

# Thaioil Public Company Limited



## Human Rights Due Diligence Process and Human Rights Impact Assessments and Management (HRIAM) Report 2018



I GROWING TO EXCELLENCE  
GROW BY HOLISTIC MANAGEMENT



WE GROWING STRONGER  
GROW TOGETHER THROUGH  
MUTUAL UNDERSTANDINGS  
AND BENEFITS



WORLD GROWING INNOVATIVELY  
GROWS FOR A BETTER WORLD

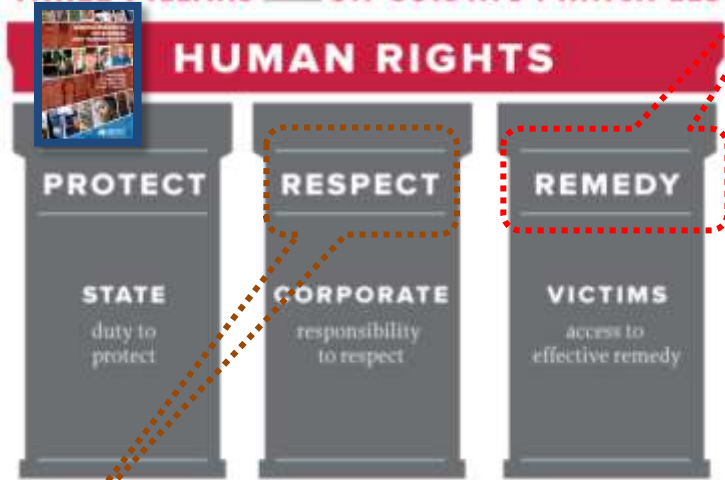
# UN Guiding Principle and Thairoil Value Chain



## DJSI Human Rights INDICATORS

### THREE PILLARS of the UN GUIDING PRINCIPLES

#### HUMAN RIGHTS



Thairoil aims for sustainable growth and long-term persistence, operational excellence, as well as a focus on economic development coupled with social responsibility and environmental protection to create values for all stakeholders."

The human rights issues related to **the vulnerable groups covers all Stakeholders and value chain.**

The Human Rights Protection of **Vulnerable Groups** ;

- 1) women and girls;
- 2) children;
- 3) refugees;
- 4) internally displaced persons;
- 5) stateless persons;
- 6) national minorities;
- 7) indigenous peoples
- 8) migrant workers;
- 9) disabled persons;
- 10) elderly persons;
- 11) HIV positive persons and AIDS victims;
- 12) Roma/Gypsies/Sinti; and
- 13) lesbian, gay and transgender people.

### Thairoil Value Chain

Employee and Contractors	Safety, Security and Environment	Social and Communities	Suppliers and Sub-contractors	Customer and Consumer
<b>HR</b>	<b>QM &amp; CA</b>	<b>CA</b>	<b>PC</b>	<b>CM &amp; TR</b>
<u>Labour Right</u> - Working conditions, - Freedom of association and collective bargaining, - Forced and compulsory, - Child labor, - Discrimination	<u>Safety, Security and Environment</u> - Safty & Security management, - Security Training, - Warter security, - Impact of pollution, - Waste and hazardous materials manament, - Preservation of biodiversity	<u>Community Right</u> - Standards of living and quality of life, - Community health and safety, - Community engagement, - Cutral heritage, - Minorities including indigenous peoples, - Resettlement	<u>Supplier engagement &amp; code of conduct</u> Compliance with TOP Group Business and Human Rights Policy for Stakeholder (TOP) and Supplier Code (14 +17 issues)	<u>Customer Right</u> - Consumer Health and Safety, - Data Privacy, - Access to energy

Existing control level by stakeholders  
(Thairoil Risk Assessment by CR)

#### Vision (Values)

- Charter of Corporate Responsibility
- Code of Ethics
- Code of Sustainable Conduct

#### Policies & Standard

- Human Rights, HR, Security, Material Stewardship and Supply Chain Policies
- HSE and Community Management Standards

#### Implementation

- Due diligence : Identify potential impacts and risks via Human Rights assessment, Social Impact Assessment and other Tools of Risk Evaluation
- Mitigation and Management Plans as needed

