.

**Observation:**

The multinational company from Country A is considered to have silent complicity, as it chose to remain silent and not take any action. For example, the company could have closed down its operations in Country B, or ceased all business activities in Country B.

#### 4. Who are the individuals or groups affected by corporate human rights abuses?

Human rights due diligence is “people”- centered, meaning it is focused on the risks and impacts that affect people. Thus, it is imperative that the process engages relevant stakeholders and affected persons. Businesses are responsible for the human rights abuses that occur as a result of their activities, or that are indirectly linked to their activities through business relationships with business partners, subcontractors, customers, or other entities in their supply chains.

As a “people”- centered process, human rights due diligence should involve and engage the following groups of people, some of which may be those whose rights have been abused by the business.<sup>23</sup>

- 1) **Stakeholders** are the individuals who have a role or are associated with operating the business. Without this group, the business may encounter obstacles or disruption.
- 2) **Rights Holders** or “**Affected Persons**” refers to the owners of rights whose rights may be violated from business activity.

In this context, “stakeholders” have a broader scope than “rightsholders”. For example, stakeholders may include all employees ranging from operational staff to senior management, while rights holders may refer specifically to pregnant female employees at the operational level.

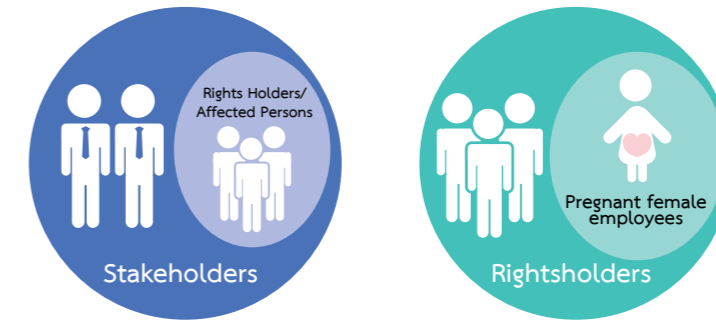


Figure 5: Example of stakeholders and rightsholders

In human rights due diligence, the “people” focus refers to the centering of individuals who tend to experience human rights abuse from business activities and should be protected and remediated. These may include:<sup>24</sup>

- Workers or employees;
- Workers employed by business partners/ joint ventures in the supply chain;
- Consumers;
- Shareholders and investors;
- Service contractors;
- Communities located near business operations, such as a factory plant;
- Civil society actors, such as networks or international development organizations;
- Logistics service providers; and
- Vulnerable groups<sup>25</sup> including women, children, persons with disabilities, the elderly, migrant workers, low income people, LGBTQI+ persons, refugees, and ethnic groups.

<sup>24</sup> UNDP HRDD Training Facilitation Guide p.47

<sup>25</sup> Vulnerable groups are groups of individuals that are at risk of experiencing abuse or neglect, or those that are more likely than others to be affected due to their marginalized status and experienced barriers in protecting and advocating for their rights. – Economic Social and Cultural Rights: Handbook for National Human Rights Institution (<https://www.ohchr.org/Documents/Publications/training12en.pdf>) (Accessed 15 November 2021)

<sup>23</sup> UNDP HRDD Training Facilitation Guide p.47

## 5. What are the common human rights abuses associated with businesses?

Businesses have a critical role to play in ensuring respect for human rights in accordance with international principles, as they often are linked to human rights abuse, both directly through their activities and indirectly through their supply chains. UNDP has identified the common human rights issues that are associated with businesses.<sup>26</sup> They include:

- Unfair wages;
- Excessive working hours;
- Workplace discrimination on the basis of gender, nationality, color, status, religion, class, and disability status;
- Forced labor and bonded labor (debt bondage);
- Youth and child labor;
- Indigenous peoples' rights;
- The rights of persons with disabilities;
- Health and safety violations;
- Pollution and toxic or hazardous chemicals;
- Land use and property rights;
- Collective bargaining;
- Privacy rights abuses, such as privacy violations;
- Sexual harassment;
- Product testing concerns, such as drug testing without taking precaution on ethical concerns related to right to life and right to health;
- Intellectual property;
- Human rights abuses resulting from product advertising, and advertising that results in misunderstanding or deception of consumers; and
- Use of unlawful or harmful products.

<sup>26</sup> UNDP HRDD Training Facilitation Guidep p.14

“

*Human rights due diligence (HRDD) is a process that involves assessing risks and potential impacts associated with business activities.*

*The scope of HRDD extends to all parts within the supply chain and business relationships and aims to prevent, mitigate, and remediate impacts that have occurred.*

*HRDD should be integrated in all business activities and be conducted on an ongoing basis.*

”

## Chapter

# 5 Human Rights Due Diligence (HRDD)

### – Human Rights Due Diligence: HRDD –

Human rights due diligence (HRDD) is a process that involves assessing risks and potential impacts associated with business activities. The scope of HRDD extends to all parts within the supply chain and business relationships and aims to prevent, mitigate, and remediate impacts that have occurred. HRDD should be integrated in all business activities and be conducted on an ongoing basis.

Human rights due diligence must be informed by engagement with relevant stakeholders associated with business activities. This includes internal stakeholders such as employees from human resource, procurement, environmental management, and other functions, and external stakeholders such as business partners, customers, surrounding communities, or other stakeholders whose rights may be affected by the company's business activities. Furthermore, businesses may also engage with human rights experts.

Another key principle of human rights due diligence is that it should be conducted on an ongoing basis. As operational contexts and social factors are constantly changing, a one-off exercise would not be adequate to prevent and address all issues.<sup>27</sup> Thus, businesses must be continuously engaged in efforts to prevent, protect, and monitor human rights abuses, especially during abnormal circumstances. For example, during an outbreak of a new disease, the ensuing economic downturn could lead to significant impacts on employment and contribute to heightened risks to workers. Workers may have their contracts terminated without being informed in advance or receiving proper compensation, and migrant workers may face barriers in accessing vaccines compared to Thai workers. The latter case would count as discrimination on the basis of nationality.

Consequently, businesses should conduct human rights due diligence throughout its business activities and supply chains on an ongoing basis. The frequency and timeframe

<sup>27</sup> UNDP HRDD Training Facilitation Guide p.32

of human rights due diligence can be determined according to the operating context and business needs. For instance, some businesses may opt for annual HRDD, while others may find a three-year cycle more appropriate. The ultimate objective is to monitor and evaluate business activities and supply chains to ensure that there are no human rights abuses being committed, while taking measures to mitigate risks and address any human rights impacts that may have occurred.

Human rights due diligence yields benefits not only for the promotion of human rights within countries and across the globe, but also for businesses themselves. Organizations of all sizes, including small, medium, and large enterprises, have found that advancing human rights in their organizations brings positive outcomes to their internal management systems, such as improved risk management, legal compliance, and reputation management. Furthermore, taking action on human rights helps foster employee trust and ensure that there are no adverse impacts on external stakeholders, both of which are critical ingredients for business success.

It should be noted, however, that human rights due diligence may look different for each business depending on the factors and operational contexts they face. The characteristics of a business, such as its size, financial resource, and environmental conditions, will affect how it approaches HRDD. For SMEs, there may be particular challenges in conducting human rights due diligence or putting in place measures to ensure respect for human rights. For instance, due to their small size and limited human resource, SMEs may not find it feasible to appoint dedicated personnel responsible for human rights. In the following section, which will outline the steps of the HRDD process in accordance with the UNGPs, SME readers should carefully consider their business's specific context and capabilities, and explore how these principles might be adapted to suit their needs.

## The four steps of human rights due diligence include:



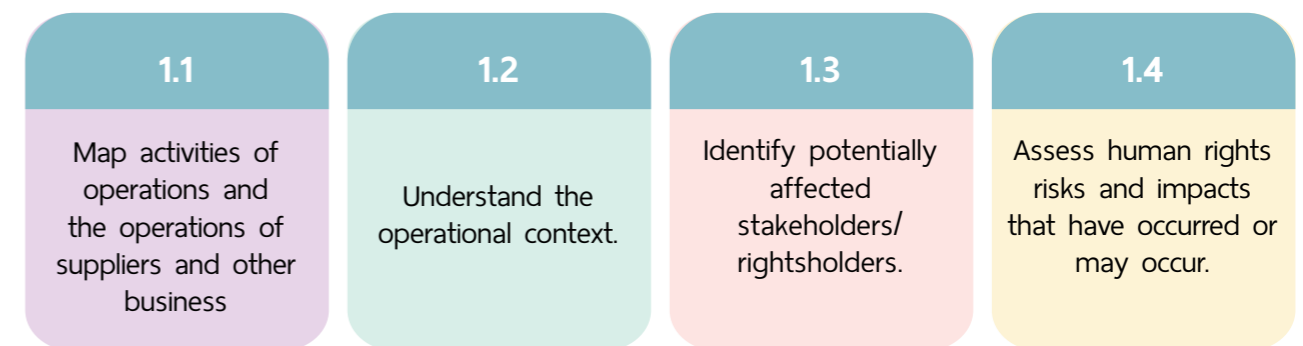
Figure 6: Steps of human rights due diligence

## Step 1: Identify and assess

To begin the process of human rights due diligence, businesses must first conduct a self-examination and explore the potential human rights linkages to its business. To elaborate, this means that SMEs should be able to define the scope of their business activities and relationships throughout their supply chains, understand their operational contexts, and identify the specific human rights issues and types of impacts that they may directly cause through their activities, or indirectly contribute to through their relationships.

This self-examination will help SMEs become aware of the human rights risks and issues associated with their businesses and the potential and actual impacts on stakeholders and rightsholders.

This step consists of four main parts:



### Step 1.1: Map activities of operations and operations of suppliers and other business relationships.

Map activities of operations and operations of suppliers and other business relationships.

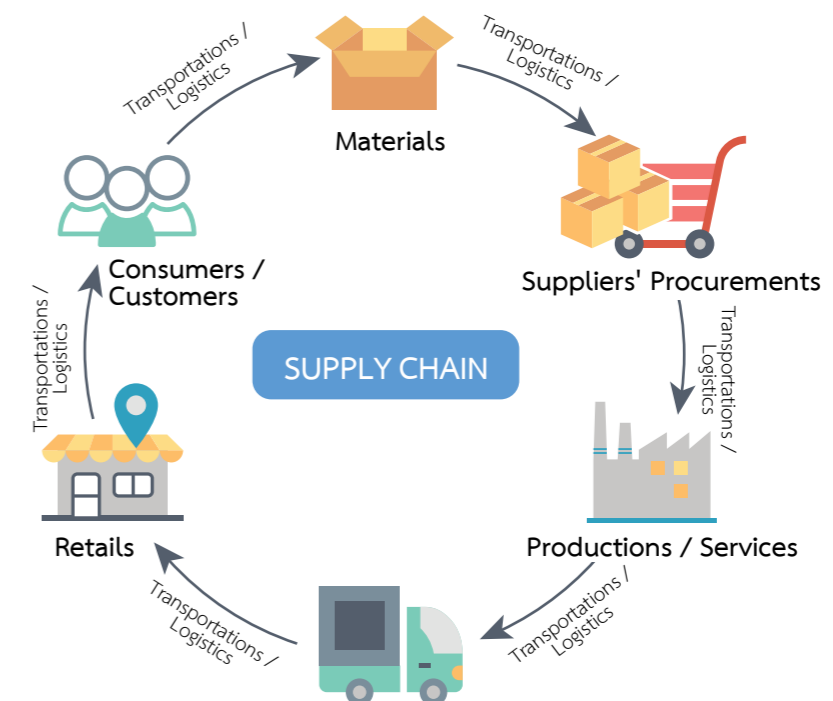


Figure 7: Example of a generic supply chain

**Under Step 1.1, SMEs should:**

1. Identify all relevant business activities and relationships; and
2. Identify the supporting activities that are associated with each business activity.

