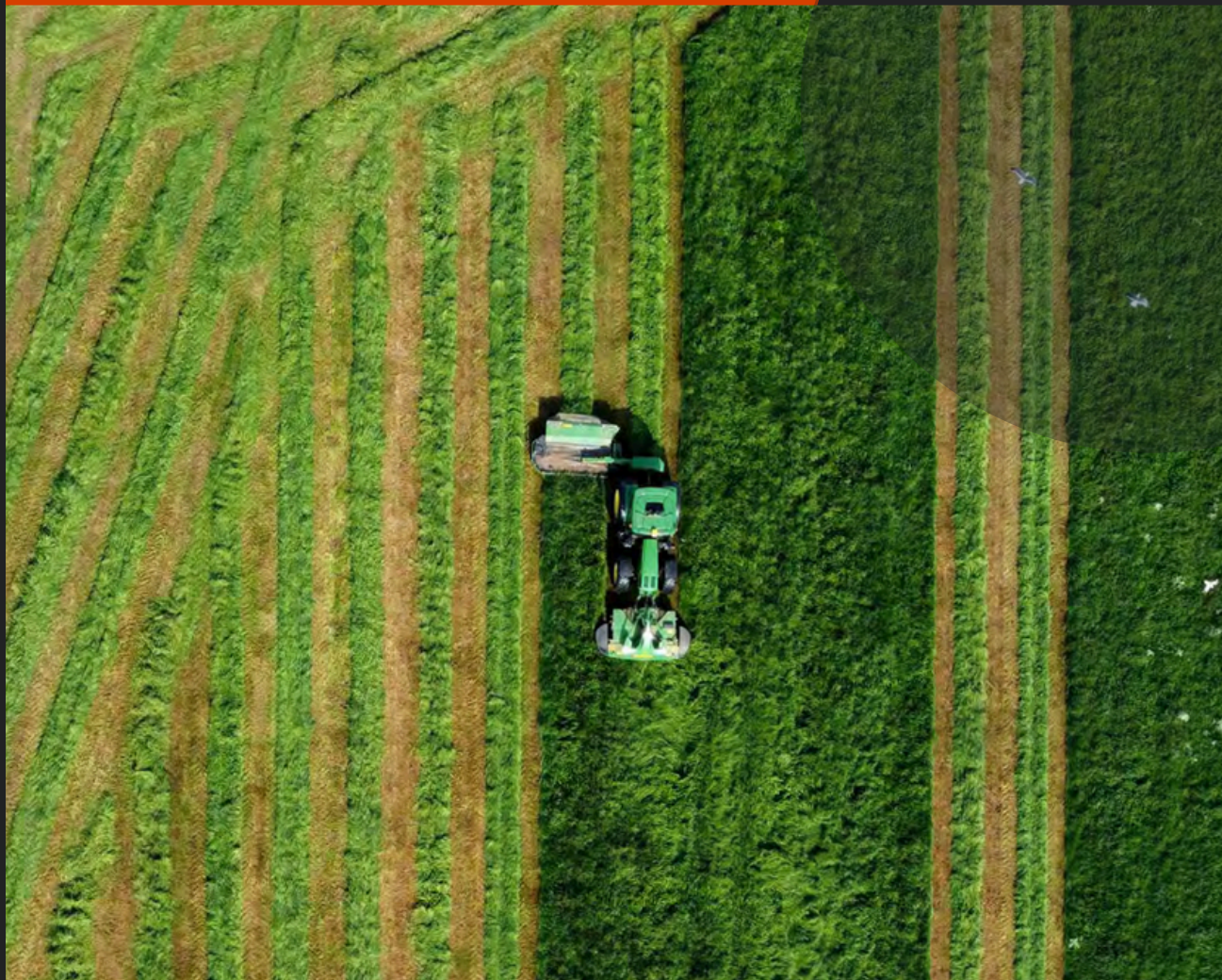




Workforce Due Diligence Toolkit

Company Guidance whilst filling out the Survey

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Executive Summary

This guidance document equips organisations in Malaysia and Thailand with a practical roadmap for implementing Human Rights Due Diligence (HRDD) in line with emerging global standards and national expectations. Developed in response to the growing scrutiny of labour practices across supply chains, it introduces the TRF Workforce Due Diligence Toolkit (WDDT) Survey as a core tool for helping businesses identify workforce-related risks, strengthen internal processes, and meet buyer and investor demands for responsible conduct.

The document is structured to bridge the gap between high-level human rights frameworks and the operational realities of organisations, especially Small and Medium Enterprises (SMEs). It provides clear explanations of key HRDD concepts, highlights sector-specific risks and outlines how simple data collection and analysis can reveal patterns that support better decision-making. Country-specific references to legal requirements, regulatory frameworks, and supply chain exposure help contextualise the guidance for real-world application.

The WDDT Survey is designed to be user-friendly and action oriented. It focuses on four core areas: workforce composition, health and safety, fair remuneration and training access, and human rights policies.

Each section guides responding companies on how to use the survey not just as a reporting exercise, but as a management tool that promotes business resilience, legal compliance, and workforce wellbeing.

In addition, the guidance outlines how investors and buyers are increasingly using workforce and HRDD data to assess supply chain integrity and performance. Through real-world examples, such as Robeco's divestment from PTTEP, the document illustrates how both large and small businesses are affected by evolving expectations. It also provides prioritisation strategies, helping companies allocate resources to actions that will generate the most impact.

This guidance does not assume unlimited capacity. Instead, it offers scalable steps for companies at distinct stages of HRDD maturity, encouraging continuous improvement and transparent engagement with key stakeholders. By embedding HRDD into core business operations, companies can improve their market positioning, reduce exposure to risk, and contribute meaningfully to more equitable supply chains in the region.



REUTERS/Yusuf Ahmad

1 Introduction

Companies in Malaysia and Thailand form the backbone of global supply chains, supplying critical inputs and finished goods to multinational brands across sectors such as electronics, garments, palm oil, seafood, and automotive manufacturing. The way a company manages labour conditions and workforce risks has a direct bearing not only on its local business outcomes, but also on the social, legal, and reputational exposure of international buyers, investors, and downstream partners. In this context, responsible labor practices are no longer just a local compliance matter; they are a shared priority across the entire value chain.

Driven by heightened scrutiny from regulators, clients, and financiers, companies are under increasing pressure to demonstrate how they uphold labour rights, manage workforce risks, and contribute to ethical and sustainable production. While HRDD has often been seen as the domain of large corporations, it is now a core expectation for smaller firms as well, particularly those serving export-facing industries. Yet many companies still face real and practical barriers to engagement, such as limited resources, lack of clarity on expectations, or unfamiliarity with global and national frameworks.

HRDD is the process through which businesses identify, manage, and address potential risks to people across their operations and supply chains. Though grounded in international standards, the core principles of HRDD are increasingly reflected in national policy frameworks. In Malaysia, terms such as labour risk management and forced labour prevention, particularly under the National Action Plan on Forced Labour (NAPFL)ⁱ, align closely with HRDD. In Thailand, the National Action Plan on Business and Human Rights (NAP-BHR)ⁱⁱ promotes similar goals, framed under *responsible business conduct*, *human rights risk mitigation*, and *due diligence* through government guidance, particularly by the Ministry of Justiceⁱⁱⁱ and aligned labour legislation such as the Labour Protection Act^{iv} and Labour Relations Act^v.

To support companies in navigating this complex landscape, **Thomson Reuters Foundation (TRF)** has developed a comprehensive **Workforce Due Diligence Package (WDDP)**. This initiative reflects a recognition that existing systems for monitoring and engaging supply chain actors often fail to reach companies, despite their foundational role in the economies of Malaysia and Thailand. Most companies remain underrepresented in global reporting platforms, despite being on the frontlines of labour-intensive production.

