



Thaioil Public Company Limited

Human Rights Due Diligence Process and Human Rights Impact Assessments and Management (HRIAM) Report 2019



I
GROW ◉ GROWING TO EXCELLENCE
BY HOLISTIC MANAGEMENT



WE
GROW ◉ GROWING STRONGER
TOGETHER THROUGH
MUTUAL UNDERSTANDINGS
AND BENEFITS



WORLD
GROWS ◉ GROWING INNOVATIVELY
FOR A BETTER WORLD



ROBECOSAM
Sustainability Award
Industry Leader 2016



ROBECOSAM
Sustainability Award
Gold Class 2016

UN Guiding Principle and Thaioil Value Chain



DJSI Human Rights INDICATORS

THREE PILLARS of the UN GUIDING PRINCIPLES



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."

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.

Thaioil Value Chain

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

Existing control level by stakeholders
(Thaioil 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

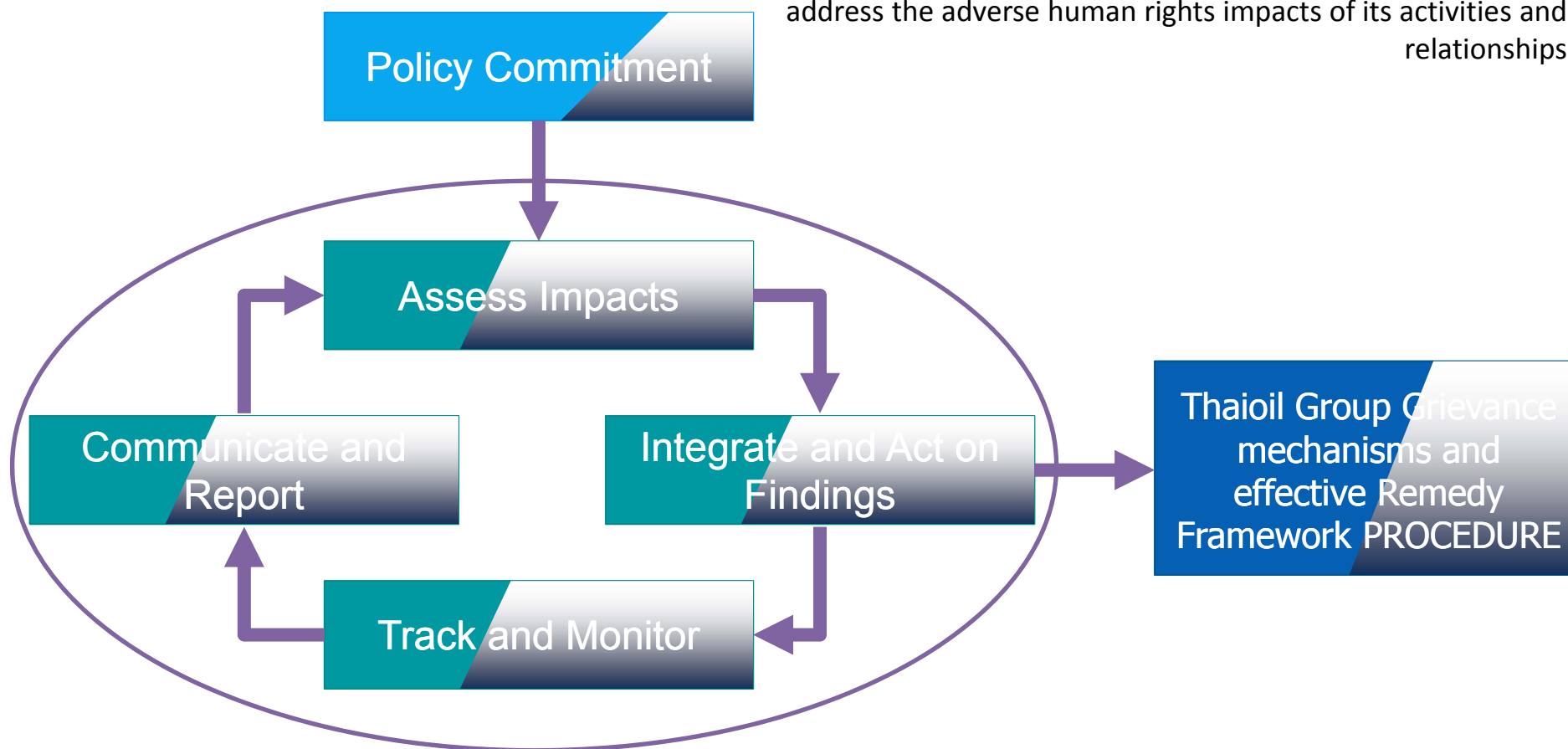
- Internal : Info. Management Systems
- External : DJSI, SD report

