

Supalai Public Company Limited

HUMAN RIGHTS DUE DILIGENCE (HRDD)



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RM.13 Rev.0

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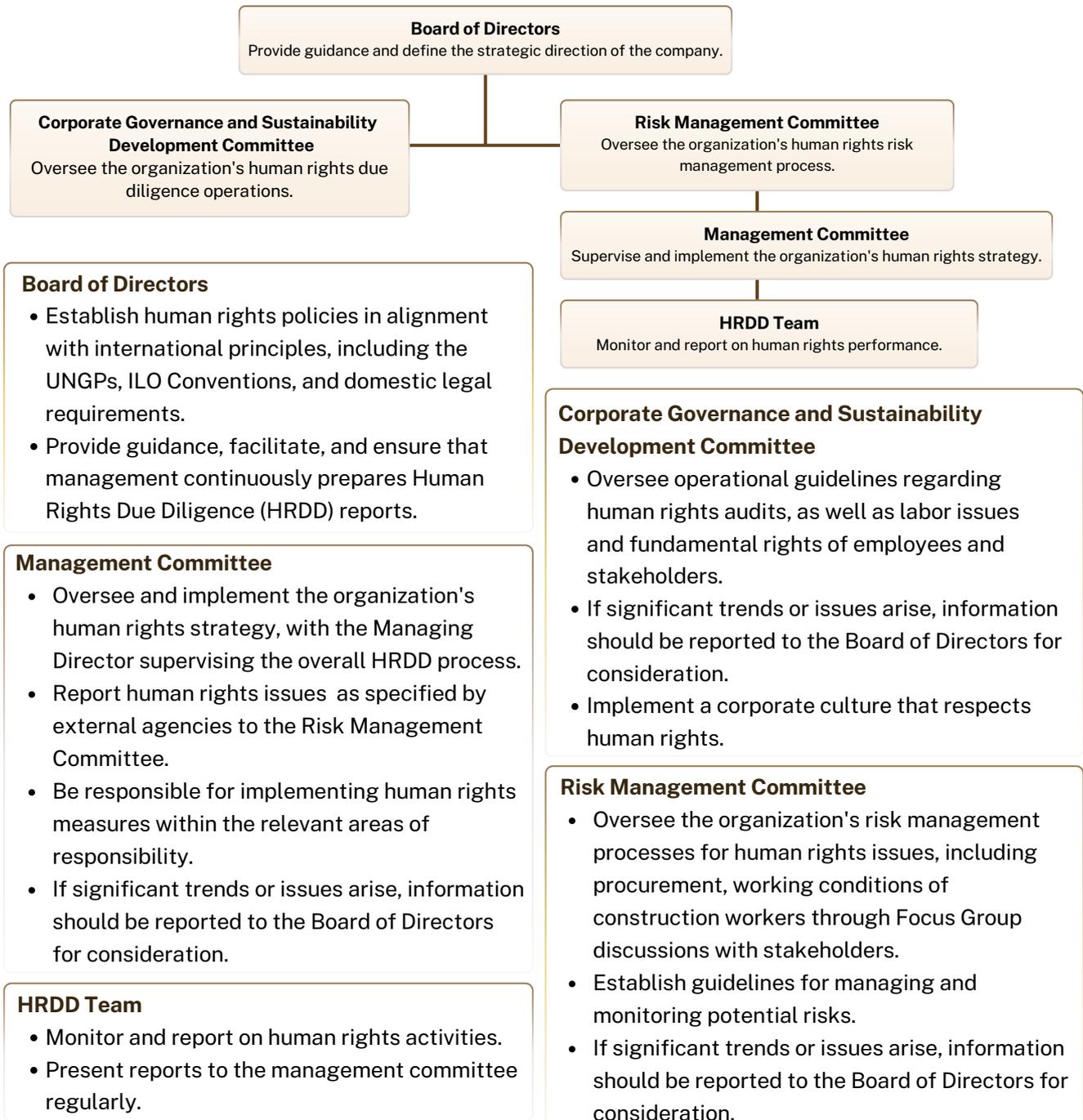


HUMAN RIGHTS MANAGEMENT STRUCTURE



Human Rights Due Diligence Framework

Governance framework for promoting and embedding an organizational culture that Prioritizes Respect for Human Rights and Addresses Issues Related to Labor Rights and Human Rights both the Board and Management Level.

