



Human Rights Due Diligence: HRDD

The Company conducts Human Rights due diligence as part of its continuous risk management procedure. The objective is to identify and review the preventive and relief methods that the Company uses to manage Human Rights impacts throughout its business activities, by applying the five steps of Human Rights assessment suggested by UN Guiding Principles on Business and Human Rights (UNGPs).

Comprehensive Human Rights Assessment Framework



1. A Statement of Policy Commitment to Respect Human Rights

The Company is committed to respect the Human Rights of all stakeholders by following the Principles of Human Rights and International Labor Standards as well as the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights, which cover the fight against human trafficking, forced labor, child labor, discrimination, and sexual harassment. In addition, this also cover promoting the freedom of association, the right to collective bargaining, equal remuneration and other aspects of Human Rights.

The Company has announced the Human Rights Policy that comprehensively respects the Principles of Human Rights and International Labor Standards. The scope of the Human Rights Policy includes the requirements of the Company for Human Rights compliance, not only for its own operations (all sites) of the Company but also of its subsidiaries, business partners, and suppliers as well.

Additional details of the Human Rights Policy can be found on the Company's website:

<http://hmpro-th.listedcompany.com/misc/CG/20190417-hmpro-cg-human-rights-policy-th.pdf>

In addition, the Company assesses the sustainability of its business partners through a survey that covers the aspects of the economy, the society, and the environment. The survey also includes the topic of Human Rights to raise the awareness on important Human Rights challenges among business partners.

2. Assessment of Actual and Potential Human Rights Impacts of Company Activities and Relationship

The Company performs assessment to identify the actual Human Rights risks and potential risks that may occur from the participation or connection through business partnerships. Both internal and external stakeholders throughout the value chain, who may receive direct or indirect impact from the Company's business activities, are evaluated

In addition, the Company also considers vulnerable group such as forced labor, women, children, indigenous people, migrant workers, third-party contracted labor, and local communities that may be related to business activities in the Human Rights risk assessment, as well as risks related to compensation equality and discrimination.

Human Rights risk assessment covers 100% of all business activities of the Company, which are categorized into two groups as follows:

Main Business Operations:

- Product Operations
- Service Operations
- Product Distribution Operations
- Store Operations

Supporting Business Operations:

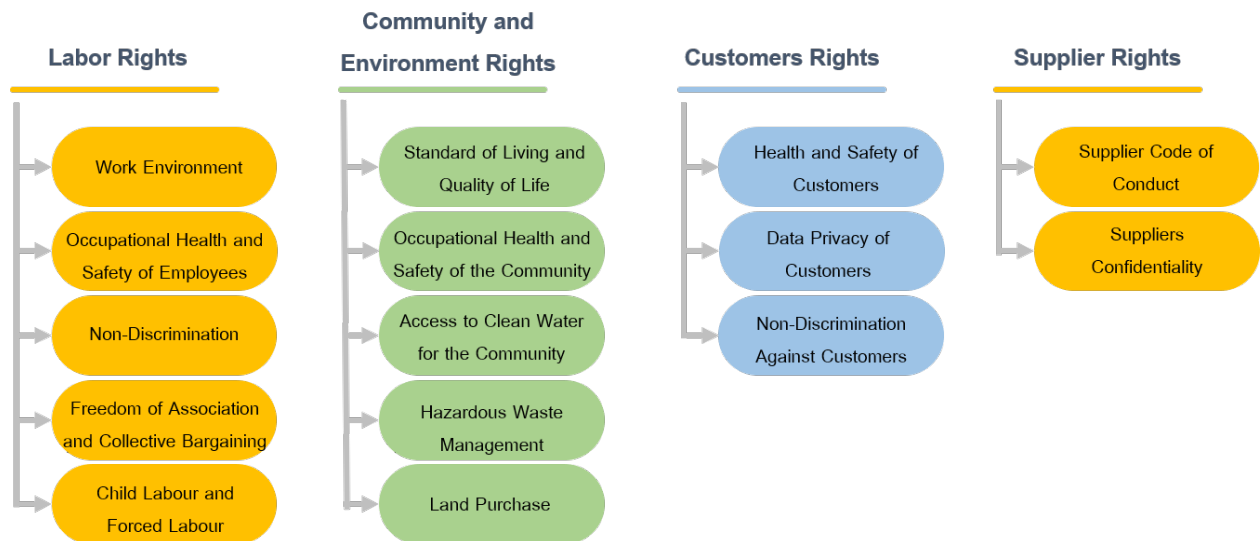
- Suppliers/Business Partners
- Employees
- Customers
- Society and Community
- Shareholders

The assessment also includes potential new business process e.g., any Joint Venture or Merger and acquisition.