SMEs should map out their supply chains and identify all relevant business activities and relationships.<sup>28</sup> The supply chain generally begins with the sourcing of raw materials, or upstream activities, and extends all through to the delivery of finished products and services to the end-users, or downstream activities. The supply chain mapping should also include supporting activities that are associated with each business activity, including but not limited to human resource management, procurement, and distribution and logistics, as demonstrated in **Figure 7**.

From this point onwards, this Handbook will illustrate the steps of human rights due diligence in practice through a case study of a restaurant business.

**Case Study 1: Restaurant Business**

The business owner has completed a supply chain mapping to identify the core business activities. The resulting supply chain map is comprehensive, covering activities from raw material sourcing and food processing to product and service delivery to consumers. It also includes business relationships and supporting activities. **Figure 8** demonstrates the supply chain map of this restaurant business.



Figure 8: Example of a restaurant business's supply chain map

The supply chain map (Figure 8) enables SMEs to explicitly identify their business relationships and determine which businesses they are associated with throughout the supply chain. Starting from the upstream portion of its supply chain, it can be seen that the restaurant business maintains relationships with agriculture, food processing, wholesale/retail, and logistics businesses.

All of these businesses are involved in the sourcing of raw materials the restaurant business needs to produce food. Thus, these businesses and their associated activities, such as distribution and logistics, are considered the upstream business activities of the restaurant business. (See **Figure 9** and **Table 1**).



Figure 9 : Business relationships of a restaurant business

Table 1: Associated businesses and their relationship with the restaurant business

| Associated Businesses  | Relationship with Restaurant Business   |
|--|---|
| 1. Agriculture and production of raw materials needed for food preparation | Source of raw materials, such as vegetables and fruits, and a Tier 3 supplier for the restaurant  |
| 2. Food processing (processing plants)                                     | Source of processed raw materials, such as processed vegetables and fruits, and a Tier 2 supplier for the restaurant                                    |
| 3. Retail/wholesale  | Supplier for raw materials, products, and equipment needed by the restaurant, such as pans and pots, and a direct or Tier 1 supplier for the restaurant |
| 4. Logistics service provider  | Distributor of products or raw materials between businesses, and a direct or Tier 1 supplier if hired directly by the restaurant                        |

Once the business relationships have been identified, the next step is to identify the core activities and supporting activities. For the restaurant business, this means determining the specific activities involved in managing the restaurant, such as food preparation, customer service at the restaurant, food delivery to customers' homes, and human resource management. These activities are illustrated in **Figure 10**.

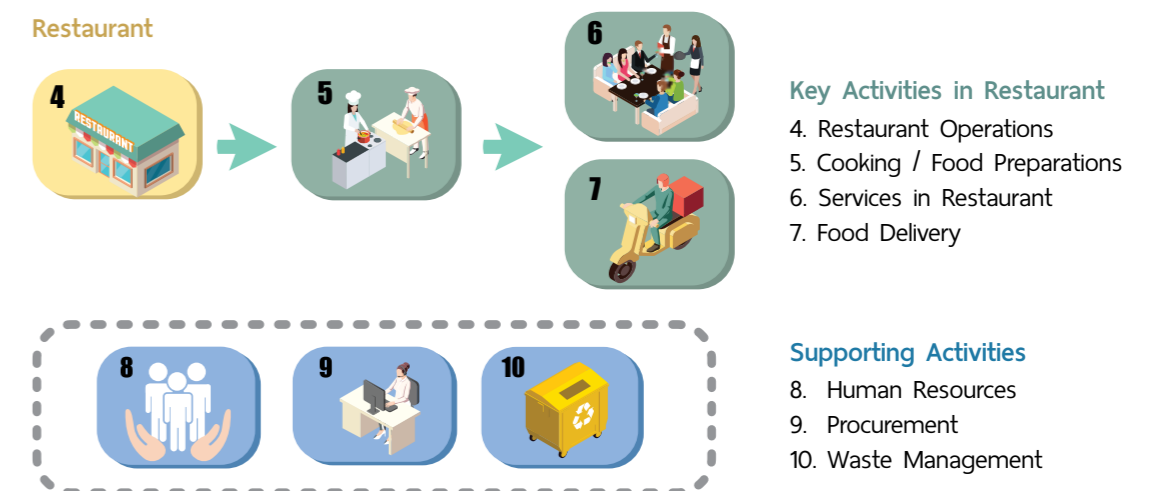


Figure 10: Core activities and supporting activities in a restaurant business

<sup>28</sup> <https://corporatefinanceinstitute.com/resources/knowledge/strategy/supply-chain/> (Accessed 15 November 2021)

**Table 2: Description of the core activities of a restaurant business**

| # | Description  |
|---|--|
| 5 | Food preparation, such as cooking, seasoning, and beverage preparation, done by employees  |
| 6 | Customer service at the restaurant, such as serving food and beverages, handling payments, and other services done by employees  |
| 7 | Food delivery to customers' homes, such as product and service delivery done directly by restaurant employees or subcontracted to delivery service providers and business partners |

Remark: The description in this table should be read alongside.

**Table 3: Example of supporting activities of a restaurant business**

| #  | Description   |
|----|---|
| 8  | Human resource management, such as hiring of permanent and part-time employees for the restaurant, and managing employee welfare and benefits |
| 9  | Procurement, such as selection of business partners/businesses that supply raw materials or equipment to the restaurant, or subcontracting    |
| 10 | Cleaning and waste management, such as waste and wastewater disposal  |

Remark: The description in this table should be read alongside.



**Step 1.2:**

**Understand the operational context**

After completing Step 1.1, SMEs will have a map that shows the business activities they are involved in and the business relationships in their supply chains. At this point, SMEs will have gained an awareness of how their business activities may be associated with “people”.

Subsequently, Step 1.2 then consists of a close look at the operational context surrounding the supply chain activities mapped in Step 1.1. Businesses must examine the type and characteristics of their business activities, and identify which human rights issues might be present. To determine this, businesses may consult various sources of information, such as online sources of information on human rights, news reports, academic articles, and situation reports on human rights prepared by government agencies or academic institutes. Notwithstanding, SMEs should determine the following information regarding the business

activities in their supply chains in order to consolidate the relevant human rights risks and issues.<sup>29</sup>

**Question 1:**

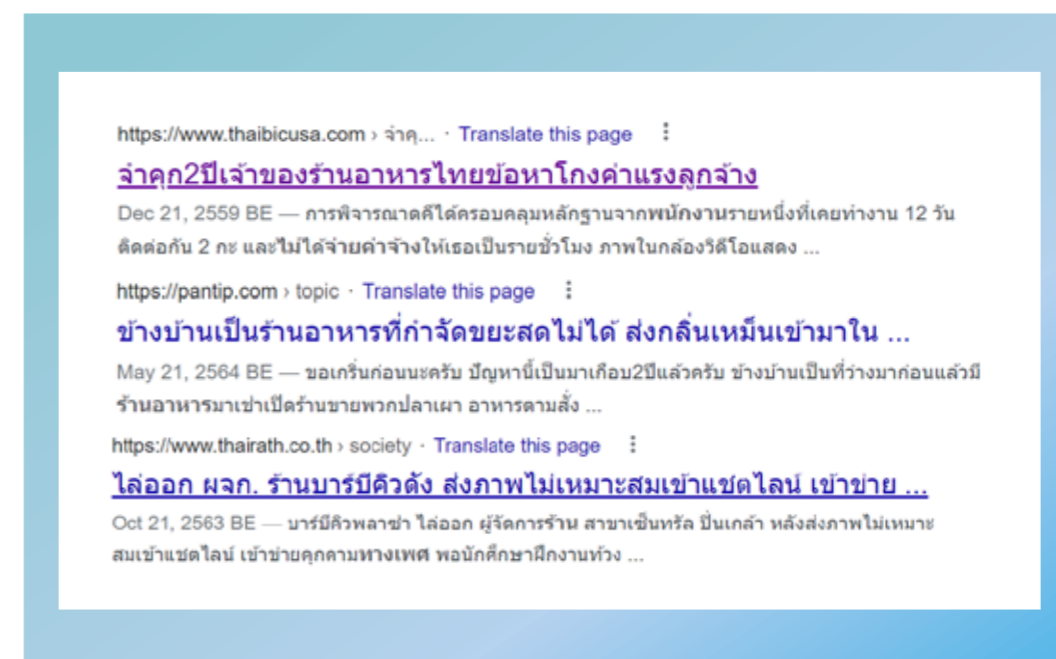
**What industry does the business operate in?**

Sample response: Food/Restaurant Industry

**Question 2:**

**What human rights issues are present in that industry, and what human rights are at risk of being abused? (To determine the response to this question, conduct research and gather data on relevant human rights issues from online sources of information on human rights, news reports, academic articles, and situation reports on human rights.)**

Sample response: Examples of prevalent human rights issues in the restaurant industry include: issues related to working conditions (unfair wages, failure to pay wages), community health (impacts related to waste/odor), and discrimination and harassment (sexual harassment of employees). See **Figure 11** and **Figure 12** for more information on the research findings.



**Figure 11: Example of research on human rights issues associated directly with SME business activities, in this case a restaurant business**

<sup>29</sup> Please see Appendix C - Relevant media sources on human rights issues.



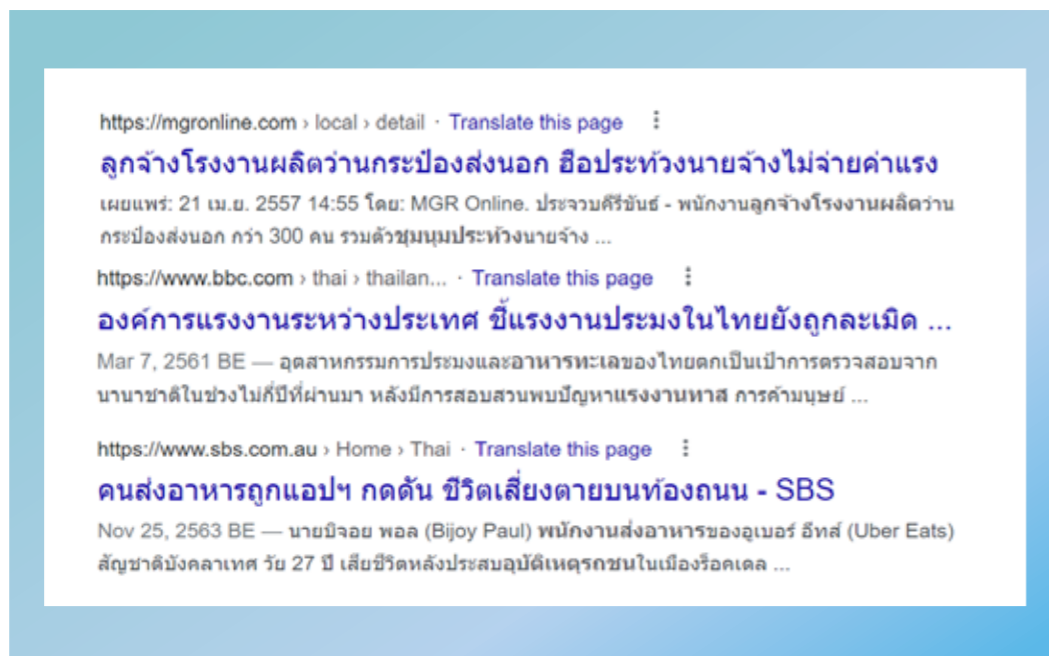


Figure 12: Example of research on human rights issues associated with other related activities in the supply chain in which SMEs are linked through business relationships

If the desk research reveals human rights issues related to the business activities of the SME, that business operator should gather all information related to the identified issue, including the likelihood of the impact and any impact that may have occurred, before proceeding. SMEs may refer to **Table 4** for an example of how information on human rights issues can be gathered and organized.