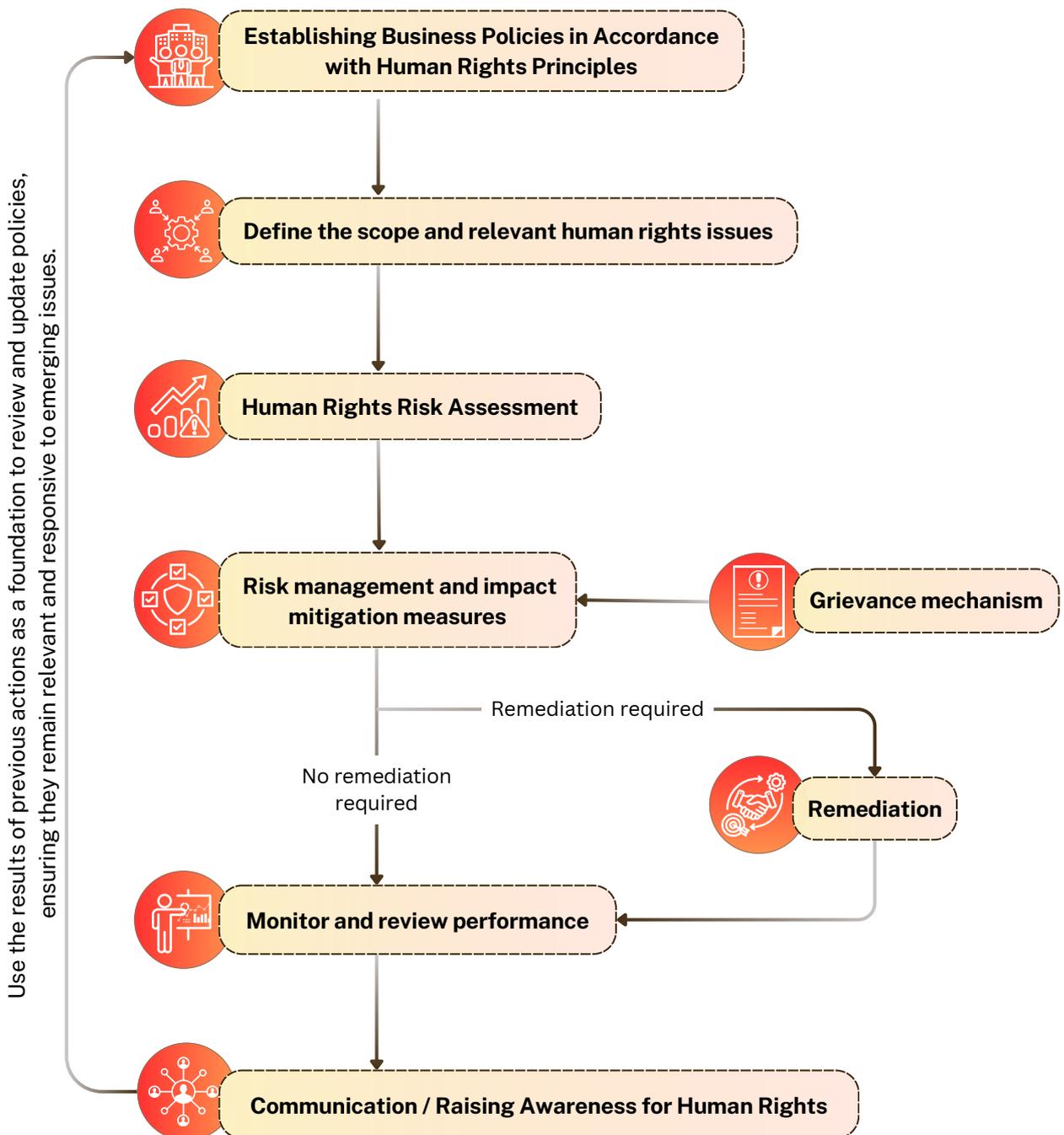


This structure ensures effective human rights due diligence, emphasizing transparency, accountability, and the protection of stakeholders' rights at all levels of the organization.