3. Incorporating into Company Procedures and Addressing Impacts

Step 1: Human Rights Risk Identification

Identifying Human Rights risks related to business activities of the Company is done by comparing companies in retails of goods and services industry. The scope of Human Rights related to the Company is shown below:



<u>Labor Rights</u>
<ul style="list-style-type: none"> - Work Environment: Building safe physical working environment e. g. , office, soundscape, brightness, working atmosphere, working hours and other environmental aspects such tools that support employees on their work efficiency. - Occupational Health and Safety of Employees: Work practices relating to occupational health and safety of employees in the Company e.g. , workspace, support plan, awareness of and access to the occupational health and safety benefits that reach all employees comprehensively. - Non-Discrimination: Fair treatment towards all employees, including compensation equality, regardless of race, skin color, gender, religion, origin, education, political view, or other factors. - Freedom of Association and Collective Bargaining: Employees have the right to negotiate for fair benefits from fair work and are free to form a union. - Child Labour and Forced Labor: The Company will not engage in forced labor, child labor, nor any form of human trafficking.
<u>Community and Environment Rights</u>
<ul style="list-style-type: none"> - Standard of Living and Quality of Life: Operation of the Company will not create negative impact on the Human Rights of nearby communities e.g., diminish the income of community members from unfair competition. - Occupational Health and Safety of the Community: Operation of the Company is aware of the negative impact on the occupational health and safety of the community e.g., accidents and pollutions caused by the Company's activities.

<ul style="list-style-type: none"> - Access to Clean Water for the Community: Operation of the Company will not obstruct the community from accessing clean water e.g., not blocking water source or extracting water from the community's water source and causing drought. - Hazardous Waste Management: The Company's hazardous waste management will be operated in a correct way and will not impact on community e.g., wastewater treatment and chemical handling. - Land Purchase: Evaluate the impact on Human Rights before proceeding with business operation.
<u>Customers Right</u>
<ul style="list-style-type: none"> - Health and Safety of Customers: Procurement of products and services of the Company meets quality standards, offers fair prices, and prioritizes the health and safety of customers during their visit at the store. - Data Privacy of Customers: Do not violate data privacy of customers. Establish guidelines to manage and protect data privacy. - Non-Discrimination Against Customers: Establish guidelines to manage and prevent discrimination against customers.
<u>Suppliers Right</u>
<ul style="list-style-type: none"> - Suppliers Code of Conduct: Operation of the Company adheres to code of business conduct, treat suppliers fairly and transparently on the highest benefit of the Company and based on fair compensation for both sides. - Suppliers Confidentiality: Do not violate suppliers' confidentiality e.g., copyright and patent.

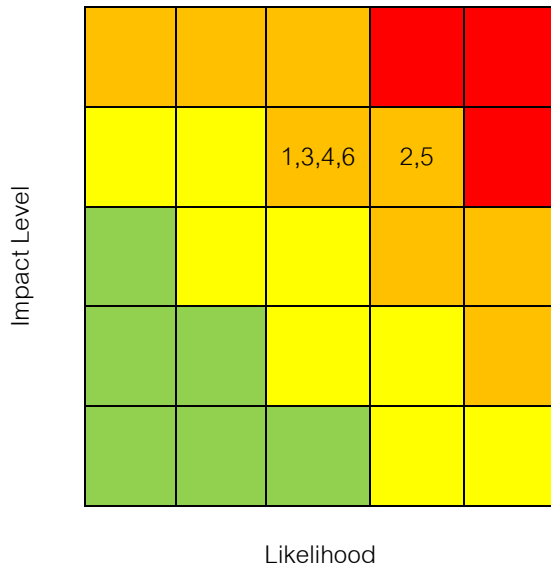
Step 2: Risk Mapping

The Company conducts risk assessment by using Likelihood and Impact Level scale to rank its potential issues on Human Right risks.

