

# **Prosel Ltd**

## **Human Rights Risk Assessment Report – 2024**

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## Purpose and Objectives

Prosel Ltd (Company) is committed to operating the business to create sustainable values for all stakeholders, while recognizing the human rights for all in its own operations and throughout the supply chain. The Company adopts the Human Rights Policy in line with relevant national laws and international standards, which include the United Declaration of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principles on Business and Human Rights (UNGP), and the United Nations Global Compact.

## Scope of Application:

This policy is applicable to protect all people in Prosel Ltd's own operations whether they are our employees, business partners & customers, local communities, and anyone who works for the Company's suppliers or business partners throughout the supply chain.

## PRINCIPLES: RESPECT HUMAN RIGHTS & LABOUR RIGHTS FOR ALL

Prosel Ltd proactively champions upholding, at the minimum, the following inherent human rights and labor rights:

- ☐ Protect rights to life, liberty and security.
- ☐ Abolish the use of child labor, all forms of forced labor, human trafficking, and modern-day slavery in its own operations and throughout the supply chain.
- ☐ Eliminate discrimination in employment or occupation while strongly advancing diversity, equity and inclusion, including equal remuneration for work of equal value.
- ☐ End all forms of violence and sexual and non-sexual harassment (Zero tolerance) at work.
- ☐ Promote freedom of association and the right to collective bargaining.
- ☐ Promote a safe and healthy working environment.
- ☐ Ensure decent employment and fair recruitment with fair wages, benefits and welfare for a decent living for employees and their families.
- ☐ Respect the right to privacy
- ☐ Respect community rights and human rights of people in communities, in terms of their quality of life, health and safety, and access to land and natural resources while ensuring community engagement.

## **ROLE & RESPONSIBILITIES**

Prosel Ltd Board of Directors, Hed of Business Units and Functions, and Prosel Ltd Managers govern the policy and ensure that all units of the businesses are informed and aware of their responsibility with respect to human rights.

Human Resources Department communicates with all employees in the organization to promote the policy and increases awareness of the stakeholders who would act upon the principles stated, coordinates and supports the implementation of the policy and controls, monitors, supervises on human rights related issues.

Risk Management, Compliance and Internal Audit, co-evaluates and investigates the human rights related cases

All Employees, and business partners operate in accordance with the principles stated in the policy

## **HUMAN RIGHTS MANAGEMENT APPROACH**

### **HUMAN RIGHTS DUE DILIGENCE**

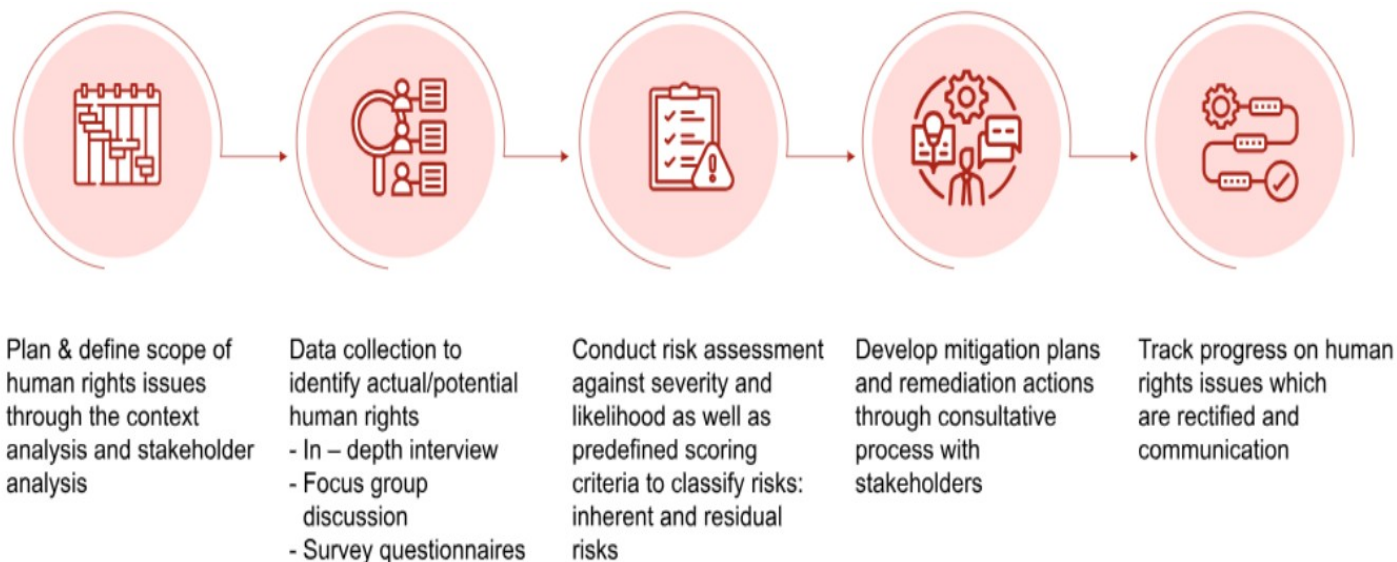
Under the responsibility to respect human rights of all stakeholders, we have aligned our commitment to the UN Guiding Principles (UNGP) 17 – 21, to identify, prevent, mitigate and account for how Prosel Ltd address human rights risks/impacts. We shall carry out the robust human rights due diligence (Principle 17).

