

Corporate Human Rights Benchmark 2020 Company Scoresheet



Company Name	Siam Cement (SCG)
Industry	Extractive
UNGP Core Score (*)	9.5 out of 26

Score	Out of	For indicators
Governance	and Policy Com	mitments
2	2	A.1.1 Commitment to respect human rights
0.5	2	A.1.2 Commitment to respect the human rights of workers
1	2	A.1.4 Commitment to engage with stakeholders
0	2	A.1.5 Commitment to remedy
Embedding	respect and Hu	man Rights Due Diligence
Embeddi	ng respect	
1	2	B.1.1 Embedding - Responsibility and resources for day-to-day human rights functions
Human F	Rights Due Dilige	ence (HRDD)
0	2	B.2.1 HRDD - Identifying: Processes and triggers for identifying human rights risks and impacts
1	2	B.2.2 HRDD - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
2	2	B.2.3 HRDD - Integrating and Acting: Integrating assessment findings internally and taking appropriate action
0	2	B.2.4 HRDD - Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts
0.5	2	B.2.5 HRDD - Reporting: Accounting for how human rights impacts are addressed
Remedies an	d Grievance Me	echanisms
1.5	2	C.1 Grievance channels/mechanisms to receive complaints or concerns from workers
0	2	C.2 Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities
0	2	C.7 Remedying adverse impacts and incorporating lessons learned
9.5	26	

(*) Instead of the full list of indicators in the 2020 CHRB Methodology, this year's assessment uses the CHRB Core UNGP Indicators. These are 13 non-industry specific indicators that focus on three key areas of the UNGPs: high level commitments, human rights due diligence and access to remedy.

The 13 indicators selected from the full CHRB Methodology are scored on a simple unweighted basis, with a maximum of 2 points for each indicator for a maximum total of 26 points.

In addition, allegations of severe human rights impacts (Measurement Theme E) were also assessed but do not impact overall final scores

Please note that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2020 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

Detailed assessment

Governance and Policies			
Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	The individual elements of the assessment are met or not as follows: Score 1 • Met: General HRs commitment: The company declares: 'SCG respects and protects the human rights of all its employees, a practice that is embedded in every aspect of its human resources management, from recruitment, remuneration, employee development, to promotion, appointment, and transfer'. [Annual Report 2019, 05/03/2020: <u>scc.listedcompany.com</u>] Score 2 • Met: UNGPs: The company indicates: 'SCG's support of human rights runs through its every business activity and applies to every party in its business value chain and joint ventures, abiding by the laws of each country and complying with the UN Guiding Principles on Business and Human Rights'. The Company states 'SCG, therefore, has attached great attention to human rights practices across the supply chain to ensure that all stakeholders are treated equitably, fairly, and with dignity and respect in accordance with the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), the United Nations Guiding Principles on Business and Human Rights (UNGP), the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and SCG Human Rights Policy.' [Annual Report 2019, 05/03/2020: <u>scc.listedcompany.com</u> & Human Rights, 20/06/2020: <u>scgsustainability.com</u>] • Not met: OECD
A.1.2	Commitment to respect the human rights of workers	0.5	The individual elements of the assessment are met or not as follows: Score 1 • Met: UNGC principles 3-6: The president and CEO of the company signed a letter of commitment to the UN Global Company principles. [UNGC Letter of Commitment, 14/02/2012: <u>s3-us-west-2.amazonaws.com</u>] • Not met: Explicitly list All four ILO apply to EX BPs: The company mention that it expects its suppliers and business partners to principles of freedom of association, the elimination of compulsory labour, the abolition of child labour and the elimination of discrimination. However, no mention regarding to right to collective bargaining was found. [Human Rights Expectation Letter, 24/05/2017: <u>scg.com</u> & SCG Corporate Governance, 15/08/2018: <u>scc.listedcompany.com</u>] Score 2 • Not met: Explicit commitment to All four ILO Core: No commitment listing each of all four ILO core principles was found. [Human Rights Policy, 29/05/2017: <u>scg.com</u>] • Met: Respect H&S of workers: The company states: 'SCG is committed to [] as well as caring for health and safety of our employees and contractors' and 'SCG has implemented the Health and Safety, and Human Rights policy for all employees, contractors, and communities, develop the innovative products and services to provide good quality of life for the customers, together with formulating sustainable development strategies for safety'. [Sustainable Highlights 2019, 05/03/2020: <u>scc.listedcompany.com</u>] • Not met: H&S applies to EX BPs: It states that 'SCG has paid great attention to health and safety of employees, contractors, customers, communities and stakeholders throughout our business value chain'. Moreover, on its Sustainability Highlights 2019, the Company makes reference to human rights policy and how it is related to safety and also implemented in contractors. However, no clear commitment that the Company 's policy commitment also expects its extractive business partners to commit to respecting the health and safety of their workers. [Code of Conduct, 23/12/2015:

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.4	Commitment to engage with stakeholders	1	The individual elements of the assessment are met or not as follows: Score 1 • Met: Commits to stakeholder engagement: The company indicates that "SCG is committed to acting as a good citizen of society, especially in every community where SCG has business operations. It honours the rights of stakeholders and treats them fairly, listens to their opinions and concerns, builds understanding with stakeholders, encourages co-operation constructively in matters that interest stakeholders, and takes part in developing society and environment so that SCG continues developing its business sustainably". Moreover, the company defines stakeholders as "Persons/entities directly or indirectly impacted by SCG's business or involved with SCG's interests or impacting on SCG's business, such as Company directors, employees, shareholders, contractual parties, contractors, business contacts, creditors, debtors, society at large, and communities where SCG operates". [Stakeholder Engagement Policy, 05/09/2017: scg.com & Code of Conduct, 23/12/2015: scg.com] Score 2 • Not met: Commits to engage stakeholders in design • Not met: Regular stakeholder design engagement
A.1.5	Commitment to remedy	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Commits to remedy: The Code of Conduct describes procedures related to remediation, but no actual commitment to remedy was found. In the Annual Report 2019, under the section "Employees - Human Rights Respect and Protection", the Company indicates: 'SCG's human rights due diligence process consists of four steps as follows: (1) Identifying areas of risks of human rights violation (2) Identifying vulnerable affected groups (3) Formulating action plans, solution plans, and remedy measures for affected parties (4) Monitoring results', where it includes remedy measures. However, it is not a explicit commitment to remedy. [Code of Conduct, 23/12/2015: <u>scg.com</u> & Annual Report 2019, 05/03/2020: <u>scc.listedcompany.com</u>] Score 2 • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives: The Company indicates that in its due diligence process human rights risks were found in both its own operation and of its suppliers and businesses partners and that it took action to remedy the issues. However, no further details found on relation to this requirement. [Human Rights Due Diligence Result, 31/05/2018: <u>scg.com</u>] • Not met: Work with EX BPs to remedy impacts