#### Training

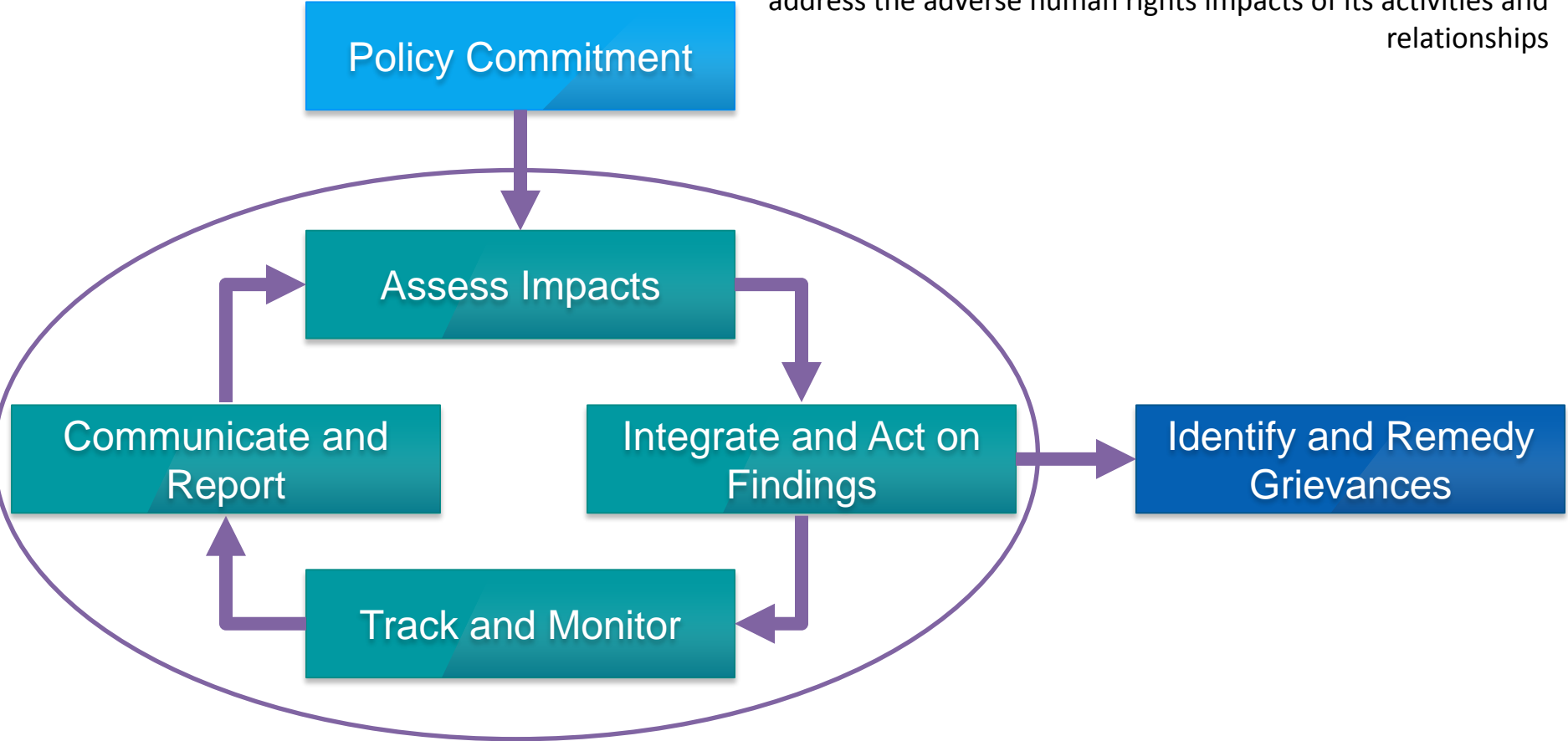
- Culture Awareness
- Leadership Training
- Orientation and onboarding

#### Monitoring &Reporting

- Internal : Info. Management Systems
- External : DJSI, SD report

## Human Rights Due Diligence Procedure

The steps a company takes to identify, prevent, mitigate and address the adverse human rights impacts of its activities and relationships



# Human Rights Due Diligence Process



**Policy Commitment**  
Step 1. Integrating human rights into new and existing policies

Step 2. Engaging with stakeholders on a wide range of human rights issues

Step 3. Training employees on human rights and developing their capacity on human rights

Step 4. Evaluating risk assessments across its activities

Step 5. Assessing human rights impacts in high risk operations (HRIAM process)

Step 6. Coordinating human rights activities through the Thaioil GROUP Human Rights Working Team

Step 7. Monitoring and reporting on its performance

## Human Rights Impact Assessments (HRIAs)

### HRIAs methodology and process

- 2.1 Aligning with the United Nations Guiding Principles.
- 2.2 From scoping risks to tracking remediation actions.

## Identify and Remedy Grievances

### Human Rights Due Diligence Procedure

The steps a company takes to identify, prevent, mitigate and address the adverse human rights impacts of its activities and relationships

Step 5. Assessing human rights impacts in high risk operations



Step 4. Evaluating risk assessments across its activities

Step 6. Coordinating human rights activities through the TOP GROUP Human Rights Working Team

Step 7. Monitoring and reporting on its performance

## HRIAM process ;

### 1. Thaioil GROUP's approach to human rights.

- 1.1. Thaioil GROUP's corporate commitments.
- 1.2. Thaioil GROUP' 7 Steps Human Rights Due Diligence Process.
- 1.3. Human rights impact assessments (HRIAs).

### 2. HRIAs methodology and process.

- 2.1. Aligning with the UN Guiding Principles on Business and Human Rights.
- 2.2. From scoping risks to tracking remediation actions.

