



## Human Rights Due Diligence Report 2022-23

Precious Shipping Public  
Company Limited





# Precious Shipping Public Company Limited and its subsidiaries (“the Company”)

## Human Rights Due Diligence Guideline

The Company is dedicated to engaging in business practices that uphold ethical principles and ensure equitable treatment of all stakeholders. For human rights protection, the Company conducts its business in accordance with the relevant domestic & international laws, the United Nations (UN) Guiding Principles on business and human rights, the 10 UN Global Compact Principles, as well as the Core Conventions of the International Labor Organization Declaration on fundamental principles and rights at work.

### Objective

The purpose of this Human Rights Due Diligence (HRDD) report is to identify and assess the potential and actual impact of the Company's activities on human rights. The report is aimed at providing an overview of the Company's human rights performance, identifying risks and opportunities, and outlining measures to address and mitigate any negative impacts.

### Scope & Methodology

The methodology of human rights risks and impact assessment applies to the Company's own operation, contractors, and tier1-suppliers. The Company conducted the HRDD in 2022 and will continue to systematically conduct and review the process every 3 years. The HRDD process was implemented in accordance with international standards, including UN Guiding Principles on business and human rights.

### Definition of Human Rights

Human rights are the basic freedom and protections that all people are entitled to. All human rights are underpinned by the following 4 principles as follows:

- Universal - All people are born with and are entitled to the same human rights, regardless of nationality, place of residence, gender, race, ethnicity, religion, and cultural heritage.
- Inalienable - Human rights should not be taken away or compromised except in specific situations and according to due process.
- Indivisible - All human rights should be equally considered. Civil and political rights are of equal importance to economic, social, and cultural rights.
- Interdependent and interrelated - Human rights are mutually reinforced. The enjoyment of one human right often relies wholly, or in part, on the existence of other human rights. Similarly, the interference of one human right often negatively affects other human rights.



The processes of HRDD are outlined below:



## Human Rights Due Diligence Procedures and Systems

- \* Human Rights Policy: The Company has a human rights policy that outlines its commitment to respecting human rights and preventing and addressing adverse human rights impacts. The policy is communicated to all employees and stakeholders.
  - \* Human rights risk assessment: The Company established a due diligence process that includes assessing the human rights risks associated with its operations, identifying, and mitigating those risks, and monitoring its suppliers and business partners to ensure ongoing compliance with the company's human rights policy.
  - \* The Company engages with stakeholders, including employees, seafarers, and suppliers, to understand their perspectives on human rights risks associated with the company's operations and to identify opportunities for improvement.
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- \* The Company provides training and capacity building to its employees, suppliers, and business partners on human rights and the Company's human rights policy.
  - \* Monitor and report on human rights performance: The Company should monitor its human rights performance and report on its progress to stakeholders on a regular basis.
  - \* Remediation: The Company has a remediation process in place to address any adverse human rights impacts associated with its operations or those of its suppliers and business partners.



## 1. A Statement of Policy Articulating the Company's Commitment to Respect Human Rights

Precious Shipping Public Company Limited and its subsidiaries (the "Company") recognize the significance and necessity of respecting human rights for sustainable operations in business. The Company is committed to conducting business on moral principles to ensure that all stakeholders are fairly treated. For human rights protection, the Company conducts its business in accordance with the relevant domestic & international laws, the United Nations (UN) Guiding Principles on business and human rights, the 10 UN Global Compact Principles, as well as the Core Conventions of the International Labor Organization Declaration on fundamental principles and rights at Work.

The Company has released a human rights policy that strictly adheres to human rights and international labor standards. The policy mandates compliance with human rights requirements not only for the company's own operations but also for its subsidiaries, business partners, and suppliers.

Furthermore, the Company evaluates the sustainability practices of its business partners using a survey that encompasses economic, social, and environmental aspects. This survey also addresses the issue of human rights, with the aim of promoting awareness of key human rights challenges among the Company's business partners.

Additional details regarding the human rights policy can be found [here](#).