HUMAN RIGHTS DUE DILIGENCE PROCESS



The company is committed to supporting the respect for human rights and implementing a comprehensive Human Rights Due Diligence (HRDD) process. The goal is to identify and assess potential human rights issues at every stage of the value chain, from the organization's operations to its stakeholders, including employees, contractors, partners, and external service providers. The focus is on proactively managing risks and addressing human rights violations effectively through corrective actions and mitigation measures.



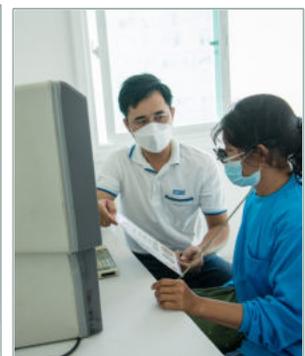
ปันอุ่น คลายหนาว

(Sharing Warmth to Ease the Cold)



แว่น สร้างสุข

(Glasses of Happiness)





POLICY AND BUSINESS PRACTICES OF HUMAN RIGHTS

The company defines a comprehensive scope for human rights due diligence, ensuring all stakeholders are included, such as employees, external contractors' labor, labor from partners, customers, local communities, and vulnerable groups. The assessment includes key issues such as labor rights, disability rights, women's rights, children's rights, safety rights, and the prevention of all forms of harassment. The company also recognizes the community's right to a safe and sustainable environment, conducting Environmental Impact Assessments (EIA) and monitoring potential environmental impacts from project development.



Key Issues

- **Comply with relevant legal requirements and external regulations**

The company is committed to adhering to applicable laws and regulations, as well as international human rights principles, such as the United Nations Guiding Principles on Business and Human Rights (UNGPs), fundamental labor rights under the International Labour Organization (ILO) conventions, criteria set by the stock exchange, and other relevant standards.

- **Policy Making:** Human rights policies must be approved by the Board of Directors as part of the Company's governance framework.

- **Stakeholder Engagement**

Consult and gather feedback from stakeholders on human rights issues, particularly focusing on vulnerable groups such as the elderly, persons with disabilities, and migrant workers. Ensure that engagement methods are inclusive, accessible, and culturally appropriate, such as focus group discussions or using tailored questionnaires. Establish a transparent grievance mechanism to address stakeholder concerns and suggestions, incorporating preventive measures and effective remediation for human rights issues.



Expected Outcomes

- **The human rights policy is binding on all employees** and promotes ongoing awareness and accountability for human rights across stakeholders.
- **Human rights are integrated into the organization's operations** both internally and externally, ensuring that all stakeholders comply with the policy and consistently respect human rights.



DEFINE THE SCOPE AND RELEVANT HUMAN RIGHTS ISSUES

Supalai Public Company Limited is committed to respecting human rights principles, ensuring dignity, freedom, and equality for all individuals. The Board of Directors, executives, and all employees, including those in subsidiaries and affiliates, must adhere to local laws, customs, and cultures in every country where the company operates. The company is dedicated to ensuring that no human rights violations occur, promoting equality, non-discrimination, and respect for all individuals, regardless of origin, race, gender, age, skin color, religion, or disability, in alignment with international human rights standards and best practices.



Key Issues



• Reviewing Human Rights Principles

- Study international best practices and benchmark against companies in the same industry to ensure that practices align with societal changes and international human rights standards, such as UNGPs, ILO, etc.

• Identifying Value Chain and Stakeholders

- Conduct a detailed examination of all operational processes to identify all relevant stakeholders and map the entire value chain
- Prioritize stakeholders throughout the value chain and encourage their engagement, especially vulnerable groups.

• Defining Objectives and Context

- Identify the objectives of the review and study the organization's current operating context to understand the potential nature of human rights impacts.

