

## **Human Rights Risk Assessment 2024**

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## **Human Rights Risk Assessment Report**

The Human Rights Risk Assessment Report of 2024 references principles of business recommendations and human rights, or human rights due diligence (HRDD), according to the recommendations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, including other regulations and guidelines related to business operations.

### **1. Objective**

- To ensure that the Company's business operations are consistent with universal human rights principles and the Company's human rights policy.

### **2. Risk Assessment Criteria**

- Low risk (L): A tolerable risk not requiring a risk remediation plan. A low risk can be controlled and overseen with normal caution during work.
- Medium risk (M): A tolerable risk not requiring a risk remediation plan. However, the effectiveness of internal controls for medium risks should be monitored and medium risks should be periodically reviewed.
- High risk (H): An intolerable risk requiring a remediation plan, including continuous periodic monitoring of performance such as monthly and quarterly reports, etc.
- Very High Risk (VH): An intolerable risk requiring a remediation plan or various measures (e.g. changes in relevant work strategies or practice guidelines) for specific improvement or solutions, including having executives involved with close monitoring such as daily and weekly reports, etc.

### 3. Risk Assessment Results

The Company recognizes the importance of comprehensive human rights risk assessment. In 2024, the Company assessed risks in ten significant issues with potential effects on employees, communities, and stakeholders in the Company's supply chain.

**The Company has seven medium risks as follows:**

1. Unsafe Work Environment
2. Discrimination in the Hiring Process
3. Unsuitable and Unfair Wages and Benefits
4. Impact on Community Rights in Construction Areas
5. Lack of Community Participation
6. Risks Concerning Human Rights Standards in the Supply Chain
7. Inadequate Rights Audits

The Company has three low risks as follows:

1. Use of Child Labor and Forced Labor in the Supply Chain
2. Inappropriate Working Hours
3. Lack of Opportunity to Develop Skills

According to the assessments, most risks were found to be medium, including risks associated with work in project areas such as work environments, safety, and community participation, including supply chain issues such as human rights standards and thorough audits, while certain risks, e.g. use of child labor and forced labor, were classed as low risks, reflecting the effectiveness of preventive measures continually carried out by the Company.

In 2024, no complaints were filed concerning human rights violations. This shows the Company's firm commitment to effective prevention and problem-solving.

The Company remains committed to continually developing its risk management process with focus on promoting transparency in the supply chain, promoting public participation, and working with consideration given to human rights in all sectors to build confidence and create positive effects on stakeholders with sustainability.

**4. Risk Assessment Sheet**  
**Human Rights Risk Assessment**  
**2024**

Risk Code	Name of Risk	Risk Description	Risk Assessment			
			Vulnerability	Impact	Threat Level	Level
HRDD01	Use of Child Labor & Forced Labor in the Supply Chain	In the construction industry, hiring labor might involve a risk for child labor and forced labor occurring as a result of direct hiring, or hiring through a labor procurement company, or the procurement of labor by sub-contractors. Without strict inspection, there might be impact on the Company's reputation and legal risks, including effects on relationships with stakeholders. Therefore, the Company is committed to developing a system for continually monitoring and promoting compliance with human rights standards.	1	2	(1,2)	Low
HRDD02	Unsafe Work Environment	Construction work poses a high risk to health and safety, e.g. working in high places or exposure to chemicals. If there are no preventive measures in place, workers might have work-related accidents or injuries, which would impact human rights and the Company's image. Therefore, the Company places importance on developing a safe work environment and strictly managing risks.	2	3	(2,3)	Medium
HRDD03	Inappropriate Working Hours	Overtime work in the construction industry might have impact on the health and rights of labor in terms of sufficient rest, which might increase the risk for accidents, work errors and complaints about human rights. Therefore, the Company gives importance to the number of hours worked and supports a working environment that respects labor rights.	1	2	(1,2)	Low
HRDD04	Discrimination in the Hiring Process	Discrimination in the hiring process due to factors such as gender, age, religion, skin color, ethnicity or any other status might impact human rights violations and the Company's image as a credible employer. The Company gives importance to diversity and equality through transparent and fair hiring policies.	2	2	(2,2)	Medium
HRDD05	Unsuitable & Unfair Wages and Benefits	Unsuitable and unfair wages and benefits might impact employees' quality of life and violate human rights in receiving commensurate remuneration. The Company has wages and benefits in compliance with the law and other additional benefits to build quality of life, motivation and encouragement for employees.	2	2	(2,2)	Medium