Table 4: Example of consolidated findings on human rights issues from the research on operational context

| Industry        | Human Rights Issue        | Source           |
|-----------------|---------------------------|------------------|
| Food/Restaurant | Unfair wages              | Source (Year xx) |
|                 | Unsafe working conditions | Source (Year xx) |
|                 | Discrimination            | Source (Year xx) |
|                 | Sexual harassment         | Source (Year xx) |
|                 | Forced labor              | Source (Year xx) |
|                 | Child labor               | Source (Year xx) |

| Industry | Human Rights Issue                                     | Source           |
|----------|--|------------------|
|          | Denial of employees' right to collective bargaining    | Source (Year xx) |
|          | Product safety concerns                                | Source (Year xx) |
|          | Impacts on surrounding communities' standard of living | Source (Year xx) |

By the end of Step 1.2, SMEs will have acquired an understanding of the human rights issues that tend to occur in the context of their industry. Furthermore, they will have developed an awareness of the relevant stakeholders and rightsholders (individuals who are affected by human rights abuses). This fundamental knowledge will serve as a solid groundwork for implementing a systematic approach to human rights due diligence and management.

**Step 1.3:**

**Identify potentially affected stakeholders/rightsholders.**

Through Steps 1.1 and 1.2, SMEs have gained a clear overview and comprehensive understanding of their business activities, supply chains, contextual factors, and the relevant human rights issues and risks that may be related to the activities throughout their supply chains.

In Step 1.3, SMEs will organize the gathered information on human rights issues for more clarity. This involves linking and specifying the stakeholders and rightsholders that are relevant to each human rights issue, in order to ensure readiness to conduct the human rights risk and impact assessment. SMEs may structure this information in a tabular format and categorize the information starting from business activity; human rights issue; related stakeholders, rightsholders, and vulnerable groups; associated businesses that the enterprise has relationships with and the type of relationship with that business; and relevant internal functions. Examples are demonstrated in **Table 5** and **Table 6**.

Table 5: Example of identification of stakeholders and rightsholders who were affected or may be affected by the restaurant business's core and/or supporting activities in the supply chain

| Business Activity | Human Rights Issue | Stakeholders  | Rightsholders and Vulnerable Groups (Potentially affected groups)           | Relevant Functions |
|-------------------|--------------------|---|---|--------------------|
| Food preparation  | Unfair wages       | All employees in the restaurant, including both permanent and temporary employees | - Female and pregnant employees<br>- Migrant workers<br>- LGBTQI+ employees | Human resource     |

| Business Activity | Human Rights Issue                                   | Stakeholders  | Rightsholders and Vulnerable Groups (Potentially affected groups)           | Relevant Functions                       |
|-------------------|--|---|---|--|
| Food preparation  | Unfair wages   | All employees in the restaurant, including both permanent and temporary employees | - Female and pregnant employees<br>- Migrant workers<br>- LGBTQI+ employees | Human resource                           |
| Customer service  | Unfair wages   | All employees in the restaurant, including both permanent and temporary employees | - Female and pregnant employees<br>- Migrant workers<br>- LGBTQI+ employees | Human resource                           |
|                   | Product safety concerns, such as food hygiene issues | Customers   | - Children<br>- Older persons<br>- Persons with disabilities                | - Food preparation<br>- Customer service |

Remark: Adapted from the UNDP HRDD Training Facilitation Guide, p.59.

**Table 6: Example of identification of stakeholders and rightsholders who were affected or may be affected through business relationships**

| Business Activity     | Associated Businesses             | Type of Business Relationship   | Human Rights Issue | Stakeholders                     | Rightsholders and Vulnerable Groups (Potentially affected groups)            | Relevant Functions |
|-----------------------|-----------------------------------|---|--------------------|----------------------------------|--|--------------------|
| Raw material sourcing | Agriculture raw material producer | Direct supplier   | Forced labor       | Workers employed by the supplier | - Migrant workers<br>- Female and pregnant employees<br>- Youth and children | Procurement        |
|                       | Supplier of seafood raw materials | Tier 2 supplier to the restaurant (direct supplier to a seafood processing plant) | Forced labor       | Fishery workers                  | - Migrant workers<br>- Female and pregnant employees<br>- Youth and children | Procurement        |

Remark: Adapted from the UNDP HRDD Training Facilitation Guide, p.59.

### Step 1.4:

Assess human rights risks and impacts that have occurred or may occur

In Step 1.4, SMEs will assess the human rights risks and impacts associated with their business activities. To do this, they will refer to the information they have consolidated in Step 1.3 and assess the severity and likelihood of the identified risks and impacts. This exercise will allow SME operators to prioritize the issues and discern how they can best manage the issues with the resource they have.

Under Step 1.4, SMEs will be guided on how to assess human rights risks and impacts using two criteria - namely, “severity” and “likelihood” - as demonstrated in **Table 7**.

**Table 7: Criteria for measuring severity and likelihood**

|               |   |
|---------------|---|
| 1. Severity   | <b>Scale:</b><br>The scale of impacts on physical and/or mental health, such as: loss of physical ability, loss of organs, fatality, or severe psychological trauma   |
|               | <b>Scope:</b><br>Number of people affected (experienced human rights abuse)   |
|               | <b>Irremediable:</b><br>Measure of the ability to remediate the impacted individual (individual who experienced human rights abuse), reflected by the time needed to restore the impacted individual to the same state prior to the impact (human rights abuse) |
| 2. Likelihood | <b>Likelihood:</b><br>Frequency of the human rights abuse incident in the present and/or likelihood that it will occur in the future  |

To assess and assign a value to severity and likelihood, business enterprises can use a ranking scale of low, medium, and high, corresponding with a quantitative scale of one to five (**Figure 13**).

| Low | Medium |   | High |   |
|-----|--------|---|------|---|
| 1   | 2      | 3 | 4    | 5 |

**Figure 13: Quantitative scale to assess severity and likelihood**

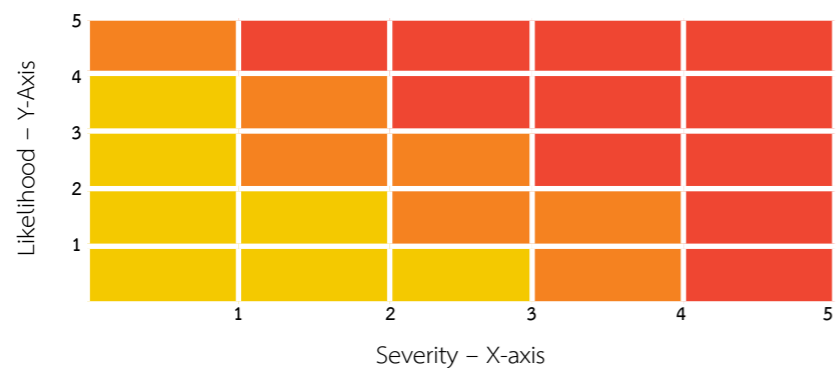


Figure 14: Human rights risk and impact assessment matrix

Detailed explanation of the assessment for the criteria mentioned above are presented in Table 8 and Table 9.

Table 8: Severity – X-axis

| Severity            | Scale   | Scope   | Irremediability   |
|---------------------|---|---|---|
| <b>High (4-5)</b>   | The human rights abuse involves <b>severe to extremely severe impact</b> on the physical, mental, and/or emotional well-being of a person and/or communities, especially vulnerable groups. | The human rights abuse affects <b>a large number of people, or the entirety of the affected group</b> , which might include the workforce, their families, business partners, customers, or surrounding communities.    | Unless <b>action is taken immediately to address the human rights abuse</b> , the impact of the incident can <b>never be remedied and the affected individual will never be restored to their original state prior to the abuse</b> . |
| <b>Medium (2-3)</b> | The human rights abuse involves <b>low to medium impact</b> on the physical, mental, and/or emotional well-being of a person and/or communities.  | The human rights abuse affects <b>a moderately large number of people, or part of the affected group</b> , which might include the workforce, their families, business partners, customers, or surrounding communities. | Unless <b>action is taken soon to address the human rights abuse</b> , the impact of the incident will not likely be remedied, or will only be partially remedied.  |
| <b>Low (1)</b>      | The human rights abuse <b>does not have long-term effects</b> on the victims' lives and does not affect vulnerable populations.   | The human rights abuse affects <b>a small number of people</b> (few people) which might include the workforce, their families, business partners, customers, or surrounding communities.                                | <b>Action is not required immediately</b> to remedy the human rights abuse in full.   |

Remark: Adapted from the UNDP HRDD Training Facilitation Guide, p.61

Table 9: Likelihood – Y-Axis

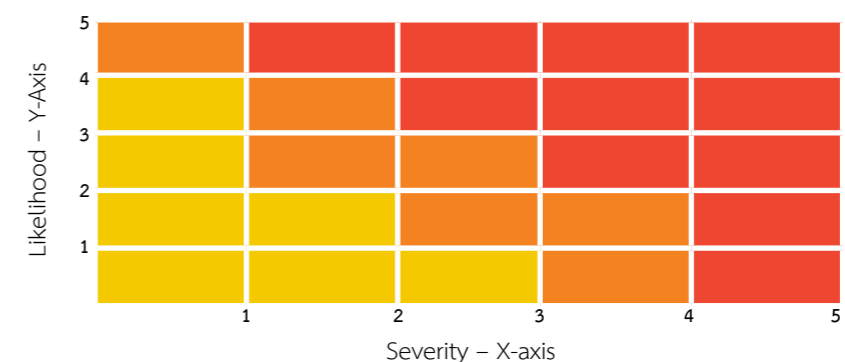
| Severity            | Likelihood and Frequency  |
|---------------------|---|
| <b>High (4-5)</b>   | The human rights abuse incident <b>has occurred in the business activity or in the sector several times per year, and is highly likely or likely to occur again</b> . |
| <b>Medium (2-3)</b> | The human rights abuse incident <b>has occurred in the business activity or in the sector in the past</b> .   |
| <b>Low (1)</b>      | The human rights abuse incident <b>has never occurred in the business activity, but it has occurred in the sector in the past</b> .                                   |

Remark: SMEs may modify or adapt the assessment criteria described above as fitting for their business context. They may choose to expand on parts of the criteria, such as specifying the timeframe for what counts as “remediable” and what counts as “irremediable” for each level of severity. Note, however, that in all cases, human rights risk assessment is centered on impacts on “people”.