• Identifying Risk Issues

- Conduct a thorough assessment of human rights risks faced by the company and stakeholders to comprehensively identify all risk issues.
- Define communication channels and stakeholder engagement mechanisms to enhance transparent and comprehensive risk identification and management.
- Uphold the fundamental ILO conventions, including the rights to freedom of association, collective bargaining, and the prohibition of forced labor, child labor, and discrimination.



Expected Outcomes

- **The risk issues are clearly defined, comprehensive, and cover all stakeholders throughout the value chain**, ensuring that risk management and mitigation efforts are targeted and effective.
- **Compliance with legal requirements and international standards as stipulated by external regulatory bodies**, ensuring effective outcomes that enable the organization to adhere to global frameworks such as the UNGPs, ILO, etc., while fostering transparency in reporting and monitoring human rights impacts.



HUMAN RIGHTS RISK ASSESSMENT

The company conducts a human rights risk assessment by evaluating the severity of impacts and the likelihood of violations against stakeholders throughout the value chain on human rights issues, enabling effective risk management and prevention.



Key Issues

- Stakeholders, including subcontractor laborers and construction material suppliers, can assess risks through self-assessments, on-site visits, and interviews. Department heads monitor and report results to the Managing Director.
- The risk assessment process should be conducted continuously, with an appropriate review frequency established.
- Stakeholders assess human rights risks based on the identified risk issues.
- The assessment of human rights risk scores should be based on two factors:
 - Likelihood
 - Impact: The severity of the impact should be assessed based on the scale, scope, and irremediable character.



Expected Outcomes

- **Identify the sources of impact**
 - Persons involved in causing the human rights impact.
 - Linking risks to the company
 - Directly causing adverse impacts
 - Contributing to adverse impacts
 - Being linked to activities that result in adverse impacts
- **Identify the affected stakeholders and the type of impacts for each human rights issue** and differentiate between potential adverse impacts and those that have already occurred.
- **Summarize the risks and assess the impacts**, considering the risk levels both within the company and stakeholders throughout the value chain, based on the assessment of the severity and likelihood of impacts, report to the Risk Management Committee.



HUMAN RIGHTS RISK ASSESSMENT

Criteria for assessing human rights risks: Likelihood

Possibility	Likelihood	Frequency
5 (Very High)	Very high likelihood of occurrence or more than 40% chance	More than 10 occurrences/year or regularly
4 (High)	High likelihood of occurrence, between 26% to 40%	6–9 occurrences/year or occurs frequently
3 (Medium)	Moderate likelihood of occurrence, between 10% to 25%	3–5 occurrences/year or occasional occurrence
2 (Low)	Low likelihood of occurrence, between 6% to 10%	2 occurrences/year or rare occurrence
1 (Very Low)	Very low likelihood of occurrence, around 5% or less	No more than 1 occurrence/year