## 2. Assessment of actual and potential human rights impacts of Company activities and relationship

A comprehensive evaluation of human rights risks encompasses various participants, such as employees, clients, suppliers, and the local community. The procedures also encompass the gathering and analysis of data regarding a company's activities, evaluating the potential effects on human rights resulting from those activities, and formulating strategies to mitigate any identified risks.



## Human rights issues identified with stakeholders.



**Remark:** The human rights issues are pertinent to the operations and value chain of the Company.

### The processes of human rights due diligence involve the following steps:

#### Step 1: Identifying potential human rights risks and impacts associated with the Company's operation.

> The Company conducts assessments to identify actual human rights risks as well as potential risks that may arise from participation or connection via business partnerships. Internal and external stakeholders across the value chain who may have a direct or indirect impact on the Company's business activities are assessed. The actual and potential human rights issues cover forced labor, human trafficking, child labor, unequal remuneration, discrimination and harassment in any form. Stakeholders and vulnerable groups who are covered in the risk identification process are own employees, women, children, indigenous people, migrant people/workers, third-party contracted labour, local communities, customers, disabled people, LGBTQI+, pregnant women, and elderlies.

#### Step 2: Assessing inherent risks.

- > Conduct an inherent risk assessment of human rights, regardless of the current measures/actions in place.
- > Rank inherent risks based on severity and likelihood levels.

#### Step 3: Identity existing mitigation measures/actions.

- > Identify existing mitigation measures or actions already in place to manage each inherent risk.

#### Step 4: Assessing residual risks.

- > Rank residual risks and prioritize human rights salient issues.

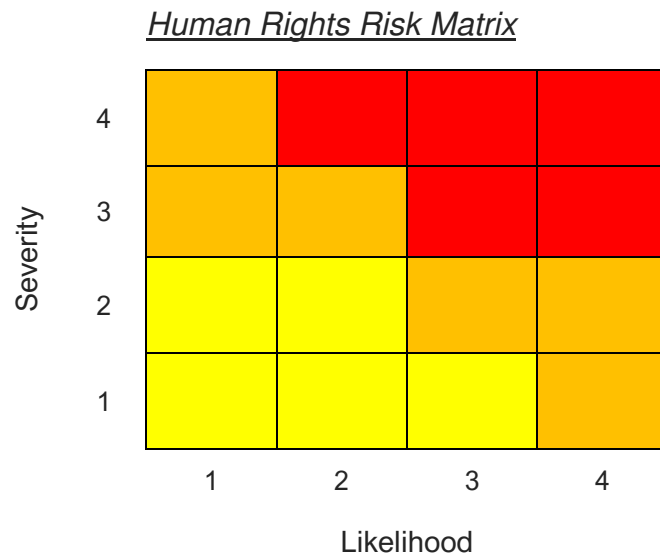


## Human Rights Risk Assessment

In conducting the human rights risk assessment, careful consideration has been given to vulnerable groups, including women, children, migrant laborers, third-party staff, and business partners.

The Company conducted the assessment of human rights risk using a 4x4 matrix to determine the significance of human rights issues on two dimensions: severity and likelihood.

Risks levels are assessed and categorized as High, Medium, or Low.



### Action in each risk level

|        |  |
|--------|--|
| High   | The high-level human rights risks are considered substantial and require additional prevention and mitigation measures.  |
| Medium | Although there is potential for further improvement, the existing prevention and mitigation measures have adequately addressed the medium-level human rights risks. The effectiveness of the measures is regularly monitored by the Company. |
| Low    | Low-level human rights risks that have been effectively reduced to a negligible or insignificant level through existing prevention and mitigation measures, but still need to be regularly monitoring.                                       |

## Human rights risk assessment criteria

**The severity of the identified human rights risks is determined based on the following three characteristics:**

- Scale: How grave the impact is, such as how it affects individual's health and safety or their right to life;
- Scope: How many people will be impacted - for example, impacts on the livelihoods of entire communities or the freedom of association of an entire workforce;
- Irremediable Nature: Whether it will be difficult to put the affected people back in a position that is comparable to what they were in before the impact – for example where religious and cultural heritage of indigenous people has been impacted.