**4. Risk Assessment Sheet**  
**Human Rights Risk Assessment**  
**2024**

Risk Code	Name of Risk	Risk Description	Risk Assessment			
			Vulnerability	Impact	Threat Level	Level
HRDD06	Loss of Opportunity for Developing Skills	Loss of opportunity for developing employee skills might results dissatisfaction in work, feelings of unfairness and reduced motivation to work. The Company gives importance to equal development of skills to support advancement in work duties and maintain competitive ability in the long term.	1	2	(1,2)	Low
HRDD07	Impact on Communities Rights in Construction Areas	Performance of construction work might result in impact on communities, e.g. pollution, particulate matter, noise disturbance, etc. If there is no appropriate management, there might be community opposition and lawsuits, including impact on the Company's image and work performance. The Company is determined to reduce these impacts through community relations, consultation with communities, and measures for properly mitigating in various aspects, including EIA reporting.	2	3	(2,3)	Medium
HRDD08	Lack of Community Participation	A lack of community participation in construction project might lead to conflicts, opposition and loss of confidence in the Company, because communities feel their rights are overlooked and that there is impact on quality of life. The Company gives importance to operations in community relations to build cooperation by offering opportunities for community participation and has designated channels for hearing opinions from communities and all stakeholder groups.	2	3	(2,3)	Medium
HRDD09	Risks Concerning Human Rights Standards in the Supply Chain	A lack of human rights standards in the supply might lead to violations of labor rights, e.g. child labor, forced labor, human trafficking or unfair wages, which would impact the Company's reputation and credibility. Therefore, the Company is focused on strict partner selection and vetting to ensure supply chain operations are compliant with human rights standards.	3	2	(3,2)	Medium
HRDD10	Inadequate Human Rights Audits	Inadequate human rights audits might cause the Company to neglect labor or environmental issues affecting the Company's reputation and credibility from stakeholders. Therefore, the Company has improved the auditing system for full coverage and consistency to prevent human rights violations and maintain competitive ability.	3	2	(3,2)	Medium

