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Standard Practice Manual

Human Rights Due Diligence Manual

Revision	00
Effective Date	2022-01-14
Process Owner	Health, Safety, Environment and Community Engagement

Document Revision Control				
<u>Revision</u>	<u>Author</u>	<u>Effective Date</u>	<u>Change Description</u>	<u>Ref. Doc no.</u>
00	watthanawan_a	2022-01-14	Please kindly approve the Human rights due diligence framework to apply into our business to ensure that we respect on human rights	BP-HSEC-SPM-012

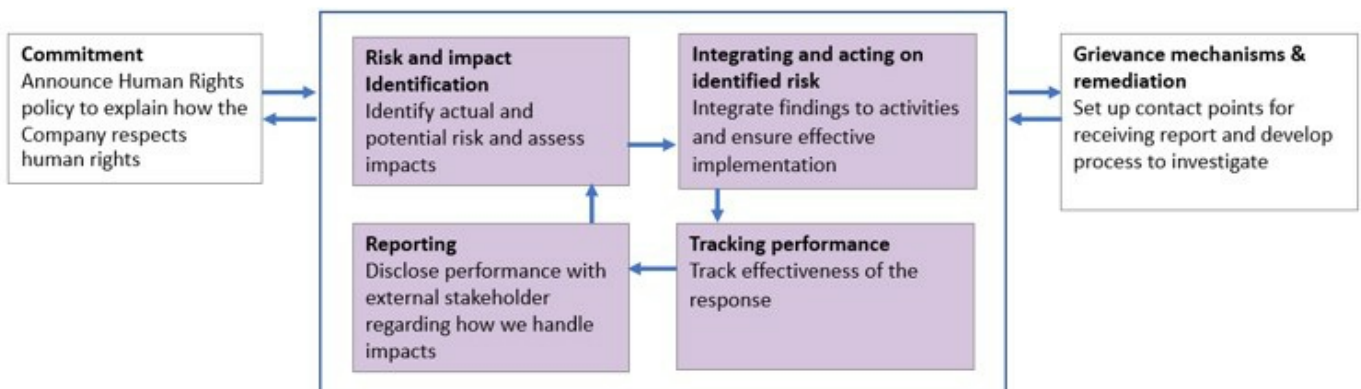
Approval Record		
<u>Approver</u>	<u>Job title</u>	<u>Date</u>
Somruedee Chaimongkol	Chief Executive Officer	2022-06-14
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Introduction:

The Company develops and performs Human Rights Due Diligence (HRDD) to identify, prevent and mitigate the potential human rights impacts on the relevant stakeholders throughout business supply chain covering all stakeholders such as suppliers, customers, local communities, and vulnerable groups (i.e. women, children, indigenous people, migrant labor, and disabled people). This HRDD manual was developed based on United Nations Guiding Principles on Business and Human Rights (UNGPs) and Human Rights Indicators for Business. HRDD framework consists of commitment, risk and impact identification, integrating and acting on identified risk, tracking performance, reporting, and grievance mechanisms & remediation.

Human Rights Due Diligence Framework



Objective:

- To provide guidance on how to to conduct the human rights due diligence
- To identify, prevent, mitigate and account for the nature of the human rights risks related to the Company’s operations and supply chain
- To communicate to stakeholders on how the Company respects the human rights

Scope:

All business entities in which Banpu holds a greater than 50 percent of total shares.

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Definitions:

Due Diligence: A comprehensive, proactive process to identify the actual and potential negative social, environmental and economic impacts of an organization's decisions and activities over the entire life cycle of a project or organizational activity, with the aim of avoiding and mitigating negative impacts

Actual risk: Risk that occurs currently or have already occurred

Potential risk: Risk that may occur in the future

Mitigation: Actions taken to reduce the extent of an impact

Prevention: Actions taken to avoid such impacts occurring

Process / Content:

1. Commitment

The UN Guiding Principles on Business and Human Rights encourage the Company to respect human rights by developing the Human Rights policy to commit that the Company will embed and respect human rights throughout the Company's supply chain. Banpu announced Human Rights policy since 2016 to show our commitment to respect and prevent human trafficking, forced labor, child labor, freedom of association, the right to collective bargaining, equal remuneration and discrimination.

2. Risk and impact identification

In order to gauge human rights risks, the Company identifies and assesses actual and potential adverse human rights risks and impacts in which the Company may involve either through own activities or as a result of business relationships. This process includes:

2.1 Risk identification

The Company will identify actual and potential human rights risks to stakeholders, including vulnerable groups, associated with our business activities throughout the supply chain then map with relevant stakeholders. These include both a desktop review on potential human rights risks in each business and peer benchmarking. The examples of master list of human rights risks for each sector are in the following.

Sector	Potential human Rights Risks
Extractive	Environmental impacts, labor risks, economic & social disruption, security incidents, land acquisition, indigenous peoples, supply chain, bribery and corruption, cumulative impacts and access to remedy
Power and Utilities	Emergency response and community safety, health and safety, employee discrimination, collective bargaining, land acquisition and resettlement

For each potential risks in the master list, the Company will identify the inherent risks associated with sector and location. The table below is the example of inherent risk of extractive sector in Indonesia.