The WDDP was designed as a practical and scalable solution, offering companies a realistic entry point into the HRDD landscape. It includes three interlinked components that collectively help close the visibility gap and support stronger workforce management:

- **The Workforce Due Diligence Business Training (WDDTr):** an in-person workshop and continued online learning to cement knowledge around HRDD practices.
- **The Workforce Due Diligence Toolkit WDDT survey:**
 - A structured yet lightweight framework that gathers key data on workforce demographics, health and safety incidents, grievance mechanisms, and human rights policies. It is tailored to the operational realities of companies in Thailand and Malaysia, many of which have limited reporting capacity and minimal exposure to international due diligence standards.
 - Every responder will receive detailed and practice feedback on their response so that they can improve their response. The Company Guidance Document is a step-by-step resource that supports SMEs in interpreting their survey results and translating them into concrete actions. It helps SMEs strengthen internal processes, respond to buyer and investor expectations, and build credible systems aligned with both national legislation and international frameworks.
- **The Investor Guidance Document** – a complementary resource designed for institutional investors. The investor guidance explains how investors can use SME disclosures to assess HRDD risk exposure, engage with portfolio companies, and inform capital allocation or stewardship strategies.

The survey converts complex HRDD concepts into accessible questions and indicators, allowing businesses to identify risks, evaluate existing systems, and prioritize achievable improvements. It also supports consistent monitoring and enables companies to present credible workforce data to clients, regulators, and other stakeholders.

By leveraging the tool, companies can enhance operational resilience, reduce exposure to reputational and legal risks, and demonstrate their commitment to ethical business conduct in a way that is both practical and proportional to their size and capacity.

2 HRDD Reporting: A Strategic Imperative for Businesses

Companies have always played a key role in advancing responsible business practices due to their connections in global supply chains. As expectations around transparency and accountability grow, companies are finding themselves more directly involved in meeting due diligence requirements. This shift reflects the increasingly interconnected nature of global commerce, where the actions of even the smallest suppliers can influence broader business outcomes. As a result, more lead firms are requiring their supplier partners to demonstrate how they manage labour practices, address risks, and uphold basic human rights standards in day-to-day operations.

Rather than being perceived as an external pressure, this evolving landscape presents an opportunity for companies to strengthen their systems, manage internal risks/conflicts, meet local regulations, earn competitive advantage, build trust with clients, and contribute meaningfully to ethical supply chains.



2.1 Enhancing Companies' Readiness for Regulatory Compliance

As global supply chains face growing scrutiny, companies are under increasing pressure to demonstrate responsible labour practices in line with evolving regulations and buyer expectations. The WDDT survey offers a practical way forward. It translates complex due diligence standards into clear, actionable steps by breaking requirements down into focused questions and checklists, providing tailored guidance on risk identification, mitigation measures, documentation, and ongoing monitoring. Through this structured approach, companies can systematically assess current practices and confidently strengthen human and labour rights management in alignment with national and international expectations.

2.1.1 Alignment with National Regulatory Frameworks

Across Southeast Asia, governments are strengthening their commitments to labour protection and responsible business conduct through updated legislation, sustainability standards, and national action plans. In both Malaysia and Thailand, this evolving policy landscape underscores the need for more structured HRDD practices within the private sector, particularly among companies.



Malaysia

Malaysia has developed a robust set of labour and governance frameworks aimed at improving worker protections, sustainability reporting, and corporate accountability. Core statutes such as the **Employment Act 1955**, **Sabah Labour Ordinance (Amended 2025)**, and **Sarawak Labour Ordinance (Amended 2025)**, establish minimum standards on contracts, working hours, and conditions, complemented by the **Minimum Wages Order 2022 under the National Wages Consultative Council Act**. The **Trade Unions Act 1959** and **Industrial Relations Act 1967** safeguard collective bargaining rights, while the **Occupational Safety and Health Act 1994** strengthens workplace safety obligations. Protections for younger workers are set out in the **Children and Young Persons (Employment) Act 1966**.

At a policy level, the **National Action Plan on Forced Labour (NAPFL) 2021-2025**, ***National Action Plan on Business and Human Rights (NAPBHR) 2025-2030**, and call for the integration of human rights into business strategy and risk management. The WDDT survey is designed to include these local policies and regulations, reflect and operationalise the expectations. It enables companies to assess their current practices, identify gaps, and determine whether they are aligned with Malaysia's regulatory and policy direction on responsible employment and supply chain management.

*The NAPBHR is currently in draft form and may be subject to further revision prior to final adoption.



Thailand

In Thailand, the policy environment continues to mature through a combination of legal protections, corporate responsibility mandates, and labour development initiatives. The **Labour Protection Act** and the **Labour Relations Act (TLRA)** establish clear requirements around working conditions, freedom of association, and fair treatment of employees. Complementing these legal provisions is the **Skill Development Promotion Act (TSDPA)**, which encourages businesses to invest in workforce upskilling and long-term employee development.

At the strategic level, Thailand's **National Action Plan on Business and Human Rights (NAP-BHR)** lays out a government-endorsed framework for businesses to prevent, mitigate, and address adverse human rights impacts. The **One Report** mechanism further requires companies to integrate non-financial disclosures—such as human capital management and labour practices—into a unified reporting format. The WDDT survey also reflects these expectations and offers companies a pragmatic and proportionate way to align with these standards, helping them demonstrate due diligence, anticipate compliance risks, and position themselves for future market access and investor confidence.

A detailed mapping of the TRF SME HRDD survey against national legal and policy frameworks shows that 65% of its core indicators are aligned with at least one binding law or policy in Malaysia or Thailand. In Malaysia, 46.9% of indicators correspond to provisions in the Employment Act 1955, while alignment rises to 61.2% with the NAPFL, and 65.3% with the NAPBHR. In Thailand, 46.9% of indicators align with the LPA, with additional areas of strong correspondence to the LRA and the TSDPA, as well as mandatory disclosure requirements under the One Report framework. This broad overlap indicates that the WDDT survey captures the majority of legal and policy expectations in both jurisdictions, reinforcing its value as a compliance and risk-screening tool for companies.

2.1.2 Alignment with International Standards and Market Expectations

Companies are also affected by international legal instruments and voluntary frameworks, particularly through their role as suppliers to global companies. International buyers increasingly require evidence that human rights risks are being identified and addressed at every level of the value chain. The WDDT survey helps companies proactively meet these expectations by aligning with globally recognised standards, including:

- The **UN Guiding Principles on Business and Human Rights (UNGPs)**
- The **OECD Due Diligence Guidance for Responsible Business Conduct**
- The **ILO Core Labour Standards**
- The **EU Corporate Sustainability Due Diligence Directive (CSDDD)**

While some regulatory standards may not be legally binding on companies specifically, global norms such as the UN Guiding Principles on Business and Human Rights (UNGPs)—which explicitly apply to all businesses irrespective of size (see GP14)—and the ILO core conventions are relevant to every company, regardless of national legal frameworks. However, these standards strongly influence the compliance and procurement requirements set by multinational corporations. By using the WDDT survey, companies can demonstrate their awareness and proactive alignment with these internationally recognized expectations. This not only strengthens supply chain integrity but also positions companies as credible, responsible partners in global supply chains.

2.2 Strengthening Internal Operations of companies

While many companies manage daily operations through experience and adaptability, key workforce practices are often undocumented or inconsistently applied. This can make it difficult to meet legal requirements, monitor risks such as labour unrest, or respond confidently to buyer and regulatory expectations.

The WDDT survey helps companies take stock of their current practices and strengthen the way labour-related matters are handled internally. It prompts a shift from reactive, case-by-case management to more proactive, organised approaches, without requiring complex systems or costly interventions.

2.2.1 Identifying Hidden Workforce Risks

The survey is designed to surface areas where risk may exist but is not always visible in day-to-day operations:

- **Grievance and feedback mechanisms:** including whether workers know how to raise concerns safely and whether protections against retaliation are in place.
- **Supplier risk exposure:** whether suppliers or contractors have been assessed for labour risks such as forced labour, child labour, harassment, or discrimination.
- **Occupational health and safety:** including whether incidents are tracked and whether preventive measures and safety procedures are clearly defined.

