



03

03

Driving Business to Sustainability

The Company has set a vision to be a leader in the Decor Surface and Bathroom businesses that sustainably inspires and creates happy spaces with innovations that enhance quality of life.

The Company has set a policy to operate its business in alignment with the sustainable development principles by considering important issues, risks and opportunities for improving work across all organization levels, the short-term and long-term needs and expectations of all stakeholders, as well as the impact on society and the environment. The Company seeks to formulate strategies that enable sustainable growth amidst a dynamic and rapidly evolving situations and create harmonious economy, social, and environment, as follows:

Economic Focus on creating value, responding to the needs and expectations of all stakeholders by increasing the organization's capabilities.

Social Conduct business with integrity, uphold equitable and fair treatment of employees, prioritize the highest standards of workplace safety, embrace social responsibility, and actively contribute to enhancing the quality of life in every community where the Company operates.

Environment Dedicated to safeguarding environmental and climatic conditions, optimizing resource utilization, and sustaining ecological balance.

The sustainable development approach for SCG Decor's business operations, both domestically and internationally, is as follows:

1. Develop innovations, design products, and services that promote health and well-being, reduce greenhouse gas emissions, preserve resource value following circular economy principles, support water conservation, and enhance safety throughout the value chain. This is achieved through a business management principles focused on creating products and services that address customer needs and industry trends. A systematic innovation creation and management process ensures alignment with actual needs and differentiation in products and services. Additionally, SCG Decor collaborates with leading universities and research institutions both domestically and internationally to leverage research networks through the Open Innovation approach, enhancing research and development capabilities to maximize benefits and ensure business sustainability.
2. Enhance and optimize production processes to align with a low-carbon society, prioritizing environmental friendliness and maximum efficiency. This involves adopting advanced production technologies, state-of-the-art machinery, and digital systems to ensure the efficient use of resources and energy. Emphasis is placed on utilizing clean and renewable energy sources, along with implementing measures to control, prevent, and reduce pollution throughout the production process.
3. Develop a robust safety, security, and occupational health management system to ensure that risks in these areas are effectively controlled by well-trained and committed personnel. This approach aims to create an accident-free workplace and prevent work-related illnesses, fostering a safe and secure organizational environment.
4. Implement and oversee business operations in compliance with the compliance management system to ensure strict adherence to applicable laws and key regulations. This commitment enhances trust and reinforces good governance practices within the organization.
5. Engage with local communities surrounding facilities and all stakeholder groups to foster harmonious coexistence. Actively exchange ideas and address issues with genuine concern. Prioritize social development through community projects and environmental awareness campaigns targeting younger generations. Additionally, support sustainable development initiatives involving communities, government agencies, business partners, external organizations, and other interested parties.
6. Respect fundamental human rights and uphold non-discrimination based on physical or mental differences, nationality, ethnicity, religion, gender, language, age, skin color, education, social status, or any other legally recognized characteristic. Conduct all actions with integrity and ethical principles.

Highlight Environment and Social Performance 2024



Environmental Dimension

 <p>CO₂ Reduction</p> <p>Reduced Greenhouse Gases 0.48 ton CO₂ -35% Base Year</p> <p>Installed solar cells to generate electricity 8 MW total of 37.4 MW</p> <p>Utilized Biomass instead of fossil fuels 19%</p> <p>Planted 2,000 trees Absorbed 20,000 ton CO₂ greenhouse gasses per year</p>	 <p>Recycle Material</p> <p>Utilized 8.7% of recycle materials as raw inputs for ceramic tile protection</p> <p>Utilized 27.5% of recycle materials as raw inputs for ceramic sanitary ware</p> <p>Utilized 74.5% of recycle materials as raw inputs for faucets</p>  <p>Environmental Investment</p> <p>Environmental related investments 720 MB</p>	 <p>Sustainable Water Management</p> <p>Proportion of recycled water usage 38.9%</p> <p>Water-saving sanitary ware and faucets reduced customer water usage 35 cubic meters per year</p>  <p>Circular Waste Management</p> <p>Landfilling of production process waste = 0 TON</p> <p>Recycling of process waste 99%</p>	 <p>Green Product</p> <p>Achieved 83% sales of Green products</p> <p>It has received 7 externally certified Eco-friendly labels and is certified by SCG Green Choice in 6 categories</p> <p>Received 35 products certified with Carbon Footprint label</p>
---	--	---	--