Source: UN Guiding Principles on Business and Human Rights Article 14



**A high-risk operating environment includes locations with the following characteristics, among other, and increases the likelihood of risk occurrence:**

- Conflict zone;
- Weak governance;
- A discrepancy between regional practices and international human rights norms; and
- Legacy issues.

Source: UN Guiding Principles on Business and Human Rights Article 19

## Human rights risk assessment criteria for severity and likelihood

To assess the human rights risks based on the two factors: the severity of the violations and the likelihood of their occurrence. The table below demonstrates how we might utilize these elements to determine various levels of risk.

| Criteria for Severity   |   |   |   |  |
|---|---|---|---|--|
| Severity level  | Low (1)   | Medium (2)  | High (3)  | Critical (4)   |
| <b>Scale</b><br>(seriousness of impact)   | Minor impact on health and safety: first aid case | Slight impact on health and safety: minor injury or illness (no loss of time) | Moderate impact on health and safety: a serious injury that needs rehabilitation (loss of time) | Significant impact to health and safety: physical disability or fatality     |
| <b>Scope</b><br>(how many people will be affected)                                    | No negative impact on stakeholders                | Impact on a few stakeholders in a specific stakeholder group                  | Impact on most stakeholders in a specific stakeholder group                                     | Impact on all stakeholders in the group                                      |
| <b>Irremediable Nature</b><br>(Difficulty to restore the position of people impacted) | Take ≤ 1 year to restore the impact               | Take more than 1 or 3 ≤ 3 years to restore the impact                         | Take more than 3 or 5 ≤ 5 years to restore the impact   | Impossible to restore or will take longer than 5 years to restore the impact |

| Criteria for Likelihood               |   |   |   |  |
|---------------------------------------|---|---|---|--|
| Likelihood level                      | Very unlikely (1)   | Unlikely (2)  | Likely (3)  | Very likely (4)  |
| The frequency of events that occurred | Almost never  | Occurs rarely.  | Occurs very often.  | Occurs all the time.   |
|                                       | Such human rights issues have never arisen in our company operations but have occurred in the industry. | Such human rights issues have happened in the past and occasionally even in the present, depending on how business units are operating. | Such human rights issues have happened in the past and also occurs very often in the present. | Such human rights issues have persisted consistently from the past to the present. |

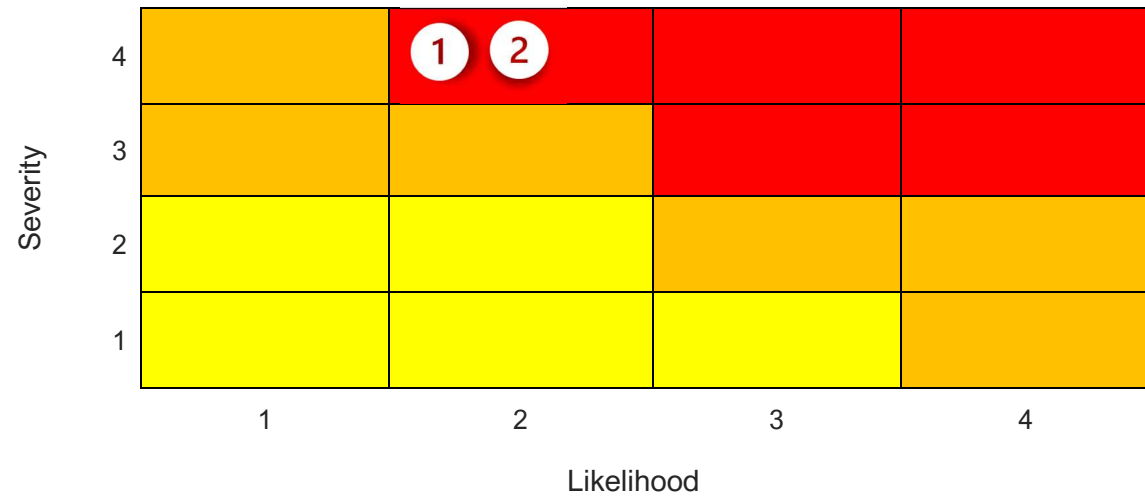


## Results of human rights risk assessment

### Human rights salient issues

**Human rights salient issues for our group:**

1. Health and safety
2. Environment impact - Climate Change



### Performance of human rights risks assessment

| Description  | Own Business Activities and Operations | Contractors & Tier 1 Suppliers |
|--|--|--------------------------------|
| Percentage of human rights risks assessed  | 100%                                   | 100%                           |
| Percentage of human rights salient issues that were identified   | 18%                                    | 0%                             |
| Percentage of salient human rights issues that were resolved through implementation of mitigation measures and remediation process into place. | 100%                                   | 0%                             |