Recognising these risks early allows companies to take corrective action before issues escalate—helping to avoid reputational damage, legal consequences, or buyer disengagement.

2.2.2 Establishing More Structured Practices

Many companies in Malaysia and Thailand manage labour-related issues informally, through verbal instructions, case-by-case decisions, or unwritten norms. While this approach may be sufficient in the short term, it often results in inconsistent standards, limited oversight, and difficulty responding to buyer audits or regulatory requirements. To remain competitive and resilient in today's market, companies need to develop more structured practices that bring clarity, accountability, and alignment with both national regulations and global due diligence expectations.

Formalising such practices does not require large investments or technical expertise. It involves building basic internal systems that are realistic, scalable, and fit for purpose. The WDDT survey plays a key role in this process. It acts as both a diagnostic and a capacity-building tool, helping companies identify gaps, highlight strengths, and take practical, achievable steps to improve how labour-related issues are managed.

2.2.2.1 Good Practice Examples from the Region

★ Case Study 1

Malaysia – SAM Engineering & Equipment (M) Berhad

SAMEE Berhad, a Malaysian precision engineering company, illustrates how compliance measures can be formalized into stronger workforce governance. While not an SME, its practices offer useful lessons that smaller firms can adapt:

- Set up simple grievance channels (drop boxes, email) to capture worker feedback.
- Employed migrant workers on permanent terms with statutory benefits and direct wage transfers.
- Adopted a Code of Conduct on forced labour, fair wages, and equal opportunity.
- Passed third-party audits in FY2023 without major findings.

Some steps (e.g., wage transfers, statutory benefits) are legal requirements rather than discretionary good practices. The value lies in embedding compliance systematically and extending it across the supply chain.

Relevance for SMEs

- ✓ Use low-cost grievance tools to surface issues early.
- ✓ Ensure legal obligations on wages and benefits are consistently applied.
- ✓ Adopt a brief code of conduct to signal commitment to buyers and regulators.

★ Case Study 2

Thailand – Thai Union and SME Supplier Uptake

Thai Union, a leading seafood exporter headquartered in Thailand, provides a scalable model for structured supply chain practices:

- All suppliers are required to sign a Business Ethics and Labor Code, available in multiple languages and aligned with international standards.
- Thai Union supports suppliers with training, risk screening, and social compliance audits, including site visits and remediation plans.
- A sector-specific Vessel Code of Conduct, updated in 2024, focuses on risks in fishing operations and is now a condition for all contract renewals.

These practices have led to the termination of 16 suppliers for labour-related non-compliance since 2016, and a reduction in contracted fishing vessels from over 2,000 to 400 to strengthen traceability and oversight.

Many smaller suppliers to Thai Union have adopted simplified versions of these tools; introducing one-page supplier codes, basic risk screening, and routine check-ins, demonstrating how structured practices can be implemented at low cost while maintaining commercial relevance.



REUTERS/Rodrigo Garrido

2.2.2.2 Structured Practices: A Practical Roadmap for companies

This section offers companies a practical roadmap to strengthen HRDD systems, designed to work seamlessly with the WDDT survey. The journey begins when a company completes the WDDT survey, a step that allows for a current-state assessment of HR practices and highlights key risks and gaps. Survey results are not just a diagnosis; they actively guide the next steps.

After completing the survey, companies receive tailored guidance, including a gap analysis that pinpoints exactly which HRDD improvements will have the greatest impact. Each recommended action in the roadmap addresses specific, common gaps revealed through the survey, enabling companies to move confidently from assessment to implementation.

Recommended practices, shaped by your survey results, include:

- ✓ **Start with a Core Workforce Policy:** Use the survey's top findings to prioritize basics (e.g., address gaps in wage records with a clear wage policy).
- ✓ **Assign Ownership:** Implement a focused supplier checklist that directly targets supplier risk areas highlighted by the survey.
- ✓ **Use a Supplier Checklist:** For identified supplier risks, deploy a focused checklist to close the survey-highlighted gaps.
- ✓ **Embed Labour Clauses in Contracts:** Embed targeted labour clauses into supplier and partner contracts where the survey detects compliance risks.
- ✓ **Establish a Grievance Channel:** Where the survey identifies that worker voice is limited, establish accessible, confidential feedback channels.
- ✓ **Conduct Regular Briefings:** Where the survey points to poor communication, run regular team briefings aligned to key survey insights to improve communication.
- ✓ **Translate and Share Documents:** Where the survey exposes language barriers, translate and simplify essential documents to ensure they're worker-friendly, particularly where the survey exposes language barriers.



By taking this approach, companies don't need to guess what needs fixing—the survey diagnoses, the gap analysis prioritizes, and the roadmap turns insights into structured actions. This integrated sequence ensures every improvement is directly responsive to actual needs, leading to HRDD systems that are fair, transparent, and sustainable.

2.2.3 Embedding Systems for Sustainable Growth

Implementing HRDD requires more than having written policies in place. It involves developing systems that support responsible workforce practices across day-to-day business operations. For many companies, the challenge lies in translating good intentions into consistent procedures that can be applied across teams and sustained over time. WDDT survey offers not just a snapshot of risk, but a framework for gradual improvement tailored to the business's existing capacity.

By applying the survey tool as part of regular business processes, companies can advance their HRDD approach in several key ways:

✓ Improve Coordination Across Functions

In most companies, responsibilities related to workforce issues are distributed across departments such as HR, procurement, site management, and general operations. Without structured coordination, policies may be applied unevenly or vital information may not be shared across teams. For instance, HR may maintain a recruitment policy, while procurement engages subcontractors without assessing their labour practices.

The survey helps highlight these gaps by asking targeted questions about policies, and implementation. This makes it easier for companies to develop shared procedures, clarify expectations across departments, and strengthen internal alignment. Over time, this fosters greater consistency and accountability in how labour-related issues are addressed across the business.

✓ Monitor Progress and Guide Systematic Improvement

In most companies, responsibilities related to workforce issues are distributed across departments such as HR, procurement, site management, and general operations. Without structured coordination, policies may be applied unevenly or vital information may not be shared across teams. For instance, HR may maintain a recruitment policy, while procurement engages subcontractors without assessing their labour practices. The survey helps highlight these gaps by asking targeted questions about policies, and implementation. This makes it easier for companies to develop shared procedures, clarify expectations across departments, and strengthen internal alignment. Over time, this fosters greater consistency and accountability in how labour-related issues are addressed across the business.

✓ Strengthen Readiness for Client, Audit, or Regulatory Requirements

As legal frameworks and buyer expectations evolve, companies are increasingly required to demonstrate how they manage labour-related risks. This may include participation in client-led assessments, submission of documentation for ESG reporting, or compliance with national regulations related to forced labour, health, and safety, or working conditions.



WDDT survey helps companies prepare for these external requirements by promoting better documentation, clearer internal roles, and more consistent practices. By identifying and addressing common gaps, such as missing policies, unmonitored suppliers, or the absence of translated materials, companies are better positioned to respond with confidence and credibility when questions are raised.



2.3 Meeting Stakeholder Expectations

Companies today are operating in supply chains where responsible labour practices are not just encouraged, they are being actively monitored. Across industries, clients, buyers, and financial stakeholders are seeking greater visibility into how businesses manage workplace standards and human rights risks. WDDT survey offers companies a structured, accessible way to respond to these evolving demands. By capturing key information about workforce management, the survey helps businesses communicate their practices clearly, address questions from stakeholders with confidence, and demonstrate that they are keeping pace with market and regulatory shifts.