Human Rights Impact Assessments Methodology

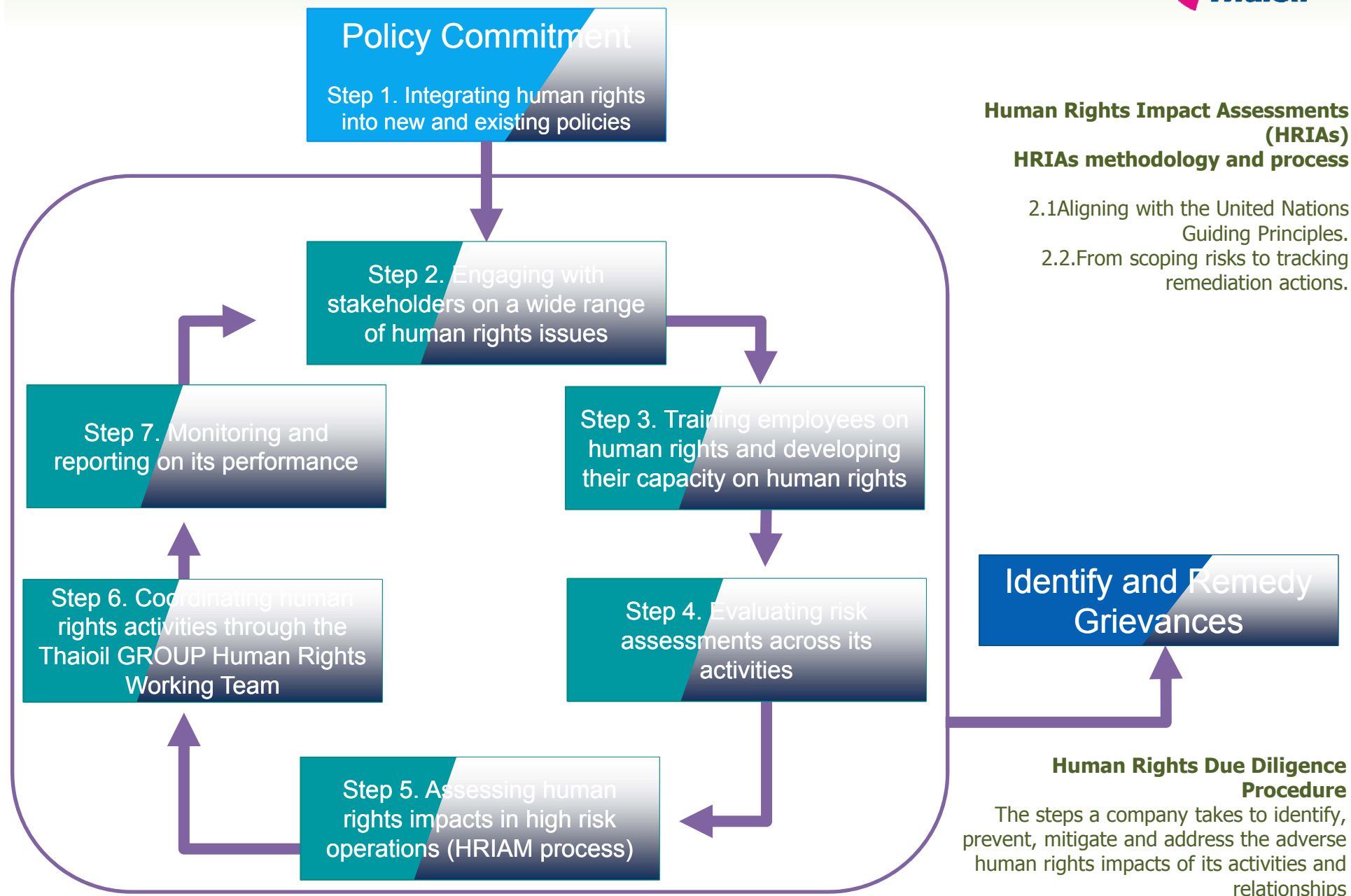


Human Rights Due Diligence Procedure

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



Human Rights Impact Assessments and Management (HRIAM)



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's 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.

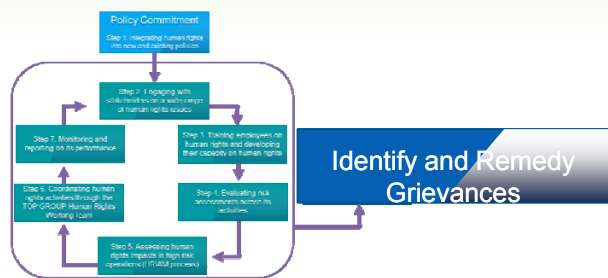
- 5.1. Best practices and areas for improvement identified.
- 5.2. Remediation actions implemented at the operations and Company-levels.
- 5.3. Area-specific case studies (if any).