### 3. Scoping human rights risks.

- 3.1. Understanding Company-level human rights issues.
- 3.2. Identifying Thaioil GROUP's business activities.
- 3.3. Mapping external stakeholders.

### 4. Assessing actual and potential human rights impacts.

- 4.1. Assessing human rights impacts through 5 functional areas (Thaioil Value Chain).
- 4.2. Covering Thaioil GROUP's facilities and supply chains.
- 4.3. Engaging with rights-holders and stakeholders.

### 5. Integrating and acting upon the findings.

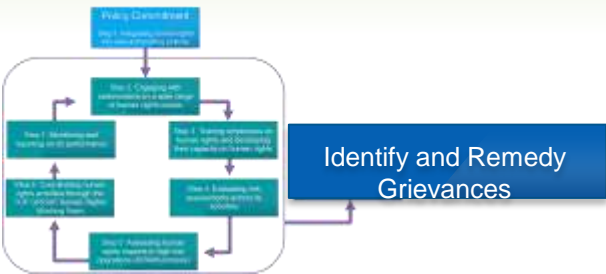
- 5.1. Best practices and areas for improvement identified.
- 5.2. Remediation actions implemented at the operations and Company-levels.
- 5.3. Area-specific case studies (if any).

### 6. Tracking responses and communicating how impacts are addressed.

- 6.1. HRIAs Reports and Action Plans.
- 6.2. The challenge of communicating results.