2.3.1 Meeting Buyer and Client Requirements

Across sectors, buyers and lead firms are raising the bar on responsible sourcing. Companies are increasingly expected to demonstrate how they uphold fair labour practices, not just through verbal commitments, but through unambiguous evidence embedded in their daily operations. This scrutiny often takes the form of supplier assessments, onboarding questionnaires, or site audits that examine issues such as recruitment processes, wage practices, grievance channels, and contractor oversight. For companies, especially those with limited reporting capacity, navigating these requirements can be challenging. WDDT survey offers a practical solution by helping companies systematically capture and organise the information that buyers are asking for, without needing advanced systems or technical expertise.

By engaging with the survey, companies can:

- ✓ Present reliable, structured responses to supplier evaluations and onboarding forms
- ✓ Highlight that key systems such as employment contracts, safety protocols, and worker feedback mechanisms are actively in place
- ✓ Reduce duplication of effort by maintaining a consistent internal reference point for audits and buyer queries



Rather than relying on informal explanations or one-off documents, companies can use their survey results to demonstrate operational maturity and risk awareness. This can significantly strengthen their standing in sourcing decisions, reinforce trust with existing clients, and reduce the burden of repeat assessments over time.

2.3.2 Building Investor and Market Credibility

As responsible investing and sustainability-linked finance continue to expand, investors are paying closer attention to how labour risks are identified and managed across entire supply chains, including at the SME level. There is increasing demand for transparent, accurate information on workplace conditions, human rights safeguards, and exposure to labour-related risks.

For companies, this evolving focus presents both a challenge and a strategic opening. Businesses that can demonstrate robust workforce practices and risk management through structured, credible data are more likely to:

- ✓ Be recognised as lower-risk suppliers in ESG assessments and investor portfolios
- ✓ Unlock access to sustainability-aligned financing, such as green loans, responsible sourcing incentives, or ESG-linked trade credit
- ✓ Build long-term reputational value based on trust, transparency, and social responsibility

By using the survey, companies can systematically assess their workforce-related risks, monitor improvements over time, and communicate their efforts in clear, data-backed terms that resonate with investor and market audiences.

In doing so, companies are not simply meeting external expectations, they are building the internal systems, accountability, and credibility needed to thrive in a business environment that increasingly rewards transparency, equity, and ethical conduct. WDDT survey helps position them as resilient, trustworthy partners in a rapidly evolving global supply chain.

★ Case Study

Thailand – Lessons from PTTEP and Robeco on Supply Chain Accountability

Robeco, a global asset manager, has long emphasized the integration of environmental, social, and governance (ESG) factors into its investment strategies. In high-risk geographies such as Malaysia and Thailand, where labour exploitation, weak enforcement, and complex supply chains are common, Robeco views robust HRDD as essential to long-term business sustainability.

While its engagement often targets large companies like PTT Exploration and Production (PTTEP), the expectations it sets cascade down to companies within those companies' value chains. For Robeco, upholding the UN Guiding Principles on Business and Human Rights (UNGPs) is both a fiduciary responsibility and a baseline for responsible supply chain conduct, making SME-level HRDD implementation increasingly vital.

Business Exposure and Risk Recognition

Companies across Southeast Asia frequently operate in sectors with elevated exposure to human rights risks, including seafood, agriculture, manufacturing, and energy-related services. Like PTTEP's exposure to conflict-related risks through its operations in Myanmar, companies may also be implicated in rights violations through subcontracting, recruitment agents, or sourcing relationships.

Key exposure areas include:

- Seafood processing and logistics in Thailand, where migrant labor exploitation and opaque recruitment are common.
- Palm oil, rubber, and electronics supply chains in Malaysia, particularly where foreign workers are employed.
- Cross-border trade or operations that indirectly link companies to state-owned enterprises or military-affiliated entities in conflict zones.

For companies, these risks may not be immediately visible, but failure to identify and manage them can create significant downstream consequences—including contract termination, reputational damage, and loss of investor or buyer confidence.



Trigger Points and Stakeholder Pressure

Robeco's decision to engage with PTTEP was prompted by:

- Ongoing reports by NGOs and civil society groups, such as the Blood Money Campaign, urging investors to divest;
- Media exposure detailing alleged abuses in Myanmar's oil and gas sector;
- Internal screening processes that flagged PTTEP's links to military-controlled MOGE (Myanmar Oil and Gas Enterprise).

Similarly, companies may come under pressure due to:

- Buyer-led audits that expose gaps in recruitment or working conditions;
- NGO reports on sectoral risks that name suppliers or local contractors;
- Public campaigns or investor expectations around responsible sourcing and due diligence compliance.

Response Expectations and Actions Needed

PTTEP responded to investor pressure by releasing a human rights policy and outlining alignment with international frameworks. However, it did not provide evidence of meaningful action to mitigate risks or disengage from problematic partnerships. This lack of concrete follow-through failed to satisfy investor expectations.

For companies, this underscores that policy alone is insufficient. Key actions include:

- Establishing practical HRDD systems, including supplier and labour agent screening, grievance channels, and risk remediation;
- Documenting efforts to assess and reduce risks in subcontracting, recruitment, or sourcing, particularly in high-risk zones;
- Engaging transparently with stakeholders, including workers, civil society, and downstream buyers;
- Taking corrective action, including contract renegotiation or disengagement from high-risk partners when necessary.

Outcome and Practical Insights for companies

In March 2024, Robeco excluded PTTEP from its investment portfolio, citing failure to meet engagement benchmarks on human rights. In contrast, Robeco reported improved responses from companies in other high-risk sectors, particularly those that adopted industry certifications (e.g., RSPO in palm oil) and enhanced their HRDD processes.

Lessons for companies include:

- Responsible practices are increasingly a condition for market access—especially when supplying to export-oriented or investor-facing companies;
- Grievance mechanisms are more than formalities—they are essential tools for identifying issues early and demonstrating responsiveness;
- Clear documentation of HRDD actions and decisions builds trust with buyers, avoids misalignment with investor expectations, and helps companies retain their position in responsible supply chains;
- Inaction has real consequences when investors or lead firms face reputational or legal pressure.

Conclusion

The PTTEP case highlights the growing accountability expected across entire value chains. For companies in Thailand and Malaysia, this means adopting HRDD not only to meet buyer and investor expectations, but also to future-proof their business in a shifting regulatory and commercial landscape. Demonstrating transparency, responsiveness, and alignment with international frameworks such as the UNGPs can help companies remain competitive and resilient—especially in sectors and regions where human rights risks are most acute.



REUTERS/Beawiharta



3 Improving Workforce Practices Through Stronger HRDD

Before implementing workforce assessments or policy reforms, companies should have a clear understanding of what HRDD involves. HRDD is not just about compliance or reporting; it is about managing risk, safeguarding people, and improving how the business operates. For companies, this process can start small and grow over time.

This section outlines the essential building blocks of HRDD and provides a structured way for companies to begin strengthening internal systems in line with responsible business practices.

3.1 The Four-Step HRDD Process

Before initiating the HRDD process, companies should first establish a solid foundation for responsible business conduct. This begins with a brief written commitment—such as a human rights policy, code of conduct, or labour policy—that clearly sets out how workers, contractors, and other stakeholders will be treated. Even in smaller enterprises, a concise statement that affirms core principles such as non-discrimination, fair pay, safe working conditions, and respect for freedom of association helps set clear expectations and serves as a consistent guide for daily decision-making. Designating an existing staff member to oversee workforce matters, and putting in place a simple, accessible grievance channel that employees can use without fear of retaliation, ensures that issues can be identified and addressed at an early stage.

Once these fundamentals are in place, companies can implement HRDD. Rooted in the UNGPs, the HRDD process consists of four core steps—identify, integrate, track, and communicate—that help businesses manage human rights risks linked to their operations and supply chains. While the principles are global, each step here is adapted to the realities of companies: lean teams, limited budgets, sector-specific risks, and reliance on informal practices. These steps are scalable and proportionate, meaning companies can start simple and expand over time. Monitor workforce trends and grievance data to evaluate effectiveness and identify persistent issues.

Human Rights Due Diligence Process



1 Identify and assess risk

Review operations and suppliers to detect potential human rights risks like unsafe conditions or discrimination.