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.

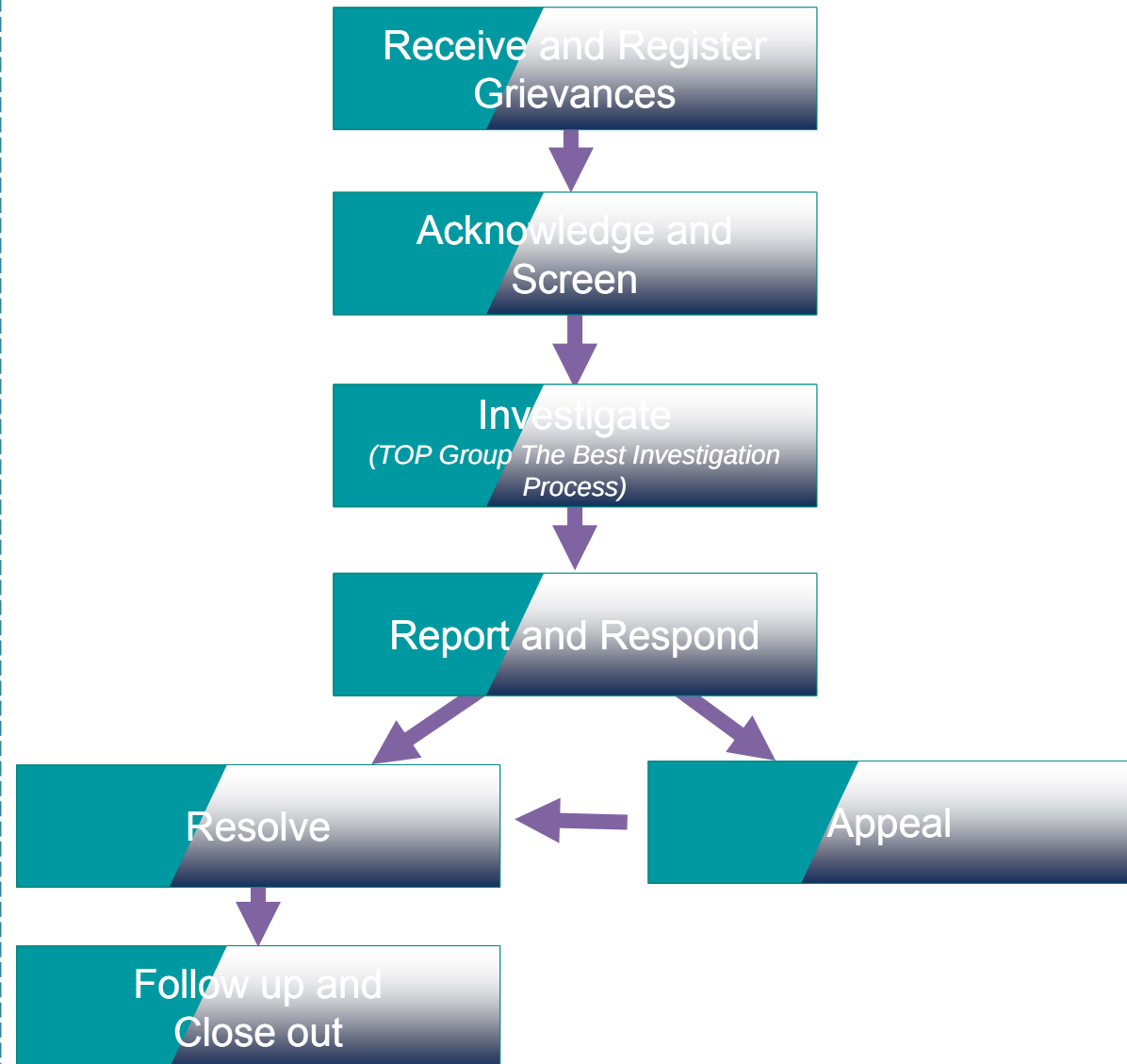
Thaioil Grievance mechanism Process



Identify and Remedy Grievances

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.