## How to assess and assign a value to human rights risks and impacts

SMEs can assess the level of human rights risks and impacts through considering the criteria presented above and evaluating the severity and likelihood of each human rights issue. The key principles of assessment are outlined below:

- **Severity (X-Axis)** refers to the scale (1-5), scope (1-5), or irremediability (1-5) of the impact. (The company should first assess the level of scale, scope, and irremediability, and then assign the highest value of the three as the final severity value.) See Table 10 for an example of an assessment.
- **Likelihood (Y-Axis)** refers to the likelihood and frequency of the incident (1-5).
- **The level of human rights risk/impact** refers to the severity (1-5) and likelihood (1-5) of the risk/impact.



Remark: SMEs can adapt the human rights risk and impact assessment matrix as fitting with their internal procedures or organizational risk assessment matrix.

Figure 15: Human rights risk and impact assessment matrix

## Human Rights Risk and Impact Assessment Examples

### Human Rights Issue: Child labor in agriculture

**Scenario:** In Thailand, it has been found that child labor continues to be prevalent in the agricultural sector. The International Labour Organization has analyzed reports published by the National Statistical Office and reviewed the labor situation during the COVID-19 pandemic, and reported that the use of child labor in the agricultural sector is expected to increase. This trend poses risks on children’s rights to education, as well as other risks such as exposure to hazardous chemicals used in agriculture, which will create severe long-term health impacts.

Table 10: Human rights risk and impact assessment example

| Human Rights Risk: Health and Safety |  |
|--------------------------------------|--|
| 1. Severity                          | <p><b>Scale = 4</b></p> <p>Children are a vulnerable group,<sup>30</sup> and the use of child labor in agriculture can have severe impacts on their physical and emotional well-being. For example, exposure to toxic chemicals can cause skin irritation, while being subjected to harassment or forced labor can negatively affect their physical and emotional health, as well as their overall growth and development.</p> |
|                                      | <p><b>Scope = 1</b></p> <p>It is likely that the number of impacted individuals is small, as “children” account for a minority of the workforce.</p>   |
|                                      | <p><b>Irremediable = 3</b></p> <p>If action is not taken immediately to protect or assist child workers, they may experience impacts that cannot be remediated.</p>  |
| 2. Likelihood                        | <p><b>Likelihood = 4</b></p> <p>Use of child labor is present in the company’s supply chain, specifically with business activities associated with the company’s sourcing practices. It does not occur within the business itself. However, recorded statistics suggest that use of child labor is expected to increase in the future.</p>   |
| Assessment Result                    | <p>Severity: 4<br/>Likelihood: 4</p>   |

| Human Rights Risk: Health and Safety |                   |
|--------------------------------------|-------------------|
| Human Rights Risk and Impact Level   | High (16, or Red) |

<sup>30</sup> Vulnerable groups are groups of individuals that are at risk of experiencing abuse or neglect, or those that are more likely than others to be affected due to their marginalized status and experienced barriers in protecting and advocating for their rights

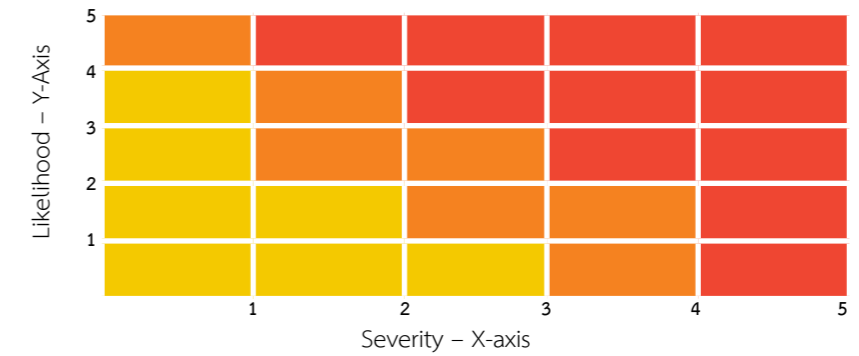


Figure 16: Assigning a value on the human rights risk and plotting it on the matrix

Once SMEs have conducted a thorough assessment of all of the human rights risks/impacts identified in Step 1.3, they will be able to prioritize the human rights issues with risks/impacts in their supply chains. Human rights issues with risk/impact ranked at the “high or red” levels are considered issues with especially high risk. These high risk issues, also called salient human rights issues, are issues that SMEs should first prioritize to address and put in place measures to reduce or minimize the level of risk/impact. Additionally, SMEs may consider adapting the definition of salient human rights issues to also include issues ranked at the “medium or orange” level, in order to equally prioritize them for risk mitigation measures.

### Step 2: Integrate

In Step 2, SMEs integrate the findings from the human rights risk assessment completed in **Step 1: “Identify and Assess”**, including 1.1 to 1.4, to mitigate human rights risks/impacts

Integration involves the consideration of the following two factors:

- 1) **Human rights risks/impacts** identified through the supply chain, including those resulting directly from business activities and indirectly through business relationships; and
- 2) **The implementation of risk/impact management measures to mitigate actual and potential impacts**, such as approaches or internal mechanisms to prevent and mitigate identified risks and impacts.

The UNGPs<sup>31</sup> recommend that businesses integrate through:

- 1) Assigning responsibility for addressing risks/impacts to the appropriate unit within the business enterprise; and
- 2) Managing human rights risks/impacts through:
  - Allocating resources, such as assigning responsible staff and budgeting, for implementation; and
  - Establishing measures and guidelines to ensure oversight and compliance of human rights risk prevention and mitigation in accordance with the internal processes of the organization.

<sup>31</sup> UN Guiding Principles on Business and Human Rights, Principle 19 on integrating the results of the human rights impact assessment to internal processes and functions

In this integration step, SMEs should consider their context and determine what measures would best meet their conditions and resource availability. SMEs may consider the following questions to gain an awareness of their context and appropriate level and approach to integration:

**Question:** What degree of action is required once an adverse human rights impact has been brought forward?

The UNGPS provide that the appropriate response or action will vary according to:<sup>32</sup>

- 1) Whether the business enterprise causes or contributes to an adverse impact, or whether it is involved because the impact is directly linked to its operations, products or services by a business relationship; and
- 2) The extent of its leverage in addressing the adverse impact.

SMEs should reflect on the questions mentioned above and identify what their responses would be.

#### Response from SMEs



SMEs who respond that: “Human rights impacts have been identified and linked to business activities, and the enterprise has the capacity to take efforts to prevent or mitigate human rights risks” should further define their approach to managing the human rights risk or impact. In that regard, SMEs should consider the results of previous assessments completed and evaluate the “**degree of action**”<sup>33</sup> that is appropriate for their integration efforts. This will depend on whether the enterprise has directly caused the impact, indirectly contributed to the impact, or is linked to the business that is causing the impact. Examples are provided below.

**Incidents where SMEs are linked to human rights issues in their supply chains and have caused or contributed to human rights abuses through their business activities, whether directly or indirectly through external partners, are incidents that SMEs must take the necessary steps to cease or prevent the abuse.**

For example, in order to meet customer demand for product delivery, a logistics service provider may offer express 24-hour delivery services and force employees to drive vehicles continuously and for extensive hours exceeding the legal limit. This results in poor working conditions for employees (inadequate rest) and also increases the risk of road accidents or injuries that would further affect employees.

**Incidents where the business did not cause or contribute to the human rights abuse, but has a direct business relationship with the business entity that caused the human rights abuse or impact**

For example, where child labor is used to produce the raw materials used in the restaurant, the restaurant may not have caused or contributed to the use of child labor, but is considered to be linked to the issue as it is one of the buyers of the raw material.

## Preventing and mitigating adverse human rights risks/impacts

One of the key objectives of integration is to prevent and mitigate adverse human rights risks/impacts. Beyond ensuring legal compliance - the minimum expectation for businesses - and respect for human rights, businesses should put in place measures to prevent and mitigate human rights risks and impacts that may occur in alignment with their level of business activity (degree of actions). Measures should be aligned with contextual factors and the scope of business activities, and can take a variety of forms. For example, integration efforts could involve:<sup>34</sup>

- Revising rules, measures, and organizational activities to ensure they are inclusive of employment and recruitment practices and can prevent employee discrimination;
- Conducting surveys and assessing environmental impacts to put in place appropriate measures to reduce impacts on surrounding communities;
- Strengthening employee skills and knowledge related to risk management through initiatives such as occupational health and safety training, which should cover fire and emergency response and other relevant topics, to promote the right to a safe working environment;
- Organizing joint training with communities on environmental risks and impacts, or risks related to incidents that may affect community rights, such as training on fire and emergency response and training on chemical spill response, including simulation exercises;
- Improving and developing supplier inspections to cover human rights issues;
- Taking specific corrective and/or improvement actions for particular human rights issues, such as prevention of sexual harassment in the workplace; and
- Developing different grievance mechanisms, including human rights complaint channels, that are accessible and convenient for stakeholders, while safeguarding their confidentiality.

<sup>32</sup> UNDP Facilitation Guide, p.65

<sup>33</sup> UNDP Facilitation Guide, p.65

<sup>34</sup> Case study adopted from the UNDP HRDD Training Facilitation Guide, p.65 and the UN Global Compact

Table 11: Example of efforts to integrate findings from the human rights risk/impact assessment to SME business activities

| Human Rights Risk / Impact   | Stakeholder  | Rightsholders and Vulnerable Groups (Potentially Affected Groups)  | Relevant Internal Functions  | Business Relationships / Business Activities   | Human Rights Risk / Impact Prevention and Mitigation Measures  |
|--|--|--|--|--|--|
| <p>Forced Labor</p> <p><u>Relevant Human Rights</u></p> <ul style="list-style-type: none"> <li>- Right not to be subjected to slavery and forced labor</li> <li>- Right to work</li> </ul> | <ul style="list-style-type: none"> <li>- Fishery workers</li> <li>- Agricultural workers</li> <li>- Business partners</li> </ul> | <ul style="list-style-type: none"> <li>- Female workers and pregnant workers</li> <li>- Migrant workers</li> <li>- Children and youth</li> </ul> | Raw Material Procurement   | <p><u>Business Relationships</u></p> <ul style="list-style-type: none"> <li>- Direct suppliers</li> <li>- Tier-2 suppliers of the restaurant (Direct suppliers to the seafood processing plant)</li> </ul> | <ul style="list-style-type: none"> <li>- Compliance with labor law</li> <li>- Conducting labor inspections of raw material suppliers to ensure there is no forced labor used</li> <li>- Communicating and collaborating with suppliers to promote compliance with organizational policy of not purchasing products linked with human rights abuses</li> </ul>  |
| <p>Unfair wages</p> <p><u>Relevant Human Rights</u></p> <ul style="list-style-type: none"> <li>- Right to just and favorable conditions of work</li> </ul>                                 | <ul style="list-style-type: none"> <li>- All restaurant employees, including permanent and temporary workers</li> </ul>          | <ul style="list-style-type: none"> <li>- Female and pregnant employees</li> <li>- Migrant workers</li> <li>- LGBTQI+ employees</li> </ul>        | Human Resources  | <p><u>Business Activities</u></p> <ul style="list-style-type: none"> <li>- Food preparation</li> <li>- Customer service</li> </ul>   | <ul style="list-style-type: none"> <li>- Compliance with labor law</li> <li>- Developing employee appraisal criteria that is based on roles and responsibilities, and is comprehensive of compensation standards, which are in turn reflective of the legal minimum wage, market wage rates, and living costs</li> <li>- Clearly communicating the performance appraisal criteria to employees, including defining the performance appraisal process with supervisors and transparently disclosing the criteria through including it in the employee handbook</li> </ul> |
| <p>Product safety, such as food hygiene</p> <p><u>Relevant Human Rights</u></p> <ul style="list-style-type: none"> <li>- Right to health</li> <li>- Right to life</li> </ul>               | <ul style="list-style-type: none"> <li>- Customers</li> </ul>  | <ul style="list-style-type: none"> <li>- Children</li> <li>- Older persons</li> <li>- People with disabilities</li> </ul>                        | <ul style="list-style-type: none"> <li>- Food preparation</li> <li>- Customer service</li> </ul> | <p><u>Business Activities</u></p> <ul style="list-style-type: none"> <li>- Food preparation</li> <li>- Customer service</li> </ul>   | <ul style="list-style-type: none"> <li>- Defining food hygiene standards that all staff have to comply with</li> <li>- Training employees on food hygiene standards</li> <li>- Developing customer complaint channels and defining the protocol to respond to complaints of human rights abuse</li> </ul>  |

### Step 3: Track

The UNGPs<sup>35</sup> state that businesses should track the effectiveness of their response to identified human rights risks and impacts. Integration efforts should be assessed and evaluated on their effectiveness in mitigating human rights risks.

