



EGCO Group

Human Rights Implementation

April 2020

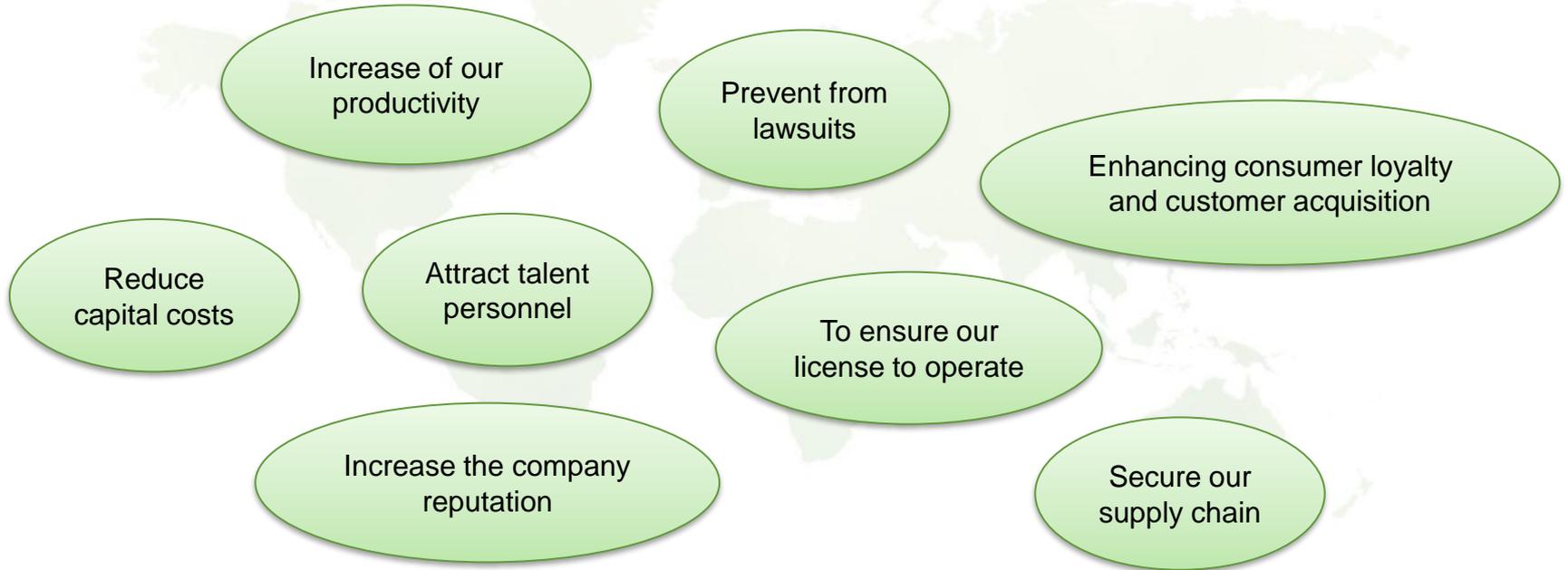
Content

- EGCO Group Commitment and Policy
- EGCO Group Human Rights Due Diligence
- Remediation

Business benefits of addressing human rights

EGCO Group respects for human rights matter to ensures our business sustainability and continuity.

A company process on human rights encompasses to be covering its operations as well as joint ventures and all sorts of business partners. In addition, the process also covered public and private entities throughout EGCO Group's value chain, including employees, suppliers, contractors, business partners, distributors and customers.



EGCO Group Human Rights Implementation Approach

Business Responsibility on Human Rights Observance



Policy

EGCO Group committed to respecting all human rights aspects. The company communicates its intention through the human rights policy and embeds it in the EGCO Group's culture to be cover all dimensions.



Human Rights Due Diligence

EGCO Group identified and carried on its potential human rights issues. The company continuously follows the performance of prevention and mitigation impacts along with communicates our effort on the finding issues.



Remediation

EGCO Group established our grievance mechanisms on operational-level for human rights matters together with providing and driving actions on remediation plans at all levels.

Engage transparently with EGCO Group's stakeholders throughout the value chain

EGCO Human Rights Due Diligence Process

EGCO Group has conducted and reviewed the human rights risk assessment and due diligence on annual basis. By doing so, EGCO is able to identify human rights risks and prevent them throughout its business activities, where both internal and external stakeholders are involved.

