

Human Rights Due Diligence Process 2022

Objectives and Scope of Human Rights Due Diligence Process

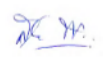


SCG has announced a human rights policy, a diversity and inclusion policy as well as human rights framework and established human rights due diligence process guideline, which are in compliance with the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), the United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, OECD, and other international requirements, such as SDGs, WBCSD, and GRI.

We respect human rights according to the United Nations Guiding Principles on Business and Human Rights: (UNGPs) by developing the human rights due diligence process guideline as guidance for all business operations within SCG including business expansion or new investments in Thailand and abroad, suppliers and contractors in the value chain, and joint ventures in identifying and assessing potential and/ or actual human rights issues affected to stakeholders, prioritizing such issues, establishing preventive and mitigation actions to reduce the risk, and formulating proactive measures to prevent or minimize potential impacts as well as measures for alleviating and/ or remediating such impacts in case of violation.

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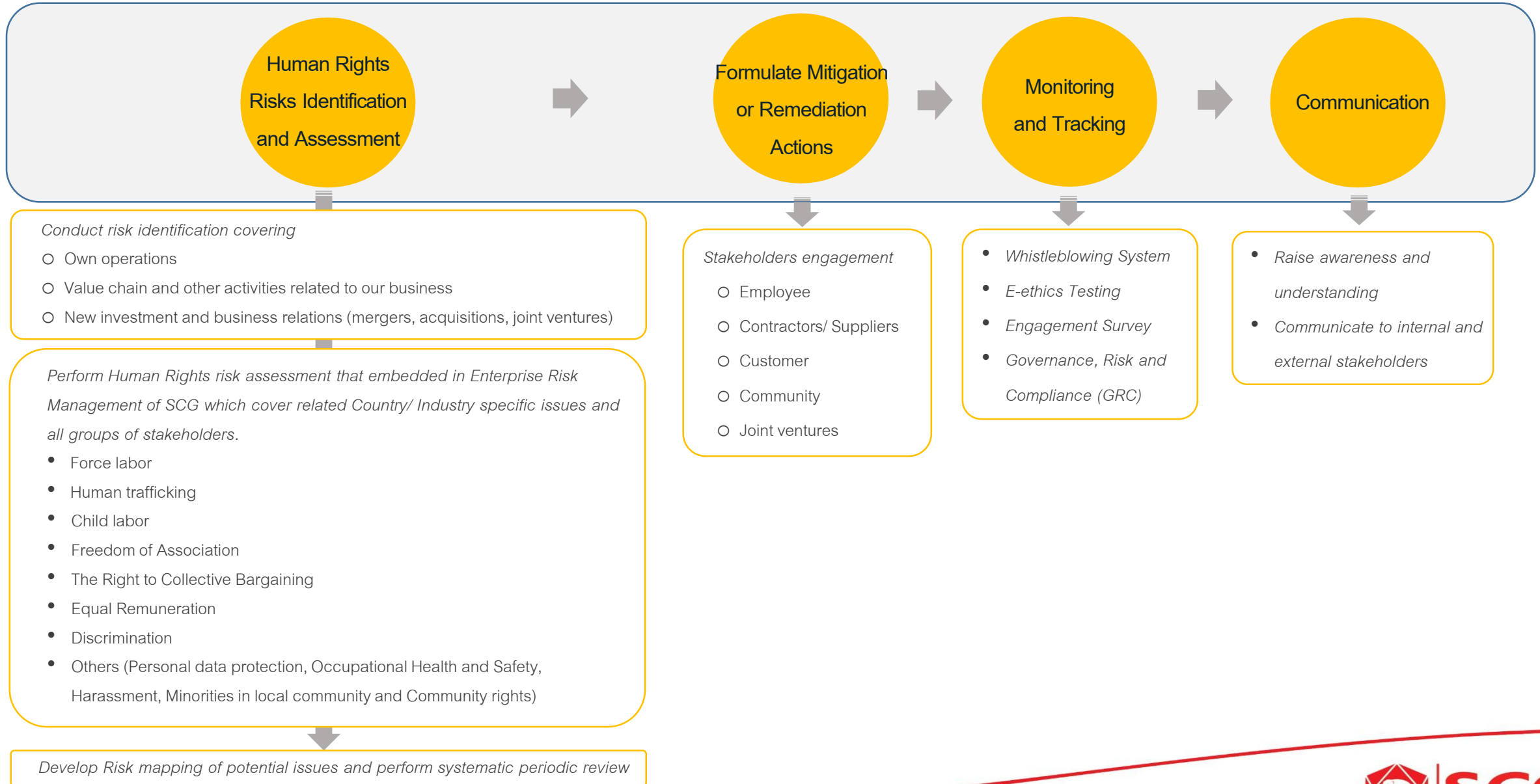
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Human Rights Due Diligence Process