Tracking the effectiveness of human rights efforts is a critical part of HRDD, and helps control, prevent, and mitigate human rights risks and impacts. Tracking enables businesses to recognize successes and good practices that have been achieved, learn of emerging or persisting human rights issues, and identify lessons learnt from the implementation of human rights due diligence. Furthermore, tracking also helps businesses, including SMEs, identify trends related to human rights and manage challenges that may arise in the future. This further contributes to strengthening organizational capacity.

At this point in the HRDD process, it is important that businesses ensure clarity in their tracking efforts. This is key to demonstrating the extent to which integration and mitigation measures are effective at preventing and reducing human rights risks and impacts associated with their business activities.

As tracking the effectiveness of human rights efforts is a critical step of human rights due diligence, SMEs may consider the following questions and responses to identify what they should do to track the effectiveness of such efforts.

**Question:**

What should businesses do to track the effectiveness of their human rights efforts?

**Answer:**

- 1) Businesses should develop appropriate qualitative and quantitative indicators.
- 2) Businesses should draw feedback and recommendations from internal and external stakeholders.

The UNGPs<sup>36</sup> recommend that businesses track effectiveness through using systems, tools, or models with embedded indicators. Tracking can take a variety of forms, including:

- Publicly disclosed performance reports that ensure organizational performance on human rights against set indicators is regularly and systematically tracked - For example, the percentage of male and female employees in each age and position category, can be measured and reported to demonstrate non-discrimination. Transparency of employment practices, such as ensuring there is no forced labor or child labor used, can be measured through use of written contracts;
- Internal surveys - For example, a survey on employee satisfaction with the organization's efforts on human rights could be used to gather information on employee satisfaction with working conditions, working environment, and safety at the workplace;

<sup>35</sup> UN Guiding Principles on Business and Human Rights, Principle 20

<sup>36</sup> UNDP Facilitation Guide, p.69

- Inspections, such as occupational health and safety inspections, as well as supplier inspections on transparency and human rights practices, which can be used to inform supplier selection and avoid human rights violations caused by the organization directly and indirectly through complicity;
- Performance tracking against set targets - For example, targets related to promoting human rights, such as zero safety incident in production operations for SMEs, which would reflect outcomes in promoting employees' right to health and track the extent to which measures are being put in place to ensure the organization meets the target;
- Grievance mechanisms that are accessible for stakeholders, such as complaint channels, associated monitoring measures, and grievance management; and
- Internal quality control systems - Enterprises can define work procedures to establish minimum standards of quality and respect for human rights across the organization, such as a work procedure for employment that defines criteria for human rights respect - i.e., verifying the age of candidates to ensure there is no child labor and excluding gender specifications in job posts to ensure no discrimination - and a work procedure for inspecting supplier recruitment practices.

It should be noted that in practice, the examples provided above can be adapted for practicality. Tracking efforts can be tailored as appropriate with the context and cultural considerations facing SMEs.

Table 12: Example of indicators and measures taken to track the effectiveness of human rights efforts

| Human Rights Risk / Impact   | Stakeholder  | Rightsholders and Vulnerable Groups  | Relevant Internal Functions | Business Relationships / Business Activities   | Human Rights Risk / Impact Prevention and Mitigation Measures  |
|--|--|--|-----------------------------|--|--|
| Forced Labor<br><br><u>Relevant Human Rights</u><br>- Right not to be subjected to slavery and forced labor<br>- Right to work | - Fishery workers<br>- Agricultural workers<br>- Business partners | - Female workers and pregnant workers<br>- Migrant workers<br>- Children and youth | Raw Material Procurement    | <u>Business Relationships</u><br>- Direct suppliers<br>- Tier-2 suppliers of the restaurant (Direct suppliers to the seafood processing plant) | - Conducting labor inspections of raw material suppliers to ensure there is no forced labor used<br>- Communicating and collaborating with suppliers to promote compliance with organizational policy of not purchasing products linked with human rights abuses |

| Human Rights Risk / Impact  | Stakeholder | Rightsholders and Vulnerable Groups | Relevant Internal Functions | Business Relationships / Business Activities | Human Rights Risk / Impact Prevention and Mitigation Measures   |
|---|-------------|-------------------------------------|-----------------------------|--|---|
| Integration of risk to internal management and effective tracking systems |             |                                     |                             |  | <p><b>Human Rights Risk/Impact:</b></p> <ol style="list-style-type: none"> <li>1) Forced labor, which is a violation of employee rights, such as the right not to be subjected to slavery and forced labor, and right to work</li> </ol> <p><b>Additional Measures to Prevent and Mitigate the Human Rights Risk/Impact:</b></p> <ol style="list-style-type: none"> <li>1) Develop a procurement policy that is comprehensive of measures to manage labor issues and ensure no forced labor is used.</li> <li>2) Develop a register of raw materials used that defines its source and ensures traceability.</li> <li>3) Collaboratively organize activities with suppliers to develop capacity in ensuring product sources are not linked to forced labor.</li> </ol> <p><b>Indicators to track effectiveness of efforts employed:</b></p> <ol style="list-style-type: none"> <li>1) A procurement policy has been developed and reviewed according to the designated timeline, with specified measures related to prohibition of forced labor.</li> <li>2) Number of suppliers that have been communicated to and received information on the procurement policy, which is comprehensive of control measures related to labor practices and prohibition of forced labor.</li> <li>3) The register of raw materials has been developed, specifies the source of each product, is improved and reviewed, and can be verified on an annual basis.</li> <li>4) Number of human rights abuse incidents or complaints submitted to the organization/supplier which are related to forced labor<sup>37</sup></li> </ol> |

#### Step 4: Communicate

Communication is a vital step of HRDD. It is an opportunity for businesses to communicate to internal and external stakeholders their identified human rights risks and impacts, relevant efforts and measures taken, and tangible outcomes of human rights management. In order to select the appropriate type of communication, businesses should consider several relevant factors. Overall, communication efforts should:

- Be of a form and frequency that reflect an enterprise's human rights impacts;
- Be accessible to intended audiences;
- Provide information that is sufficient to evaluate the adequacy of an enterprise's response to the particular human rights risk or impact involved;
- Not pose risks to affected stakeholders or personnel; not include names/locations that could disclose identities of rightsholders who may face retaliation;
- Not pose risks to legitimate requirements of commercial confidentiality; and
- Uphold communication ethics, such as language and cultural sensitivity.

<sup>37</sup> Human Rights Indicators: A guide to Measurement and Implementation; United Nations Human Rights Office of the High Commissioner, p. 95

Businesses must be ready to communicate on human rights issues. A communications strategy should be set to ensure systematic implementation. There should be resources that are reputable and comprehensive of relevant issues in the four steps of human rights due diligence. The type of communication may differ and range from formal to informal communication methods, such as:

- Emails;
- Internal communications, such as bulletin boards;
- Communicating at employee meetings or other important meetings;
- The sharing of findings, such as findings from an internal audit with trade unions;
- Developing reports and including or referring to them in annual or sustainability reports to ensure the information is communicated to relevant stakeholders;
- Communicating to the public through online channels; and
- Sharing at seminars or consulting with affected individuals.

**Remark:**

*Formal communication methods should be employed to disclose information on organizational efforts to conduct human rights due diligence. If possible, enterprises should also report on whether or not the reported information received external assurance. This will help make the information more reputable*

Effective communications can build the awareness of internal and external stakeholders on the business responsibility to respect human rights, and draw their interest to these issues. In this way, participation in efforts to advance human rights can be gained from stakeholders across different sectors. Furthermore, engagement is the basis of communication between businesses and relevant stakeholders to drive human rights action, such as civil society stakeholders, trade unions, national human rights institutions, and other commercial organizations.



“  
*Respecting human rights  
helps businesses  
meet consumer expectations.*  
”

## Chapter



# Conclusion

### – Businesses benefit from conducting human rights due diligence –

Accounting for 99.5 percent of all business enterprises in Thailand,<sup>38</sup> SMEs have an indispensable role in driving business respect for human rights and human dignity.

Overall, SMEs can take action by adopting human rights due diligence procedures, as outlined in the UNGPs, to their business activities. HRDD consists of four steps, including:

1. Identifying and assessing human rights risks and impacts;
2. Integrating and acting upon the findings;
3. Tracking the effectiveness of responses; and
4. Communicating how impacts are addressed to internal and external stakeholders.

Although the recommendations provided in the UNGPs are responsibilities that businesses should uphold, they may be viewed by some businesses as a source of additional burden. However, businesses should note that effectively and thoroughly implementing human rights due diligence in accordance with the UNGPs can yield substantial benefits for their business. For instance, HRDD can catalyze transformation in the organizational culture and foster a culture of respect for human rights across the supply chain. Furthermore, HRDD can facilitate collaboration among small, medium, and large enterprises, and drive meaningful changes in business practices, from the local level to the global scale. All in all, respecting human rights can create the following benefits for businesses.

<sup>38</sup> [https://www.sme.go.th/upload/mod\\_download/%E0%B8%97%E0%B8%B3%E0%B8%84%E0%B8%A7%E0%B8%B2%E0%B8%A1%E0%B8%A3%E0%B8%B9%E0%B9%89%E0%B8%88%E0%B8%B1%E0%B8%81%E0%B8%81%E0%B8%B1%E0%B8%9A%20SME%20%E0%B9%84%E0%B8%97%E0%B8%A2.pdf](https://www.sme.go.th/upload/mod_download/%E0%B8%97%E0%B8%B3%E0%B8%84%E0%B8%A7%E0%B8%B2%E0%B8%A1%E0%B8%A3%E0%B8%B9%E0%B9%89%E0%B8%88%E0%B8%B1%E0%B8%81%E0%B8%81%E0%B8%B1%E0%B8%9A%20SME%20%E0%B9%84%E0%B8%97%E0%B8%A2.pdf)  
(Accessed 15 November 2021)

*“ Respecting human rights helps businesses meet consumer expectations. ”*

Presently, consumers are paying increasing attention to the origins and production processes behind the goods and services they consume. This trend is facilitated by the availability and accessibility of information related to business activities. Indeed, a global survey<sup>39</sup> revealed that 72 percent of consumers are willing to pay a higher price for products that are produced responsibly. In the United States, 66 percent of consumers reported they would immediately cease purchasing a product if the product is linked to severe labor rights violations - such as use of child labor or forced labor - in the production process.