### 3. Integrating and Acting

#### Mitigation actions for salient issues

##### Issue #1) Health and safety of crew members onboard the vessels.

**Potential human rights risk:** Inadequate safety measures, lack of protective equipment, long working hours, and exposure to hazardous substances can jeopardize the health and safety of crew members. This can lead to injuries, illnesses, or even fatalities.

**Scope:** Operations of the Company and its subsidiaries.

**Stakeholders affected:** crew members

##### The mitigation measures for the health and safety of our crew members are as follows:

- **Safety Training:** Provide comprehensive safety training programs to ensure that crew members are well-informed about potential hazards, emergency procedures, and safe operating practices specific to the Company's operations. This can include training in cargo handling, lifting and rigging, personal protective equipment (PPE) usage, and use of firefighting equipment.
- **Training and Awareness:** Employees are also provided with comprehensive awareness programs that cover various aspects of workplace safety, health, and well-being. This includes training on proper equipment usage, emergency procedures, ergonomics, and stress management. Regular awareness campaigns are also conducted to reinforce safe working practices and promote a culture of well-being.
- **Risk Assessments:** Conduct regular risk assessments to identify and evaluate potential safety hazards onboard ships, such as the handling of machinery and equipment, cargo and operational risks. This facilitates the implementation of appropriate preventive measures and controls to minimize risks and maintain a safe working environment.
- **Emergency Response Planning:** Develop and regularly update emergency response plans that outline procedures for various scenarios, including accidents, medical emergencies, fires, and man-overboard incidents. Ensuring crew members are familiar with these plans and conducting drills and exercises to practice emergency response actions.
- **Safety Equipment and Maintenance:** Provide and maintain essential safety equipment and systems on board, including personal protective equipment (PPE), fire detection and suppression systems, lifesaving appliances, and safety signage. Regular inspections and maintenance of these equipment are scheduled to ensure that they are in proper working condition.
- **Fatigue Management:** Implement policies and practices to manage crew fatigue, such as adhering to regulated work and rest hours, establishing proper watchkeeping schedules, and providing facilities for rest and relaxation. Ensuring crew members have sufficient rest helps prevent accidents and maintain alertness during critical operations.



- **Health and Medical Support:** Provide access to adequate medical facilities, equipment, and trained medical personnel on board ships. Conducting regular health checks, promoting hygiene practices, and providing necessary vaccinations to minimize health risks and ensure prompt medical assistance when needed.
- **Reporting and Investigation:** Establish a reporting system where crew members can confidentially report safety concerns, near-miss incidents, and accidents. Conducting thorough investigations into incidents to identify root causes and implementing corrective actions to prevent their recurrence.
- **Safety Culture and Communication:** Promote a safety culture onboard by fostering open communication, encouraging crew members to actively participate in safety discussions, and recognizing and rewarding safety-conscious behavior. Regular safety meetings, toolbox talks, and safety campaigns can help raise awareness and reinforce safety practices.
- **Compliance with Regulations:** Ensure compliance with applicable international and national regulations, industry standards, and codes related to health, safety, and environmental protection. Staying up-to-date with regulatory changes and actively implementing measures to meet or exceed these standards.

## **Issue #2) Climate change issues**

**Potential human rights risk:** The Company's carbon emissions and contribution to climate change may exacerbate the risk of displacement and other human rights impacts on vulnerable communities due to rising sea levels or extreme weather events.