บุคคลิก

 <p>Employee welfare and Equity</p> <p>27% female employee proportion</p> <p>Conducted 491 training programs for employees</p> <p>Conducted ethics testing for employees, with a 100% pass rate</p> <p>Human Rights Violation 0 Case</p>	 <p>Safety Culture</p> <p>0 case of employees who became ill due to work-related factors</p> <p>The Lost Time Injury Frequency Rate is 0.226</p> <p>0 case of fatal accident</p>	 <p>Social Responsibility</p> <p>The number of neighboring communities under management is 20 communities.</p> <p>Promoted community occupations 10 projects</p> <p>Donated 3,000 square meters of tiles to individuals affected by natural disasters asters</p> <p>1,335 students received scholarship</p> <p>Promoted local traditions and culture 50 activities</p>
--	--	--

Awards for Sustainable Development

The Company operates its business in line with sustainable development principles, and throughout 2024, has received certifications and awards related to sustainability as follows:



ESG Rating

The ESG Rating is a standard set by the Stock Exchange of Thailand. The Company applied for this rating in 2024 and achieved a score of A, which is considered high. However, continuous development is needed to further enhance the Company's sustainability management practices and elevate its ESG performance.



ISO 14001

Subsidiaries in Thailand and overseas have environmental management according to ISO 14001 international standards, certified by external agencies as follows: 7 factories in Thailand, 6 factories in Vietnam, 1 factory in the Philippines, and 1 factory in Indonesia.



ISO 9001

Subsidiaries in Thailand and overseas have implemented quality management in accordance with ISO 9001 standards, certified by external agencies, as follows: 7 factories in Thailand, 6 factories in Vietnam, 1 factory in the Philippines, and 1 factory in Indonesia.



ISO 45001

Subsidiaries in Thailand and overseas have implemented work safety management in accordance with the ISO 45001 international standard, certified by external agencies, as follows: 7 factories in Thailand, 6 factories in Vietnam, 1 factory in the Philippines, and 1 factory in Indonesia.

Green Industry



Environmental elimination standards of the Ministry of Industry, Thailand. The Company voluntarily participated in the assessment and received the following certifications:

Green industry Level 4, 3 factories

Green industry Level 3, 4 factories



Thailand ECO Factory

In addition to ISO 14001 certification, the Company's subsidiaries in Thailand manage environmental practices in compliance with the ECO Factory standard established by the Federation of Thai Industries. In 2024, 3 factories were certified under this standard.



Carbon Footprint Organization (CFO)

The Company attaches importance to greenhouse gas emissions and has created a Carbon Footprint Organization to be used as a reference for greenhouse gas reduction projects. In 2024, 3 factories have been certified by TGO.



Vietnam Corporate Sustainability Index (CSI)

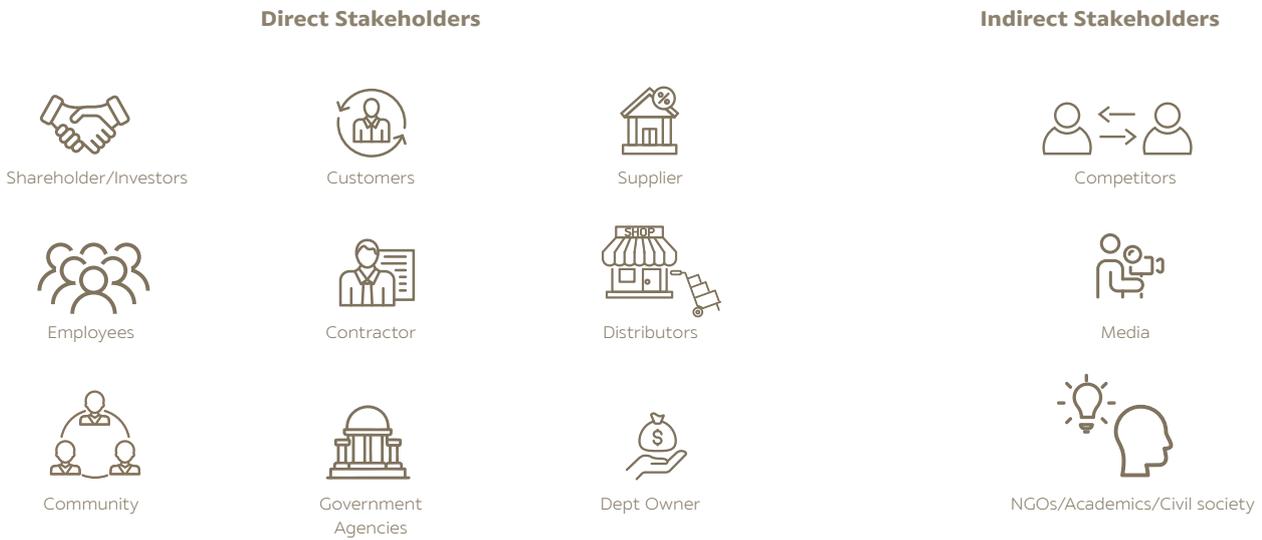
Five companies under Prime Group, namely Prime Tien Phong, Prime Dai Viet, Prime Pho Yen, Prime Yen Binh and Prime Dai Loc, have been awarded the 2024 CSI Award, which is the standard for Sustainable Business in Vietnam. Prime Yen Binh has been ranked in the TOP10 Sustainable Business 2024 in Vietnam, reaffirming Prime Group's position as a leading sustainable company in ASEAN.