The process of which include assessing actual and human rights impacts (Principle 18), integrating and acting upon findings (Principle 19), tracking responses (Principle 20) and communicating how impacts are addressed (Principle 21)

Where risks are identified, we mitigate them through “risk mitigation & remediation plan” which are comprehensively consulted with relevant internal and external stakeholders to ensure the human rights of those affected are guaranteed with fair and transparent process.

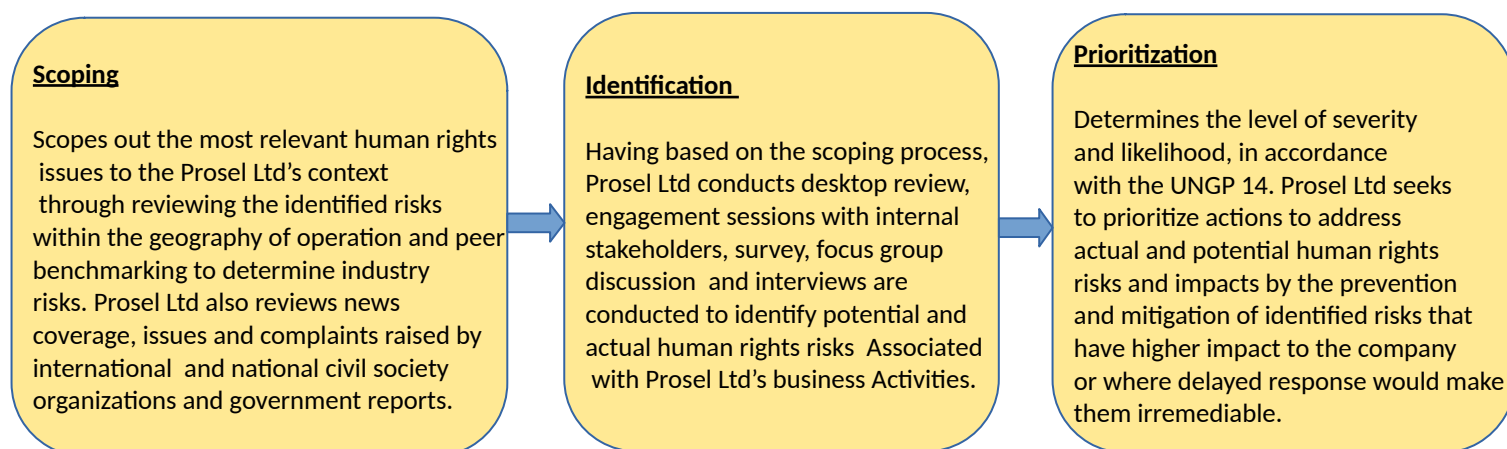
# HUMAN RIGHTS RISK ASSESSMENT

Prosel Ltd conducts the human rights risk assessment to identify, prevent and mitigate potential and actual human rights concerns/risks as a result of its activities throughout the supply chain.



## HUMAN RIGHTS RISK ASSESSMENT: PROCESS

As part of the Human Rights Due Diligence Process, Prosel Ltd conducts human rights risk assessment on an annual basis and impact assessment on a three - year basis or when there are incidents that might alter the risks/impacts which covers all of the Prosel Ltd’s operations, its subsidiaries, and throughout the supply chain. Relevant stakeholders/right holders, both internal (e.g. employees) and external (e.g. suppliers, contractors, customers, and community) as well as vulnerable groups (i.e. children, disability people, migrant workers, indigenous people and women) – that may be or have been impacted by the company’s activities are included as part of the process.



