

ABOUT THE BOOK



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Examples of Interviews

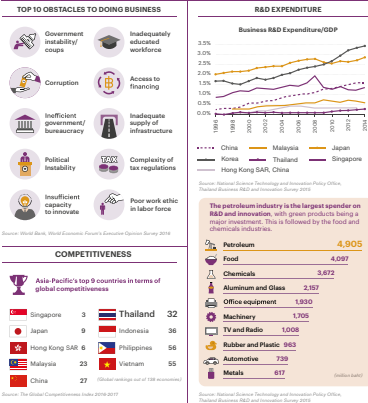
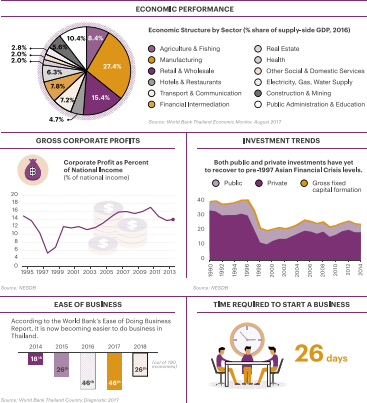
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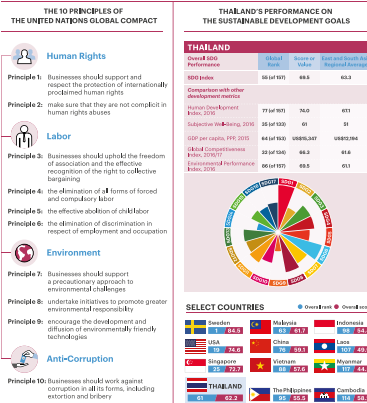
SELECTED SPREADS

THE BUSINESS LANDSCAPE



Infographic
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THAILAND AND THE GLOBAL GOALS



by the Labor Rights Promotion Network Foundation (LRPN), one of the longest running organizations fighting against human trafficking and labor abuse in Thailand, and TLCS Legal Advocacy Company. MSEA's goals include the creation of a Thai fishermen union; the establishment of port centers providing shelter, food, and first aid to fishermen; and strengthening public awareness about migrant worker living conditions.

Despite these moves, tracing seafood supply chains remains a big challenge, according to Thor Thongpannawase, deputy dean of the Faculty of Fisheries at Kasetsart University. "Fishing in Thailand is different from Europe or America. It is a multi-species (product). Local fishermen don't catch only one type of fish," says the scholar. He adds that many fishermen do not sell their catch on the open market.

Companies should try to diversify their offerings with new products made with less popular, but also less threatened, species.

and also have their own clients among restaurants or hotels. "It is more difficult to control here," he says. However, the information provided by the VMS system can help clarify the origins of the fish, as long as the product is not mislabeled and the data on the vessel that caught it is provided to the upper levels of the chain.



Children observed fish in a pond - and they were already - released by a fish

The fight against illegal fishing

Improving traceability might be the first step in the fight against IUU, but it is far from being the last—further actions are required to ensure the sustainability of the industry. First, companies need to reconsider the origins of the fish they catch or use, even if caught legally. Fishing in areas with healthier stocks is prudent, as eventually the law will compel companies to do so: the Marine Fisheries Management Plan 2015-2039 (PMF) includes a significant reduction of fishing capacity in the Gulf of Thailand and the Andaman Sea to allow for the recovery of the fish stocks in the area. This means that Thai companies will have to either fish in distant waters, buy from other countries, or source more sustainably and try to gain a premium price for their catch.

Companies should also try to diversify their offerings with new products made with less popular, but also less threatened, species. Some companies, such as Thai Union, are already developing new products based on these varieties of fish. In the case of fresh fish consumption, the Thai certification standard Blue Brand Sea Case Study, page 190 is guiding consumers toward seasonal and less popular species, leading the way in raising awareness so that buying preferences match the production capacity of the oceans.

There are still concerns, though, about the increasing demand of some of the most popular species, such as tuna. "Companies still try to expand, of course. For example, Thailand has never been a tuna exporter, but companies are now trying to push the market," says one of the main partners of Thai Union, launched "On Pla Bui Bui, Anoi Dai Toolwar" in 2019. The campaign included road shows, activities, online media and a set of advertising materials to promote the use of tuna. To convey the message that Salsat Tuna is a value-added product, the company has created dishes, both Thai and international," says the Thai Union 2019 Annual Report. Some other

INDUSTRY SNAPSHOT

Thailand consistently one of the world's top largest seafood exporters with a total export value of **US\$7 billion in 2015**.

Thailand's **42,302 active registered fishing vessels** caught **3.8 million tons of fish in 2015**.

The Thai fishing industry employs some **170,000 to 200,000 fishermen**, of which **82% are migrants**.

An additional **115,000 people** work in support industries such as ship building, and sectors.

Some 37% of migrants working on the fishing vessels can be classified as "forced labor."

Thailand is the **#1 producer of canned tuna**.