Identifying Human Rights Issues

1. Right to life
2. Right to liberty and security
3. Right not to be subjected to slavery, servitude or forced labor
4. Right not to be subjected to torture, cruel, inhuman and/or degrading treatment or punishment
5. Right to recognition as a person before the law
6. Right to equality before the law, equal protection of the law, non-discrimination
7. Right to freedom from war propaganda, and freedom from incitement to racial, religious or national hatred
8. Right to access to effective remedies
9. Right to a fair trial
10. Right to be free from retroactive criminal law
11. Right to privacy
12. Right to freedom of movement
13. Right to seek asylum from persecution in other countries
14. Right to have a nationality
15. Right of protection for the child
16. Right to marry and form a family
17. Right to own property
18. Right to freedom of thought, conscience and religion
19. Right to freedom of opinion, information and expression
20. Right to freedom of assembly
21. Right to freedom of association
22. Right to participate in public life
23. Right to social security, including social insurance
24. Right to work
25. Right to enjoy just and favourable conditions of work
26. Right to form and join trade unions and the right to strike
27. Right to an adequate standard of living
28. Right to health
29. Right to education
30. Right to take part in cultural life, benefit from scientific progress, material and moral rights of authors and inventors
31. Right of self-determination
32. Right of detained persons to humane treatment
33. Right not to be subjected to imprisonment for inability to fulfill a contract
34. Right of aliens due process when facing expulsion
35. Rights of minorities

Reference: [Guide to Human Rights Impact Assessment and Management \(HRIAM\)](#)

SCG Human Rights Related Issues

Human Rights Issues Consideration

- Country specific issues
- Industry specific issues
- Complaints
- Stakeholders/ Community engagement or satisfaction
- Customers feedback









Affected Stakeholders

Employees Customers



Communities Contractors/ Suppliers

SCG Human Rights Related Issues

Environment 	Labour rights 	Community rights 	Supply chain 	Security and safety 	Consumer rights 
<ul style="list-style-type: none"> • Mismanagement of resource consumption impacting stakeholders (e.g. water security, inability to access to energy) • Climate change 	<ul style="list-style-type: none"> • On/Off site accident risk • Employee/ business partner occupational health risk • Freedom of association • The right to collective bargaining • Unfair labor practices (e.g. excessive overtime, use of forced or compulsory or child labor, underpayment of workers or modern slavery, equal remuneration) • Discrimination against employees, for example by race, gender or sexuality • sexual and non-sexual harassment • Diversity & equal opportunity • Human trafficking 	<ul style="list-style-type: none"> • Health and safety of communities • Cultural heritage • Stakeholder complaint • Community engagement • Forced or involuntary displacement of communities, including indigenous communities 	<ul style="list-style-type: none"> • Employment or purchasing or OEM in the supply chain, such as consideration of human rights issues • Safety & healthy working condition • Illegal forms of labor (e.g. child labor, force labor) • Breach in supplier SCG code of conduct • Insufficient/ineffective supplier engagement 	<ul style="list-style-type: none"> • Use of excessive force by security guards protecting assets 	<ul style="list-style-type: none"> • Customer discrimination • Product and service safety

Others (Personal data protection, Occupational Health and Safety, Minorities in local community, Labor rights, and Community rights)

Groups at risk on human rights issues

Stakeholders are persons or groups of persons who are directly or indirectly affected by a business operation of SCG, as well as those who may have interests in a business operation of SCG, or abilities to influence over the outcomes of a business operation of SCG such as customers, employees, communities, shareholders, business partners, government agencies, intellectual leaders, etc.