## SCOPING HUMAN RIGHTS ISSUES: CONTEXT ANALYSIS

| Labour Rights (8)   | Occupational health and safety (OHS) (4)   | Community rights (8)   | Other human rights (10)   |
|---|--|--|---|
| <ul style="list-style-type: none"> <li>• Forced and compulsory labour</li> <li>• Child labour</li> <li>• Trafficking and modern slavery</li> <li>• Freedom of association and Collective bargaining</li> <li>• Non – Discrimination at work, concerning recruitment, placement, remuneration, benefits, promotion and termination</li> <li>• Diversity, Equity and Inclusion</li> <li>• Working conditions – working hours, rest time, leave entitlements</li> <li>• Ethical recruitment</li> </ul> | <ul style="list-style-type: none"> <li>• Violence and all forms of harassment</li> <li>• Hazardous working conditions</li> <li>• Sub standard living conditions</li> <li>• Lack of security and privacy</li> </ul> | <ul style="list-style-type: none"> <li>• Standards of living and quality of life</li> <li>• Community health and safety</li> <li>• Community engagement</li> <li>• Respect for Cultural heritage</li> <li>• Minorities Including Indigenous Peoples</li> <li>• Resettlement</li> <li>• Rights to access to land, water and natural resources</li> <li>• Environmental Protection</li> <li>• Right to access to employment</li> </ul> | <ul style="list-style-type: none"> <li>• Right to privacy</li> <li>• Right to access information and news</li> <li>• Right to vote</li> <li>• Right to work in a safe and healthy environment</li> <li>• Right to be heard</li> <li>• Freedom of expression</li> <li>• Freedom of religion</li> <li>• Right to consumer education</li> <li>• Right to satisfaction of basic needs</li> <li>• Right to non – discrimination practices</li> </ul> |

## SCOPING HUMAN RIGHTS ISSUES

### STAKEHOLDERS / RIGHT HOLDERS ANALYSIS

#### Employee

- Labor Rights
- OHS
- Other Human Rights

#### Business Partners / Custompers / Suppliers

- Labor Rights
- OHS
- Other Human Rights

#### Community

- Community Rights
- Other Human Rights

# IDENTIFYING POTENTIAL & ACTUAL HUMAN RIGHTS CONCERNS/RISKS

It is important that the data collection is a critical step to identify potential and actual human rights risk associated with the Prosel Ltd operations and throughout the supply chain. The Prosel Ltd employed a range of methods to help identify human rights concerns of stakeholders/right holders. These are desk review, engagement sessions with internal stakeholders, survey, focus groups discussion as well as interview to assess the level of stakeholders' awareness to human rights issues and direct and indirect experience to human rights challenges.



## Prosel Ltd Employees

### Scope:

Respondents from 19 Prosel Ltd employees

### Method:

Survey & desk review

## Suppliers

### Scope:

Respondents from random selection of Prosel Ltd suppliers

### Method:

Survey

## Customers

### Scope:

Respondents from random Selection of Prosel Ltd customers

### Method:

Survey

## Community

### Scope:

Key informants from community

### Method:

Focus group discussion and interview

# PRIORITIZING HUMAN RIGHTS CONCERNS THROUGH RISK ASSESSMENT CRITERIA

According to the UNGP, the human rights risk assessment is determined against severity and likelihood (probability) criteria

A **level of severity** will be determined based on the **scale** – **how many people could be affected** by the adverse impact, **scope** – how serious would the adverse impacts be for the victim? and **remendability** – will remedy restore the victim to the same or equivalent position before the harm.

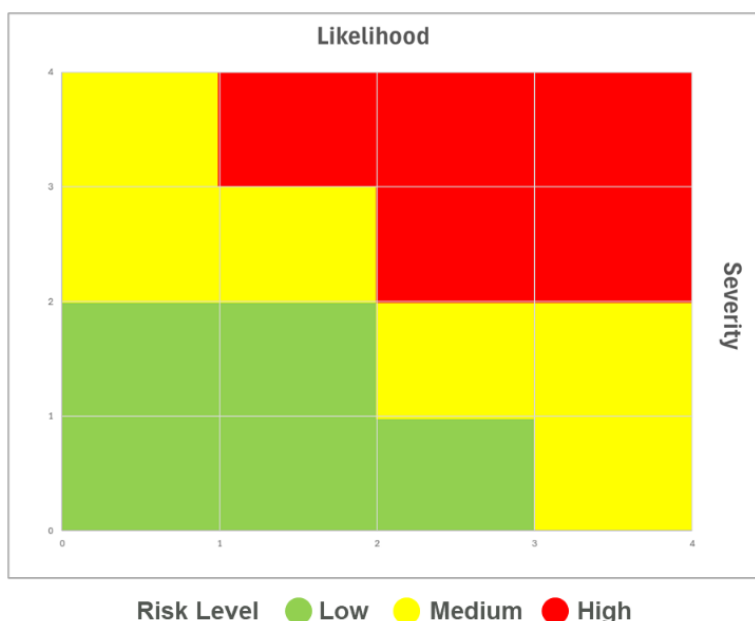
Level of severity is not an absolute value, yet it is relative to the other human rights risks and impacts that have been identified (UN Guiding Principle 14).