The conduct of the risk assessment and due diligence is guided by the UN Guiding Principles on Business and human Rights (UNGPs) to assess actual and potential impacts.



EGCO Group Human Rights Policy



Human Rights Policy

The Electricity Generating Public Company Limited or EGCO

As a leading company that sustainably generates electric power in Thailand and abroad, the Electricity Generating Public Company Limited, or EGCO, promotes and encourages respect of human rights throughout the company. EGCO also expects executives and employees in all levels to respect human rights of all stakeholders in order to ensure that the basic rights of all stakeholder groups are respected equally.

This Human Rights Policy applies to all companies where EGCO has management control. Additionally, the Policy encourages joint ventures, business partners, suppliers, and all stakeholders to be aware of and act in alignment with the principles expressed in this Policy:

1. Adherence to this Human Rights Policy in all business activities in alignment with the United Nations Universal Declaration of Human Rights (UNDHR) and the Core Conventions of the International Labour Organization (ILO Conventions),
2. Conducting all business activities while avoiding directly and/or indirectly creating adverse impacts towards the human rights of rights holders, such as employees, communities, stakeholders of suppliers and business partners, and customers,
3. Upholding human rights and the human dignity of all rights holders equally,
4. Inspecting human rights issues in all of its business activities, including direct impacts from own operations and impacts that EGCO may be involved in or have a role in supporting in every area of operation, and,
5. Communicating and ensuring understanding for all stakeholders in its business value chain, including subsidiaries, joint ventures and suppliers and business partners.

EGCO's executives will drive and encourage the implementation of processes that follow with the principles expressed in this Policy.

Scope

This Human Rights Policy applies to all companies where EGCO has management control. Additionally, the Policy encourages joint ventures, business partners, suppliers, and all stakeholders to be aware of and act in alignment with the principles expressed in this Policy.

- Respect for human rights is important to EGCO Group in ensuring business sustainability and continuity. In 2018, the company announced its first human rights commitment through a standalone human rights policy.
- The scope of the human rights policy refers to EGCO Group's expectation on human rights compliance not only in their own operation but also subsidiaries, joint-venture, business partners.
- EGCO Group has made commitments in relation to the human rights focusing four areas: employees, communities, suppliers & sub-contractors and customers.
- Human rights topics in the policy are, for example, safety and well-being discrimination, working hours and remuneration child labour, force labour, employment practices, freedom of association and grievance mechanism.

Human Rights Risk Assessment

In order to identify human rights risks and prevent human rights violations or other adverse impacts on human rights from occurring in its operations, EGCO Group has performed a human rights risk assessment that covers its entire value chain.

This human rights risk assessment is part of the human rights due diligence process, and allows EGCO Group to identify, prevent, and mitigate human rights risks throughout the activities of its direct operations and subsidiaries. This includes both internal stakeholders such as employees, as well as external stakeholders such as suppliers, communities, and customers, and comprehensively covers vulnerable groups, such as women, children, migrant worker, third-party contracted labor, indigenous people, and disable people.

In 2019, EGCO Group reviews results of human rights risks assessment in own operation as part of its human rights due diligence. This process helps EGCO to improve human rights management of relevant business operations, and develop appropriate mitigation measures against existing and future risks and impacts.

Human Rights Risk and Impact Assessment Methodology



01

- Identify all potential and actual human rights issues associated with functions
- Identification of affecting group, vulnerable groups and relevant stakeholders

02

- Conduct human rights inherent risk assessment

03

- Identify how each inherent risk is being managed through existing mitigation measures and/or controls

04

- Rank residual risk with the company's existing mitigation measure/or control
- Prioritize human rights salient issues.

Right to life	Right to access to effective remedies	Right of protection for the child	Right to participate in public life	Right to education
Right to liberty and security	Right to a fair trial	Right to marry and form a family	Right to social security, including social insurance	Right to take part in cultural life, benefit from scientific progress, material and moral rights of authors and inventors
Right not to be subjected to slavery, servitude or forced labour	Right to be free from retroactive criminal law	Right to own property	Right to work	Right of self-determination
Right not to be subjected to torture, cruel, inhuman and/or degrading treatment or punishment	Right to privacy	Right to freedom of thought, conscience and religion	Right to enjoy just and favorable conditions of work	Right of detained persons to humane treatment
Right to recognition as a person before the law	Right to freedom of movement	Right to freedom of opinion, information and expression	Right to form and join trade unions and the right to strike	Right not to be subjected to imprisonment for inability to fulfill a contract
Right to equality before the law, equal protection of the law, non-discrimination	Right to seek asylum from persecution in other countries	Right to freedom of assembly	Right to an adequate standard of living	Right of aliens due process when facing expulsion
Right to freedom from war propaganda, and freedom from incitement to racial, religious or national hatred	Right to freedom from war propaganda, and freedom from incitement to racial, religious or national hatred	Right to freedom of association	Right to health	Rights of minorities