- Shareholders
- Employees (Women, Pregnant women, Disability person, LGBTQI+, Migrant workers)
- Customers and Consumers
- Suppliers including Suppliers' employees, Suppliers' contractors, Third-party employees
- Business Partners
- Competitors
- Joint Venture Partners
- Creditors
- Local communities
- National and Local Government Agencies
- Media



- Civil Society Sector, Academia, and Opinion Leaders
- Advocacy organizations
- Development organizations
- Vulnerable groups such as indigenous, minorities in local communities, children, migrant workers, disable, etc.
- Lenders and international financial institutions
- NGOs
- Others (Disability, Pregnant woman, LGBTQI+)

Human Rights Risk Assessment 2022

In 2022, SCG has reviewed its human rights due diligence process through engagement with relevant stakeholders by collaboration with external consultant, from risk identification and assessment all the way to the formulation of mitigation actions and the monitoring of the effectiveness of such actions across all businesses both in Thailand and abroad. In order to assess the potential severity and likelihood of those impacts across our value chain in line with international standard e.g. UNDP Business and Human Rights, OECD, and etc.

	Percentage of total assessed in last three years	Percentage of total assessed where risks have been identified	Percentage of risks with mitigation actions taken
Own operations	100 (298 Companies)	1.38	100
Contractors and Tier I Suppliers	100 (1,213 Companies)	0.63	100
Joint Ventures (Including stakes above 10%)	100 (89 Companies)	0	100

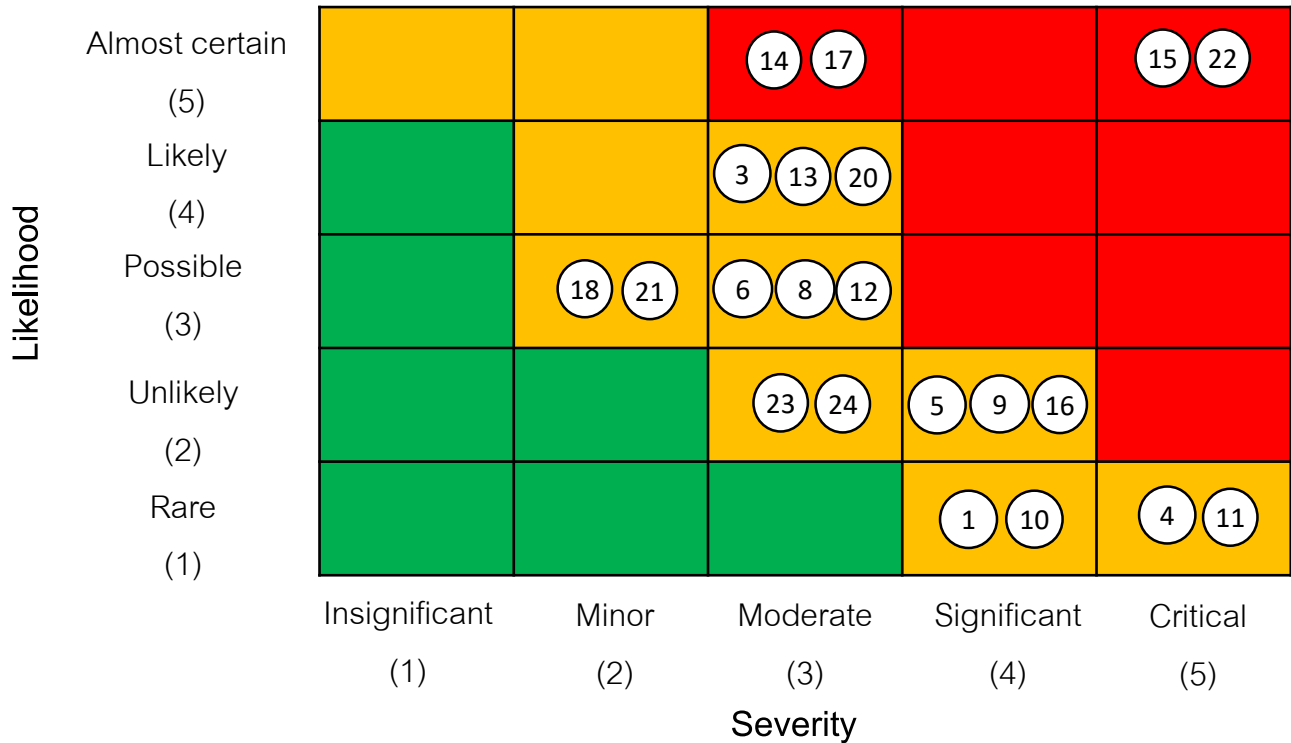
Remark: Contractors and Carriers assessment every year