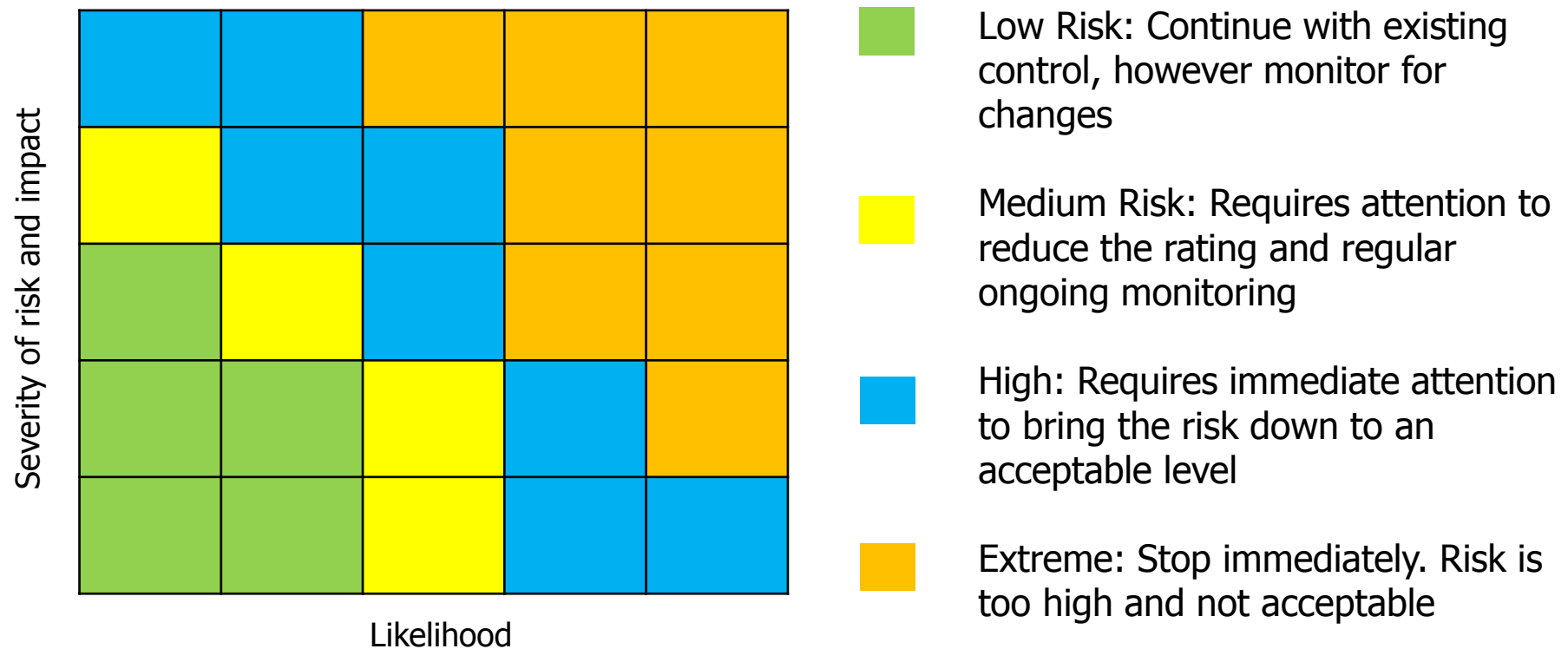
Thaioil Grievance Mechanism Process



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.

The assessment takes into account Thaioil vulnerable groups covers all Stakeholders, specifically our employees, Contractor, Sub-contractor, Community, Suppliers, Customers, women and children, migrant labors, local community, disabled people, elderly, patients and transgender



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*



Level	Scale	Scope	Remediability
Very high (5)	Impact to health or life so severe that can result in disability or fatality	Impact everyone in the affected stakeholder group (e.g. all folks in the community or all employees or all suppliers) in the related activities	Impossible to remedy the affected rights-holders to a previous state
high (4)	Impact to health or life so much that can result in more than 3 lost working days	Impact almost everyone in the affected stakeholder group in the related activities	Take more than 5 years to remedy the affected rights-holders to a previous state
medium (3)	Impact to health or life so much that can result in 1-3 lost working days	Impact some people in the affected stakeholder group in the related activities	Take 3-5 years to remedy the affected rights-holders to a previous state
low (2)	result in injuries or illness that needs doctor diagnosis (but no lost day)	Impact few people in the affected stakeholder group in the related activities	Take 1-3 years to remedy the affected rights-holders to a previous state
Very low (1)	result in injuries or illness that only needs first aid or do not harm health	No impact to anyone in the affected stakeholder group in the related activities	Take less than 1 year to remedy the affected rights-holders to a previous state

Thaioil Human Rights Risks Assessment Criteria :

Likelihood

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

Human Rights Impact Assessments and Management (HRIAM)



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;
- 9) disabled persons;
- 10) elderly persons;
- 11) HIV positive persons and AIDS victims;
- 12) Roma/Gypsies/Sinti; and
- 13) lesbian, gay and transgender people.