3.1 Management of the impact on stakeholders in the business value chain

3.1.1 Business Value Chain

The Company is committed to creating value for its products and services to meet the expectations of its stakeholders and to foster sustainable and stable growth throughout the value chain of the business in which the Company operates. The Company has developed a management and governance system to oversee stakeholders, both directly and indirectly related to the Company. Stakeholder groups have been categorized to encompass all dimensions, both internal and external, considering

participation, operational impacts, and the Company’s broader effects. From the stakeholder analysis, it was found that direct stakeholders include Investor, customers, suppliers, employees, Contractor, distributors, customers, communities surrounding the Company, Dept Owner, government agencies, and indirect stakeholders include competitors, media, NGOs/civil society/academics according to the stakeholder diagram.



3.1.2 Stakeholder analysis in the business value chain

The Company has consistently placed great importance on the treatment of its stakeholders, as reflected in its commitment to conducting business with integrity, upholding social responsibility, and being a good corporate citizen. This is demonstrated through the ethical guidelines followed by employees, the corporate governance principles that serve as a framework for organizational management, and the Company’s practices aimed at achieving sustainable development.

With changing social, environmental and business landscapes, stakeholders are becoming more complex and have higher expectations to be treated fairly and to

participate in the expression of opinions, decision-making and action on matters that affect them, treatment of stakeholders is therefore an increasingly important matter. The Board of Directors has therefore approved a “Stakeholder Treatment Policy” to provide employees with a clear guideline for conducting business by increasing value for shareholders in the long term while considering the benefits shared with other stakeholders of the Company.

The Company has established a policy framework and guidelines for 12 groups of stakeholders to practice for conducting business, creating added value for the organization and sustainable development as follows:

Shareholder / Investors	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> Regularly disclose numerical performance progress to joint ventures and investors to see the direction of continuous development. Generate profits from business operations and create sustainable growth to increase value for shareholders. Manage the organization in accordance with the Company's vision and corporate governance principles with honesty, integrity, caution, and free from personal conflicts of interest to create sustainable returns.
Responding to Stakeholder needs	<ul style="list-style-type: none"> Establish an independent committee to take care of minority shareholders and receive complaints or suggestions from shareholders through channels provided by SCG Decor with easy access. Disclose SCG Decor's important information, financial performance and operating results accurately, completely, timely and transparently to ensure that shareholders are aware of SCG Decor's operating status on a regular basis through channels that shareholders can easily access.
Customers	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> Products and services that meet customer needs in terms of quality and fair pricing. Provide online channels for customers to respond to customer behavior and expectations of receiving good and valuable products and services.
Responding to Stakeholder needs	<ul style="list-style-type: none"> Co-develop products with business customers. Develop partnerships with customers in projects that promote social sustainability. Develop sustainable products, services and solutions and consider the impact on the environment, health and safety at every stage of the operation.
Supplier	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> Comply with the terms and conditions of the contract as specified in the contract and fair conditions. Provide clear regulations on the elimination and implementation of various procedures. Promote the development of capabilities and develop knowledge both in and outside of work of business partners to grow together sustainably.
Responding to Stakeholder needs	<ul style="list-style-type: none"> Regularly visit business partners to exchange ideas, listen to feedback, and address suggestions or areas for improvement. No disclosure of business partner information unless consent has been obtained from the partner. Promote and support business partners to conduct business based on the principles of sustainable development with social and environmental responsibility.
Employees	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> Gain knowledge and develop skills to enhance capabilities in alignment with business changes. Receive fair compensation commensurate with abilities. Be protected in terms of human rights.
Responding to Stakeholder needs	<ul style="list-style-type: none"> Organize the Chief Executive Officer and President's meeting with employees 4 times/year. Organize the executive meeting to update information with employees 4 times/year. Survey on organizational commitment, conducted by an external consulting firm. Create an engagement plan and organize activities to build organizational commitment to encourage employees and promote positive connection to the organization. Share updates and news with employees through various internal communication channels, including email, LINE groups, and the Employee Connect application.