Some 30,000 unlicensed vessels or "ghost vessels" are part of the Thai fishing fleet.

ADDRESSING SUSTAINABILITY CONCERNS

Thailand launched a new regulatory framework in 2016 to control **Illegal, Unreported and Unregulated (IUU)** fishing. Some of the key regulations include:

Vessels above 30 gross tonnage must be equipped with a **Vessel Monitoring System (VMS)**, which can collect the vessel's location and speed through GPS.

A **Port In/Port Out system (PIPO)** that any **importing or exporting commercial vessel** coming in or out of any Thai port.

A **maximum fine of 30 million baht** for "serious" fishing without a valid license, or complying with government issued identification.

Also in 2015, the Thai **Frozen Food Association** banned **pre-processing** as a measure to control food loss.

GLOBAL SUSTAINABILITY

Asia produces 90% of the world's aquaculture, with 40% of which is produced on **600,000 ha**.

20% of aquaculture species account for **90% of internationally traded seafood** in market value, with 1.3 **million tons** (roughly annual).

The rapid shrimp industry expansion has led to **100,000 fishermen** and **500,000 ha** of shrimp in 65 countries in operation.

In **2015 the world's total** need for **fish to meet human consumption** needs, an additional **100,000 ha** of fish from the oceans.

Source: FAO, Food and Agriculture Organization of the United Nations (FAO), Thailand Department of Fisheries, International Labour Organization (ILO), International Maritime Organization (IMO).

Industry Snapshot Page 188-189

other stakeholders, and employee happiness. Happy, knowledgeable staff, but all of it is not enough. The value of their contribution work more efficiently and make more products, decreasing costs related to turnover, poor quality work, and time spent on resolving conflict. Moreover, SMEs that are able to invest in their areas of expertise can offer more competitive, and SMEs that identify and build on their natural heritage and gain environmental offer unique products rich in marketing potential (see Case Study, page 235).

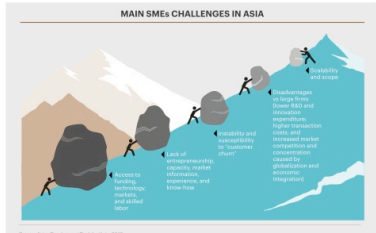
Often, such investments are not as costly as managers may fear. Ansoep, a Canadian SME manufacturer of office furniture, discovered that providing sustainability education for its workforce resulted in cost savings that offset the initial investment. In a 2013 report commissioned by the Association of International CPAs, Ansoep's sustainability

director Jean Barbeau stated, "There is some time for meetings and delivery projects, but the savings pay back at its investment."

Practice ethical sourcing

While ethical sourcing ensures environmental benefits, such as the proper treatment and payment of workers, the sustainable use of natural resources, and lowered carbon footprint, it also provides a competitive edge that contributes to profitability improved public image and decreased risk.

Unethical sourcing threatened the very existence of a major industry as recently as 2010, when Thailand's fisheries were under scrutiny for using slave labor. Swift consumer and investor pressure were required for the industry to recover.



Source: Asian Development Bank Institute, 2016

CASE STUDY Alpha Ama Coffee Helps Indigenous Communities Help Themselves

THE CHALLENGE The Alpha people of Mae Jan Ta Village in Chiang Mai have long suffered from low income, lack of education, and a lack of opportunities. However, they were rich in self-sufficient farming know-how. The villagers knew how to grow coffee, among other crops, but they did not know the true market value and potential of their produce.

THE SOLUTION Lee Anja Champa, the only person from Mae Jan Ta to attend university, knew there must be a way for his community to use their existing skills and resources to help lift them out of poverty. Making a careful study of their farms, he discovered that coffee was their highest-value crop with the best opportunity for income in both domestic and international markets. He realized the community could add value by processing and distributing the coffee themselves instead of selling it as a raw commodity to middlemen. So in 2010, he founded Alpha Ama Coffee, a family-run agribusiness that built on the community's main resource—its indigenous agricultural knowledge—to create a unique product with immense marketing potential.

The Alpha's method of coffee cultivation is organic, using agricultural by-products as natural fertilizers and pesticides. Grown among a variety of fruit trees and shielded in the fresh mountain air, the flavor profile of Alpha Ama Coffee is unique to the highlands of the Golden Triangle. The story of Alpha farmers using traditional knowledge lent an engaging backstory to the product, while the company's fair trade, organic business model added value. Realizing the formula for coffee export from the competition, Lee submitted Alpha Ama Coffee to the Specialty Coffee Association of Europe, who selected the product for inclusion at the World Cup of Tea's Championship in 2010, 2011, and 2012. The company began to get international press, including the attention of American celebrity chef Anthony Bonetto, the creator of P.F.K. Restaurant, which specializes in Chiang Mai cuisine.

THE BENEFITS By developing and investing in a resource in which the Alpha were already abundant, Alpha Ama Coffee was able to create a unique product without having to overinvest, take risks, or rely on large loans. With low overhead, low debt, and intense customer loyalty, the company is immune to risks such as bad crop years and market fluctuations.