Step 1: Identify all relevant human rights issues

From list of Human Rights universe (slide 9), Human rights issues in energy sectors that are related with functions are identified through peer benchmarking.

This identification process also takes into account of vulnerable groups, such as women, children, migrant worker, third-party contracted labor, indigenous people, and disable people.



Employee Practices:

Working condition, Safe and healthy working condition, Discrimination in the workplace, and Freedom of association, assembly and collective bargaining



Community and Environment:

Standards of living and quality, community health, land acquisition, water security, impact of pollution, and waste and hazardous



Supply Chain Management:

Working condition, safe and healthy working condition, illegal forms of labours (e.g. child labour, migrant workers and forced labour), and security and safety

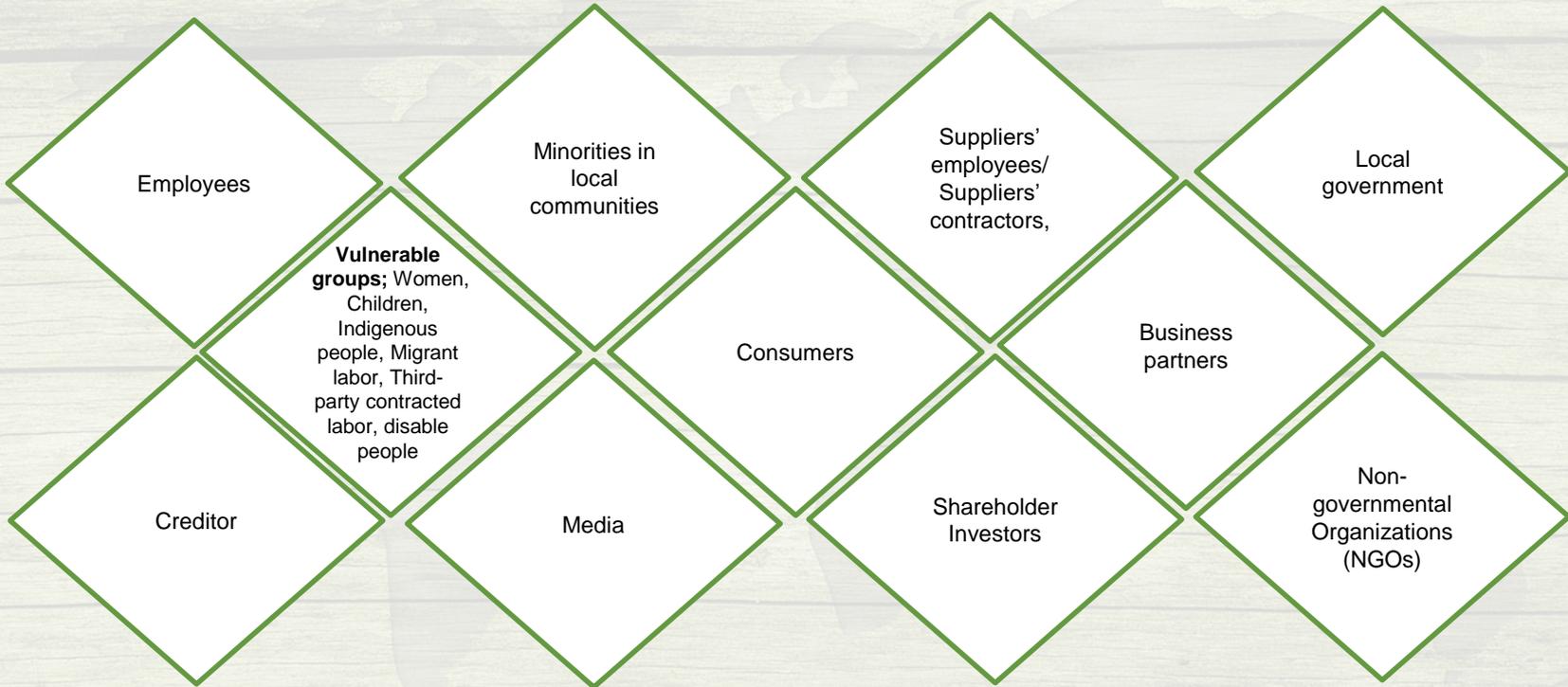


Customer Rights:

Consumer health and safety and data privacy

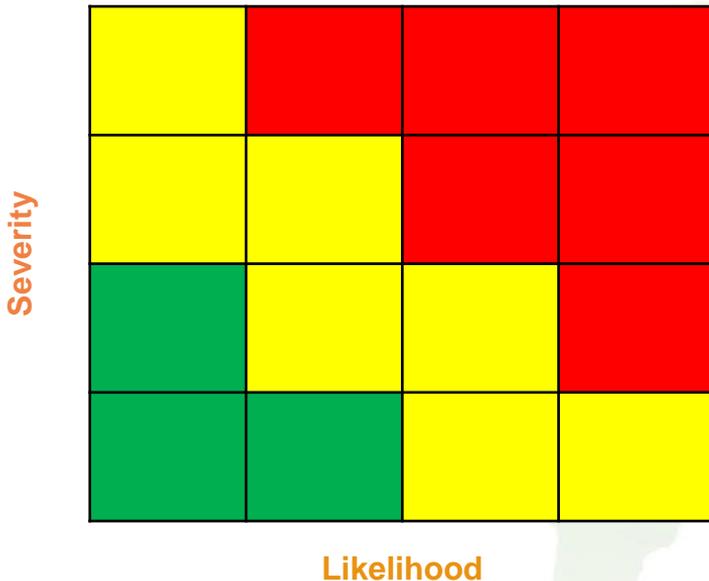
Step 1 - Identify relevant EGCO Group's stakeholders

EGCO Group identified the affecting group of stakeholders and vulnerable groups listed below:



Step 2-4: Rank inherent risks, evaluate mitigation measures and rank residual risks

Human Rights Matrix

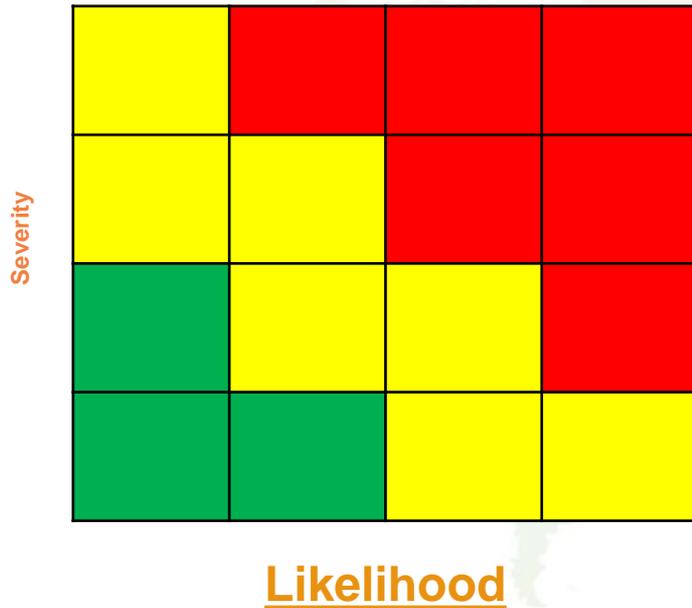


The assessment of human right is conducted by considering Human Rights Matrix, where human rights risks that right holders including stakeholders, especially vulnerable groups of business activities may experience are ranked. Risks are assessed and categorized by one of three below levels. These levels are developed from considering severity and likelihood in combination.

High	Human rights risks that fall into High level are considered as human rights salient issues, which need to be addressed with additional mitigation measures.
Medium	Medium risks are key human rights risks that EGCO groups may need to understand but they are presently adequately mitigated and should be monitored regularly for changes.
Low	Low risks are human rights risks that are presently adequately mitigated, and should be monitored regularly for changes.