<p><u>Human Rights Risk Assessment Table</u></p>	<p>Likelihood and Impact Level scale:</p> <ol style="list-style-type: none"> 1. Very High 2. High 3. Medium 4. Low
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In 2022, the Company identifies 6 Human Rights risks that have high Impact Level and high Likelihood

as follows:



1. Occupational Health and Safety of Employees
2. Data Privacy of Customers
3. Health and Safety of Customers
4. Occupational Health and Safety of the Community
5. Suppliers Confidentiality
6. Working Conditions of Employees and Partners

Step 3: Risk Management

The Company analyzes 6 Human Rights risks that may occur and prepares measures to reduce and rectify the impact as follows:

Risk	Related issues	Impact reduction and remedy
Data Privacy of customers	<ul style="list-style-type: none"> ● Leakage of customer data 	<ul style="list-style-type: none"> ● Establish Data Privacy Protection Committee and control the Company's operation to follow the data privacy protection requirements ● Assess cybersecurity readiness regularly ● Set up PDPA training regularly
Suppliers Confidentiality	<ul style="list-style-type: none"> ● Violate suppliers' confidentiality e.g., copyright and patent. 	<ul style="list-style-type: none"> ● Comply with the 2560 B.E. Trade Competition Act ● Comply with the Intellectual Property Law ● Prior checking copyright and patent of products before being sold
Occupational Health and Safety of Employees	<ul style="list-style-type: none"> ● Unsafe working conditions such as defective equipment. ● Employee doesn't follow the occupational health and safety requirements in work practices which may cause accident. 	<ul style="list-style-type: none"> ● Announce Safety, Occupational Health and Working Environment Policy ● Assess health and safety risks of employee regularly ● Establish work procedures and assigned officers to consistently regulate employees' work practices following occupational health and safety requirements ● Regular equipment inspection and maintenance ● Set up training on workplace safety and health regulations on a regular basis. ● Internal complaint management system
Health and Safety of Customers	<ul style="list-style-type: none"> ● Substandard products that may be harmful to customers ● Shopping injuries ● Store management during virus outbreak. 	<ul style="list-style-type: none"> ● Establish products and services procurement process that ensures standard quality and regular verification. ● Labeling regulation compliance ● Cooperate with the government's guidelines ● Customer Complaint Management Systems

Occupational Health and Safety of the Community	<ul style="list-style-type: none"> ● Automobile accidents during the delivery of products and services 	<ul style="list-style-type: none"> ● Vehicle performance testing ● Driver performance testing ● Breath Alcohol Tests ● Complaint management system
Working Conditions of Employees and Partners	<ul style="list-style-type: none"> ● Inappropriate conditions for employees, partners, and contractors <ul style="list-style-type: none"> ○ Discrimination ○ Safety ○ Forced Labor ○ Child Labor 	<ul style="list-style-type: none"> ● Rules and regulations that apply while working ● Employee Handbook ● Business Ethics ● Supplier Self-Assessment ● Supplier Sustainable Code of Conduct ● Human Rights Policy ● Labor Laws

4. Tracking and Reporting Performance

The Company tracks operation results related to Human Rights and communicates to educate and train all employees consistently, to prevent negative impact that may occur from activities of the Company and its relationship with business partners.

The performance results in 2022 are as follows:

- 100% of the Company's operation and business activities (all sites) receive Human Rights risk assessment.
- 100% of the Company's operation and business activities with high Human Rights risk level have measures in place to reduce and remedy the impact.
- In 2022, there is no case of Human Rights violation. This includes cases of human trafficking, forced labor, child labor, discrimination, sexual harassment, freedom of association, right to collective bargaining, compensation equality and other aspects of human rights.

In addition, the Company reports results of Human Rights assessment regularly every year through the annual Sustainability Report and on the Company's website. Contact channels are also open for all stakeholders to report cases of Human Rights violation to the Company as provided below:

Contact Channels

Home Product Center Public Company Limited

31 Prachachuen-Nonthaburi Road
Bang Khen, Mueang, Nonthaburi 11000
Tel: 02-832-1000
Fax: 02-832-1066
Email: sd@homepro.co.th

5. Remediation and Remedy

The Company is aware that its business activities may favor or connect to Human Rights violation of related stakeholders. Therefore, the Company aims and attempts to reduce the mentioned risks and violations to comply with the covenant. Human Rights risk assessment is conducted yearly to identify violations in the business activities of the Company. The Company also sets measures to remedy the impact with the objective to fix and reduce the likelihood of Human Rights violations, which may occur from its business activities.

In case of Human Rights violation, the Company has fair investigation process in place and measures of punishment as follows:

- Verbal warning or warning letter
- Wage reduction or demotion
- Job suspension
- Withholding of annual bonus
- Not providing pay raise
- Requesting for resignation
- Dismissal