Criteria for assessing human rights risks: Impacts

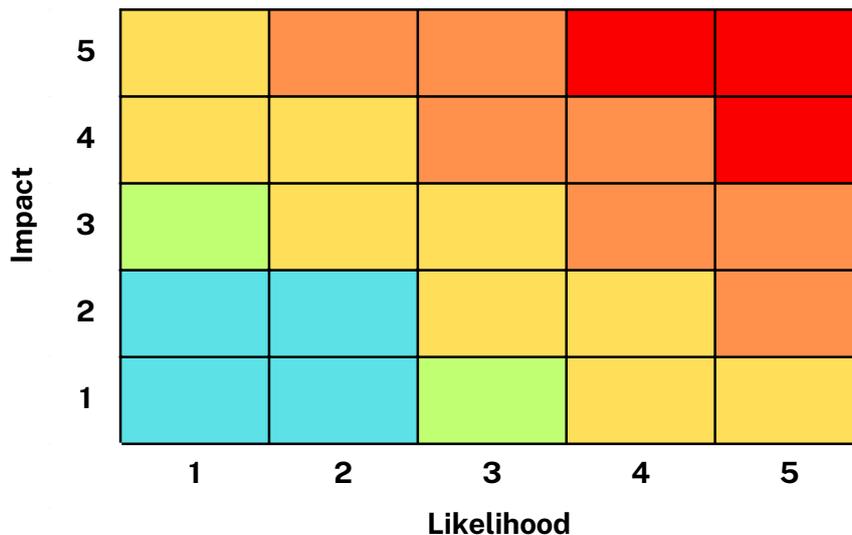
Severity	Scale	Scope	Irremediable Character
5 (Very High)	Severe impacts on the physical and mental health and safety of rights holders, potentially resulting in permanent disability, life-threatening conditions, or death	Affects more than 3 stakeholder groups or 100 or more individuals.	Impact is irreversible or requires more than 5 years for recovery to the original condition.
4 (High)	Significant impacts on the physical and mental health and safety of rights holders, possibly leading to work cessation or prolonged recovery.	Affects 3 stakeholder groups or 51–100 individuals.	Recovery requires 3–5 years to return to the original condition.
3 (Medium)	Impacts on the physical and mental health and safety of rights holders, requiring medical treatment or intervention	Affects 1–2 stakeholder groups or 21–50 individuals.	Recovery to the original condition requires 1–3 years.
2 (Low)	Minor impacts on the physical and mental health and safety of rights holders, manageable with first aid or minor medical care.	Affects 1–2 stakeholder groups or 6–20 individuals.	Recovery is achievable in less than 1 year.
1 (Very Low)	Little to no noticeable impact on the physical and mental health and safety of rights holders.	Affects 1 stakeholder group or no more than 5 individuals.	Immediate restoration to its original condition.



HUMAN RIGHTS RISK ASSESSMENT

Human Rights Risk Matrix

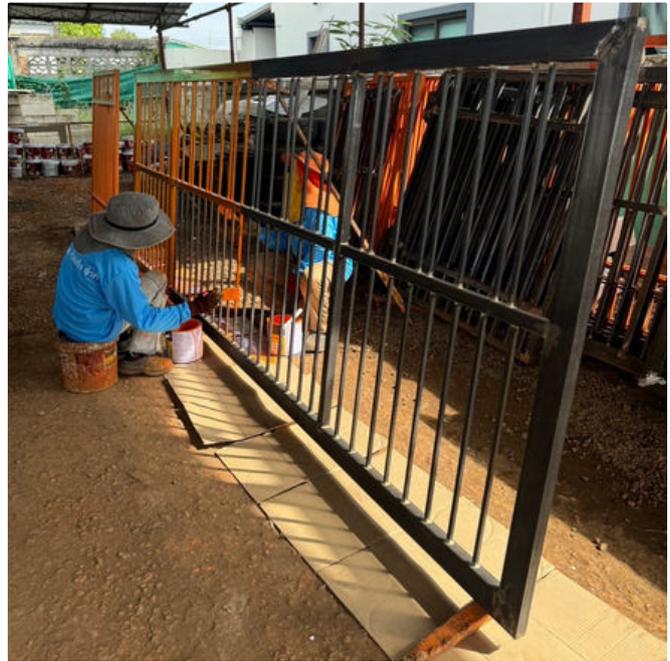
The assessment of human rights risk levels is conducted based on the matrix shown. This matrix serves as a vital tool for effectively determining the significance of human rights issues.



Color	Description of Risk Levels
Red	<p>Very High Risk Level</p> <p>Relevant activities must be halted, and high-level control measures must be implemented. Continuous and close monitoring and evaluation are required, along with actions to reduce the likelihood and impact to an acceptable level.</p>
Orange	<p>High Risk Level</p> <p>Requires strict control: close and continuous monitoring, and proactive measures to reduce the likelihood and impact to an acceptable level.</p>
Yellow	<p>Medium Risk Level</p> <p>The risk remains acceptable: A control or management plan must be established, Needs assessment of potential cumulative impacts that may become significant.</p>
Green	<p>Very Low to Low Risk Level</p> <p>The risk is generally acceptable: Periodic assessment is recommended to monitor cumulative risks that may escalate over time.</p>
Blue	



Comprehensive Human Rights Due Diligence of Business Partners and Contractors





RISK MANAGEMENT AND MITIGATION MEASURES

The company has established a risk management plan to mitigate human rights impacts and implemented measures to control human rights risks in accordance with international standards as required by external regulatory bodies. The company is committed to integrating remediation and prevention of these impacts into its ongoing operations to promote sustainability and effectively adhere to human rights standards.