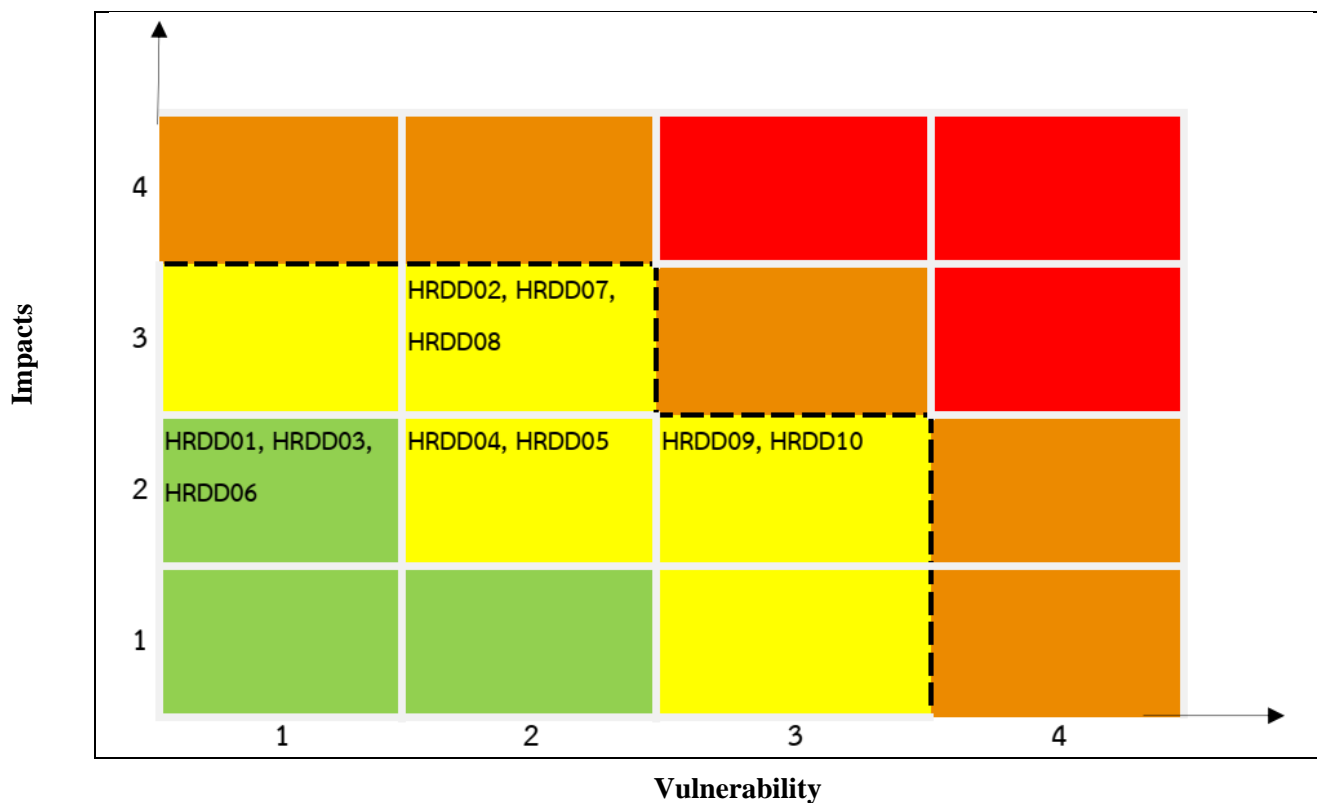
## 5. Prioritizing Risks

### Risk Analysis and Prioritization Form

2024

### Risk Management Diagram

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**Very High Risk:** An intolerable risk requiring a remediation plan or various measures (e.g. changes in relevant work strategies or practice guidelines) for specific improvement or solutions, including having executives involved with close monitoring such as daily and weekly reports, etc.



**High Risk:** An intolerable risk requiring a remediation plan, including continuous periodic monitoring of performance such as monthly and quarterly reports, etc.



**Medium Risk:** A tolerable risk not requiring a risk remediation plan. However, the effectiveness of internal controls for medium risks should be monitored and medium risks should be periodically reviewed.



**Low Risk:** A tolerable risk not requiring a risk remediation plan. A low risk can be controlled and overseen with normal caution during work.

### Assessment of STECON'S Main Business Impacts

Impact	Operation Impacts	Financial Impacts	ESG Impacts	Reputation Impacts
Level	30%	30%	20%	20%



### Vulnerability

Level	Description
1	<ul style="list-style-type: none"><li>- There are standard policies, directives, regulations or protocols and strict compliance in practice with good ability to manage the risk.</li><li>- There is regular follow-up and assessment of results.</li></ul>
2	<ul style="list-style-type: none"><li>- There are policies, directives, regulations or protocols and compliance in practice with ability to partially manage the risk.</li><li>- There is periodic follow-up and assessment of results.</li></ul>
3	<ul style="list-style-type: none"><li>- There are policies, directives, regulations or protocols and compliance in practice, but no ability to manage the risk.</li><li>- There is periodic follow-up and assessment of results.</li></ul>
4	<ul style="list-style-type: none"><li>- There are no policies, directives, regulations or protocols and no compliance in practice resulting in inability to manage the risk.</li><li>- There is no follow-up and assessment of results.</li></ul>

### Operations

Level	Description
1	<ul style="list-style-type: none"><li>- There is no impact on management and work on the part of executives and staff in various work sections.</li><li>- There is no impact on the continuity of the work processes for the main tasks that need to be performed daily on a continual basis.</li></ul>
2	<ul style="list-style-type: none"><li>- There is some minor impact on the work of staff in various work sections.</li><li>- There is impact on the continuity of the work processes for the main tasks that need to be performed daily on a continual basis resulting in delays or cessation, but with a solution within 3 days.</li></ul>
3	<ul style="list-style-type: none"><li>- There is impact on management and work on the part of executives in various work sections.</li><li>- There is impact on the continuity of the work processes for the main tasks that need to be performed on a continual basis resulting in delays or cessation with no solution within 3 days, but in no more than 6 days.</li></ul>
4	<ul style="list-style-type: none"><li>- There is impact on management and work on the part of senior executives.</li><li>- There is impact on the continuity of the work processes for the main tasks that need to be performed on a continual basis and solutions take more than 6 days.</li></ul>