### 7. Mainstreaming human rights into Thaioil GROUP's policies and procedures.

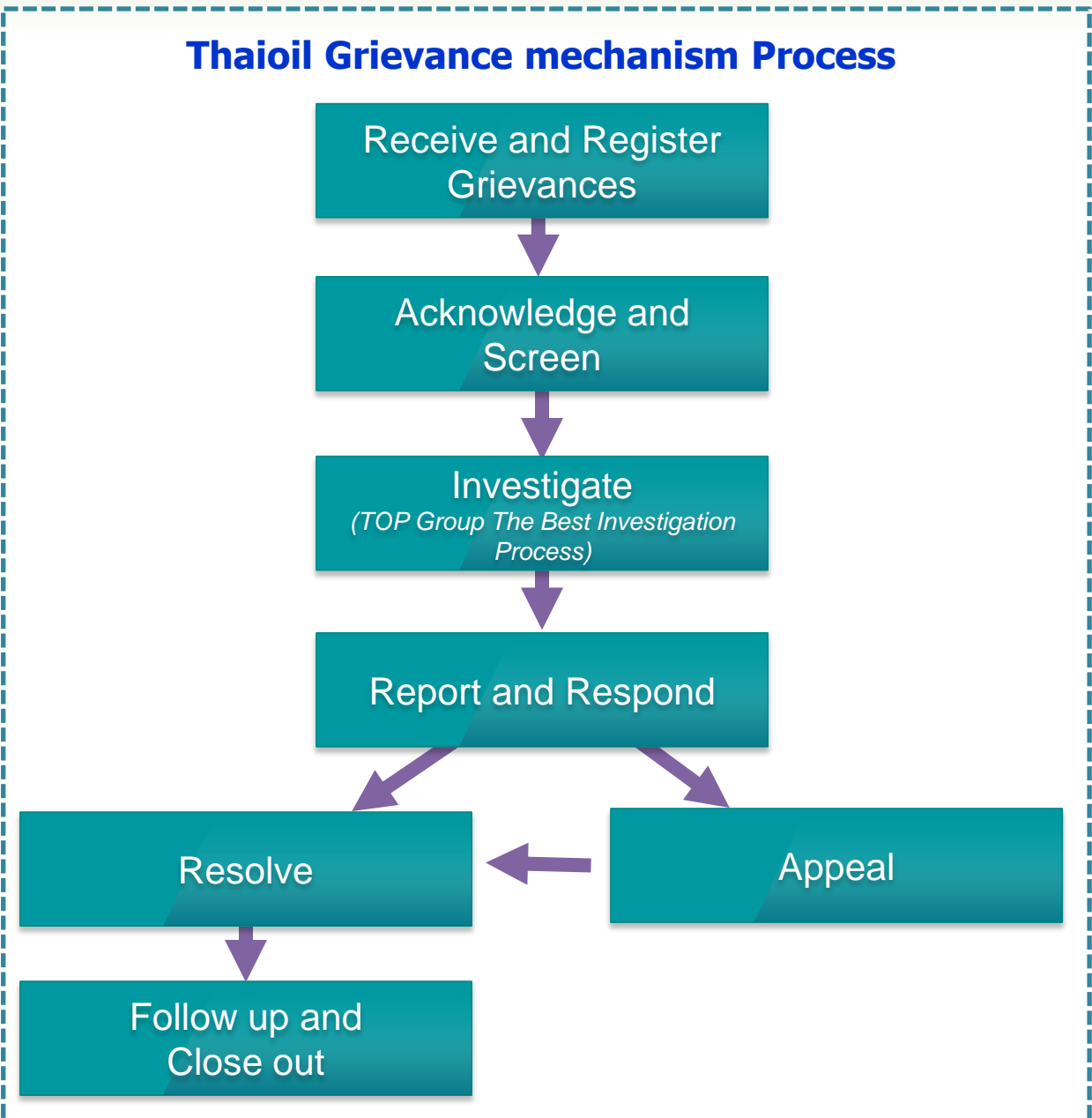
# Thaioil Grievance mechanism Process



Identify and Remedy Grievances

Identify and Remedy Grievances

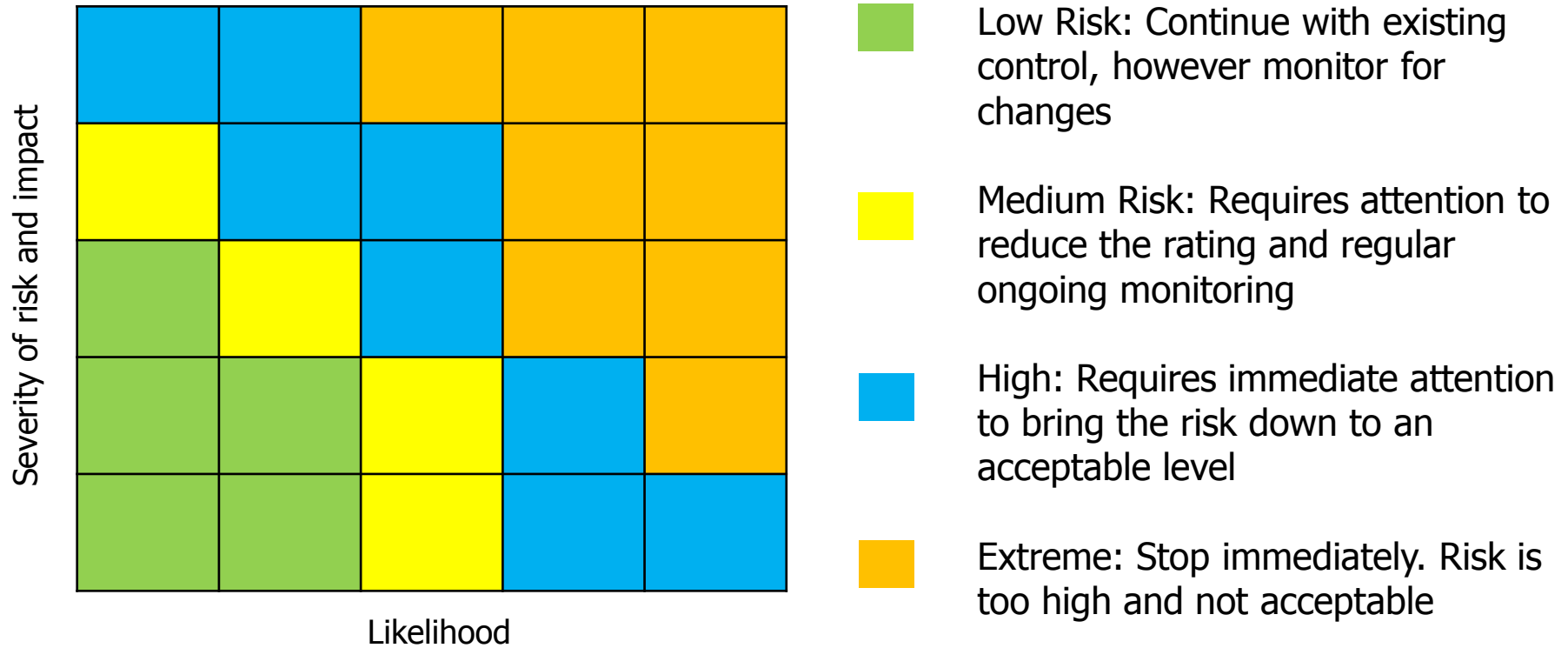
The purpose of Thaioil grievance mechanism process is to formalize the management of grievances from Thaioil Value Chain to minimize the social risks to the business. The grievance process, outlined in the process, provides an avenue for Thaioil Value Chain to voice their concerns and gives transparency on how grievances will be managed internally, which aims to reduce conflict and strengthen relationships between Thaioil Value Chain.





# Human Rights Risks Assessment Matrix

The assessment of human rights risk level will be conducted using a matrix below to determine the significance of the human rights, where the Axis-X is the level of likelihood and Axis-Y is the level of severity.



**Remarks:** Residual risks levels "Extreme" ■ and "High" ■ are considered key risks that Thaioil needs to understand the effectiveness of its existing controls.