Scope of Thaipol Human Rights Risks Assessment :



Thaipol Value Chain

Employee and Contractors	Safety, Security and Environment	Social and Communities	Suppliers and Sub-contractors	Customer and Consumer
PM	QM & CA	CA	PC	CM & TR
<u>Labour Right</u> - Working conditions, - Freedom of association and collective bargaining, - Forced and compulsory, - Child labor, - Discrimination	<u>Safety, Security and Environment</u> - Safety & Security management, - Security Training, - Water security, - Impact of pollution, - Waste and hazardous materials management, - Preservation of biodiversity	<u>Community Right</u> - Standards of living and quality of life, - Community health and safety, - Community engagement, - Cultural heritage, - Minorities including indigenous peoples, - Resettlement	<u>Supplier engagement & 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

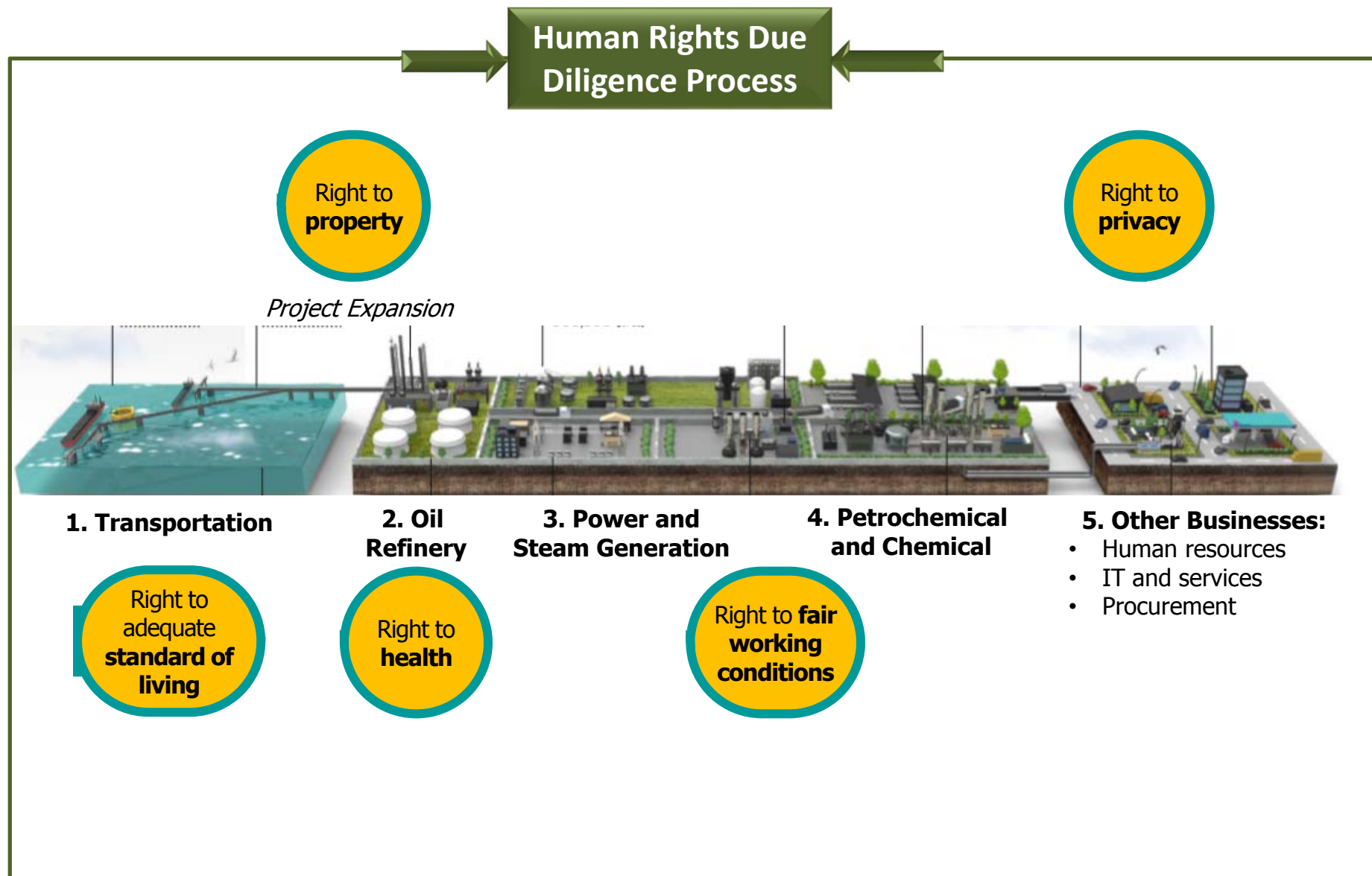
Existing control level by stakeholders

(Thaipol Risk Assessment by CR)

A green-tinted background featuring a silhouette of a human head in profile, facing right. The head is filled with a network of white lines and dots, resembling a neural network or circuitry. To the left of the head, there is a block of white text that appears to be Python code, partially obscured by the head's silhouette. The overall theme is technology and human cognition.