Embedding Respect and Human Rights Due Diligence

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	1	The individual elements of the assessment are met or not as follows: Score 1 • Met: Commits to ILO core conventions: See indicator A.1.2 • Met: Senior responsibility for HR: The Company discloses its Sustainable Development Committee, currently chaired by the President of SCG Chemicals, with President and Vice President of Business Units and corporate functions as members. Its approach includes human rights issues. [Human Rights, 20/06/2020: scgsustainability.com] Score 2 • Not met: Day-to-day responsibility • Not met: Day-to-day responsibility for EX BRs
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Identifying risks in own operations: The Company states: 'to provide clear guidelines in business operations and prevent human rights violations as well as put in place a human rights due diligence process and disclosed the Company's performance in its Sustainability Report. SCG's human rights due diligence process consists of four steps as follows: (1) Identifying areas of risks of human rights violation (2) Identifying vulnerable affected groups (3) Formulating action plans, solution plans, and remedy measures for affected parties (4) Monitoring results'. Also, the Company indicates the identification of human rights risks in its due diligence process. However, there is no description of the process to identify its human rights risks and impacts in specific locations or activities. [Annual Report 2019, 05/03/2020: <u>scc.listedcompany.com</u>]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			 Not met: identifying risks in EX business partners: Although the Company reports the following statement against its human rights due diligence process: ' A comprehensive human rights risk assessment manual should be compiled to serve as a guideline for conducting human rights due diligence and to prevent any risks that may arise from activities related to SCG's domestic and overseas businesses throughout the supply chain', there are no further details against the risks identification. [Sustainability Report 2019, N/A: <u>scc.listedcompany.com</u>] Score 2 Not met: Ongoing global risk identification Not met: In consultation with stakeholders Not met: Triggered by new circumstances
B.2.2	Assessing:		Not met: Explains use of HRIAs or ESIA (inc HR) The individual elements of the assessment are met or not as follows:
	Assessment of risks and impacts identified (salient risks and key industry risks)	1	 Score 1 Not met: Salient risk assessment (and context): The Company indicates its human rights due diligence process and also discloses its salient human rights issues. However, the description does not clarify how relevant factors, such as social and economic, are considered. [Human Rights, 20/06/2020: scgsustainability.com] Met: Public disclosure of salient risks: The Company discloses a chart with its salient human rights issues. [Human Rights, 20/06/2020: scgsustainability.com] Score 2 Not met: Beth requirements under secret 1 met
B.2.3	Integrating and		Not met: Both requirements under score 1 met The individual elements of the assessment are met or not as follows:
	Acting: Integrating assessment findings internally and taking appropriate action	2	 Score 1 Met: Action Plans to mitigate risks: The Company human rights system allows the Company identify human rights risks in own operations, joint ventures and suppliers & contractors. For each risk at different sites the Company describes the action plans for mitigation. [Human rights due diligence 2019, 06/2020: scgsustainability.com & Human Rights Due Diligence Result, 31/05/2018: scg.com] Met: Including amongst EX BPs: Evidence includes mitigation of different risks and impacts covering contractors and suppliers. In 7 sites of contractors and tier 1 suppliers the Company implemented the same approach as in own operations (more stringent standard work procedures and provision of appropriate and adequate protective equipment as a precursor of life saving rules implementation) and implementing ISO 39001 - Road Traffic Safety management system. [Human rights due diligence 2019, 06/2020: scgsustainability.com & Human Rights Due Diligence Result, 31/05/2018: scg.com] Met: Example of Actions decided: As indicated above, the Company describes risks for all sites assessed at risks and all the mitigation plans implemented. For example, Enhance safety standards and evaluate performance through SCG Safety Performance Assessment Program (SPAP). [Human rights due diligence 2019, 06/2020: scgsustainability.com & Human Rights Due Diligence Result, 31/05/2018: scg.com]
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: System to check if Actions are effective • Not met: Lessons learnt from checking effectiveness Score 2 • Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0.5	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Comms plan re identifying risks • Not met: Comms plan re assessing risks: Although the Company discloses the risks identified across operations, no evidence found on the specific process followed to assess those risks. See indicator B.2.2 [Human Rights, 20/06/2020: scgsustainability.com & Human rights due diligence 2019, 06/2020: scgsustainability.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Met: Comms plan re action plans for risks: The Company discloses one page
			showing the risks identified, where they were identified and the mitigation plans implemented. See indicator B.2.3 [Human rights due diligence 2019, 06/2020: scgsustainability.com]
			Not met: Comms plan re reviewing action plans
			• Met: Including EX business partners: The company discloses both the risks for human rights found in its due diligence process and its mitigation plans, including
			its suppliers and business partners. [Human Rights Due Diligence Result,
			31/05/2018: <u>scg.com</u>]
			Score 2
			 Not met: Responding to affected stakeholders concerns
			 Not met: Ensuring affected stakeholders can access communications

Remedies and Grievance Mechanisms

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mec hanism(s) to receive complaints or concerns from workers	1.5	The individual elements of the assessment are met or not as follows: Score 1 • Met: Channel accessible to all workers: The Whistleblower mechanism is open to "an employee who discovers an action that violates laws rules and regulations, the Company's Articles of Association, or the SCG Code of Conduct"; "an employee who is abused, threatened, or disciplinary penalized, such as by a reduction in salary, being laid off, being fired, or targeted for treatment that is unfair and related to conditions of employment, due to that employee having complained, informed, or been about to inform, assist in an investigation, or gather facts for a person handling the complaint, including processing legal action, being a witness, giving testimony, or providing any co-operation to a court or governmental agency". [Whistleblower Policy, 25/07/2007: <u>scc.listedcompany.com</u>] Score 2 • Met: Number grievances filed, addressed or resolved: The Company states: 'In 2019, a total of 30 cases involving non-compliance with laws, the Company's regulations, policy, SCG 4 Core Values, or Employee Code of Conduct, were filed through SCG Whistleblowing System for external parties and employees' and indicates there were none cases related to human rights. [Annual Report 2019, 05/03/2020: <u>scc.listedcompany.com</u>] • Not met: Channel is available in all appropriate languages • Not met: Expect EX BPs to have equivalent grievance system • Not met: Opens own system to EX BPs workers: The company's Whistleblower police states that it is designed to be used by its employees. [Whistleblower Policy, 25/07/2007: <u>scc.listedcompany.com</u>]
C.2	Grievance channel(s)/mec hanism(s) to receive complaints or concerns from external individuals and communities	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Grievance mechanism for community: The Company states: 'In addition, the Company has also provided channels through which employees and external stakeholders can contact, offer opinions, lodge complaints, and report violation cases, namely the Whistleblowing System via SCG intranet (for employees) and <u>scg.com</u> (for other stakeholders) for further actions to be taken.' However, on the Company's Whistleblower Policy, under the section "Persons Entitled to Complain", the Company only mentions employees as persons entitled to complain. [Annual Report 2019, 05/03/2020: <u>scc.listedcompany.com</u> & Whistleblower Policy, 25/07/2007: <u>scc.listedcompany.com</u>] Score 2 • Not met: Describes accessibility and local languages • Not met: Expects EX BPs to have community grievance systems • Not met: EX BPs communities use global system
C.7	Remedying adverse impacts and incorporating lessons learned	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Describes how remedy has been provided • Not met: Says how it would remedy key sector risks Score 2 • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