Contractor	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> • Support business partners in developing their knowledge to maximize work efficiency and grow alongside the Company. • Promote awareness and knowledge of environmental, social, and governance (ESG) practices to enhance the operations of business partners, reduce operational risks, and mitigate reputational risks.
Responding to Stakeholder needs	<ul style="list-style-type: none"> • Regularly visit business partners to exchange ideas and gather feedback or suggestions for improvement. • Provide opportunities for business partners to meet with executives and share their perspectives to ensure alignment with set goals. • Share knowledge and updates on emerging trends that may impact business partners' operations. • Enhance the capabilities of transport business partners through annual assessments and development under the Sustainability Program.
Distributors	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> • Collaborate with distributors to promote and support the operations of joint ventures, ensuring their strength and sustainability.
Responding to Stakeholder needs	<ul style="list-style-type: none"> • Support the exchange of ideas and feedback with suppliers, as well as collaborate in reviewing and formulating the business plans for joint ventures to ensure their sustainable development and growth.
Communities	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> • Supervise operations to avoid impacts on communities and the environment. • Use the organization's potential and innovation to help develop and improve the quality of life of communities. • Create occupational stability and income to be self-reliant.
Responding to Stakeholder needs	<ul style="list-style-type: none"> • Take executives and staff to visit communities to listen to opinions, suggestions, and needs of the community. • Provide advice and help develop communities in various dimensions by using the organization's potential. • Foster collaboration between communities, government experts, and relevant parties to create social outcomes.
Government Agencies	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> • Serve as a role model for other organizations in transparent and excellent management. • Collaborate with government agencies and propose best practices to drive sustainable development. • Participate in cooperative projects to achieve the Sustainable Development Goals (SDGs).
Responding to Stakeholder needs	<ul style="list-style-type: none"> • Listen to feedback and suggestions from government agencies. • Participate in providing opinions and recommendations on government regulations and practices. • Foster engagement with government agencies and share best practices for dissemination, such as stair safety using handrails and health management initiatives. • Participate as a committee member or working group with government agencies to propose various regulations.

Dept Owner	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> Strictly and correctly comply with the terms and conditions of all contracts made with all types of creditors.
Responding to Stakeholder needs	<ul style="list-style-type: none"> Repay loans along with interest to all creditors in full and in accordance with the agreed-upon schedule.
Competitors	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> Operate within the framework of fair competition and relevant laws with ethics, transparency, and without exploiting competitors through unlawful means.
Responding to Stakeholder needs	<ul style="list-style-type: none"> Support and promote free trade while avoiding any agreements or practices with competitors that reduce or restrict fair competition in the marketplace.
Media	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> Disclose news and information to the media equally, ensuring accuracy, clarity, and relevance. Provide opportunities for the media to engage and interact closely with senior executives.
Responding to Stakeholder needs	<ul style="list-style-type: none"> Communicate information promptly and appropriately, such as quarterly performance press conferences or business updates. Organize site visits or social activities as opportunities arise. Support media events that benefit society and align with the Company's values. Listen to feedback, suggestions, and areas for improvement.
NGOs, Civil society, academics	
Stakeholders' needs and expectations	<ul style="list-style-type: none"> Conduct business with consideration of the impact on the environment and community, including encouraging civil society, academics and thought leaders to participate in helping to preserve the quality of the environment.
Responding to Stakeholder needs	<ul style="list-style-type: none"> Listen to opinions and suggestions from civil society, academics and thought leaders to develop operations. Collaborate on projects that promote social sustainability. Disclosure and implementation of ESG data at The Possibilities for Inclusive Green Growth and ESG Symposium 2024.