2 Operational findings

Use insights from risk assessments to inform policies, set supplier expectations, and embed HRDD into daily operations.



3 Track progress

Monitor workforce trends and grievance data to evaluate effectiveness and identify persistent issues.



4 Communicate actions

Keep staff, clients, and stakeholders informed through reports, policies, or surveys.

Step 1: Identify and Assess Risks and Impacts

For companies, the biggest hurdle is often visibility, not knowing where risks may be hiding in day-to-day operations or among subcontractors. Many companies in Malaysia and Thailand operate in labour-intensive sectors, rely on contractors or migrant workers, and may not have formal systems for mapping their workforce.

In practice, this means starting with existing knowledge: listing direct employees, contractors, and main suppliers. Simple tools such as spreadsheets or whiteboards can be used to map roles, worker types, and any outsourced functions. Local risk factors, such as sectors flagged for forced labour, common migrant recruitment practices, or hazardous work tasks, should also be taken into account.

Key actions

- Map operations and supply chain actors using simple, low-cost methods.
- Identify groups most at risk (e.g., migrant, young, or female workers).
- Prioritize risks that are both likely and severe (e.g., wage non-payment, unsafe conditions.)

How the TRF HRDD Survey helps

The survey serves as a ready-made checklist, prompting companies to answer straightforward questions on wages, contracts, grievance mechanisms, and supplier oversight. Even if systems are informal, these questions can help uncover hidden vulnerabilities before they escalate.



Step 2: Integrate Findings into Business Processes

Companies often struggle to move from recognising a problem to fixing it, mainly due to limited staff, time, or written procedures^{xl}. Integration for companies does not require creating new departments; it involves making small, realistic changes to existing processes.

In practice, this could involve updating job contracts or supplier agreements to include basic labour clauses, assigning responsibility for HRDD actions to an existing team member, and adding checks to current processes, such as asking suppliers about recruitment fees when renewing contracts.

Key actions

- Revise workplace policies based on identified risks.
- Allocate small but consistent resources (time, not just money) to improvements.
- Use simple oversight tools such as a one-page supplier checklist.



How the TRF HRDD Survey helps

Survey results highlight specific gaps, such as missing contracts or the absence of a grievance system, so companies can act on them in a targeted way. For example, if the survey shows that safety training is missing, the SME may decide to schedule a short toolbox talk each month. The survey helps ensure that integration remains practical and proportionate.



Step 3: Track Effectiveness

Many companies lack sophisticated monitoring systems, relying instead on memory or informal communication to track progress. Tracking effectiveness in the SME context means creating lightweight, repeatable methods to determine whether changes are working.

This can involve using a simple logbook or spreadsheet to track worker complaints, accidents, or turnover; checking in with suppliers periodically to confirm they follow agreed practices; and repeating the same questions each year to detect trends.

Key actions

- Review basic indicators such as turnover, incidents, or grievances.
- Compare supplier performance year to year.
- Adjust actions if problems persist.



How the TRF HRDD Survey helps

Repeating the survey annually creates a built-in monitoring system without requiring additional software. Companies can track progress on key indicators, such as wages, safety, and grievance use, and provide evidence of improvement to clients or regulators.



REUTERS/Jorge Silva

Step 4: Communicate with Stakeholders

For many companies, communication tends to be informal—through conversations with buyers or verbal updates to staff. The aim should be to make these updates clear, consistent, and documented, even in simple formats.

This could include sharing updates with workers during regular meetings in their own language, preparing a short one-page summary for clients showing improvements made, and keeping records of all updates for future audits.

Key actions

- Inform workers about changes and progress.
- Share key workforce metrics in reports, emails, or presentations to buyers.
- Use evidence, rather than verbal assurances alone, to build trust.



How the TRF HRDD Survey helps

Survey results can be summarised into simple visual formats, such as a gap analysis table, to share with clients, workers, or auditors. This demonstrates both the status and the steps being taken, helping to maintain buyer confidence.

By using the WDDT survey throughout all four steps of the HRDD process, companies can simplify what often feels like a complex requirement. The survey is a decision-making, monitoring, and engagement tool that supports companies in building responsible business practices from the inside out.



3.2 Putting HRDD into Practice

For the companies, formal HRDD can seem complex, but it starts with a few clear, actionable steps. This section introduces foundational practices that help companies better understand their workforce, identify risks early, and create safer, fairer workplaces. By strengthening how information is gathered, how workers are heard, and how concerns are addressed, companies can build systems that are both practical and credible, laying the groundwork for long-term responsibility and resilience.

3.2.1 Conducting Workforce-Focused Human Rights Impact Assessments (HRIAs)

A Human Rights Impact Assessment (HRIA) enables companies to evaluate how their operations affect workers, particularly those in vulnerable or outsourced roles. This is critical in sectors such as agriculture, manufacturing, construction, garments, seafood, and electronics, where buyers increasingly request due diligence evidence.

To simplify, an HRIA is an internal assessment to identify human rights risks within the workforce. Companies can start by:

- **Mapping the Workforce:** Identify employment types (e.g., permanent, part-time, migrant workers) to pinpoint vulnerable groups.
- **Reviewing Internal Records:** Analyze data such as grievance submissions, turnover, and safety incidents to identify recurring issues.
- **Pinpointing High-Risk Roles:** Focus on outsourced functions that may lack adequate oversight.
- **Consulting Workers:** Engage workers through surveys or informal discussions to uncover concerns not captured in policies or records.

Regularly conducting and documenting these assessments helps companies address risks early, improve internal accountability, and build stakeholder trust. Over time, it aids compliance and enhances reporting credibility.

For example, a company in the garment sector identifying high turnover among young female workers can address potential issues like gender-based discrimination through contract revisions or enhanced grievance mechanisms.



Using tools like the WDDT survey can streamline this process. The survey helps collect critical data on workforce issues, providing actionable insights for companies to enhance workforce management and meet buyer and regulatory expectations.

3.2.2 Developing Workforce Data Collection Protocols

Reliable workforce data is essential for companies to monitor their labour practices, respond to due diligence surveys, and make informed operational decisions. Many companies already track some workforce data—such as headcount or payroll—but this pillar encourages standardising and improving how data is collected, recorded, and reviewed.

Companies can take the following steps:



Designate a responsible staff member or small team to oversee data collection and ensure continuity.



Use simple spreadsheets or digital templates that mirror the structure of surveys and audits.



Clearly define terms like “contractor,” “agency worker,” or “seasonal employee” to avoid inconsistency.



Regularly update and verify workforce data, comparing it with HR, payroll, and timekeeping records.



Disaggregate information by key categories such as gender, employment status, job level, or nationality. This helps identify patterns or disparities that may require attention.



Good data protocols not only improve transparency but also reduce time and stress when companies are asked to complete client questionnaires or third-party assessments. Over time, they enable companies to benchmark progress and identify emerging workforce needs.

3.2.3 Engaging Workers in the Due Diligence Process

Engaging with employees is one of the most valuable ways companies can make HRDD meaningful. Workers are often the first to notice issues related to safety, pay, behaviour, or unfair treatment. Creating regular and inclusive feedback channels helps identify these issues early and build a culture of trust.

To support genuine worker engagement, companies can:

- ✓ **Hold regular meetings** with elected or informal worker representatives to discuss workplace matters and share updates.
- ✓ **Use anonymous suggestion boxes or surveys** that allow workers to share concerns privately.
- ✓ **Ensure that all worker groups are included**, especially those who are often left out, such as migrant, female, contract, or part-time workers.
- ✓ **Engage with existing worker structures**, like cooperatives or unions, where present.

The effectiveness of engagement lies in its consistency, sincerity, and follow-through. companies are encouraged to document discussions and subsequent actions to demonstrate accountability and responsiveness.

3.2.4 Strengthening Grievance and Feedback Mechanisms

A functioning grievance mechanism is an essential safeguard for any company. It allows employees to raise concerns confidentially and helps companies identify issues that may not be visible through formal channels.