Performance: Responses to Serious Allegations (Not included in the overall score)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		 Headline: UN report details use of Myanmar Economic Holdings, Myanmar Economic Corp, and others to carry out gross violations of human rights Area: Right to security of persons Story: In August 2019, the UN Independent International Fact-Finding Mission on Myanmar called on the international community to to impose targeted sanctions and arms embargoes on the Myanmar military. The Tatmadaw military has allegedly carried out extensive and systematic human rights violations against civilians since 2016. The military, according to the mission, has strong ties with two companies, Myanmar Economic Holdings Limited (MEHL) and Myanmar Economic Corporation (MEC). International human rights and humanitarian law violations, including forced labour and sexual violence, have, say the report's authors, been perpetrated by the Tatmadaw in northern Myanmar in connection with their business activities. Among the foreign companies with contractual ties to MEHL and MEC is SCG Myanmar Concrete and Aggregate Co Ltd (owned by Siam Cement Group). Sources: [UN News - 05/08/2019: news.un.org][UN Human Rights Office of the High Commissioner - 05/08/2019: ohchr.org][UN Human Rights Council - 05/08/2019: ohchr.org]
E(1).1	The Company has responded publicly to the allegation	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Public response available Score 2 • Not met: Response goes into detail
E(1).2	The Company has appropriate policies in place	0	 The individual elements of the assessment are met or not as follows: Score 1 Not met: Company policies address the general issues raised Not met: Policies apply to the type of business relationships involved Score 2 Not met: Policies address the specific rights in question
E(1).3	The Company has taken appropriate action	0	 The individual elements of the assessment are met or not as follows: Score 1 Not met: Engages with affected stakeholders Not met: Provides remedies to affected stakeholders Not met: Has reviewed management systems to prevent recurrence Score 2 Not met: Remedies are satisfactory to the victims Not met: Has improved systems and engaged affected stakeholders

Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2020 Key Findings report and the 2019 technical annex for more details of the research process.

The Benchmark is made available on the express understanding that it will be used solely for general information purposes. The material contained in the Benchmark should not be construed as relating to accounting, legal, regulatory, tax, research or investment advice and it is not intended to take into account any specific or general investment objectives. The material contained in the Benchmark does not constitute a recommendation to take any action or to buy or sell or otherwise deal with anything or anyone identified or contemplated in the Benchmark. Before acting on anything contained in this material, you should consider whether it is suitable to your particular circumstances and, if necessary, seek professional advice.

The CHRB is part of the World Benchmarking Alliance ('WBA'). The material in the Benchmark has been put together solely according to the CHRB methodology and not any other assessment models in operation within any of the project partners or EIRIS Foundation as provider of the analyst team.

No representation or warranty is given that the material in the Benchmark is accurate, complete or up-to-date. The material in the Benchmark is based on information that we consider correct and any statements, opinions, conclusions or recommendations contained therein are honestly and reasonably held or made at the time of publication. Any opinions expressed are our current opinions as of the date of the publication of the Benchmark only and may change without notice. Any views expressed in the Benchmark only represent the views of WBA, unless otherwise expressly noted.

While the material contained in the Benchmark has been prepared in good faith, neither WBA nor any of its agents, representatives, advisers, affiliates, directors, officers or employees accept any responsibility for or make any representation or warranty (either express or implied) as to the truth, accuracy, reliability or completeness of the information contained in this Benchmark or any other information made available in connection with the

Benchmark. Neither WBA nor any of its agents, representatives, advisers, affiliates, directors, officers and employees undertake any obligation to provide the users of the Benchmark with additional information or to update the information contained therein or to correct any inaccuracies which may become apparent (save as to the extent set out in CHRB appeals procedure). To the maximum extent permitted by law any responsibility or liability for the Benchmark or any related material is expressly disclaimed provided that nothing in this disclaimer shall exclude any liability for, or any remedy in respect of, fraud or fraudulent misrepresentation. Any disputes, claims or proceedings this in connection with or arising in relation to this Benchmark will be governed by and construed in accordance with Dutch law and shall be subject to the exclusive jurisdiction of the Courts of Amsterdam.

As WBA, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.

COPYRIGHT

Our publications and benchmarks are the product of the World Benchmarking Alliance. Our work is licensed under the Creative Commons Attribution-Non Commercial-No Derivatives 4.0 International License. To view a copy of this license, visit <u>creativecommons.org</u>