



บริษัท ปูนซีเมนต์เอเชีย จำกัด (มหาชน)

Asia Cement
Public Company Limited

To: Head of Directors, Managers and Employees

Subject: Asia Cement Human Rights Position

Dear all,

Human rights are not at all new for Asia Cement as outlined in the Leadership Principles or the Supplier Code of Conduct. However, in the light of legal reporting requirements stipulated by the EU-CSR-regulation and increasing interest in this topic of stakeholders, we decided that it is the right time to formalize our commitments in a **Human Rights Position**. This also fits into our recently announced Sustainability Commitments 2030.

The Asia Cement position covers:

- Asia Cement's commitment to respect human rights
- Labour Standards
- Production sites: corporate social responsibility and rights of indigenous peoples
- Suppliers and customers
- Monitoring

The publication of our Human Rights Position will be accompanied by tools supervised by Asia Cement's Compliance, such as a human rights risk assessment and human rights KPI reporting as part of the semi-annual compliance reporting. In addition, our Purchasing is rolling-out the Supplier Management system which covers, among others, human rights aspects when it comes to choosing a supplier.

The responsibility for the implementation of the Human Rights Position lies with you as head of departments. I fully trust in your support and commitment in this respect and ask you to instruct your management accordingly.

The Human Rights Position is coming into effect on 1 January 2018.

For any questions regarding the Position, please contact Sustainable Development function.

Best regards,

(Nopadol Ramyarupa) (Claudio Dealberti)

Managing Directors



บริษัท ปูนซีเมนต์เอเชีย จำกัด (มหาชน)

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Human Rights Position of the Asia Cement

Scope: Asia Cement Public Company Limited and its subsidiaries

Author: Sustainable Development

Issued: 1 January 2018

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1. Statement of Commitment

Asia Cement commits to its responsibility to respect human rights. We comply with the applicable laws and regulations as the legal basis of our business activity. We are moreover committed to global values and standards. We are committed to the principles of the following internationally recognized standards:

- The Universal Declaration of Human Rights
- The eight core labour standards of the International Labour Organization (ILO)
- The OECD Guidelines for Multinational Enterprises
- The United Nations Guiding Principles for Business and Human Rights (“Protect, Respect and Remedy”-Framework)

We expect our employees and business partners to comply with the key guidelines and recommendations.

2. Our Employees

Our employees’ working conditions are in compliance with the internationally recognized basic labour standards and applicable laws of Asia Cement and its subsidiaries. Compliance with the ILO core labour standards is compulsory for us. This includes prevention of child and forced labour, compliance with the principle of non-discrimination in the workplace, the right of freedom of association as well as collective bargaining. This will also apply to the extent that applicable law does not prohibit application of the ILO core labour standards. Should this be the case, we will make every effort to observe the underlying principles reliably and adequately.

Where we need to base labour and welfare standards on local circumstances we will observe the national industry standard as a minimum.

3. In the Surroundings of our Locations

Corporate Citizenship

We want to be an attractive employer, reliable partner and good neighbour. For this reason, we assume social responsibility and participate in diverse projects around our locations / plants.

- Our commitment is focused on areas in which we have specific expertise and can achieve the best results for society: Building, architecture and infrastructure: We provide practical help with construction projects by providing products, time, financial means and expertise.
- Environment, climate and biodiversity: We support initiatives dealing with the most important environmental consequences of our business activity.
- Education, training and culture: We are guided by the specific needs of our locations.

Through our commitment we want to contribute towards a positive social development and accordingly also to the promotion of human rights.

Rights of indigenous communities

We respect the rights of indigenous communities as far as they are affected by our business activity.

4. Our Business Partners

Our suppliers

We do not only select our suppliers according to business criteria alone. Environmental protection, occupational health and safety and social standards as well as compliance are also part of the evaluation of new and existing supply relationships and are embedded in the Supplier Code of Conduct of Asia Cement. This Supplier Code of Conduct is the basis of the contractual relations.

Our customers

Our building materials are subject to binding norms and standards worldwide. Through regular checks and strict quality management we guarantee the high quality of our products and ensure that with responsible and proper use they do not constitute any risk to humans and the environment. We provide product and safety datasheets to our customers for the safe handling of our products.

5. Implementation and Monitoring

Open and respectful behaviour towards interest groups is embedded in our fundamental values. The setting and keeping of goals is the basis for this open exchange. For this purpose, we publish the Asia Cement annual report, showing the economic, ecological and social achievements of company. The contents of this report are audited externally. Moreover, we report regularly in detail in a separate report on our sustainability commitment.

Our employees

Asia Cement's aspiration toward excellent business performance as well as a top position among the best of our sector requires the embedding of conduct that is legally and ethically correct. For this reason, the Managing Board approved a Code of Business Conduct which was adapted by all operational country organizations taking local circumstances into account and which is binding for all employees in the respective version. The Code of Business Conduct and our management guidelines specify our values which represent high ethical and legal standards and apply to all business activities – from strategic planning to everyday business.

An important prerequisite for the successful implementation of the code are compliance trainings



Human Rights Position of Asia Cement

for employees. Moreover, we offer our employees points of contact where they can ask questions and seek advice and help. Our legal & compliance officer, legal department regularly inspects compliance with our fundamental principles and guidelines as well as our Code of Business Conduct.

In order to assess if we comply with the internationally recognized work and social standards within Asia Cement and its subsidiaries, we set up a three-part monitoring system. This includes:

- An intensive dialogue with the employee representatives.
- A compliance hotline where all employees may report deficiencies related to violation of work and social standards anonymously and confidentially.
- Regular reporting in the form of a general Compliance Report and Compliance Incident Report, in order to check/ensure compliance with our own duties in everyday business. The results will be presented to the Audit Committee of the Supervisory Board.

Regular audits at our sites ensure uniformly high standards in all areas of environmental protection, health and safety protection within Asia Cement and its subsidiaries.

In the surroundings of our locations

As a company in the building materials industry, we are aware of having a special responsibility towards our neighbours. Our plants and quarrying sites are mostly within the direct proximity of residential areas. For this reason, continuous dialogue with the municipality at the locations, the authorities and local NGOs is indispensable for our business activity. Communication at the locations is supported by the Communication Department of our respective national company. We use the full range of information and dialogue media, from guidelines and information letters to regular meetings with our stakeholders. Each location assigns an employee to receive any local complaints. These are checked internally. Moreover, complaints may also be reported anonymously via the compliance hotline accessible to everyone.

Our business partners

We inform our suppliers about the expected standards and sensitize them for sustainability topics. In the case of increased risk potential or where suppliers do not or only partially meet our standards as well as in the selection of new suppliers, we visit them on site and agree on necessary correction measures where applicable.

For further information:

**Sustainable Development Department
Asia Cement**