Findings from Thaioil Human Rights Risks Assessment

Thaioil Value Chain and Relevant Human Rights Issues



Results of Human Rights Risk Assessment

Thaioil conducted a human rights risk assessment across Thaioil group in 2016 and review the magnitude of severity and likelihood every year. 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

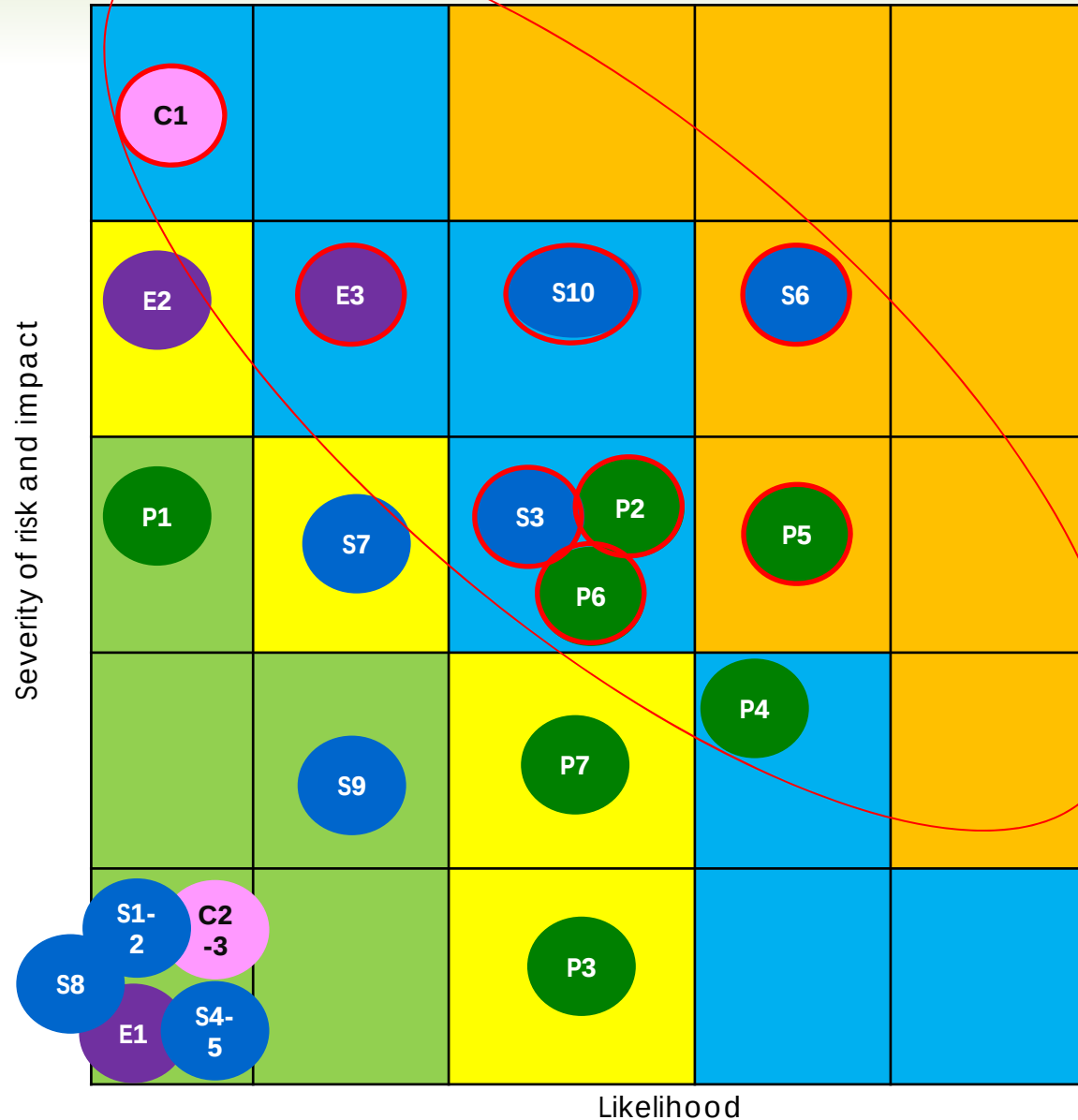
Human Rights Risks Assessment	Human Rights Issues	Number and % of total assessed where risks have been identified	Number and % of risk with mitigation or remediation process implemented	Mitigation plans for risk areas
1. Thaioil Public Company Limited 2. Thaioil Energy Service Co., Ltd. 3. Thai Paraxylene Co., Ltd. 4. Thai Lube Base Co., Ltd. 5. Thaioil Solvent Co., Ltd. 6. TOP Solvent Co., Ltd. 7. Thaioil Power Co., Ltd. 8. TOP SPP Co., Ltd. 9. Labix Co., Ltd.	CFP Project in Thaioil Public Company Limited ; - Suppliers and Sub-contractors (in case Working conditions) - Safety, Security and Environment & Social and Communities (in case migrant labour)	1 site out of 9 sites, accounted for 11.11%	1 site, total 100%	CFP Support Center to be a command center to manage a comprehensive impacts related to mass mobility of CFP contractors & sub-contractor from early work until COD in 2022.