Step 2-4: Rank inherent risks, evaluate mitigation measures and rank residual risks

Human Rights Risk Assessment Criteria: Likelihood (X-Axis)

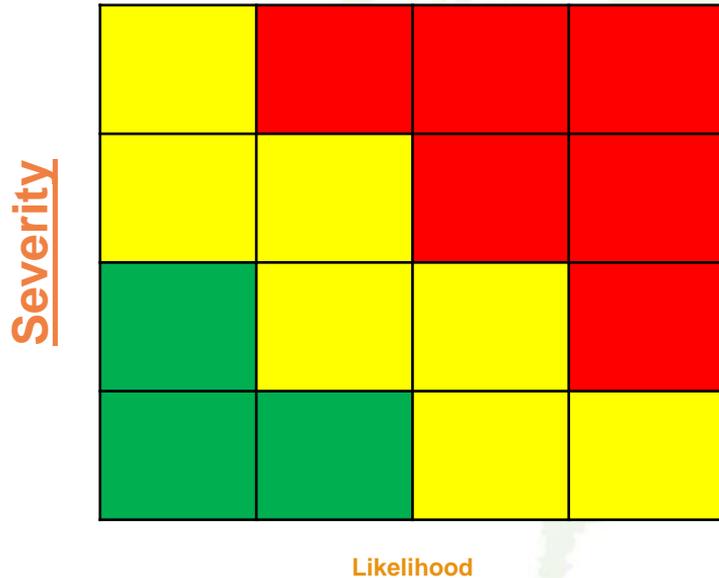


Likelihood is defined by considering likelihood of risk to occur in workplaces, communities, local context or nearby areas that are potential to be affected by business activities.

Likelihood Level	Likelihood to occur	Description
Very likely (4)	Occurs all the time (>90%)	Human rights issues have occurred consistently since the past until present. (Already happened in the past/ might be occurred every year).
Likely (3)	Occurs very often (>50% - 90%)	Human rights issues have happened in the past and also occurred very often at the present.
Unlikely (2)	Occurs rarely (>10% - 50%)	Human rights issues have happened in the past and also occurred sometimes at the present, sometimes may occur in some organization.
Very unlikely (1)	Almost never ($\leq 10\%$)	Human rights issue have never occurred in our business operation but have occurred in the industry of the operation.

Step 2-4: Rank inherent risks, evaluate mitigation measures and rank residual risks

Human Rights Risk Assessment Criteria: Severity (Y-Axis)



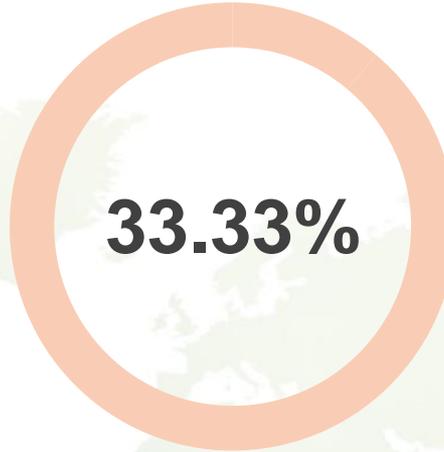
Severity of risk and impact is defined by considering scale, scope, and irremediability. The level of severity is determined by one of considered factors, which has the highest level.

Severity Level	Description		
	Scale (seriousness of impact)	Scope (how many people are or will be affected)	Irremediable Nature (difficulty to restore the people impacted to a situation before impact)
Critical (4)	Significant impact to health and safety: physical disability or fatality	Impact to all stakeholders in the group e.g. all of people in community, all of employee, all of supplier	Impossible to restore or will take longer than 5 years (>5 years) to restore the impact
High (3)	Moderate impact to health and safety: serious injury that needs rehabilitation (loss time injury)	Impact to most stakeholders in particular stakeholder group	Take 3-5 years to restore the impact
Medium (2)	Slight impact to health and safety: minor injury or illness (no loss time)	Impact to some stakeholders in particular stakeholder group	Take 1-3 years to restore the impact
Low (1)	Minor impact to health and safety: first aid case	No negative impact to stakeholder	Take less than a year (< 1 year) to restore the impact

2019 EGCO Group Human Rights Risk Assessment Results



- **100%** of EGCO Group operation and business activities were assessed. EGCO operation and business activities consisting of joint ventures and subsidiaries that have controls on management and suppliers

