

# Human Rights Risk Assessment in Supply Chain Disclosure Report

2022/2023

(This disclosure report is part of human rights due diligence process)



# All GGC's contractors and tier-1 suppliers were assessed



Feed Suppliers	Non-Feed Suppliers	Logistics Suppliers	Other Shared Services
<ul style="list-style-type: none"><li>• Chemical/Methanol</li><li>• Palm Oil</li></ul>	<ul style="list-style-type: none"><li>• Administration</li><li>• Chemical/Oil/Gas</li><li>• Utility/Fuel Oil</li><li>• Electrical</li><li>• Instrument</li><li>• IT</li><li>• Laboratory</li><li>• Mechanical</li><li>• Packaging</li><li>• Safety &amp; Health</li><li>• Service</li></ul>	<ul style="list-style-type: none"><li>• Truck Vehicle</li></ul>	<ul style="list-style-type: none"><li>• Human Resource Service</li></ul>

Countries in which GGC's suppliers are located, including **Thailand, Singapore, Indonesia, China, Korea, India, Germany, Ireland, Italy, and USA.**

# Human Rights Risk Assessment Approach in Supply Chain (contractors and tier-1 suppliers)

## 1. Desktop Review



**Step 1:** Review desktop research on human rights violation issues in each country and sector context

## 2. Analyzed Suppliers' data



**Step 2:** Analyze supplier's data from relevant stakeholders

## 3. Assess Suppliers' Human Rights Risk



**Step 3:** Determine high risk and human rights issues of suppliers that are relevant with each supplier group

## 4. Integrate Finding and Take Appropriate Actions



**Step 4:** Determine mitigation measures to reduce risk level and prevent the impacts

# Identify Human Rights Issues for Human Rights Risk Assessment

Human rights issues assessed in human rights risk assessment are identified through a review of human rights risks from various international standards including DJSI and UNGC.

In addition, GGC places special importance to rights of vulnerable groups, including children, persons with disabilities, women, minorities, migrant people, third-party contracted labor, indigenous people, local communities, LGBTQI+, senior citizens and pregnant women.

## The human rights issues assessed include:

- Forced Labor
- Human Trafficking
- Child Labor
- Freedom of Association and the Right to Collective Bargaining
- Equal Remuneration
- Discrimination and Harassment
- Working Condition
- Health and Safety
- Community and Indigenous Rights

In 2022/2023, GGC assessed human rights risks in all contractors and tier-1 suppliers and ensured that there are mitigation measures in place for all identified risks.



**100%**

% of total number of contractors and tier-1 suppliers assessed

*(482 suppliers assessed / 482 active suppliers)*

**6.4%**

% of total number of contractors and tier-1 suppliers where risks\* have been identified

*(31 suppliers with salient issues / 482 assessed suppliers)*

**100%**

% of high-risk contractors and tier-1 suppliers with mitigation or remediation process implemented  
(See pg. 6)

*(31 suppliers with salient issues with mitigation measures / 31 suppliers with salient issues)*

Remarks: \* The salient issues (high risk) identified were : Forced Labor, Human Trafficking, Discrimination and Harassment, Working Condition, Health and Safety, Community and Indigenous Rights, Freedom of Association and the Right to Collective Bargaining.

# Human Rights Salient Issues and Mitigation Measures

Group of Suppliers	Sub-group of Suppliers	Human Rights Issue	Description of Risks	Mitigation Measures
<b>Non-Feed</b>	Chemical/Oil/Gas	Forced Labor	<ul style="list-style-type: none"> <li>Forced labor risk from deceptive recruiting practices</li> </ul>	<ul style="list-style-type: none"> <li>Integrate sustainability operations or ESG in the selection of suppliers, and business partners through selection and registration process by setting criteria for selecting suppliers which include technical, quality, safety, occupational health, environment, and social responsibility</li> <li>Annually assess suppliers regarding 5 key areas, as well as annually conduct sustainability assessment of key supplier in order to develop, push, and monitor the operations of suppliers such as legal compliance, ethics, human rights and occupational health and safety and environment</li> <li>Develop a transportation management system to improve the process to deliver materials from suppliers to GGC's factory including health, safety and environment practices during transportation</li> <li>Communicate Supplier Code of Conduct by implementing the Suppliers Conference project with the GC group including business ethics and human rights policy to suppliers and business partners</li> <li>Develop knowledge and competence regarding responsible and sustainable raw material production standards for partners which cover suppliers</li> </ul>
		Human Trafficking	<ul style="list-style-type: none"> <li>Recruitment of workers through deception (i.e., regarding nature of the work, compensation)</li> <li>High recruitment fee and illegitimate costs charged to migrant workers</li> </ul>	
		Discrimination & Harassment	<ul style="list-style-type: none"> <li>Gender-based sexual violence and harassment in worker camps</li> </ul>	
		Working Condition	<ul style="list-style-type: none"> <li>Remuneration below minimum wage</li> <li>Unpaid wages</li> </ul>	
		Health and Safety	<ul style="list-style-type: none"> <li>Employee's exposure to hazardous chemicals, contaminated water, and air pollution</li> </ul>	
		Community and Indigenous Rights	<ul style="list-style-type: none"> <li>Community's exposure to hazardous chemicals, contaminated water, and air pollution</li> <li>Impacts of oil spills and gas leak on local communities</li> </ul>	
<b>Logistics</b>	Truck vehicle	Forced Labor	<ul style="list-style-type: none"> <li>Forced dispatch and ignorance of worker's request to return home</li> </ul>	
		Freedom of Association & Right to Collective Bargaining	<ul style="list-style-type: none"> <li>Use of union-busting tactics (i.e., withholding wage raise/promotion from union members)</li> <li>Refusal to meet and negotiate with union representatives</li> </ul>	
		Working Condition	<ul style="list-style-type: none"> <li>Misclassification of truck drivers as independent contractors which deprives them of rights and protection</li> <li>Remuneration below minimum wage</li> <li>Unpaid sick leaves, insufficient breaks (i.e., timed toilet breaks)</li> </ul>	
		Health and Safety	<ul style="list-style-type: none"> <li>Hazardous working conditions in the warehouse (i.e., overheating, machinery in disrepair)</li> <li>Workplace accidents and subsequent death (i.e., falling objects due to unsecure storage)</li> </ul>	
		Community and Indigenous Rights	<ul style="list-style-type: none"> <li>Chemical transportation accidents which cause toxic fallout to communities</li> </ul>	