### Financial

Level	Description
1	<ul style="list-style-type: none"><li>- The value of damages does not exceed 1 million baht.</li></ul>
2	<ul style="list-style-type: none"><li>- The value of damages is from 1 million baht and up, but does not exceed 2 million baht.</li></ul>
3	<ul style="list-style-type: none"><li>- The value of damages is from 2 million baht and up, but does not exceed 3 million baht.</li></ul>
4	<ul style="list-style-type: none"><li>- The value of damages is from 3 million baht and up.</li></ul>

### Environment, Occupational Health and Safety (ESG)

Level	Description
1	<ul style="list-style-type: none"><li>- No incidence of non-compliance with regulations, standards or rules on any of the following issues: (1) environment; (2) Sanitation; (3) Safety.</li><li>- No effects on receipt of complaints or orders for corrections from government agencies.</li></ul>
2	<ul style="list-style-type: none"><li>- Incidence of non-compliance with regulations, standards or rules on any of the following issues: (1) environment; (2) Sanitation; (3) Safety.</li><li>- However, the risk can be detected in time and there are no complaints or hazards to anyone.</li></ul>
3	<ul style="list-style-type: none"><li>- Incidence of non-compliance with regulations, standards or rules on any of the following issues: (1) environment; (2) Sanitation; (3) Safety.</li><li>- And complaints are received from stakeholders or government agencies provide notification for corrections to be made.</li><li>- Or someone is subject to physical impact, e.g. minor injury.</li></ul>
4	<ul style="list-style-type: none"><li>- Incidence of non-compliance with regulations, standards or rules on any of the following issues: (1) environment; (2) sanitation; (3) safety.</li><li>- And someone is subject to severe physical impact, e.g. chronic illness, disability, death.</li></ul>

### Reputational

Level	Description
1	<ul style="list-style-type: none"><li>- No public news affecting the organization's reputation or image.</li></ul>
2	<ul style="list-style-type: none"><li>- There is public news negatively referring to the organization or its personnel.</li></ul>
3	<ul style="list-style-type: none"><li>- There is public news negatively referring to the organization or its personnel.</li><li>- And society is beginning to show interest in the aforementioned.</li></ul>
4	<ul style="list-style-type: none"><li>- There is public news negatively referring to the organization or its personnel.</li><li>- And there is negative impact on the organization, e.g. Company stock prices fall.</li><li>- Or the organization or its personnel is investigated by a government agency/regulatory agency, or has licenses revoked.</li></ul>

## 6. Risk Remediation and Preventive Mechanisms

The Company communicates the following policies and relevant guidelines to stakeholders in all groups:

1. Human rights policy.
2. Occupational safety, health, and work environment policy, and work safety manuals.
3. Human rights contact and complaint channels.
4. Audit compliance with policies and manuals at least twice a year according to annual auditing plans.

## 7. Remediation

The Company recognizes the importance of remediation and mitigation of potential effects from operations, particularly in cases involving human rights. The Company has set clear channels for filing complaints and hearing opinions specified in **the human rights policy** disseminated via the Company's website.

The Company places importance on people potentially affected by human rights work by providing channels for filing complaints, hearing complaints, and processes for when reports or complaints are accepted, including protective measures for whistleblowers and complainants, which are clearly specified in the human rights policy and disseminated via the Company's website. In cases where an incident occurs with effects causing human rights violations as a result of business operations, the people affected will receive remediation for damages with an appropriate, fair, and legal process. In addition, the Company prepares corrective plans and specifies appropriate preventive measures against recurrence.

In 2024, the Company received no complaints regarding human rights violations, thereby reflecting the Company's commitment to continually and effectively working in line with human rights standards.

## **8. Summary**

Based on an assessment of all human rights risks, all risks were concluded to be tolerable. Of ten activities, three activities were low-risk activities and seven activities were medium-risk activities.

However, although a medium risk is tolerable and does not require a remediation plan, the effectiveness of relevant internal controls should be monitored and risk levels should be reviewed periodically and regularly.

## **9. Recommendations**

To build awareness of human rights work guidelines, the policy should be continually disseminated and communicated to give knowledge and understanding to the parties involved and stakeholders in order to raise awareness about and respect for human rights as prescribed by the law and universal principles.

Human rights laws and principles may result in impact linked to business operations. Therefore, this is another operational risk. Currently, many sectors are pushing for the business sector to recognize the importance of human rights issues. Therefore, to help the business grow with sustainability and stability, the organization should consider using human rights issues to develop business processes and the stakeholders involved.

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