An effective grievance mechanism for companies should:

- ✓ **Offer multiple ways to report concerns**, such as verbal reports to supervisors, written
- ✓ **Ensure accessibility and clarity**, using language and formats that suit the workforce.
- ✓ **Protect confidentiality** and clearly prohibit retaliation.
- ✓ **Follow a clear process** for reviewing, investigating, and resolving concerns in a timely manner.

Grievance logs should track the type of issue raised, when it was received, and how it was resolved. This not only supports transparency but also helps companies monitor trends over time. It can also strengthen credibility during buyer audits or ESG assessments.

3.2.5 Monitoring and Reviewing HRDD Data Over Time

HRDD is not a one-time activity; it is a continuous process of reflection and improvement. Companies that regularly review their workforce systems are more likely to catch emerging risks, improve operational decisions, and respond confidently to client expectations.

To monitor HRDD progress effectively, companies can:



Create a simple dashboard or summary document that consolidates key workforce indicators such as turnover rates, safety incidents, training completion, or grievance volumes.



Compare data across quarters or years to identify recurring issues or positive trends.



Hold regular internal check-ins involving HR personnel, team leads, or worker representatives.



Use findings to inform policies, update training materials, or initiate corrective actions with suppliers or managers.

Tracking progress over time ensures that improvements are embedded into daily practice. It helps companies demonstrate commitment, enhance workforce stability, and show measurable progress when engaging with buyers, clients, or regulators.

By implementing these practices, companies can operationalise HRDD as a practical business tool that enhances organisational resilience, supports sustainable growth, and promotes responsible employment across all areas of operation.

4 Operationalizing HRDD Through the TRF HRDD Survey

Once the foundations of HRDD are in place, the next challenge for companies is to understand what is working, what is missing, and where to focus effort. The WDDT survey offers a grounded approach to doing just that—helping businesses gather essential information without overcomplicating the process. Instead of relying on assumptions or external assessments, companies can use their own data to uncover patterns, spot risks early, and shape improvements that fit their capacity. This section explains how the survey is organised and how its findings can drive practical steps toward better workforce management.

4.1 Composition of the TRF HRDD Survey Questionnaire

This section outlines the survey indicators that allow companies to track and strengthen key aspects of their workforce. By using simple data points, companies can identify risks early, support fair treatment, and make informed improvements that benefit both business operations and employee wellbeing.



4.1.1 Workforce – General Characteristics

This section helps companies build a clearer picture of their workforce by collecting basic but important data on employee types, gender balance, turnover, and management diversity. These indicators can highlight early risks, guide internal improvements, and support stronger, more responsible workforce practices over time.

#	Question
11	Provide the total number of employees in the company's own operations.
12a	Provide the number of employees on the following employment contract type: • Full-time employees • Part-time employees • Fixed-term employees • Agency workers • Consultants • Migrant workers
12b	Has your company employed any informal workers (meaning individuals who are engaged in work without a formal employment contract, social security registration, or legal benefits) in the last year?
13	Provide the number of employees by the following genders: • Male employees • Female employees
14	Provide the total employee turnover rate (as a percentage (%)) for the last year (2024). a. Provide the involuntary turnover rate (as a percentage(%)) for the last year (2024) b. Provide the voluntary turnover rate (as a percentage (%)) for the last year (2024)
15	Provide the female-to-male ratio at management level for the last year.

✓ Clarifies Workforce Structure and Highlights Potential Risks

Capturing data on employment contracts, including full-time, part-time, fixed-term, agency, consultants, and migrant workers enables companies to identify overreliance on precarious or outsourced labour that could affect operational continuity or compliance.

✓ Supports Gender Balance and Inclusive Workforce Practices

Recording the gender distribution of the workforce and management supports companies in spotting imbalances, setting equity goals, and responding to buyer and regulatory expectations around workplace inclusion.

✓ Informs Workforce Retention and Planning

Turnover rates (both voluntary and involuntary) provide insights into workforce satisfaction and stability. High churn may indicate job insecurity, limited advancement, or poor working conditions, all of which can be addressed with targeted improvements.

4.1.2 Workforce – Health and Safety

Tracking workplace incidents helps companies build a safer working environment and comply with basic occupational health standards. This section covers accidents, health incidents, fatalities, and whether reporting includes all relevant worker groups.

#	Question
16a	Provide the number of work-related accidents (excluding fatalities) involving employees in the last year.
16b	Provide the number of health incidents (excluding fatalities) involving employees in the last year.
16c	Provide the number of fatalities as a result of work-related accidents and health incidents involving employees in the last year.
16d	When reporting the number of work-related accidents, health incidents, and fatalities, which types of employment contracts are included in your data collection (e.g., full-time, part-time, temporary, consultant, contractor, informal, or migrant workers)? Please specify all applicable categories.

✓ Reveals Operational Safety Gaps

Data on accidents and health-related incidents can expose recurring hazards or overlooked high-risk areas in daily operations, allowing companies to act before harm escalates.

✓ Reduces Legal and Business Risk

Accurate tracking and proactive safety measures help companies avoid legal violations, reputational damage, and disruption from workplace incidents.

✓ Promotes Visibility Across All Worker Categories

Specifying which worker types are covered in safety data, such as contractors, temporary, or migrant workers, ensures inclusive risk monitoring and helps prevent regulatory oversight blind spots.

4.1.3 Remuneration, Collective Bargaining, and Training

This section helps companies assess fair pay, worker voice, and access to skill-building. It covers wage compliance, gender-based pay and training equity, collective bargaining, and employee engagement.

#	Question
17a	Does the company give its employees pay that is equal or above applicable minimum wage, determined directly by the national minimum wage law or through a collective bargaining agreement? For example, if the national minimum wage is \$7.25 per hour, does your company pay all its employees at least that amount?
17b	When reporting if the company pays national minimum wage or above to its employees, which types of employment contracts are included in your data collection (e.g., full-time, part-time, temporary, contractor, or migrant workers)? Please specify all applicable categories.
18	Provide the percentage gap in pay between its female and male employees in the last year
19	Provide the percentage of employees covered by collective bargaining agreements.
20	Provide the average number of annual training hours per employee by the below genders: • Male employees • Female employees
21	Does the company offer health and safety training?
22	Has the company conducted employee satisfaction or engagement surveys in the last year?

✓ Ensures Fair and Legal Pay

Companies report whether all workers including part-time, temporary, and migrant receive at least minimum wage, and whether any gender pay gaps exist.

✓ Supports Equal Training Opportunities

Training hours are disaggregated by gender, and companies indicate whether health and safety training is provided to all staff.

✓ Strengthens Employee Voice

Questions on collective bargaining coverage and employee satisfaction surveys help companies assess whether workers have accessible ways to raise concerns and provide feedback, especially important in smaller workplaces where formal unions may not be present.

4.1.4 Human Rights Policies and Processes

This section helps companies establish and monitor basic human rights safeguards within their own operations and across their immediate supply chains. It supports compliance, builds trust with stakeholders, and identifies risks early.

#	Question
23a	Does the undertaking have a code of conduct or human rights policy for its own workforce?
23b	If so, which of the below does it cover? • Child labour • Forced labour • Human trafficking • Discrimination and/or harassment • Accident prevention • Health and safety
24	Does the company have a channel(s)/mechanism(s) through which its own workers can raise complaints or concerns?
25	Has the company identified any instances of the below in its direct operations for the last year (2024): • Child labour • Forced labour • Human trafficking • Discrimination and/or harassment • Accidents and/or health and safety incidents
26	Has the company identified any instances of forced labour, modern slavery, human trafficking, child labor or discrimination in its value chain through its HRDD processes in the last year?
27	Does the company maintain a supplier code of conduct?
28	In the past year, are you aware of any instances where migrant workers employed by your company, company recruiters, or your company's direct suppliers have been required to surrender their personal documents (such as passports or work permits) for safekeeping or any other reason?