# Thaioil Human Rights Risks Assessment Criteria :

## Severity

Severity	Description
<b>Catastrophic (5)</b>	<ul style="list-style-type: none"> <li>▪ Human rights impacts affect a larger scale or beyond the scope of the operational area or more than 3 provinces to a foreign country</li> <li>▪ Operation is unable to control or remediate human rights impacts to restore the ability of an individual to enjoy his or her human rights</li> </ul>
<b>Major (4)</b>	<ul style="list-style-type: none"> <li>▪ Human rights impacts affect a larger scale or targeted at particular population groups (gross human rights abuse) beyond the scope of the operational area or 1-3 provinces</li> <li>▪ Severe damage to the environment which required time consuming and resources of operation to recover its condition. The company has non-compliance based on the result of human rights assessment which found that most stakeholders in community were impacted.</li> <li>▪ Impacts/situations of human rights abuses require the involvement of independent, trusted expert advice from outside in helping it reach decisions that are credible and seen by others as credible together with the operation</li> </ul>
<b>Moderate (3)</b>	<ul style="list-style-type: none"> <li>▪ The Company is committed to support activities that cause violations of human rights (Legal Complicity)</li> <li>▪ Human rights of stakeholders are violated by operation and value chains which has an impact on stakeholders in the operational area.</li> <li>▪ The Company has a conflict of human rights with the Vulnerable Group.</li> </ul>
<b>Minor (2)</b>	<ul style="list-style-type: none"> <li>▪ Operation is negatively impacted due to human rights violation which is result by other organization.</li> <li>▪ The company can not respond to any concerns related to human rights issues from internal or external stakeholders.</li> </ul>
<b>Low (1)</b>	<ul style="list-style-type: none"> <li>▪ Potential impacts of human rights related concerns raised by internal or external individuals or groups are resolved/prevented by the operational level grievance mechanism.</li> <li>▪ No evidence of human rights abuses in the company's activities or no negative impact to stakeholder due to strictly mitigation measures which reduce the likelihood of human rights violation.</li> </ul>



# Thaioil Human Rights Risks Assessment Criteria :



## Likelihood

Likelihood	Probability	Frequency	Description (How often might it/ does it happen?)
<b>Almost Certain (5)</b>	>80%	Almost Yearly	Will undoubtedly happen/ recur, possibly frequently
<b>Likely (4)</b>	>60% - <80%	Every 1 to 2 Years	Will probably happen/ recur, but it is not a persisting issue/ circumstances
<b>Possible (3)</b>	>40% - <60%	Every 3 to 4 Years	Might happen or recur occasionally
<b>Unlikely (2)</b>	>20% - <40%	Every 5 to 10 Years	Do not expect it to happen/ recur, but it is possible it may do so
<b>Rare (1)</b>	<20%	Every 10 Years and Beyond	This will probably never happen/ recur

## Definition and goal



"Thaioil aims for sustainable growth and long-term persistence, operational excellence, as well as a focus on **economic development** coupled with **social responsibility** and **environmental protection** to create values for **all stakeholders**."

**"all stakeholders"**

**Main human rights issues and vulnerable groups**

## Thaioil's Vulnerable Groups.

The human rights issues related to the vulnerable groups covers **all Stakeholders**, including **Employee, Contractor, Sub-contractor, Community, Supplier, Customer, children, indigenous people, and migrant labors** (covered and in line with 13 The Human Rights Protection of Vulnerable Groups)

## The Human Rights Protection of Vulnerable Groups ;

- 1) women and girls;
- 2) children;
- 3) refugees;
- 4) internally displaced persons;
- 5) stateless persons;
- 6) national minorities;
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- 8) migrant workers;
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- 12) Roma/Gypsies/Sinti; and
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# Scope of Thairoil Human Rights Risks Assessment :



## Thairoil Value Chain

Employee and Contractors	Safety, Security and Environment	Social and Communities	Suppliers and Sub-contractors	Customer and Consumer
HR	QM & CA	CA	PC	CM & TR
<p><b><u>Labour Right</u></b></p> <ul style="list-style-type: none"> <li>- Working conditions,</li> <li>- Freedom of association and collective bargaining,</li> <li>- Forced and compulsory,</li> <li>- Child labor,</li> <li>- Discrimination</li> </ul>	<p><b><u>Safety, Security and Environment</u></b></p> <ul style="list-style-type: none"> <li>- Safety &amp; Security management,</li> <li>- Security Training,</li> <li>- Water security,</li> <li>- Impact of pollution,</li> <li>- Waste and hazardous materials management,</li> <li>- Preservation of biodiversity</li> </ul>	<p><b><u>Community Right</u></b></p> <ul style="list-style-type: none"> <li>- Standards of living and quality of life,</li> <li>- Community health and safety,</li> <li>- Community engagement,</li> <li>- Cultural heritage,</li> <li>- Minorities including indigenous peoples,</li> <li>- Resettlement</li> </ul>	<p><b><u>Supplier engagement &amp; code of conduct</u></b></p> <p>Compliance with TOP Group Business and Human Rights Policy for Stakeholder (TOP) and Supplier Code (14 +17 issues)</p>	<p><b><u>Customer Right</u></b></p> <ul style="list-style-type: none"> <li>- Consumer Health and Safety,</li> <li>- Data Privacy,</li> <li>- Access to energy</li> </ul>

**Existing control level by stakeholders**

*(Thairoil Risk Assessment by CR)*

A green-tinted background featuring a silhouette of a human head in profile, facing left. The head is overlaid with a complex digital network of glowing white nodes and connecting lines, suggesting artificial intelligence or data processing. Faint, semi-transparent lines of code are visible on the left side of the image.