Example of Human Rights Risk Assessment 2022

Human Rights Risk Category	Risk Events	Impacted Stakeholders / Right holders	Vulnerable Group at Risk	Current management / Mitigation measures	Assessment of Gross Risk			Salient Issues (Yes/No)	Additional Mitigation Plans (Plan to develop mitigation measures for salient issues in order to reduce severity/likelihood of risks in the future)
					Severity	Likelihood	Risk Score		
Health and Safety	Fatality & Lost time injury in workplace in Thailand and regional operations	- Employee - Contractor	- Migrant worker	1. Strengthen execution (SCG Safety framework) Thailand operations: Implement SCG Safety Framework 2021 version since January, 2021 and Abroad operations since 2022. 2. 9 life saving rules enforcement and monitoring. 3. Strengthen execution for existing SCG Safety Standard i.e. Electrical safety, Lifting safety, Work permit, Work at height safety etc.	5	5	25	Yes	1. 100% Thailand & Abroad operations Implement SCG Safety Framework 2021 (Effective execution). - Company implementation and report a progress to workplace safety committee - First submission self-declaration in Jun'23 and Final submission in Sep'23 - Develop Capability building program for SPAP Assessor/ Implementer (Thailand & Abroad) 2. Monthly monitoring of safety lagging and leading indicators (Unsafe action/ Unsafe condition/ Near miss). 3. Incident investigation by cross BU team in case of the severe incident to prevent recurrence case and lessons learned sharing with CA/ PA monitoring by workplace safety committee. 4. Implement Safety Performance Management system (Safety PMS) to all management levels and expanded to S3 level Up (All BUs). 5. Develop a Safety Management for Solar business Standard to cover the overall of end to end activities of this business. (The standard developed by all relevant parties in each BU involved)

Human Rights Salient Issues 2022

Human rights risk assessment of SCG covering own operations throughout the value chain. There are 4 salient human right issues as shown in risk mapping.



Human Rights Salient Issues

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Employment conditions

15

Health and Safety

17

Forced labor

22

Migrant workers rights

Human rights risks	
1. Land rights/ Forced or involuntary displacement of communities	13. Labor rights
2. Rights of indigenous peoples	14. Employment/ Working conditions
3. Environmental and health & safety impacts from business areas/ activities	15. Health and Safety
4. Excessive use of force by public and private security forces	16. Child labor
5. Corruption	17. Forced labor
6. Air pollution or dust	18. Gender-based discrimination
7. Human rights defenders violation	19. Discrimination on other basis
8. Personal data protection	20. Freedom of association and the Right to Collective Bargaining
9. Product and service safety for customers and consumers	21. Freedom of expression
10. Complaints management and access to remedy	22. Migrant workers rights
11. Sourcing from conflict-affected area	23. Sexual harassment
12. Waste and hazardous waste management	24. Non-sexual harassment

Mitigation actions on human rights salient issues 2022

SCG regularly conducts a human rights assessment to identify and assess actual and potential adverse human rights impacts on employee, community and contractor along the entire value chain including vulnerable groups such as children, woman, people with disabilities, indigenous people, local community, migrant workers and etc. The findings from human rights assessment are integrated and taken into actions for prevention and mitigation, monitoring and remediation.