Lee combined marketing and distribution by opening Alpha Ama Café in nearby Chiang Mai. Business was so successful that he opened a second location in the heart of the Old City, where the café does a brisk business among tourists seeking regional experiences. In 2012, the year of its launch, Alpha Ama produced only 2 tons of coffee. Five years later, production had



Lee Anja Champa founded Alpha Ama Coffee and is now a farmer in Mae Jan Ta.

grown 12 times. In 2017, Alpha Ama is approaching a 15-fold increase. The brand has gained international fame, with features by the Wall Street Journal and BBC.

From the outset, Alpha Ama Coffee was a social enterprise that focused on making a social impact as well as a profit. Since Lee buys the coffee directly from farmers, Mae Jan Ta villagers are seeing margins roughly 3 to 25 percent higher per kilogram than if they were to sell to middlemen. The company's environmentally sound practices, cut-down input, and elimination and improve brand recognition, reputation, and customer loyalty, as well as staff health and community buy-in. It has also helped about 15 to 20 monoculture farmers switch to integrated farming methods, allowing them to get out of debt and improve the fertility of their land. "How much change can happen in less than ten years is incredible," says Lee.

Graphic and Case study Page 234-235

INSIGHTS

BENJAMIN LEPIHUBERT is the founder of the Bangkok-based LightHub Environmental Consulting, which helps hotels reduce their social and environmental footprint by offering guidance on everything from green meeting to food waste.



What is your approach to achieving sustainability within hotels?

There are companies helping companies on CSR and communities, but our approach is more human-centered. While focused on taking low-hanging fruit to improve efficiency rather than demanding immediate expense machinery. There is so much that can be done by working with humans. It's about moving from awareness to changes in behavior.

What are your recommendations for hotels just starting out?

Identifying KPIs that relate to all the different subcategories you put under sustainability is fundamental. You need to understand where you are now to know where you want to go. Then you need to work out which KPIs are most important to you and how you can work toward those new objectives with your team, because a one-man sustainability approach won't work. Why? It's also often overlooked: Why is sustainability important? Why are you asking staff to reduce energy consumption? It also needs to be linked closely with better resources. Most of the time they're neglected in implementing change but they're a good department to work with as they can reach out to everyone, they know internal

communications channels, and they know what leverage and reward can be used. Finally, it's important to keep track of the KPIs to keep communicating improvements to your staff and ideally try to tie those improvements with incentives or bonuses.

Is there a hotel sub-sector that is leading the way?

The hotel groups that are doing better are usually the smaller ones. The larger ones tend to make a lot of noise and to build partnerships with the other big guys so that they build their credentials. But there is no transparency there.

How important are sustainability certification programs to hotels?

There are so many papers in sustainability, but if you go for proper third-party certification that there are no question marks. I have been an auditor myself. You don't miss around. You have a certain buffer but if you're not compliant you don't qualify.

Are any local certification emerging?

We're working on our own certification related to food waste prevention. It's called The Pledge on Food Waste and is a third-party audited. It measures detailed financial KPIs to see where the full financial impacts of your new measures are on your bottom line the implications for your staff, the way in which you engage customers to reduce plate waste, and how you distribute or transform your food waste.

What do you hope to see less of in the future?

Hotels are very slow to adapt to changing times. It's very hard to adopt of new practices, innovative thinking, challenging their model, adopting it in their areas they're so conservative.

And what do you hope to see more of?

An area where I see a trend is in new hotel projects starting from scratch. That's the direction the industry should take. Few want to start moving forward comprehensive approaches. Embed sustainability in every step: branding, sales, architecture, construction, interior design, pre-opening, operations, everything.

companies feel that, as one owner puts it, sustainability is a state of mind that doesn't need formalizing or articulating. "We don't want to spend time and energy promoting something that's inherent in our core values."

However, those that do try to measure their externalities find it eye-opening. "You can never say that you're truly sustainable," said William Nienberg, the founder and CEO of KEO Travel, a B2B travel company that went down the certification route and then found itself working through a GTC-approved checklist that spurs everything from office waste to paid passenger time. To help them stay on top of their KPIs, the company, which employs around 150 staff, has a full-time sustainability guru. "We need to have a sustainability manager to really stay on the cutting edge," he says.

Other tour companies are more focused on fine-tuning staff skills. In the case of Smiling Buddha, a luxury adventure tour company, they go beyond simple job training in an attempt to improve the prospects of their team. "We do things like speech training, emergency rescue training, how to deal with difficult situations—enrichment programs where we send them to learn about things that aren't necessarily connected to their jobs," explains co-founder Daniel Fraser. As for their supply chain, the company vetted its extra in an effort to foster long-term, healthy relationships. "We're proud to say that we pay our guides and suppliers far more than any other company in travel," says Fraser. Doing this, he explains, improves safety and increases guest enjoyment. "As soon as you bargain it down, the driver is going to drive the boat faster, and



As in the field, some tour companies are trying to measure their social and environmental impacts.

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