✓ Lays the Groundwork for Responsible Business Conduct

Having a clear code of conduct or human rights policy for the workforce is a first step in showing commitment to fair and safe working conditions. It sets expectations for ethical behavior and legal compliance.

✓ Enables Early Detection and Resolution of Issues

Accessible complaint or grievance mechanisms give workers a safe way to raise concerns. This helps SMEs resolve problems internally, before they escalate or cause reputational harm.

✓ Extends Accountability into the Supply Chain

Documenting whether risks like forced labour or discrimination have been identified, both in operations and among first-tier suppliers, enables SMEs to show awareness, take corrective action, and meet growing buyer expectations around due diligence.

4.2 Survey Data Interpretation: Transforming Insights into Action

The WDDT survey provides organisations with a structured overview of their current workforce practices and human rights management systems. However, the value of this exercise extends beyond completion. This section outlines how companies can interpret their survey results, prioritise areas for action, and integrate findings into their HRDD processes.

4.2.1 Analyzing Survey Results

The completed survey offers a baseline assessment that reveals both strengths and areas needing attention. For companies, these insights can help shape realistic next steps without the need for expensive consultants or formal audits.

Key signals that may emerge from the data include:

❗ High reliance on contractors or temporary workers

This may indicate operational flexibility, but also raises red flags around workforce stability, legal compliance, and risk of informal or unprotected employment. Buyers and regulators often scrutinize such patterns, especially in high-risk sectors like construction or logistics.

❗ Low representation of women, particularly in management

This can suggest limited access to advancement or recruitment barriers that exclude qualified candidates. It may also affect a company's ability to meet ESG benchmarks tied to gender equity.

❗ High employee turnover

Frequent voluntary or involuntary exits may reflect job dissatisfaction, poor working conditions, or lack of opportunity for growth. This not only affects morale but increases recruitment and training costs.

❗ Missing or minimal workforce policies

If companies report an absence of codes of conduct or grievance mechanisms, it signals potential governance gaps. Even if operations are small, lacking basic protections could expose the business to reputational or legal harm.

❗ Incomplete tracking of safety incidents or training access

If certain worker types (e.g., migrant, or informal workers) are excluded from safety reporting or skill-building, it may indicate blind spots in oversight and unequal treatment—both of which are increasingly material to investors and buyers.



Rather than viewing these gaps as failures, companies can treat them as priority areas for strengthening resilience, trust, and long-term performance.

4.2.2 Prioritizing Improvements

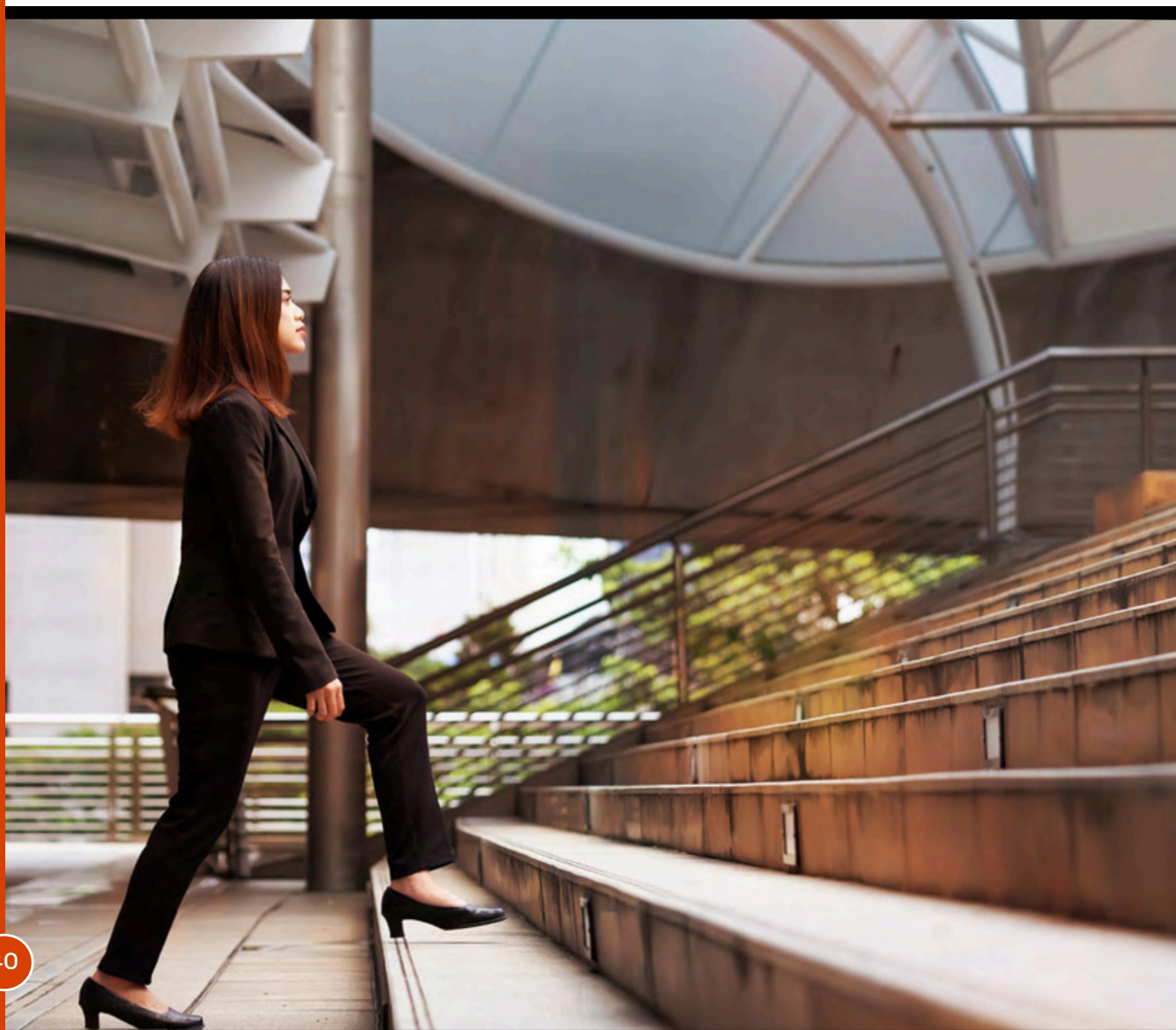
Addressing all identified gaps simultaneously may not be feasible, particularly for SMES. A structured approach allows organisations to allocate resources effectively, focusing on actions with the highest potential impact.

Quick Wins (High Impact, Low Resource Requirement)

- ✓ Developing or updating a human rights or workforce policy
- ✓ Introducing a basic grievance mechanism, such as an anonymous reporting channel.
- ✓ Assigning responsibility for tracking key workforce data, including turnover rates or training hours

Strategic Priorities (High Impact, Greater Investment Required)

- ✓ Strengthening compliance with minimum wage laws and occupational safety regulations.
- ✓ Conducting assessments of supplier practices to identify risks such as child labour, forced labour, or discrimination.



Priority Matrix: Focusing Efforts Where They Matter Most

This matrix supports enterprises in prioritising actions that address high-risk areas with proportionate effort and investment. Importantly, this prioritisation framework is dynamic. A low-risk area today may become high-risk tomorrow, especially if flagged by a buyer, regulator, or worker complaint. Companies are encouraged to revisit their action priorities at regular intervals.

↓ **Low Resource Requirement**

↑ **High Resource Requirement**

High Risk

Immediate Focus

- Introduce a basic grievance mechanism (e.g., suggestion box, designated point person).
- Ensure all workers—including temporary and migrant staff—are paid at or above the minimum wage.
- Expand safety reporting to cover informal and outsourced workers.
- Document any risks like forced or child labor identified in operations.

Strategic Initiatives

- Map and assess key suppliers for risk factors (e.g., recruitment fees, poor housing, excessive overtime).
- Address wage disparities between men and women or across worker types.
- Develop structured training systems that include high-risk roles.
- Roll out health and safety training to cover all job categories and languages.