From potential affected people and number of companies in SD report P. 128-129, in 2022 revealed that 33 sites of own operations, contractors & tier 1 suppliers and JVs have been exposed to human rights risks. All 33 sites have been remediated and have mitigation plans in place to prevent the recurrence in the future.

Salient Human Rights Issues	Mitigation Plans and Remediation Actions		
	Own Operations	Contractors and Suppliers	Joint Ventures
1. Health and Safety	<ul style="list-style-type: none">• Communicate, educate to raise awareness and safety culture through the Occupational Health and Safety Management System or SCG Safety Framework in both Thailand and abroad.• Communicate, educate and monitor compliance with standards for high-risk operations and SCG Life Saving Rules in production process, service solutions, workplace, travelling and transportation.• Promote incident investigation and analysis to identify root causes and establish corrective/ preventive measures to avoid recurrence.• Mitigate work-related risk using technology to advance safety in workplace and transportation including use of AI monitoring for high-risk operations, Smart Safety Pod system, Smart Access Control System for transportation such as Advanced Driving Assistance System (ADAS), and platform development for operations.	<ul style="list-style-type: none">• Develop contractor safety management system and service solutions safety standard for comprehensive coverage starting from safety planning, contractor selection and contracting. Pre-work preparation, audit and control suppliers from pre-work, during work and post-work, and conduct assessment periodically.• Establish goods transportation safety standard. Control and assess carriers to ensure compliance with regulations and standards.• Encourage carriers to comply with laws and constantly monitor their drivers through GPS and In-Cab Camera.• Review carrier assessment guideline to enhance safety and promote professionalism in transportation.• Promote incident investigation and analysis to identify root causes and establish corrective/ preventive measures to avoid recurrence.	<ul style="list-style-type: none">• Communicate and share good practices in order to scale up and strengthen the execution and performance.• Disseminate high-risk operations safety standards in production process, workplace, travelling, and transportation as well as Life Saving Rules to be aware of acceptable operational guidelines.

Mitigation actions on human rights salient issues 2022

Salient Human Rights Issues	Mitigation Plans and Remediation Actions		
	Own Operations	Contractors and Suppliers	Joint Ventures
2. Employment Conditions	<ul style="list-style-type: none"> Adjust work formats through the arrangements of flexible working hours or part-time work options, as appropriate. Develop leadership skill for employees at Leader/ Manager/ Supervisor level and provide for proactive counselling in the form of coaching for employees. Organize activities and measures to reduce work-related stress, and enable work life balance such as avoiding meeting on Friday afternoons, and avoid work-related talking outside of working hours. Full freedom of expression and association of employees through various committee to hear and collect feedbacks, suggestions for improvement. 	<ul style="list-style-type: none"> Review SCG Supplier Code of Conduct, and communicate to demonstrate commitment to work with contractors/ suppliers in Supplier Day. Regulate and ensure that new and major contractors/ suppliers are committed continuously to comply with the SCG Supplier Code of Conduct. Conduct ESG risk assessment that includes human rights risk assessment. Promote and advise contractors/ suppliers to mainstream human rights into their business conduct. 	-
3. Migrant workers' rights	<ul style="list-style-type: none"> Communicate, educate to raise awareness on safety, and welfare migrant workers are entitled to. Conduct assessment according to The Sedex Members Ethical Trade Audit (SEDEX) in four aspects namely labor standards, health and safety, business ethics and environment. 		
4. Forced labor	-		
No. of Sites	12	21	0



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