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Sector	Potential Risks	Inherent risk
Extractive	Environmental impacts	✓
	Labor risks	x
	Economic & social disruption	✓
	Security incidents	✓
	Land acquisition	✓
	Indigenous peoples	x
	Supply chain	✓
	Bribery and corruption	✓
	Cumulative impacts	✓
	Access to remedy	✓

2.2 Impact identification

Understanding the severity of actual and potential impacts is important. Since the Company cannot address all identified risks at the same time, the impact identification and risk prioritization process can help to ensure that its efforts and resources are appropriately allocated among those prioritized risks. The Company will assess risks by severity and

likelihood. Severity can be considered based on the following criteria:

- Scale: the number of stakeholders that are or will be affected
- Scope: the level of impact that has an effect to living and/or quality of life of stakeholders
- Irremediability: any limits on the ability to restore those affected to a situation at least the same as, or equivalent to, their situation before the impact

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Example of severity criteria

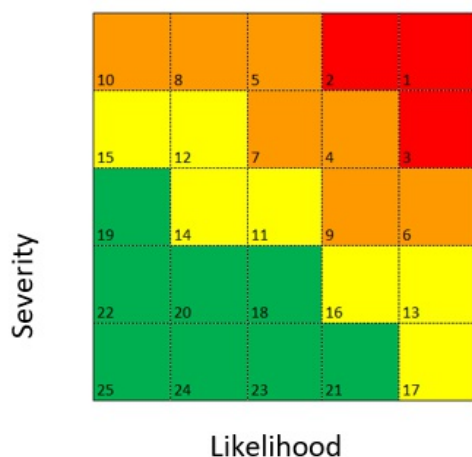
Level	Scale	Scope		Irremediable
		Living and quality of life:	Health and safety:	
1 (Very low)	No impact to stakeholder	No effect on living & quality of life and no need to develop monitoring plan	No impact or first aid case	No impact
2 (Low)	Impact to individual/person in particular stakeholder group	Effect on living & quality of life but no need to develop mitigation plan	Minor injury or illness (no loss time)	Take 6-12 months to restore
3 (Medium)	Impact to some people in particular stakeholder group	Effect on living & quality of life and need to develop mitigation plan	Moderate injury that needs rehabilitation (1-3 days loss time injury)	Take 1-2 years to restore the impact
4 (High)	Impact to most people in particular stakeholder group	Effect on living & quality of life and need to stop its activities to mitigate issue	Serious injury that needs rehabilitation (>3 days loss time injury)	Take 2-3 years to restore the impact
5 (Significant)	Impact to all people in particular stakeholder group	Effect on living & quality of life and stakeholders need to relocate their habitat	Physical disability or fatality	Take >3 years to restore the impact or impossible to restore

Example of likelihood criteria

Level	Probability	Frequency
1	Not likely to occur	Once in more than 10 years or never
2	Could happen at sometime	Once every 5 - 10 years
3	Probably will occur or has happened in the past	Once every 3 - 5 years
4	Expected to occur in most circumstances	Once every 1 - 3 years
5	Common occurrence	Occur every year

By considering 2 dimensions (severity and likelihood), the human rights risks shall be plotted in the matrix to prioritize risks that require further actions to mitigate risks.

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Rank	Color	Details
1-3	Red	Immediate intervention required from senior management to eliminate or reduce this risk
4-10	Orange	Imperative to eliminate or reduce risk to a lower level by introducing of control measures. Management planning required at senior levels
11-17	Yellow	Corrective action to be determined, management responsibility must be specified
18-25	Green	Monitor and manage by corrective action where practicable

Table below is the example when current controls are applied to the inherent risk, resulting in the level of current's risk.

Inherent risk	Current control	Level		Current risk
		Severity	Likelihood	
Risk #1	Current control #1	1	2	Green
Risk #2	Current control #2	4	5	Red

3. Integrating and acting on identified risk

When the level of current risk is still high (red and orange color), the Company will need to determine the risk response to lower severity and/or likelihood to be within the acceptable level (yellow color). The risk response provided should be designed together with the division or business units involved in the relevant activities in order to facilitate the integration and effectiveness of preventive or corrective measures.

Inherent risk	Current control	Level		Current Risk	Risk response	Level		Residual Risk
		Severity	Likelihood			Severity	Likelihood	
Risk #2	Current control #2	4	5	Red	Risk response	3	3	Yellow

4. Tracking performance

In order to verify whether human rights risks are properly managed, the Company will track the effectiveness of risk response. The tracking measures shall be developed by consider:

- Be based on appropriate qualitative and quantitative indicators
- Draw on feedback from both internal and external sources, including affected stakeholders

5. Reporting

Beside tracking performance, the Company should prepare to communicate externally to account on how we approach and take action for identified human rights risks. The more transparent of the Company is the better. The action it takes and the efforts it makes to respect human rights will be perceived and the more dialogue with stakeholders will be worthwhile. Performance disclosure in the annual sustainability report and/or the Company's website are general approach.

6. Grievance mechanisms & remediation

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Grievance mechanism is a process of identifying and resolving concerns from affected and relevant stakeholders. The Company provides several channels for internal and external stakeholders to raise concerns and provide opportunity to feedback about human rights impacts that the Company's activities may cause. For example, the Company has community complaints management standard to handle any complaints from the local community. Beside that, the Company also provides whistleblowing mechanism to raise any issues or concerns related to corporate governance in several channels as below:

- Letter: Corporate Governance and Compliance Division
 Banpu Public Company Limited,
 27th Floor, Thanapoom Tower,
 1550 New Petchburi Road,
 Makkasan, Ratchathewi, Bangkok 10400
- Company website: <https://www.banpu.co.th/complaint/>
- Company web portal: <http://portal.banpu.co.th>
- Email: GNCchairman@banpu.co.th or
 GNCsecretariat@banpu.co.th

Whistleblowing Investigation Procedure

1	2	3	4
Conduct a full investigation in accordance with the guidelines of the Corporate Fraud Management manual once there is a sufficient evidence	Inform the complainant the investigation outcome through appropriate communication channels	Decide what action to take when the allegation was proven	Quarterly report to the Corporate Governance and Nomination Committee and annually report to the Board of Directors