

Toyota report essay



We are writing to propose a human rights and environmental protection initiative targeted primarily at business partners as a versatile approach to effectively improve compliance to Principles 1 and 8 of the Global Compact.

Toyota Motor Corporation is acknowledged as one of the world's leading multinational companies by Forbes 2000 list (Forbes 2000 2005). Our acuity of experiences in dealing with environmental initiatives and sustainability issues has allowed us to have the sufficient capacity to provide recommendations to the Local Network. As specified in our guiding principles on our company's website (Toyota), we acknowledge the importance in supporting environmental initiatives and also for respect and support of social viability. In order to achieve better compliance, we suggest the following recommendations: i) Establish a close working relationship with essential suppliers' corporate management Our experience with C21 Challenge in collaboration with the Victorian Government (refer to C21 Challenge Program Brochure) showed that it is crucial for a close working relationship with key suppliers in order to engage in corporate activities while effectively promoting environmental awareness and encouraging upgrading of skills in the furthest reaches of the supply chain.

The Victorian government acknowledges that this program enables participating businesses to ensure sustainability in their business activities while effectively facilitating placement of workers to their most appropriate training opportunities in the workplace and discussing environmental impacts. We suggest that the program include more emphasis on the importance of taking up environmental responsibilities. This would encourage participating businesses to undertake environmental initiatives. ii)

Implement consistent fundamental professional training programs for the management, employees and business partners. We have found out from our experience in our company's training programs (refer to Toyota Business Practices in our Sustainability report) that imparting consistent training and standards have assisted in enabling employees and business partners to work and communicate in any environment and location. Furthermore, this helped to ameliorate the integration of the company's development program with the needs of the external and internal stakeholders.

We suggest that these business practices include a common content to which the company's knowledge and experiences are transferred to the participants. This would help to provide a common language for the participants to conveniently communicate in and reduce any unnecessary miscommunication. iii) Host annual Stakeholder Dialogue on issues related to sustainability. The expectations and opinions of stakeholders in business activities are critical in ensuring sustainability that in turn leads to success. This enables companies to address unsatisfactory working conditions and receive suggestions to better improve environmental responsibility within and outside the company. Through this dialogue, (refer to Toyota Stakeholder Dialogues in our Sustainability report) participants have gained a greater understanding of CSR activities and furthermore their contributions will be useful in future initiatives.

Lessons learnt from other companies' similar experiences in engaging with important suppliers' corporate management include the importance of assisting suppliers in managing working conditions besides measuring compliance with the company's regulations alone (Ford 2010). The dialogue

with Tier 1 suppliers is critical as it is expected for the suppliers to do the same to their own suppliers and so on. As participating businesses need one another's assistance in order to advance in the industry, the involvement of the supply chains in this connected network will ensure a more effective and motivated effect on improved compliance to Principles 1 and 8 of the Global Compact. For Local Network members, there are intangible benefits such as the greater ability to influence their own supply chain and increased mutual understanding amongst participating businesses. This encourages cooperation between business partners in protecting human rights such as ensuring fair remuneration and taking up environment sustainability projects. This big network encourages other stakeholders to adopt such practices as a whole group effort is put in place instead of the participation of a singular business, hence generating a larger impact.

Network members can also act as an outreach mechanism to gather more support outside their network for such projects. This helps in funding such projects hence projecting a greater success rate. However, there are inevitable challenges and compromises that may occur in adopting this environment and human rights protection initiative. The most prominent problem that may surface is an unwilling business partner that may not want to cooperate and participate in the project. Another challenge may result from the lack of transparency between business partners and other stakeholders that may hinder cooperation and understanding to enhance the effectiveness of projects. In this case, the stakeholder dialogue and training program will help to improve clarity in corporate activities and standards.

Our experiences in dealing with business partners and other stakeholders in achieving compliance with Principles 1 and 8 of the Global Compact have shown that in doing so meets the requirements of both our Guiding Principles, to develop corporate culture while respecting management and labour, and the Earth Charter in applying visions and principles to environmental aspects of the business. These recommendations will certainly assist in improving compliance to these two principles in the Global Compact for Local Network members.