

## Human Rights Due Diligence: HRDD

Sermsang Power Corporation Public Company Limited SSP has developed a comprehensive human rights audit process based on the UN Guiding Principles on Business and Human Rights (UNGPR) to be used as a practice guideline for comprehensive human rights risk assessment every 2 years. The process includes the following steps:

### 1. Scoping

SSP clearly defines the scope to conduct human rights due diligence process to cover all stakeholders, including at-risk and vulnerable groups, such as children, persons with disabilities, women, minorities, immigrants, workers employed through third parties, indigenous peoples, local communities, alternative sex, the elderly, and pregnant women, etc., in all areas of operations where SSP operates or has the right to control and manage, as well as those involved in the supply chain. The scope of human rights issues includes labor rights, community rights, supply chain, security and safety, environment, and consumer rights.

### 2. Identification of potential human rights risk issues

SSP conducts a review of human rights risks throughout its value chain, including those that may arise directly from the company's actions and indirectly from the actions of partners, contractors, or joint ventures. These risks can contribute to the commission of human rights violations. Furthermore, SSP reviews the trends in human rights issues of the same industry groups in the global market. Similar issues are grouped together to prepare a human rights impact assessment, and relevant parties are assigned to assess the potential risks to human rights.

### 3. Prioritization of Human Rights Risks

SSP prioritizes human rights issues based on the results of the human rights impact assessment. SSP defines the level of human rights risk into 4 levels: which are low, medium, high, and very high, as shown in Figure 1. Risks are assessed considering 2 factors: likelihood of occurrence and impact. This enables SSP to establish guidelines/mitigation measures to suit the potential impact concurrently.

**Risk assessment criteria: Likelihood of occurrence**

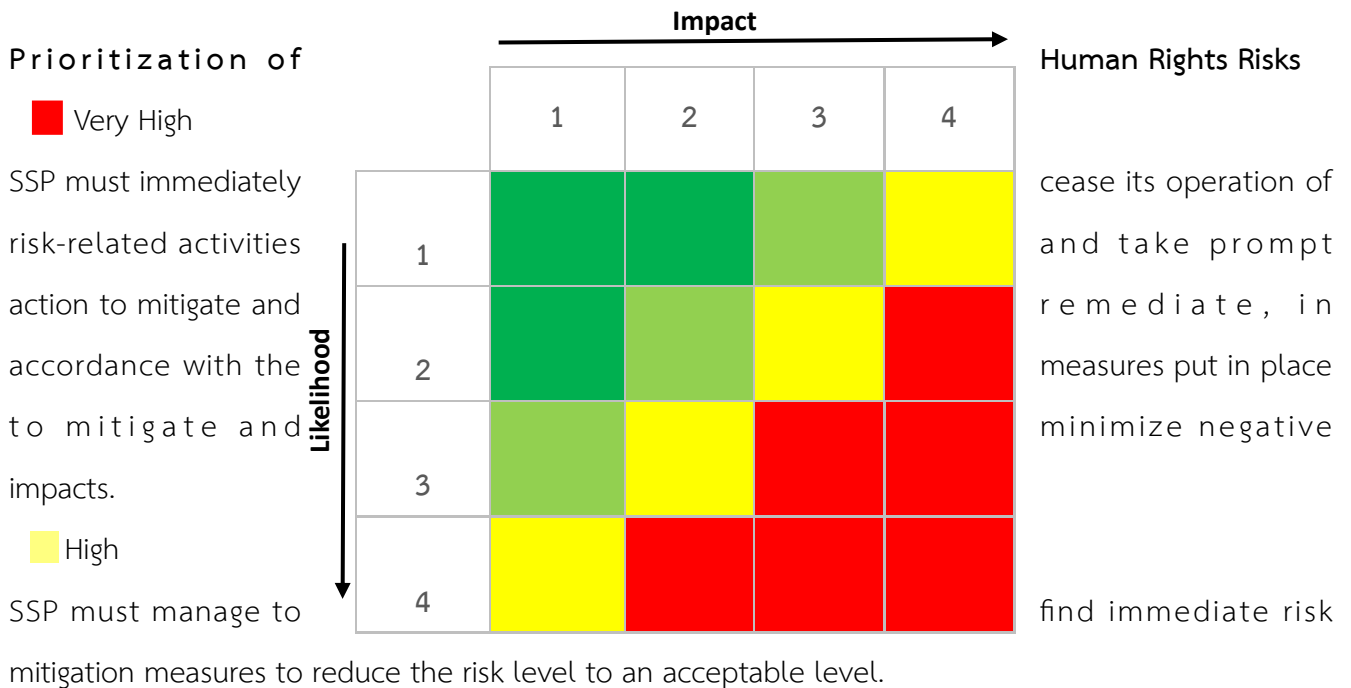
<b>Risk Likelihood</b>	<b>Nature of Likelihood</b>
4 Very likely (>25%)	<ul style="list-style-type: none"> <li>● Incidents occur several times a year.</li> </ul>
3 Moderately likely (10-25%)	<ul style="list-style-type: none"> <li>● Incidents occur occasionally.</li> </ul>
2 Less likely (1-10%)	<ul style="list-style-type: none"> <li>● Incidents rarely occur but are possible to happen.</li> </ul>
1 Very unlikely (<1%)	<ul style="list-style-type: none"> <li>● Incidents occur in industries of the same type as the area of operation, but such incidents are unlikely to occur.</li> </ul>

**Risk Assessment Criteria: Impact**

<b>Risk Impact</b>	<b>Nature of Impact</b>
4 High Impact	<ul style="list-style-type: none"> <li>● Human rights have far-reaching consequences and impact populations beyond the operation area.</li> <li>● SSP cannot control or mitigate human rights impacts to restore those whose rights have been violated.</li> <li>● Consequences/incidents related to human rights require the assistance of independent and credible external agencies to mediate issues with the SSP.</li> </ul>
3 Moderate Impact	<ul style="list-style-type: none"> <li>● SSP intentionally helps or supports operations that cause human rights violations (legal complicity).</li> <li>● Human rights impacts resulting from SSP's operations or its value chain affect stakeholders in the operational areas.</li> <li>● SSP has human rights conflicts with at-risk or vulnerable groups.</li> </ul>
2 Low Impact	<ul style="list-style-type: none"> <li>● SSP benefits from operations that involve human rights violations by other entities (non-legal complicity).</li> <li>● SSP is unable to address human rights-related concerns from internal or external stakeholders.</li> </ul>

1 Very Little Impact	<ul style="list-style-type: none"> <li>The potential impact of human rights concerns raised by internal or external stakeholders is prevented at the operational level and by SSP's complaints handling mechanisms.</li> </ul>
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■ Very high   
 ■ High   
 ■ Moderate   
 ■ Low



#### 4. Development of mitigation and prevention measures

After prioritizing human rights risks, SSP must anticipate the risks that may arise from them and develop measures to mitigate the potential impacts, particularly those with high and very high risk levels. The goal is to mitigate and control the negative impacts to a low or acceptable level while strengthening the positive impacts for those affected.

#### 5. Human rights issues monitoring and review

As human rights risks related to SSP's business operations may change as activities and stakeholder groups change, SSP must regularly review human rights risks, as well as mitigation and

prevention measures. Additionally, the company shall establish indicators to be monitoring and evaluation tools for their performance, e.g., the percentage of employees trained in human rights, the number of complaints received, the status of corrections, etc. SSP should report human rights performance annually through the annual sustainability report or the company's website.