## Findings from Thaioil Human Rights Risks Assessment

# Results of Human Rights Risk Assessment



Thaioil conducted a human rights risk assessment across Thaioil group in 2016 and reassess of Thaioil group’s activities in 2017. Thaioil has involved the identification of issues, impacts on TOPGROUP’s Vulnerable Groups and Thaioil Value Chain, and impact likelihood at the national level in the areas of operations and level of personnel.

Human Rights risk ratings are assessed on two factor which are likelihood and impact.

## Thaioil own operations

Human Rights Risks Assessment	Human Rights Issues	Number and % of total assessed where risks have been identified	Number and % of risk with mitigation or remediation process implemented	Mitigation plans for risk areas
<b>1. Thaioil Public Company Limited</b> <b>2. Thaioil Energy Service Co., Ltd.</b> <b>3. Thai Paraxylene Co., Ltd.</b> <b>4. Thai Lube Base Co., Ltd.</b> <b>5. Thaioil Solvent Co., Ltd.</b> <b>6. TOP Solvent Co., Ltd.</b> <b>7. Thaioil Power Co., Ltd.</b> <b>8. TOP SPP Co., Ltd.</b> <b>9. Labix Co., Ltd.</b>	<b>CFP Project in Thaioil Public Company Limited ;</b> <ul style="list-style-type: none"> <li>Suppliers and Sub-contractors (in case Working conditions)</li> <li>Safety, Security and Environment &amp; Social and Communities (in case migrant labour)</li> </ul>	1 site out of 9 sites, accounted for 11.11%	1 site, total 100%	<ul style="list-style-type: none"> <li><b>CFP Support Center</b> to be a command center to manage a comprehensive impacts related to mass mobility of CFP contractors &amp; sub-contractor from early work until COD in 2022.</li> </ul>