Lower Risk

Incremental Improvements

- Begin tracking gender balance in training and management.
- Draft or adapt a simple, one-page code of conduct based on existing national guidelines.
- Conduct informal employee feedback surveys or check-ins.

Monitor and Defer

- Improve representation of women in leadership roles.
- Invest in digital data systems for tracking turnover, incidents, or training hours.
- Conduct formal third-party supplier audits.

4.2.3 Driving Organisational Change

Survey results are only powerful if they lead to real action. For companies, this does not mean launching new departments or overhauling operations overnight, it means using insights to shape how business is done, at a practical, everyday level.

The most valuable results often emerge not from isolated answers, but from reading across themes. A pattern of responses can highlight structural issues that might otherwise go unnoticed.

Identify Root Causes, Not Just Symptoms

Rather than treating surface-level indicators in isolation, companies should look for what's underneath the data:

- **Example 1:** A high turnover rate may suggest a need to investigate job security, onboarding quality, or internal communication, not just recruitment challenges.
- **Example 2:** A lack of women in management might reflect limited promotion opportunities, unconscious bias, or unequal access to training, not just hiring gaps.
- **Example 3:** A well-documented safety policy with ongoing incidents might signal that training is not reaching outsourced or migrant workers, or that it is not in the right language.

Correlate Data Across Indicators

Strong insights often emerge when survey questions are interpreted in relation to one another:

- **Turnover + No Grievance Mechanism** may indicate that workers are leaving because they lack safe channels to express dissatisfaction or report harm.
- **High Accident Rate + Low Training Access** could mean that new or vulnerable workers are not receiving the safety training they need.
- **Gender Pay Gap + Low Female Leadership** might suggest systemic inequality in promotion, recognition, or access to high-paying roles.

For companies, spotting these intersections does not require advanced software, just careful reading, and reflection.

Embed Results into Daily Business Practice

Organisational change does not need to be formal or top-down. The most effective shifts often happen through simple, repeatable decisions:

- Hiring managers using gender-disaggregated data to inform outreach efforts
- Assigning responsibility for workforce indicators to an existing staff role
- Asking suppliers about document retention during contract discussions
- Reviewing wage slips once per quarter to ensure contractor compliance

Each minor change builds a culture of accountability. Over time, this helps SMEs move from reactive problem-solving to proactive risk management, a critical shift as buyer expectations, national enforcement, and investor standards continue to evolve.



The WDDT survey is not a test of perfection, it is a tool for progress. It empowers companies to better understand their workforce, take ownership of risks and opportunities, and make targeted improvements based on tangible evidence. When used effectively, even basic data can become the foundation for stronger practices, safer workplaces, and more resilient business operations.



REUTERS/Clodagh Kilcoyne

5 Conclusion

The role of companies in regional and global supply chains is more critical than ever, but so is the scrutiny they face. Across Malaysia and Thailand, the standards for responsible business conduct are rising, driven by a combination of new legislation, evolving buyer requirements, and growing investor expectations. In this context, the ability of companies to demonstrate credible HRDD is no longer optional, it is increasingly a condition for continuity, access, and growth.

This guidance provides an entry point for companies to engage with these rising expectations. At its core is the WDDT survey, a tool specifically designed to help businesses assess how they manage their workforce, identify where risks may be concentrated, and take measurable steps to address them. The survey simplifies complex due diligence concepts into themes that companies can relate to and act on—employment structures, safety, wage practices, representation, grievance access, and supplier risk.

But this is more than a compliance exercise. For companies, the WDDT survey can serve as a mirror, revealing overlooked patterns, highlighting areas of strength, and showing where focused attention can reduce exposure to legal, reputational, or operational risks. In high-risk sectors like seafood, agriculture, and manufacturing, these insights can be the difference between remaining a trusted supplier and being dropped from the value chain.

One of the key advantages of this approach is that it is scaled to SME capacity. It recognises that most enterprises in the region operate with lean teams and limited budgets yet still play a vital role in labour-intensive industries. The WDDT survey does not assume sophisticated systems, it starts with the basics: tracking data, spotting red flags, and implementing low-cost solutions that build long-term credibility.

Equally important is the role of transparency. Whether engaging buyers, regulators, or workers, companies that can clearly document their actions, acknowledge challenges, and show progress are far more likely to retain trust. The survey helps create that documentation and offers a foundation for constructive dialogue with downstream partners who increasingly expect evidence, not just assurances.

Throughout this document, sectoral examples and investor case studies reinforce a common message: the ripple effects of poor HRDD are no longer confined to large corporations. companies are part of the same ecosystem, and their actions (or inaction) are increasingly visible and consequential.

The path ahead is not without challenge. But companies that engage early, act incrementally, and build on what they learn through tools like the WDDT survey will be better prepared for the regulatory shifts, buyer demands, and stakeholder scrutiny that continue to reshape the region's business landscape.

Adopting HRDD is not just about risk, it is about resilience, relevance, and readiness for the future.



Annex I – Sample HRDD checklist

This sample checklist is designed to help companies assess whether the foundational components of HRDD are embedded across their business operations and supplier relationships. It provides a practical, step-by-step structure to evaluate current practices, identify gaps, and support ongoing improvement in managing labour and human rights risks.

The checklist draws directly from internationally recognised frameworks that define good practice in HRDD. These include the UN Guiding Principles on Business and Human Rights^{xi}, the OECD Due Diligence Guidance for Responsible Business Conduct^{xlii}, the SHIFT SME Compass^{xliii}, the International Labour Organization’s tools for small enterprises^{xliv}, and the DIHR Human Rights Compliance Assessment Quick Check^{lv}.

Each item in the checklist is paired with clear assessment criteria to help companies prioritise actions, track progress over time, and align with both buyer expectations and national policy developments in Malaysia and Thailand.

Checklist Item	Assessment Criteria	Survey Mapping
HRDD Survey Step 1. Embed Policy Commitment		
Human rights policy/code of conduct for workforce	Existence of written policy/code aligned with ILO core standards (child labour, forced labour, discrimination, health & safety)	Q23a, Q23b
Supplier Code of Conduct	Written supplier CoC referencing HRDD, child/forced labor, modern slavery	Q27
HRDD Survey Step 2. Assess Risks & Impacts		
Workforce headcount & employment structure	Disaggregated employee data by type, contract, migrant status	Q11, Q12a, Q12b
Workforce gender balance	Employees by gender, management female: male ratio	Q13, Q15
Workforce turnover	Track total, voluntary, involuntary turnover rates	Q14a, Q14b, Q14c
Pay practices	All employees earn ≥ national minimum wage	Q17a, Q17b
Gender pay gap	Report % gap in male vs. female pay	Q18
Collective bargaining coverage	% employees under union or CBAs	Q19
Training & capacity	Average annual training hours by gender	Q20

Health & safety risk	Accidents, health incidents, fatalities tracked by contract type	Q16a–d, Q21
Worker engagement	Employee satisfaction/engagement survey conducted	Q22

HRDD Survey Step 3. Integrate & Act

Equal treatment & non-discrimination	No cases of harassment/discrimination in past year	Q25
Child & forced labour prevention	No identified child labor, forced labor, human trafficking	Q25, Q26
Migrant worker rights	No confiscation of IDs, contracts in worker's own language	Q12a, Q28
Worker grievance mechanism	Accessible channel for raising complaints	Q24

HRDD Survey Step 4. Track Performance

Monitor turnover, pay equity, health & safety	Trends over time reviewed by management	Q14–20
Track supplier HRDD performance	Monitor supplier practices against CoC	Q26, Q27

HRDD Survey Step 5. Communicate & Report

Public disclosure on HRDD policies	Reporting in AR, sustainability, or BRSR/ ESG reports	Q 23–27
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HRDD Survey Step 6. Remediate

Address identified risks/ incidents	Cases of accidents, harassment, labour rights violations addressed with corrective action	Q25, Q26, Q28
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