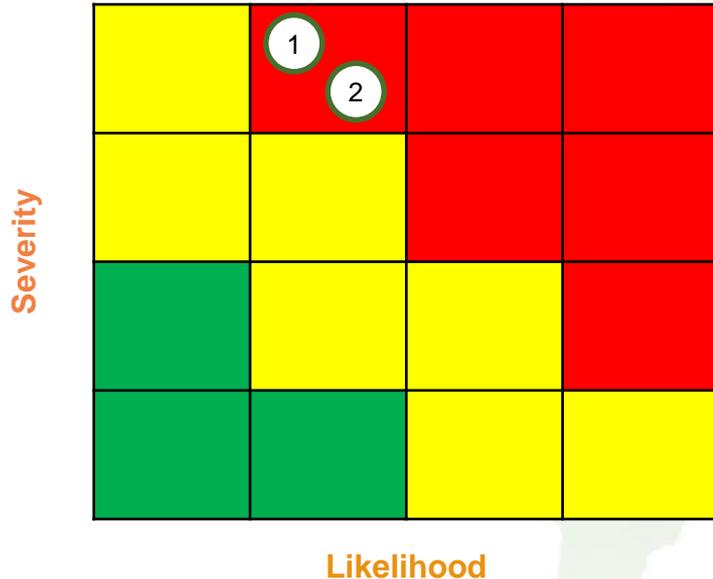


- **33.33%** of business activities in EGCO Group value chain have high human rights risks
 1. Safe and healthy working condition of raw material in supply chain
 2. Safe and healthy working condition of services in supply chain



- **100%** of EGCO Group operation and business activities have mitigation measures and remediation process implemented
- Please see following pages and [EGCO 2019 Sustainability Report pages 105-106](#) for more details on mitigation measures and remediation process implemented.

2019 Main Human Rights Issues Identified



2019 Human Rights Issues identified at high risk

- 1 Safe and healthy working condition (raw material – supply chain)
- 2 Safe and healthy working condition (service – supply chain)

High	Human rights risks that fall into High level are considered as human rights salient issues, which need to be addressed with additional mitigation measures.
Medium	Medium risks are key human rights risks that EGCO groups may need to understand but they are presently adequately mitigated and should be monitored regularly for changes.
Low	Low risks are human rights risks that are presently adequately mitigated, and should be monitored regularly for changes.

2019 Human Rights Salient Issues and Remediation (1)



Risk

Safe and healthy working condition (raw material)

Description:

Workers have experienced with accidents during operation

Affecting stakeholder:

Supplier and sub-contractors' workers who supply raw material fuels to ECGO i.e. coal, crude oil, natural gas, etc.

Activity at risk:

Operation at suppliers and sub-contractors' sites



Mitigation

- **EGCO** Supply Chain Risk Assessment
- **EGCO** Supplier Code of Conduct and Supplier Auditing
- **EGCO** Safety Handbook for Suppliers
- **EGCO** Safety Handbook for Power Plants
- **EGCO** Human Rights Policy
- **EGCO** Human Rights training
- Safety training for contractors
- ESG supply chain management (since selection process, performance monitoring and assessment)

2019 Human Rights Salient Issues and Remediation (2)



Risk

Safe and healthy working condition (service)

Description:

Workers have experienced with accidents during construction services

Affecting stakeholder:

Supplier and sub-contractors' workers who are service provisions

Activity at risk:

Construction and maintenance new and existing EGCO's operational sites



Mitigation

- **EGCO** Supply Chain Risk Assessment
- **EGCO** Supplier Code of Conduct and Supplier Auditing
- **EGCO** Safety Handbook for Suppliers
- **EGCO** Safety Handbook for Power Plants
- **EGCO** Human Rights Policy
- **EGCO** Human Rights training
- Safety training for contractors
- ESG supply chain management (since selection process, performance monitoring and assessment)



Tracking and Communication

EGCO Group is committed to conduct regular review of human rights due diligence as it is an on-going process. In addition, the company will report its human rights performance every year and will publicly disclose findings through the annual sustainability report or its website.

Communication Channel

Electricity Generating Public Company Limited
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Laksi, Bangkok 10210 Thailand

www.egco.com



Remediation Actions Taken

Human Rights Situation in 2019

EGCO Group is committed to conduct human rights risk assessment within an appropriate timeframe in conjunction with preparing risk prevention and mitigation measures, providing reasonable remedies in cases of violations, monitoring and reporting performance, as well as reviewing policy commitment to ensure maximum effectiveness in human rights management.

In 2019, there was no report or no complain, regarding to human right violation in EGCO's operation. Thus, there were no remediation actions necessary and taken.