# Results of Human Rights Risk Assessment

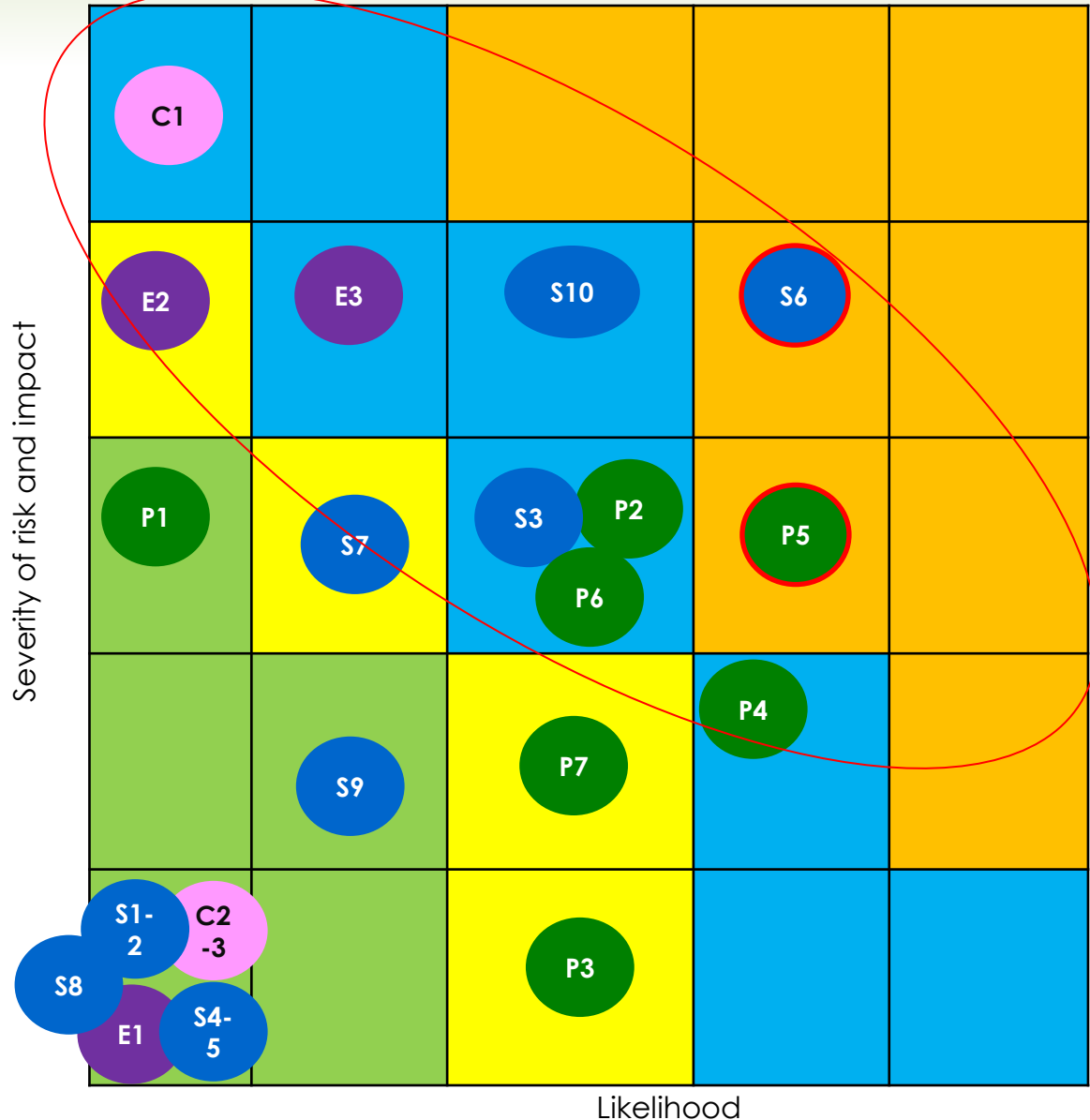


## Joint Venture' operations

Human Rights Risks Assessment	Human Rights Issues	Number and % of total assessed where risks have been identified	Number and % of risk with mitigation or remediation process implemented	Mitigation plans for risk areas
<b>1. Labix Co., Ltd.</b>	-	1 site, accounted for 100%	1 site, accounted for 100%	-



# Confirmed Salient Issues :





- S1\*** Working conditions
- S2\*** Health & safety
- S3\*** Waste & water management
- S4\*** Child labour
- S5\*** Migrant labour
- S6\*\*** Working conditions
- S7\*\*** Discrimination
- S8\*\*** Child labour
- S9\*\*** Migrant labour
- S10\*\*** Health & safety
- E1** Harassment
- E2** Health & safety
- E3** Working conditions
- P1** Fishermen
- P2** Transportation
- P3** Pollution
- P4** Land
- P5\*\*\*** Migrant worker (construction)
- P6\*\*\*** Traffic (construction)
- P7\*\*\*** Migrant worker (operation)
- C1** Safety in Logistics (to communities)
- C2** Data privacy
- C3** Customer Health and Safety

■ Suppliers and Sub-contractors   
 ■ Employee & Contractors   
 ■ Safety, Security and Environment Social and Communities   
 ■ Customer & Consumer

*\* Products    \*\* Service    \*\*\* CFP Project*

# Working conditions



## (Suppliers and Sub-contractors)

Issues	Description	Cases/Specific Risks	Mitigation Measures
<p><b>Working conditions</b></p>  	<ul style="list-style-type: none"> <li>• Employing suppliers that do not give their workers good working conditions (i.e. pay below minimum wage, no safety measures)</li> <li>• Employing suppliers that use illegal forms of labour (i.e. child labour, migrant labour, forced labour)</li> </ul>	<p>CFP Project in Thaioil Public Company Limited ;</p> <ul style="list-style-type: none"> <li>• Accident during construction.</li> <li>• Potential human rights violation associated with construction suppliers in Refinery businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Applied ALIEN WORKING ACT B.E.2551 as one of the criteria to recruit as Thaioil Suppliers list.</li> <li>• Applied Human Rights Policy for Stakeholder (Thaioil) as one of the criteria to recruit as Thaioil Suppliers list.</li> <li>• Review existing manpower supply contract and service contract template to comply with Labor law and Thaioil Group Business and Human Rights Policy for Stakeholder (Thaioil).</li> <li>• Review guidance of sub-contractors labor right list to procurement department and CFP Integrated Team in compliance with Labour Law, Immigration Law and Thaioil Group Business and Human Rights Policy for Stakeholder (Thaioil)</li> <li>• Enforce Thaioil Suppliers to provide working facilities and ensure safe, secured and good environment working conditions for own sub-contractors according to Labor Law and Occupational Safety, Health and Environment Act B.E. 2554</li> <li>• Supplier Code of Conduct</li> <li>• Supplier Auditing</li> <li>• Vendor Risk Assessment</li> </ul>