*“ Respecting human rights will enable businesses to respond to the increasing awareness of human rights amongst global business actors and help strengthen organizational reputation. ”*

Besides economic competition, the significance of sustainable business operations has become increasingly evident in recent times. This trend has emerged alongside measures to encourage businesses to transparently disclose information to the public and initiatives to assess business performance in sustainability. These initiatives include the measurement of economic (governance), environmental, and social indicators, which also encompass the aspect of human rights.

In this regard, competition on sustainability performance amongst businesses - exemplified by initiatives like the Global Reporting Initiative (GRI) and the Thailand Sustainability Investment (THSI) Index - has been both a driving force for sustainability and a source of new challenges for business actors, particularly those listed on the stock market. These companies have incorporated human rights issues that align with international human rights principles and the UNGPs into their sustainability assessment systems. Overall, this trend reinforces expectations for businesses and pressures them to comply with sustainability standards, while also fostering competition for taking action on sustainability, such as: announcing a human rights policy, conducting human rights due diligence, and ensuring that labor practices are fair and aligned with human rights principles.

<sup>39</sup> <https://slavetrade.org/conscious-consumerism-how-consumers-are-shaping-the-business-commitment-to-human-rights> (Accessed 15 November 2021)

Consequently, large business enterprises are accelerating efforts to strengthen their ability to compete in the international market, while simultaneously fostering sustainability within their own business activities and their business partners' activities. For example, a large business may encourage business partners in the supply chain - such as SMEs - to respect human rights. This is also an opportunity to build positive relationships with business partners that may lead to long-term business partnerships, while encouraging business responsibility at the local level.

At the national level, government agencies play a crucial role in supporting businesses in operating with respect for human rights. The Rights and Liberties Protection Department under the Ministry of Justice is one of the agencies responsible for supporting and engaging relevant agencies at all levels, including those in government, state enterprises, business, and civil society, in collectively driving the implementation of human rights principles. Specifically for businesses, the Rights and Liberties Protection Department assesses organizations on their human rights performance and rewards those with exceptional performance with the “Human Rights Award”<sup>40</sup> every year. This initiative serves as an incentive and reward for business enterprises that have demonstrated exceptional performance in embedding respect for human rights in their activities. Selected organizations are model organizations that have adopted approaches to mainstream respect for human rights in their business operations, thus ensuring that their business activities meet set standards and are grounded on a foundation of human rights principles.

*“ Respecting human rights is a way to manage risks related to individuals, and can contribute to positive impacts on businesses' capacities and expansion opportunities.”*

The International Labour Organization (ILO) has launched the SCORE programme<sup>41</sup> to provide consulting services and support to SMEs. As part of the programme, worker training was organized for over 5,000 operational sites across various countries. The training integrates topics related to business respect for human rights, and involves employees and relevant internal functions to strengthen labor quality and productivity. The programme created opportunities for employees to enjoy their rights to collectivize and express their opinions on production management. Notably, companies that participated in the programme saw improvements in production quality, reduction in absenteeism and turnover, and additional job creation, especially for female workers.

The outcomes of the programme mentioned above illustrate that when companies take measures to improve occupational health and safety - which also count as measures related to the human rights to life, just and favorable conditions of work, and good working environment - they are able to benefit from continuous growth and expansion of their production capacity. This creates benefits for both employees and the business itself.

<sup>40</sup> Please see Appendix D - Assessment criteria for the Human Rights Award for state and business enterprises.

<sup>41</sup> [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---emp\\_ent/---ifp\\_seed/documents/publication/wcms\\_535220.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---ifp_seed/documents/publication/wcms_535220.pdf)

Accordingly, the management of human rights risks is critical for individuals, businesses, and society as a whole. Whenever there are human rights risks and impacts, businesses should thoroughly examine and analyze the root cause of the risks and impacts to understand why such risks and impacts occur. Conducting such examinations and analyses will enable businesses to understand the underlying factors that contribute to human rights abuses, and act as a driving force for businesses to operate with respect for human rights.

# Appendix A

## – Appendix A –

### Key Human Rights Conventions, Obligations, and Frameworks

| Year | Covenants and International practices   | Importance  | References  |
|------|---|---|---|
| 1948 | <b>Universal Declaration of Human Rights (UDHR)</b>                             | The UDHR is the inaugural world history document on human rights and the foundation of international human rights law underpinning all existing iterations of human rights conventions.   | <a href="https://humanrights.mfa.go.th/upload/pdf/udhr-th-en.pdf">https://humanrights.mfa.go.th/upload/pdf/udhr-th-en.pdf</a> |
| 1966 | <b>International Covenant on Economic, Social, and Cultural Rights (ICESCR)</b> | The Universal Declaration of Human Rights affirms the ideal that those who are free should live without fear and scarcity can only be realized when circumstances are established that allow every individual to exercise their civil and political rights as well as their economic, social, and cultural rights, understanding that each person has obligations to their own communities and other people while working to uphold and promote the rights outlined in this Covenant. | <a href="https://humanrights.mfa.go.th/upload/pdf/icescr.pdf">https://humanrights.mfa.go.th/upload/pdf/icescr.pdf</a>         |

| Year | Covenants and International practices   | Importance   | References  |
|------|---|--|---|
| 1966 | <b>International Covenant on Economic, Social, and Cultural Rights (ICCPR)</b>    | The Universal Declaration of Human Rights affirms the ideal that everyone has the right to civil and political freedom, and that demand can only be met when circumstances are established that allow every individual to exercise their civil and political rights, as well as their economic, social, and cultural rights. Article 1 of this Covenant emphasizes the essence that “Everyone has the right to determine their own will. By virtue of that right, people freely determine their political status and pursue their economic, social, and cultural development.”   | <a href="https://humanrights.mfa.go.th/humanrights/obligation/international-human-rights-mechanism/ICCPR.php">https://humanrights.mfa.go.th/humanrights/obligation/international-human-rights-mechanism/ICCPR.php</a>   |
| 1969 | <b>Convention on the Elimination of All Forms of Racial Discrimination (CERD)</b> | In this Convention, the term “racial discrimination” shall mean any distinction, exclusion, restriction or preference based on race, colour, descent, or national or ethnic origin. This Convention shall not apply to distinctions, exclusions, restrictions or preferences made by a State Party to this Convention between citizens and non-citizens, including the establishment of state policies and the implementation of measures to eliminate racial discrimination in all its forms, such as prohibiting racially discriminatory propaganda, ensuring equal rights under the law in terms of civil, political, economic, social, and cultural rights, providing remedies for violations, and emphasizing measures in education, culture, and information to eliminate racial discrimination. | <a href="https://www.nhrc.or.th/Human-Rights-Knowledge/International-Human-Rights-Affairs/International-Law-of-human-rights.aspx?lang=th-TH">https://www.nhrc.or.th/Human-Rights-Knowledge/International-Human-Rights-Affairs/International-Law-of-human-rights.aspx?lang=th-TH</a> |

| Year | Covenants and International practices   | Importance  | References  |
|------|---|---|---|
| 1979 | <b>Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)</b> | The Convention specifies the various obligations in which the state parties must support the advancement of women to truly achieve gender equality, which shall not be considered discrimination based on reasons of sex. This includes adapting social norms, culture, politics, and economics to facilitate the elimination of discrimination against women and suppressing all forms of trafficking and exploitation of women. | <a href="https://www.nhrc.or.th/Human-Rights-Knowledge/International-Human-Rights-Affairs/International-Law-of-human-rights.aspx?lang=th-TH">https://www.nhrc.or.th/Human-Rights-Knowledge/International-Human-Rights-Affairs/International-Law-of-human-rights.aspx?lang=th-TH</a> |
| 1989 | <b>Convention on the Rights of the Child (CRC)</b>  | The Convention outlines four fundamental principles of children’s rights, including the prohibition of child discrimination and actions that prioritize the child’s best interests. It encompasses the right to life, survival, and development of mental, emotional, and social well-being, as well as freedom of expression.  | <a href="https://www.nhrc.or.th/Human-Rights-Knowledge/International-Human-Rights-Affairs/International-Law-of-human-rights.aspx?lang=th-TH">https://www.nhrc.or.th/Human-Rights-Knowledge/International-Human-Rights-Affairs/International-Law-of-human-rights.aspx?lang=th-TH</a> |
| 1998 | <b>ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up</b>     | The declaration affirms that state parties must ensure the protection of fundamental principles on rights at work, including freedom of association and the right to collective bargaining, the elimination of all forms of forced labour or compulsory labour, the abolition of child labour, and the elimination of discrimination in respect of employment and occupation.   | <a href="https://www.ilo.org/declaration/thedeclaration/textdeclaration/lang--en/index.htm">https://www.ilo.org/declaration/thedeclaration/textdeclaration/lang--en/index.htm</a>   |
| 1999 | <b>United Nations Global Compact (UNGC)</b>   | The UNGC outlines 10 international principles for conducting business activities, with key issues including Human Rights, Labour, Environment, and Anti-corruption.   | <a href="https://globalcompact-th.com/">https://globalcompact-th.com/</a>   |

| Year | Covenants and International practices  | Importance  | References  |
|------|--|---|---|
| 2001 | <b>The OECD Guidelines for Multinational Enterprises Guidelines for Multinational Enterprises (OECD)</b> | The OECD Guidelines for Multinational Enterprises provide voluntary principles and standards for responsible business conduct in various areas, including employment and industrial-related issues, human rights, environment, disclosure, competition, taxation, and science and technology. The Guidelines aim to promote the multinational enterprises’ positive contribution toward economic, environmental, and social progress.   | <a href="http://mneguidelines.oecd.org/oecd-due-diligence-guidance-for-responsible-business-conduct-thai.pdf">http://mneguidelines.oecd.org/oecd-due-diligence-guidance-for-responsible-business-conduct-thai.pdf</a>   |
| 2002 | <b>Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT)</b>    | The Convention stipulates the obligation of States to prevent and suppress acts of torture. The term “torture” in this Convention describes “any act, directed against an individual in the offender’s custody or physical control, by which severe pain or suffering (other than pain or suffering arising only from or inherent in, or incidental to, lawful sanctions), whether physical or mental, is intentionally inflicted on that individual for such purposes as obtaining from that individual or a third person information or a confession, punishing that individual for an act that individual or a third person has committed or is suspected of having committed, intimidating or coercing that individual or a third person, or for any reason based on discrimination of any kind.” | <a href="https://www.nhrc.or.th/Human-Rights-Knowledge/International-Human-Rights-Affairs/International-Law-of-human-rights.aspx?lang=th-TH">https://www.nhrc.or.th/Human-Rights-Knowledge/International-Human-Rights-Affairs/International-Law-of-human-rights.aspx?lang=th-TH</a> |

| Year | Covenants and International practices                               | Importance   | References  |
|------|---|--|---|
| 2008 | <b>Convention on the Rights of Persons with Disabilities (CRPD)</b> | The Convention specifies the recognition and protection of the rights of persons with disabilities. The state is responsible for the elimination of external obstacles, which are significant causes of the difficulties in the lives of persons with disabilities, as well as redressing the profound social disadvantage which leads to discriminatory practices and obstructs the quality of life for persons with disabilities.                                    | <a href="https://www.nhrc.or.th/Human-Rights-Knowledge/International-Human-Rights-Affairs/International-Law-of-human-rights.aspx?lang=th-TH">https://www.nhrc.or.th/Human-Rights-Knowledge/International-Human-Rights-Affairs/International-Law-of-human-rights.aspx?lang=th-TH</a> |
| 2011 | <b>UN Guiding Principles on Business and Human Rights (UNGPR)</b>   | The Guiding Principles endorsed by the United Nations to mitigate impact on human rights from business activities. The Guiding Principles outline responsibilities, roles, and approach for businesses to respect human rights. The key principles are divided into 3 pillars:<br><br>1. Pillar of Protection for government actions,<br><br>2. Pillar of Respect for business operations, and<br><br>3. Pillar of Remedy for both government and business operations. | <a href="https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf">https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf</a>   |

# Appendix B

– Appendix B –

## Important Thai Policies and Laws for Promoting and Protecting Human Rights<sup>42</sup>

### Politics and Government and Judicial Processes

1. The Organic Act on the National Human Rights Commission B.E. 2560 (2017)
2. The Public Assembly Act B.E.2558 (2015)
3. The Justice Fund Act B.E. 2558 (2015)
4. The Act on Compensation for Damages and Expenses for Witnesses in Criminal Cases, B.E. 2544, and its Amendment (No. 2) B.E. 2559 (2016)
5. The Corrections Act B.E. 2560 (2017)
6. The Child Protection Act B.E. 2546 (2003)
7. The Gender Equality Act B.E. 2558 (2015)
8. The Nationality Act B.E. 2508 (1965)
9. The Draft Act on Community Justice B.E. ...
10. The Draft Act on Dispute Mediation B.E. ...
11. The Draft Act on Civil Partnership Registration B.E. ...
12. The Draft Act on Prevention and Suppression of Torture and Enforced Disappearance Act. B.E. ...