Key issues



- **Address actual or potential issues appropriately**
 - Deterrent measures: Immediate halt of activities that cause or contribute to human rights impacts.
 - Preventive Measures: Minimize the risk of negative impacts.
 - Mitigation Measures: Minimize the severity of negative impacts.
- **Integrating these measures into business operations** requires consideration of the following elements:
 - All employees are responsible for identifying and proposing solutions to manage impacts, first to their immediate manager and subsequently to the department head.
 - The governance and implementation framework must be clearly defined and executable.
 - The internal decision-making process for cases with potential ongoing impacts must be presented to the executive committee for review and decision.
- **Establish Key Performance Indicators (KPIs)**

KRI / KPI	International Standards	Benefits Received
1.Number of identified human rights violations from assessments and audits in core business and supply chain.	GRI 412-2, ILO Convention No. 29, 105: Forced labor.	Issues such as child labor, forced labor, or withholding workers' passport.
2.Number of human rights-related complaints that were not systematically addressed.	GRI 102-17, ILO Convention 100, 111: Non-discrimination.	Measures the effectiveness of grievance mechanisms.
3.Number of employees and suppliers who received continuous human rights training.	GRI 412-2, ILO Recommendation 195: lifelong learning.	Reflects the development of a corporate culture that prioritizes human rights.
4.Number of lawsuits or legal cases related to human rights in court or regulatory proceedings.	GRI 419-1: Non-compliance with laws and regulations.	Identifies potential reputational risks and increased legal costs.



Expected Outlook

- **Operational improvements and development** lead to the sustainable and effective reduction of human rights risks and impacts.
- **Operational outcomes** reflect tangible success in reducing risks and mitigating human rights impacts.



MONITORING AND EVALUATION

The company will regularly monitor and review human rights measures to ensure their effective improvement and rectification. They will also evaluate the efficacy of preventive measures and grievance mechanisms through Key Performance Indicators (KPIs) to reflect the effectiveness of operations.



Key Issues

- **Monitor, Evaluate, and Improve Operations.**
 - Managers and department heads periodically monitor the company's operations and stakeholder engagement. The frequency must align with the specific issues and be based on appropriate quantitative and qualitative indicators.
 - The risk management department analyzes data and applies the findings to enhance measures in alignment with the established objectives.
- **Review the measures and indicators.**
 - Periodically review operations in alignment with human rights objectives while preventing the accumulation of potential future impacts.
- **Gather feedback and collect data from affected internal and external stakeholders.**
 - To ensure the collection of complete and accurate information.



Expected Outcome

- **Enhance the effectiveness of monitoring and review mechanisms**

To ensure that operations are carried out effectively in accordance with the established goals and indicators.
- **Prepare a summary report on operational outcomes**

Assess performance based on key indicators to reflect the progress and effectiveness of implemented measures, enhance operations to meet the established indicators, and report to the Risk Management Committee.



Supalai 'Sang Dee' Project: Supalai donates IT equipment to under-resourced schools, supporting equitable access to education while contributing to e-waste reduction in the digital age.