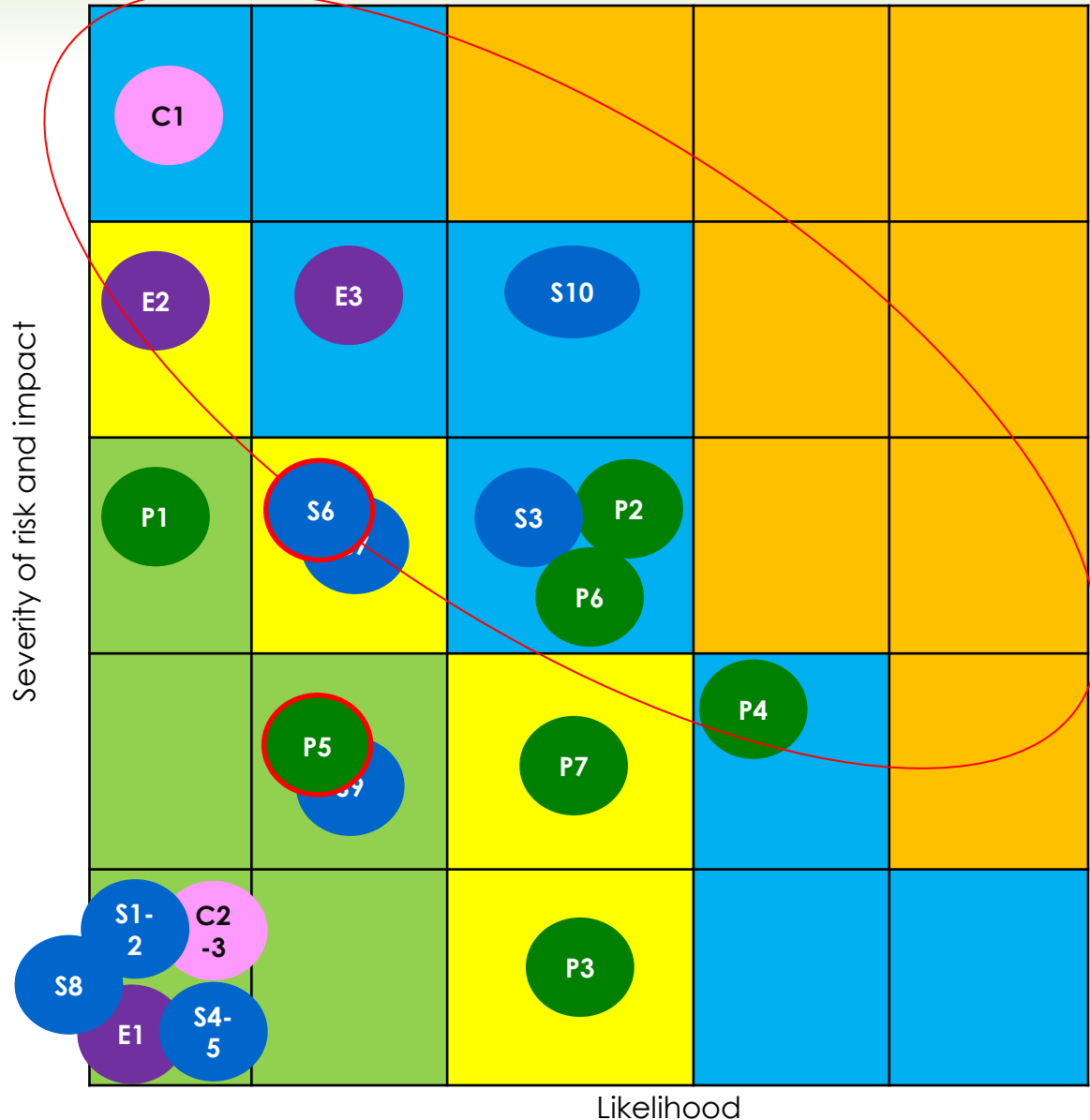
# Safety, Security & Environment and Social & Communities

*(migrant labour)*



Issues	Description	Cases/Specific Risks	Mitigation measures
<p><b>Migrant labour Sub-contractors in CFP Project of Thaioil Public Company Limited</b></p>  	<ul style="list-style-type: none"> <li>Employing security and safety personnel companies that do not give sufficient training to their workers (i.e. no safety training, no training on misusing violence on protestors and criminals)</li> </ul>	<p>CFP Project in Thaioil Public Company Limited ;</p> <ul style="list-style-type: none"> <li>Human rights violations caused by the use of security forces</li> </ul>	<ul style="list-style-type: none"> <li>Provide basic safety, security, occupational health and environment (SSHE) training to suppliers covering all types of works.</li> <li>Provide training material in foreign languages to suppliers.</li> <li>Perform safety sign boards and notice boards in foreign language.</li> <li>Supplier Code of Conduct</li> <li>Supplier Auditing</li> <li>Vendor Risk Assessment</li> </ul>

# Summary of Human Rights (Residual) Risks :



- S1\*** Working conditions
- S2\*** Health & safety
- S3\*** Waste & water management
- S4\*** Child labour
- S5\*** Migrant labour
- S6\*\*** Working conditions
- S7\*\*** Discrimination
- S8\*\*** Child labour
- S9\*\*** Migrant labour
- S10\*\*** Health & safety
- E1** Harassment
- E2** Health & safety
- E3** Working conditions
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- C1** Safety in Logistics (to communities)
- C2** Data privacy
- C3** Customer Health and Safety

■ Suppliers and Sub-contractors  
 ■ Employee & Contractors  
 ■ -Safety, Security and Environment -Social and Communities  
 ■ Customer & Consumer

\* Products  
 \*\* Service  
 \*\*\* CFP Project