### Public health

1. The Control of Marketing Promotion of Infant and Young Child Food Act, B.E. 2560 (2017)
2. The Drug Addict Rehabilitation Act B.E. 2545 (2002)
3. The Communicable Diseases Act B.E. 2558 (2015)
4. The National Food Committee Act B.E. 2551 (2008)
5. The Elderly Act B.E. 2546 and its Amendment (No. 2) B.E. 2553 (2010)

<sup>42</sup> The National Human Rights Plans of Action No.4 (B.E. 2562 -2566) page 94-107 (<https://asdd.mol.go.th/wp-content/uploads/sites/11/2020/11/แผนสิทธิมนุษยชนแห่งชาติ-ฉบับที่-4-พ.ศ.-2562-2565.pdf>)

# Appendix C

## Economic

1. The Labour Protection Act B.E. 2541 (1998) and its Amendment (No. 2) B.E.2551 (2008) (No.3) B.E.2551 (2008) (No. 4) B.E.2553 (2010) (No. 5) B.E.2560 (2017) (No. 6) B.E.2560 (2017) (No. 7) B.E.2562 (2019) and (Amended) B.E.2562 (2019)
2. The Labour Relations Act B.E. 2518 (1975)
3. The State Enterprise Labour Relations Act B.E. 2543 (2000)
4. The Home Workers Protection Act B.E. 2553 (2010)
5. The Promotion and Development of Contract Farming System Act B.E. 2560 (2017)
6. The Dairy Cattle and Milk Products Act B.E. 2551 (2008)
7. The Farmers Aid Fund Act B.E. 2554 (2011)
8. The National Farmers Council Act B.E. 2553 (2010)

## Education

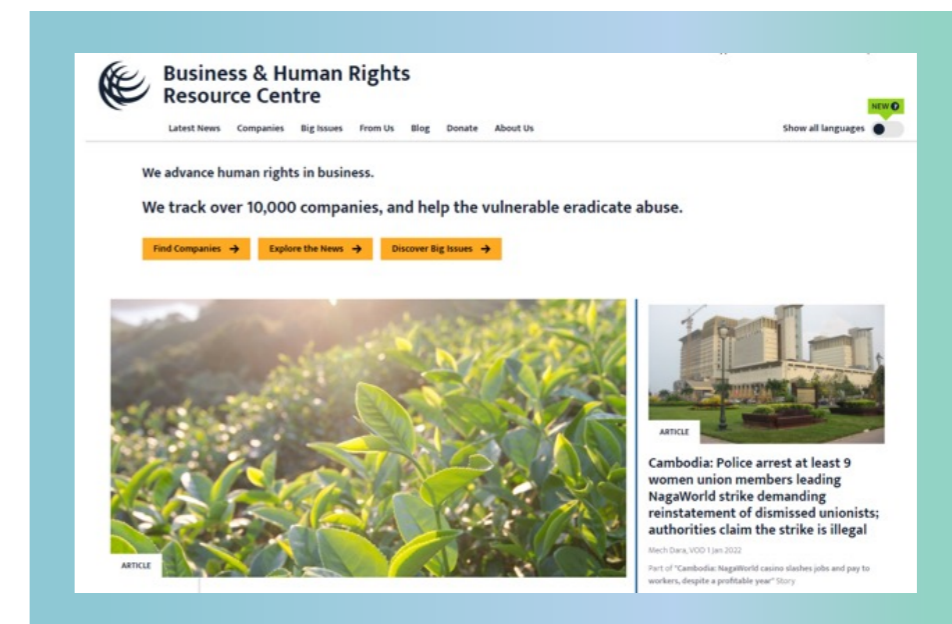
1. The Education Provision for Persons with Disabilities Act B.E. 2551 (2008)

## – Appendix C –

Example of Resources for Human Rights Research

### 1) Business & Human Rights Resource Centre: BHRRC

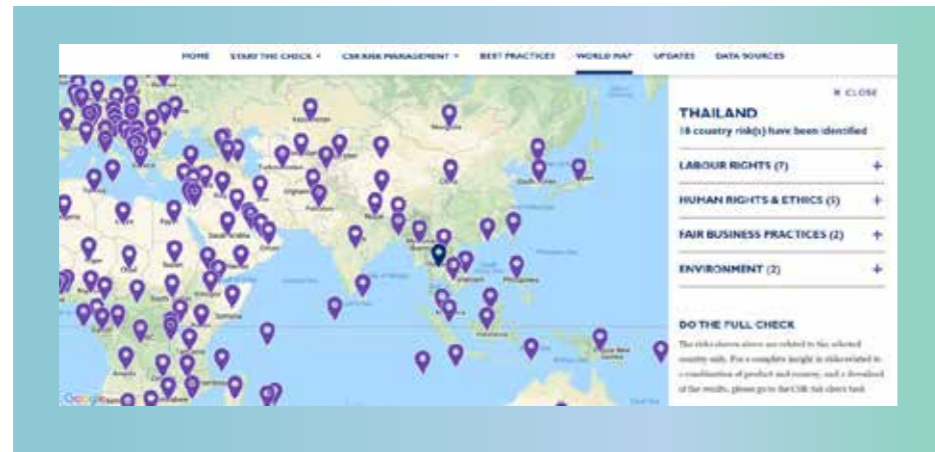
Access to resources: <https://www.business-humanrights.org/en/>



The “Business & Human Rights Resource Centre (BHRRC)” is an institution that collaborates with global networks of civil society, business, government, and media to develop databases on human rights in business and to eliminate human rights violations, particularly in three issues: labour rights, responsible natural resource utilisation, and civic freedoms and human rights defenders. The institution conducted impact assessment of these human rights cases and produced reports. These reports can be useful resource for companies to investigate human rights risks and examine the human rights situation at the relevant industry and national levels. Businesses can also use the information disclosed in the reports to conduct comprehensive human rights due diligence, as well as planning and implementing measures to prevent risks and human rights impacts that may arise from their own business operations.

## 2) CSR Risk Check Tool

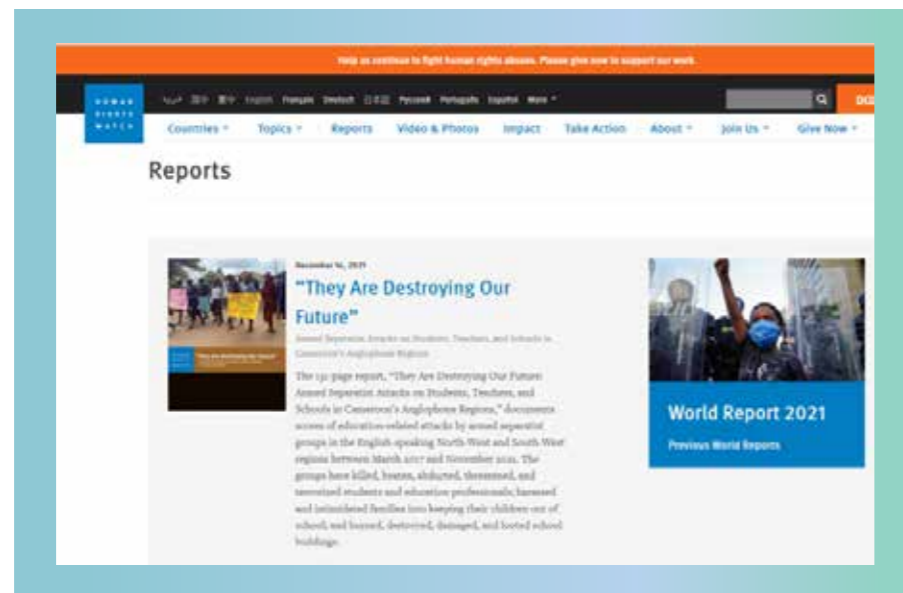
Access to resources: <https://www.mvorisicochecker.nl/en>



The CSR Risk Check is a tool for assessing social and environmental responsibility risks at the national level. Businesses can preliminarily assess human rights risks in their operations and identify potential risks resulting from their business activities in their operating country. This will enable them to develop suitable and effective measures to prevent risks.

## 3) Human Rights Watch's Reports

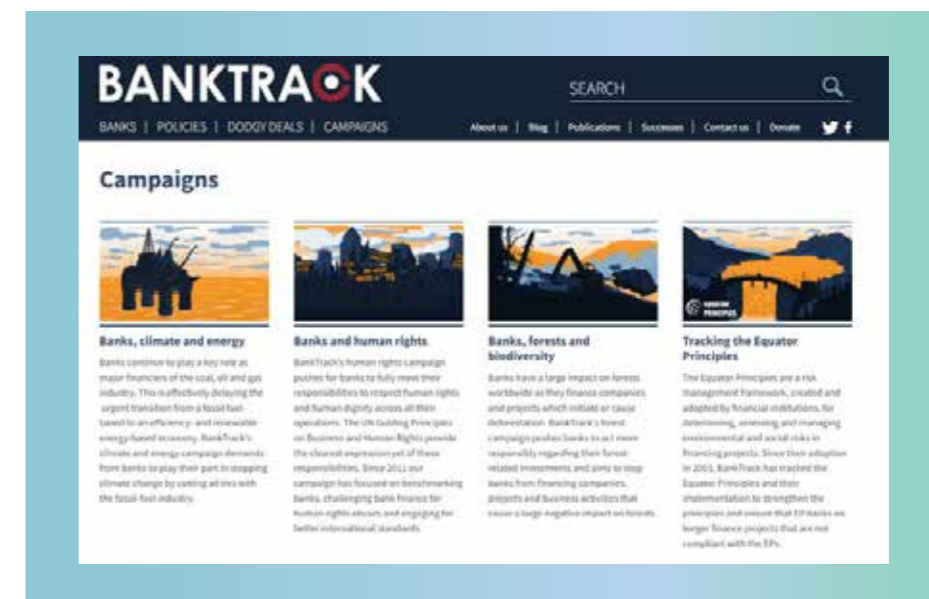
Access to resources: <https://www.hrw.org/>



Human Rights Watch is a civil society organisation comprising experts, academics, lawyers, journalists, and networks working to protect vulnerable groups and those at risk of human rights violations, ranging from ethnic minorities and wartime civilians to refugees and children in need. Human Rights Watch plays a role in collaborating and advocating policy issues with governments and the business sector to promote changes in law enforcement, policy-making, and practices to ensure human rights protection.