Results of Human Rights Risk Assessment

Joint Venture' operations (with management control)

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
1. Labix Co., Ltd.	-	1 site, accounted for 100%	1 site, accounted for 100%	-

Confirmed Salient Issues :



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

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

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

Waste & water management, Health & safety

(Suppliers, employee and Sub-contractors)

Issues	Description	Cases/Specific Risks	% of total assessed	Mitigation Measures
Waste & water management (S3***) and Health & safety (S10***) 	Suppliers do not provide pollution control from construction, including not managing the environmental and occupational health management of employees of partners and contractors in the construction area.	CFP (Clean Fuel Project) Project in Thaioil Public Company Limited ; - pollution control from construction - SSHE emergency management - Health & safety management	11.11% of total assessed where risks have been identified	- Prepare appropriate procedures, including air / noise / odor pollution, dust, such as installing sound meters, CCTV, Monitor, Spray, ground cover, and soil watering, installing a dustproof canvas. With reporting and inspection systems - Determine the time to transport the equipment and soil. - Dividing the zones and organizing wastewater treatment systems in all zones, such as water treatment systems from bathrooms, building grease traps, etc. together with water treatment systems used in construction - Arrange the chemical waste management system, such as the separation of construction waste, debris from the old building blocks, the waste collection area, determine the waste collection supervisor, make records, reports, inspection systems and transportation systems of waste - Develop SSHE Emergency Management, including emergency plan measures, communication measures, emergency action and notification - Providing appropriate and hygienic utilities such as Medical Center, Ambulance, drinking water, resting area, lactation room, prayer area etc. - Arrange the inspection system in both clear and random schedules, such as the system for checking the hours of work of contractors according to the type of work, Health Promotion, campaigning about hygiene. And check the health every month and Fit for work with all types of workers (workers, drivers, transport workers) etc.

Working conditions

(Suppliers, employee and Sub-contractors)

Issues	Description	Cases/Specific Risks	% of total assessed	Mitigation Measures
Working conditions (S6*** และ E3***) 	- Employing suppliers that do not give their workers good working conditions (i.e. pay below minimum wage, no safety measures) - Employing suppliers that use illegal forms of labour (i.e. child labour, migrant labour, forced labour)	CFP Project in Thaioil Public Company Limited ; - Accident during construction. - Potential human rights violation associated with construction suppliers in Refinery businesses	11.11% of total assessed where risks have been identified	- Applied ALIEN WORKING ACT B.E.2551 as one of the criteria to recruit as Thaioil Suppliers list. - Applied Human Rights Policy for Stakeholder (Thaioil) as one of the criteria to recruit as Thaioil Suppliers list. - 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). - 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) - 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 - Supplier Code of Conduct - Supplier Auditing - Vendor Risk Assessment

Transportation and Traffic (construction)

(Safety, Security & Environment and Social & Communities)

Issues	Description	Cases/Specific Risks	% of total assessed	Mitigation Measures
Transportation and Traffic (construction) (P2*** and P6***) 	During the 2 years of construction There will be a number of employees of partners and contractors. (Including the company employees) entering more than 15,000 construction sites which will affect traffic conditions for the community and traffic conditions related to the transfer of all construction equipment	CFP Project in Thaioil Public Company Limited ; - Accident during construction. - Potential human rights violation associated with construction suppliers in Refinery businesses	11.11% of total assessed where risks have been identified	- Plan together with relevant agencies in the company, state and community to report problems, guidelines for prevention and correction in advance - Establish temporary accommodation plans for partners, employees of contractors and contractors. By organizing in the area around the community to reduce congestion problems. - Arrange transportation systems (buses, vans or public buses) to send employees of business partners and contractors to enter and exit the construction area for a period of time. - Create a route consisting of 3 parts: Business Route (gate-1), CFP route and Special route. จัดทำแผนรองรับที่จอดรถ - Construction of a floating bridge for the community - Prepare traffic plan by requesting cooperation from traffic police officers to operate in community areas - Inform the channel and person for complaints from the community 24 hours a day and explain how to fix one stop service.

