



EGCO Group

Human Rights Due Diligence

EGCO Group 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 (UNGP) to assess actual and potential impacts.





Human Rights Policy

The Electricity Generating Public Company Limited

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 Management shall continuously drive and support all necessary activities to achieve the results outlined above by the policy.

EGCO Group Human Rights 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.

Source: http://www.egco.com/uploads/finder/files/HumanRightsPolicyAndGuideline_EN.pdf

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.

Human Rights Risk and Impact Assessment Methodology



01

- Identify all potential and actual human rights issues associated with functions
- Identification of affecting groups, including **vulnerable groups, i.e. women, children, migrant worker, third-party contracted labor, indigenous people, and disable people.**

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.

Step 1: Identify all relevant human rights issues

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:

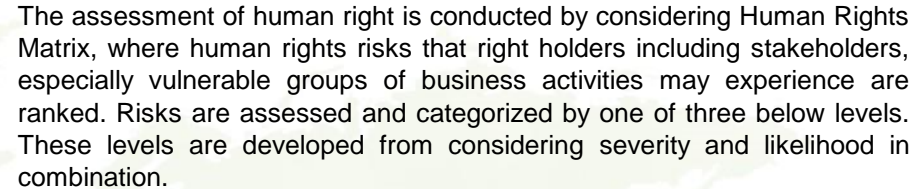
Working condition, safe and healthy working condition, illegal forms of labours (e.g. child labour, migrant workers and forced labour), and security and safety



Customer Rights:

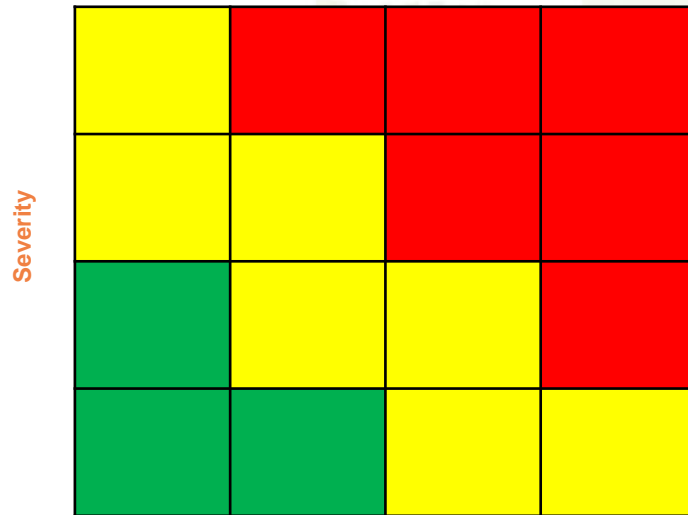
Consumer health and safety and data privacy

Human Rights Matrix

7

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

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



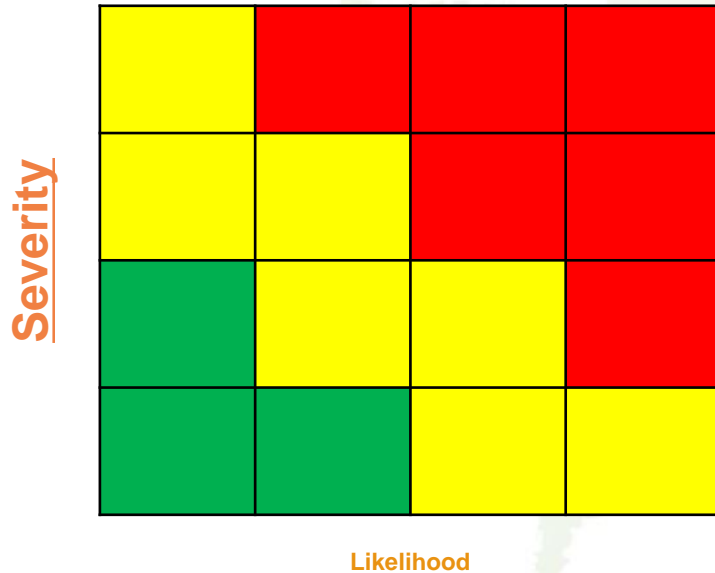
Likelihood

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 (≤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

2018 EGCO Group Human Rights Risk Assessment Results



100%

- **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%

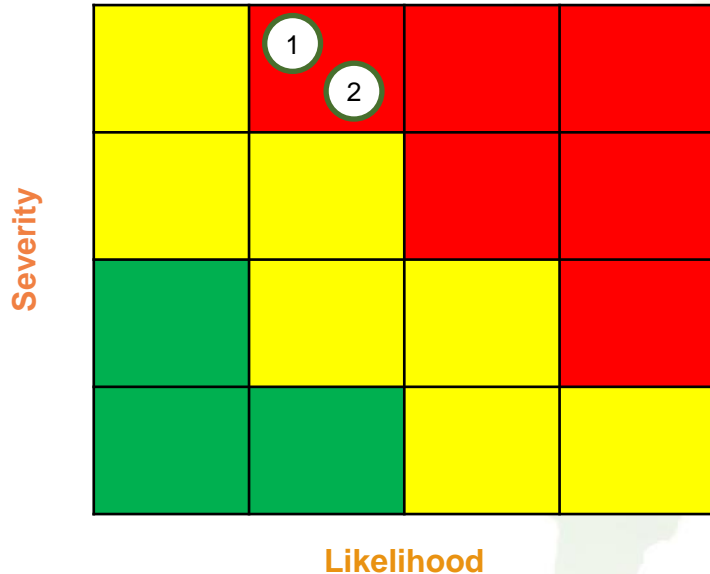
- **33.33%** of business activities in EGCO Group value chain have high human rights risks
 1. Safe and healthy working condition of raw material in supply chain
 2. Safe and healthy working condition of services in supply chain



100%

- **100%** of EGCO Group operation and business activities have mitigation measures and remediation process implemented
- Please see following pages and [EGCO 2018 Sustainability Report pages 75 – 77](#) for more details on mitigation measures and remediation process implemented.

2018 Main Human Rights Issues Identified



2018 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.

2018 Human Rights Salient Issues (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)

2018 Human Rights Salient Issues (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
222 EGCO Tower, 14th, 15th Floor, Vibhavadi Rangsit Rd., Tungsoinghong,
Laksi, Bangkok 10210 Thailand

www.egco.com



Remediation Actions Taken

Human Rights Situation in 2018

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 2018, 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.