A **level of likelihood** will be determined based on the **local environment** or/and sector context – the likelihood of a risk occurring is greater in a high-risk operating environment: conflict zone, weak governance (policy, procedure, mechanism, etc.), a mismatch between local practices and international human rights and labor standards, higher risk economic sectors breach of human rights/labor cases, records of previous complaints, and media coverages on human rights (UN Guiding Principle 19).

In addition, the report analysis will focus on different types of human rights concerns/risks against the company's existing mitigation & remediation measures and identify areas for improvement of those measures and /or of new development measures

According to the assessment, **three types of human rights risks are identified:**

- **Inherent:** - *(based on the nature of the context when no mitigation measures are in place);*
- **Residual:** - *(level of risks where mitigation measures & control are in place) and*
- **Salient:** - *(high priority areas which still require mitigation actions and without the mitigation actions the salient human rights issues may result in a higher impact to the company)*





## SALIENT HUMAN RIGHTS RISKS

No significant human rights issues affecting different groups of Prosel Ltd's stakeholders were identified in the evaluation out of 30 issues that have been assessed against the risk criteria. The company plans to continue taking proactive measures to mitigate residual risks in 2025.

### Prosel Ltd Employee

- No significant violations were observed

### Suppliers

- No significant violations were observed

### Customers

- Right to information about the grievance mechanism

### Community

- No significant violations were observed

## MITIGATION MEASURES

| STAKEHOLDER | SALIENT HUMAN RIGHT RISKS                          | MITIGATION MEASURES  | MONITORING PERIOD |
|-------------|--|--|-------------------|
| Customers   | Right to information about the grievance mechanism | Communicate widely about the information on existing grievance mechanisms through – online or offline channels | Quarterly         |

## REMEDATION ACTIONS

In 2025, Prosel Ltd is dedicated to upholding the highest standards of human rights for all stakeholders. Should any negative human rights impacts arise from company operations or supply chain, Prosel Ltd will take the following remediation actions:

|                       |  |
|-----------------------|--|
| 1. Immediate Response | <ul style="list-style-type: none"><li>• Quickly address and respond to any reported human rights violations.</li><li>• Provide immediate support to affected individuals and stakeholders.</li></ul> |
| 2. Investigation      | <ul style="list-style-type: none"><li>• Conduct thorough investigations to understand the issue.</li><li>• Use independent experts if needed for unbiased</li></ul>                                  |

|                             |   |
|-----------------------------|---|
|                             | assessments..   |
| 3.Communication             | <ul style="list-style-type: none"> <li>• Keep affected parties informed throughout the process.</li> <li>• Share updates and information with all stakeholders.</li> </ul>                                      |
| 4.Compensation and Support: | <ul style="list-style-type: none"> <li>• Offer fair compensation to those affected.</li> <li>• Provide necessary support services, such as medical care and legal help.</li> </ul>                              |
| 5.Corrective Measures       | <ul style="list-style-type: none"> <li>• Implement actions to prevent similar issues in the future.</li> <li>• Update policies and practices to address any gaps.</li> </ul>                                    |
| 6.Monitoring and Follow-up  | <ul style="list-style-type: none"> <li>• Monitor the effectiveness of remediation actions.</li> <li>• Ensure affected parties have received adequate support and remediation.</li> </ul>                        |
| 7.Stakeholder Engagement    | <ul style="list-style-type: none"> <li>• Engage with communities and stakeholders for their input and feedback.</li> <li>• Collaborate with local organizations to protect and promote human rights.</li> </ul> |

With the robust monitoring system, It is noted that Prosel Ltd has not encountered any instances of human rights violations throughout its operations and value chain in 2024.