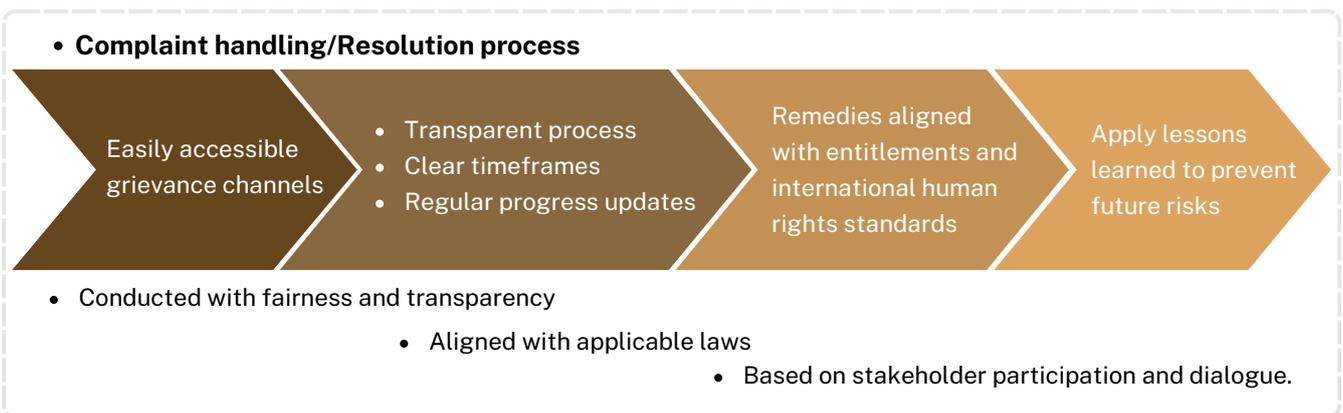
GRIEVANCE MECHANISM AND REMEDIATION PROCESS

The company has established remediation measures, including financial assistance and other forms of support, to alleviate the impact on individuals affected by the company's activities that have caused human rights violations. Additionally, the company has accessible, transparent, and effective grievance channels, along with a clear remediation approach that is appropriate and sufficient to ensure that affected individuals are treated fairly and their issues are resolved promptly.



Key Issues

- **Grievance/Complaint mechanism**
 - It must be fair, transparent, and overseen designated by a department. Clear and easily accessible channels for submitting complaints are communicated, allowing affected individuals to quickly and conveniently seek assistance by contacting 1720.
- **Whistleblower/Complaint Protection Mechanism**
 - The company is committed to maintaining confidentiality and protecting whistleblowers, ensuring that affected individuals can trust the process and feel confident in expressing their concerns, in accordance with the whistleblower protection policy.
- **Continuously monitor the progress of complaints and grievances resolution**
 - The company also collects data for analysis and to improve the effectiveness of the remediation mechanism.



Expected Outcome

- **A Human rights complaint report**, categorized by issue, detailed impact on each group.
- **Report on the corrective actions and progress for each issue**, demonstrating tangible responses and solutions.
- **Operational report** to the Audit Committee and the Risk Management Committee.



COMMUNICATION AND AWARENESS

Communication is a key process in conducting a business that is responsible for human rights. It involves communicating the results of assessments and the management of human rights impacts to affected individuals and the public in an appropriate manner, which may include official reports, dissemination via the company's website, annual reports (56-1 One Report), and community engagement activities, ensuring that stakeholders have access to information and can verify transparency in operations.



Key Issues

- **Overview of risk management approach**
 - Disclose official information on impact management methods when adverse impacts occur, and clearly explain the corrective and remedial measures.
- **Communicate at appropriate intervals**
 - Comprehensive, clear, and up-to-date information to enable stakeholders to track and assess the effectiveness of the response.
- **Access to information**
 - Establish accessible communication channels to ensure that affected individuals or all stakeholders receive necessary information appropriately, and monitor the effectiveness of such communication.
- **Communication and awareness-raising**
 - Communicate both internally within the company and with stakeholders in the supply chain to raise awareness of the importance of respecting human rights at all levels and ensuring strict adherence to the established guidelines.



Expected Outcome

- **Foster a culture of respect for human rights**

Raise awareness among internal and external stakeholders to meaningfully uphold and integrate these principles throughout all processes.
- **Transparent and comprehensive disclosure of information**

The summary report on human rights risk assessments and remediation measures disclosed by the company should be easily accessible to stakeholders, monitor progress, assess the effectiveness of implementation, and ensure operational transparency.

References

United Nations Guiding Principles on Business and Human Rights (UNGPs):

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International Labour Organization (ILO):

https://www.ilo.org/sites/default/files/2024-04/ILO_1998_Declaration_EN.pdf

Universal Declaration of Human Rights (UDHR):

<https://www.un.org/en/about-us/universal-declaration-of-human-rights>

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<https://www.supalai.com/about/governance/employee-human>