**Scope:** The Company's operations.

**Stakeholders affected:** crew members, customers, community, and vulnerable groups e.g., indigenous peoples.

### **The mitigation measures to protect the environment are as follows:**

- **Environmental Management Systems:** Implement environmental management systems that incorporate policies, procedures, and guidelines for minimizing the environmental impact of shipping operations. This includes establishing clear roles and responsibilities, conducting regular environmental risk assessments, and setting objectives for improvement.
- **Emission Reduction Measures:** Take steps to reduce greenhouse gas emissions and air pollution from ships. This can involve implementing energy-efficient technologies, optimizing vessel speed and smart routing, utilizing low-sulfur fuels, and exploring alternative fuels or propulsion systems with lower emissions.
- **Ballast Water Management:** Implement effective ballast water management practices to prevent the introduction of invasive species into marine ecosystems. This includes complying with international ballast water management regulations, using approved treatment systems, and adhering to proper ballast water exchange procedures.
- **Waste Management:** Develop and implement comprehensive waste management plans to minimize and properly handle different types of waste generated during shipping operations. This includes segregating, recycling, and disposing of waste in accordance with local and international regulations.



- **Fuel Efficiency Measures:** Promote fuel efficiency practices to minimize fuel consumption and reduce the environmental impact of shipping operations. This can include optimizing voyage planning, maintaining vessel hull and propellers, implementing efficient engine and machinery maintenance, and providing crew training on fuel-efficient operation techniques.
- **Collaboration with Stakeholders:** Engage with relevant stakeholders, including local communities, environmental organizations, and regulatory authorities, to foster dialogue, share best practices, and incorporate their input in environmental decision-making processes. This collaboration can help identify and address specific environmental concerns and build trust with stakeholders.
- **Research and Innovation:** Explore innovative solutions and technologies that can further minimize the environmental impact of business. This can include exploring alternative fuels, developing more efficient vessel designs, and adopting advanced pollution prevention technologies.
- **Compliance with Regulations:** Ensure compliance with international and local environmental regulations, including those related to air emissions, ballast water management, waste disposal, and noise pollution. Staying updated on regulatory developments and proactively implementing measures to meet or exceed these requirements.

#### **4. Tracking and Communication**

The Company is committed to upholding human rights for all stakeholders, including vulnerable groups, and to ensuring necessary prevention mitigation and remediation actions are developed to prevent the occurrence of human rights violations and to mitigate adverse human rights impacts that might have been caused directly or indirectly by its business operations.

In 2022, the Company organized a training program on “Gender Equity” in order to educate employees and create awareness about human rights issues.

To monitor and evaluate its existing mitigation measures, the Company employs stakeholder engagement strategies including addressing concerns raised through the grievance mechanism and incorporating feedback into management plans designed to handle impacts effectively. Additionally, the company will take proactive measures by implementing necessary corrective actions to rectify any identified shortcomings and further elevate its performance in safeguarding human rights.

The Company publicly reveals its human rights performance on an annual basis through its sustainability report, annual report, and website.



### **Communication Channels:**

The Company encourages all employees or any other stakeholder to report any form of human rights violation by sending a message to Human Resources Department at [hrd@preciousshipping.com](mailto:hrd@preciousshipping.com) or Mr. Chaipatr Srivisarvacha, Independent Director and Chairman of the Board of Directors, at the following address:

**By mail:** Mr. Chaipatr Srivisarvacha, 217/79 Crystal Garden Condominium, Soi Sukhumvit 4, Sukhumvit Road, Klongtoey, Bangkok 10110 Thailand

**By e-mail:** [chaipatr@capmaxx.co.th](mailto:chaipatr@capmaxx.co.th)

## **5. Remediation and Corrective Actions**

In cases where human rights violations are substantiated, the company takes immediate remedial actions to address the impact on affected individuals or communities. These actions may include providing compensation, implementing corrective measures, facilitating access to justice, or collaborating with relevant authorities to ensure accountability.

The Company regularly evaluates its human rights performance and measures the effectiveness of implemented mitigation and remediation actions. Lessons learned from past incidents and feedback from stakeholders are used to improve policies, procedures, and practices continuously.

As there were no human rights violation cases in 2022, no remedial measures were required or carried out.