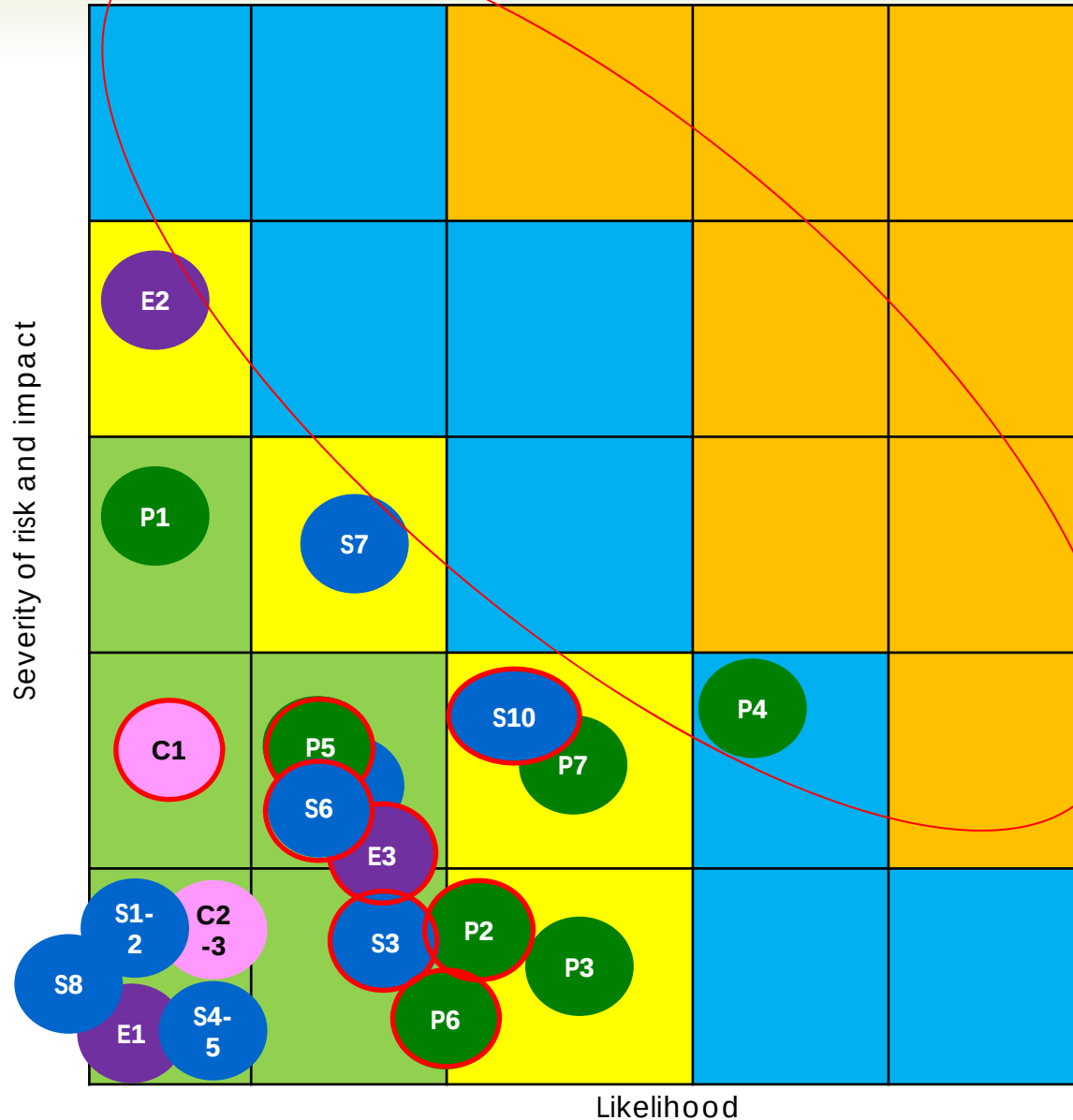
Safety, Security & Environment and Social & Communities

(migrant labour)



Issues	Description	Cases/Specific Risks	% of total assessed	Mitigation measures
Migrant labour Sub-contractors in CFP Project of Thaioil Public Company Limited (P5***) 	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)	CFP Project in Thaioil Public Company Limited ; Human rights violations caused by the use of security forces	11.11% of total assessed where risks have been identified	- Provide basic safety, security, occupational health and environment (SSHE) training to suppliers covering all types of works. - Provide training material in foreign languages to suppliers. - Perform safety sign boards and notice boards in foreign language. - Supplier Code of Conduct - Supplier Auditing - Vendor Risk Assessment

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

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

Thank you

**HUMAN RIGHTS
IN ACTION!**