## 4) BankTrack Database

Access to resources: [https://www.banktrack.org/page/about\\_banktrack](https://www.banktrack.org/page/about_banktrack)



Banks play an important role in financing businesses through loans, which makes them attractive for supporting businesses that may be exposed to human rights risks. BankTrack has been monitoring and campaigning to prevent funding for dangerous business activities that pose a risk of human rights violations and to promote the business activities of the banking industry that respect human rights and prevent human rights violations.

Businesses can use BankTrack's database and reports to examine and learn about human rights violations to identify trends and make recommendations to improve business operations. This will be beneficial for businesses in accessing loan from the banks that prioritise sustainability, particularly human rights issues, which are critical and interconnected with other issues such as climate change, community life quality affected by businesses, and the use of armed forces etc.



# Appendix D

## – Appendix D –

### Human Rights Awards by Thailand’s Ministry of Justice<sup>43</sup>

Under the Ministry of Justice, the Rights and Liberties Protection Department establishes criteria for evaluating model organisations in **human rights** and annually announces awards for such organisations. This initiative aims to promote excellence among governmental agencies, state enterprises, the private sector, social enterprises, and civil society organisations demonstrating outstanding human rights commitment. These exemplary organisations serve as role models for others, showcasing best practices and incorporating human rights considerations into their work. The criteria for evaluating exemplary organisations are regularly reviewed to ensure that they effectively reflect their efforts in promoting human rights and enhancing the efficiency and quality of their work based on the principles of equality, equity, and non-discrimination.

Small and Medium-sized enterprises in the business sector can submit their achievements based on the criteria set for “**Evaluation of Human Rights Model Organizations in the State Enterprises and Business Sectors.**” Interested companies can access annual application announcements at [www.rlpd.go.th](http://www.rlpd.go.th). Any organisation with the highest score will be awarded and recognised as a Human Rights Model Organization; at the same time, organisations demonstrating efforts and commitment to applying human rights principles in their business operations will be considered for commendation certificates by the committee.

In this regard, the Rights and Liberties Protection Department has adopted the United Nations Guiding Principles on Business and Human Rights (UNGPs) as the basis for developing criteria, which consist of two parts:

**Part A: Capability to implement activities according to the expectations outlined in the criteria.**

**Part B: Implementation of projects or activities promoting human rights in other forms beyond the 9 main criteria set in Part A.**

<sup>43</sup> Currently in the process of reviewing the new criteria set by the Rights and Liberties Protection Department, Fiscal Year 2566, to ensure the information is up to date.

## Evaluation Criteria for State Enterprises and Business Sectors

**Part A: Capability to implement activities according to the expectations outlined in the criteria.**

1) There are statements/policie(s) regarding the organisation’s respect for human rights.

| The anticipated activities that the business organisation is expected to undertake   | Small-Sized Enterprises (S) | Medium Sized Enterprises (M) |
|--|-----------------------------|------------------------------|
| 1.1) Developing statements/policies (s) on human rights that the organisation’s top management has approved, disseminated and published online through various media such as websites or social media platforms.   | ✓                           | ✓                            |
| 1.2) Developing statements/policies (s) on human rights that have been approved by the top management of the organisation with clear issues, such as labour rights and basic welfare, promoting employment for vulnerable populations (persons with disabilities, older people, ex-convicts), ensuring legal labour practices, and respecting the environment etc. Disseminating them within the organisation and publishing them online through various media such as websites or social media platforms. | •                           | ✓                            |
| 1.3) Developing statements/policies (s) on human rights that have been approved by the top management of the organisation with clear issues, disseminating them within the organisation and publishing them online through various media such as websites or social media platforms, and sending them to business partners, supply chains, or relevant stakeholders.   | •                           | •                            |

2) The organisation has established guidelines to prevent human rights violations.

| The anticipated activities that the business organisation is expected to undertake  | Small-Sized Enterprises (S) | Medium Sized Enterprises (M) |
|---|-----------------------------|------------------------------|
| 2.1) The organisation has established guidelines, regulations, or operational procedures to prevent human rights violations concerning its workforce, employees, and customers or service users.  | ✓                           | ✓                            |
| 2.2) The organisation has established guidelines, regulations, or operational procedures to prevent human rights violations, and there is dissemination or training provided to employees to ensure awareness and adherence to these practices universally. | •                           | ✓                            |

3) Human Rights Due Diligence (HRDD) has been thoroughly examined.

| The anticipated activities that the business organisation is expected to undertake   | Small-Sized Enterprises (S) | Medium Sized Enterprises (M) |
|--|-----------------------------|------------------------------|
| 3.1) There are monitoring mechanisms within the organisation to prevent human rights violations, such as ensuring there are no opportunities for sexual harassment in the workplace and monitoring the business production processes to prevent environmental and community violations.  | ✓                           | ✓                            |
| 3.2) The Internal Audit Department conducts assessments and risk evaluations, reporting on organisational situations and risks that may lead to human rights violations. This includes violations concerning internal personnel and external individuals associated with the organisation.   | ✓                           | ✓                            |
| 3.3) Inspections and surveillance measures are implemented to monitor human rights violations throughout the supply chain, including investigating collaborative business operations or entities within the supply chain to determine if human rights violations have occurred.  | •                           | ✓                            |
| 3.4) Independent experts are contracted to conduct assessments and risk evaluations concerning potential human rights violations and prepare reports on organisational situations and risks concerning internal personnel and external individual violations.  | •                           | •                            |
| 3.5) Communication channels are established to disseminate reports on assessing organisational situations and risks to the public, allowing for operational outcome analysis and guaranteeing that their business practices do not violate human rights. For instance, reports on assessing organisational situations and risks are publicly accessible on the organisation's website. | •                           | ✓                            |

4) There is the cultivation of responsibility and human rights awareness among personnel.

| The anticipated activities that the business organisation is expected to undertake   | Small-Sized Enterprises (S) | Medium Sized Enterprises (M) |
|--|-----------------------------|------------------------------|
| 4.1) Personnel are sent to attend meetings/seminars or participate in e-learning programs regarding human rights issues organised by external agencies.  | ✓                           | ✓                            |
| 4.2) Training/seminars or e-learning courses are organised to provide some personnel knowledge, understanding, and awareness of human rights.  | •                           | ✓                            |
| 4.3) Training/seminars are organised, or e-learning courses are developed to provide knowledge, understanding, and awareness of human rights to personnel at all levels within the organisation. | •                           | •                            |
| 4.4) There are personnel within the organisation who can impart knowledge about human rights to other personnel.   | •                           | •                            |

5) Supply Chain Management measures are implemented to oversee and ensure respect for human rights within the supply chain system.

| The anticipated activities that the business organisation is expected to undertake   | Small-Sized Enterprises (S) | Medium Sized Enterprises (M) |
|--|-----------------------------|------------------------------|
| 5.1) Clear management and oversight measures to respect human rights are in place within the supply chain system.  | ✓                           | ✓                            |
| 5.2) Actions are taken to implement management and oversight measures to respect human rights within the supply chain system. This includes having specific guidelines for managing and overseeing the supply chain system to respect human rights, as well as implementing activities such as sourcing human rights experts to provide the training, supporting the organisation's resources to address human rights violations arising from units within the supply chain system, or terminating relationships with any companies that violate human rights, among others. | ✓                           | ✓                            |

6) There are internal units specifically responsible for overseeing and monitoring the implementation of human rights policies.

| The anticipated activities that the business organisation is expected to undertake   | Small-Sized Enterprises (S) | Medium Sized Enterprises (M) |
|--|-----------------------------|------------------------------|
| 6.1) Individuals or internal units within the organisation are assigned to promote, supervise, and monitor the implementation of the organisation's human rights policy. | ✓                           | ✓                            |
| 6.2) Specialised units are established with the direct responsibility to promote, supervise, and monitor the implementation of the organisation's human rights policy.   | •                           | ✓                            |

7) The organisation has a complaint mechanism in case of human rights violations against stakeholders.

| The anticipated activities that the business organisation is expected to undertake  | Small-Sized Enterprises (S) | Medium Sized Enterprises (M) |
|---|-----------------------------|------------------------------|
| 7.1) There are channels available for employees within the organisation to lodge complaints in various formats, such as complaint boxes, websites, and hotlines, where they can report human rights violations.   | ✓                           | ✓                            |
| 7.2) There are channels available for customers, service recipients, business partners, or external individuals to lodge complaints in various formats, such as complaint boxes, websites, hotlines, or other online platforms, where they can report instances of human rights violations or actions leading to human rights violations. | ✓                           | ✓                            |
| 7.3) A mechanism is in place to handle complaints efficiently within a specified timeframe. This includes clear measures, practices, and processes for handling organisational complaints. Clear and appropriate timeframes are established for managing and resolving complaints effectively.  | ✓                           | ✓                            |

8) There are effective and appropriate measures for managing and remedying damages arising from the business operations.

| The anticipated activities that the business organisation is expected to undertake   | Small-Sized Enterprises (S) | Medium Sized Enterprises (M) |
|--|-----------------------------|------------------------------|
| 8.1) There is a mechanism for mediating disputes, such as assigning personnel to negotiate when disputes arise or providing channels for coordination with external personnel or agencies to mediate disputes.                 | ✓                           | ✓                            |
| 8.2) There are processes to help and remedy those affected by the business operations, such as establishing written measures and standards for remedying, which may include monetary compensation and other forms of remedy.   | ✓                           | ✓                            |
| 8.3) Budget allocation and other appropriate measures are in place to compensate and assist individuals affected by human rights violations, such as setting aside funds annually for swift assistance and remedy when needed. | •                           | •                            |

9) There are communication channels for accessing Information and updates on the implementation of human rights policies.

| The anticipated activities that the business organisation is expected to undertake   | Small-Sized Enterprises (S) | Medium Sized Enterprises (M) |
|--|-----------------------------|------------------------------|
| 9.1) Information disclosure is done through various channels within the organisation, such as notice boards, leaflets, or other forms of internal communication, with <u>at least</u> one channel available. | ✓                           | ✓                            |
| 9.2) With more than one channel available, Information disclosure is done through multiple channels within the organisation, such as notice boards, leaflets, or other internal communication.               | •                           | ✓                            |
| 9.3) Information is disclosed through various channels accessible to the public, such as leaflets, public relations documents, online media, and social media, with <u>at least</u> one channel available.   | ✓                           | ✓                            |
| 9.4) Information is disclosed through various channels accessible to the general public, such as leaflets, public relations documents, online media, and social media, with more than one channel available. | •                           | ✓                            |

**Note 1:** The symbol ✓ indicates the criteria that the Rights and Liberties Protection Department expects organisations to implement the sub-activities.

**Note 2:** The symbol • denotes sub-activities that provide additional points for small (S) and medium-sized (M) businesses.

**Part B: Implementation of projects or activities promoting human rights in other formats beyond the 9 main criteria in Part A.**

The Rights and Liberties Protection Department allows organisations to submit descriptions of projects or activities promoting human rights in formats beyond the 9 main criteria mentioned above. This allows organisations to present their work on human rights fully and freely.