The Possibilities for Inclusive Green Growth 2024



ESG Symposium 2024

3.1.3 Business Sustainability Materiality

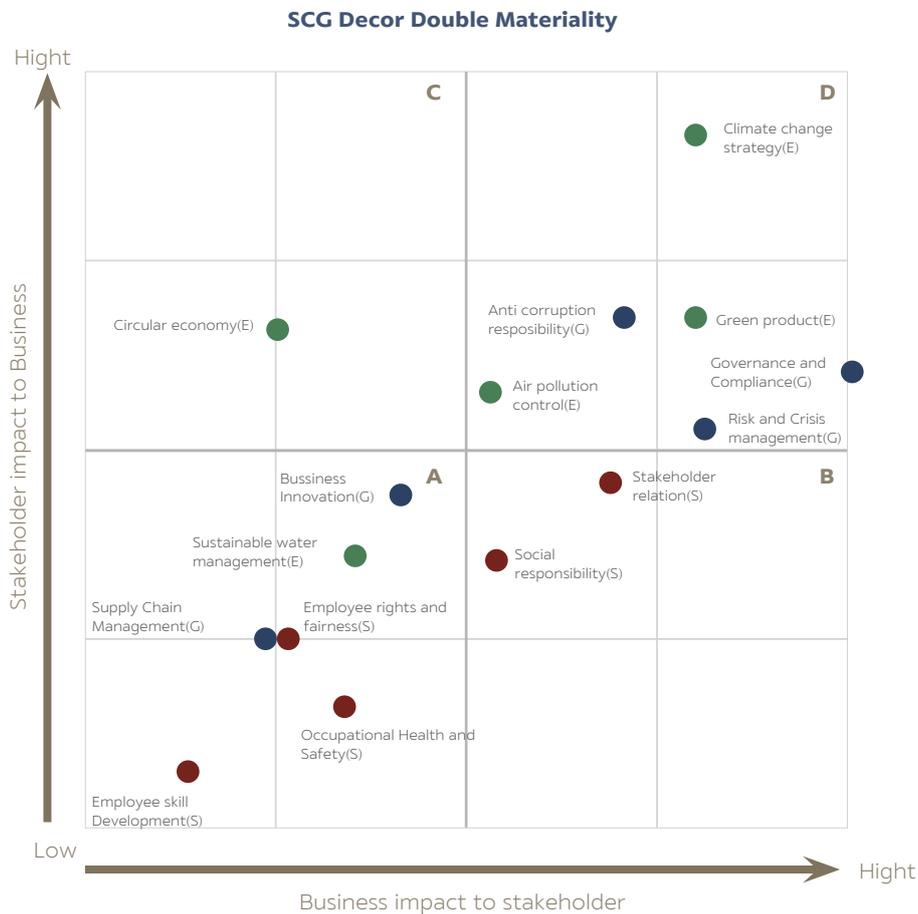
The Company has assessed the material sustainability issues by comparing the impacts according to the Double Materiality principle, considering both the organizational context and the impact or expectations of stakeholders on various issues. This assessment encompasses both the Company’s impact/expectations on stakeholders (Inside-out) and stakeholders’ impact/expectations on the Company (Outside-in). It covers environmental (E), social (S), corporate governance, and economic (G) dimensions.

The Company prioritizes these issues and aligns them with the United Nations Sustainable Development Goals (SDGs). Key issues for the Company are incorporated into its risk management processes and operational plans. Additionally, the Company conducts an annual review of key sustainability issues to ensure relevance and effectiveness.

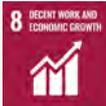
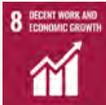
Sustainability Materiality Assessment Process

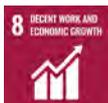
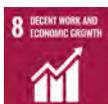


Prioritizing Sustainability Issues



The company has outlined its approach to managing key issues in the annual report under the following sections:

Key Issues	Level of importance	Key stakeholders	Related SDGs	Guidelines for managing key issues
Climate Change Strategy (E)	★★★★★	Government Agencies/ Supplier/Customers/ Communities	 	Details on page 78-81
Governance and Compliance (G)	★★★★★	Government Agencies/ Dept Owner/ Employees/ Customers/ Communities		Details on page 111-148
Green Product (E)	★★★★★	Customers/ Government Agencies/ Competitors/Distributor	 	Details on page 75-78
Anti-Corruption Responsibility (G)	★★★★★	Employees/Customers/ Partners/Government Agencies	 	Details on page 194-197
Risk And Crisis Management (G)	★★★★★	Shareholders/ Customers/ Communities		Details on page 51-62
Air Pollution Control (E)	★★★★★	Communities/ Government Agencies/ Media/NGOs	 	Details on page 84-85
Stakeholder Relation (S)	★★★★★	All Groups		Details on page 68-70
Social Responsibility (S)	★★★★★	Communities/ Employees/Contractor/ Media/NGOs	   	Details on page 91-93

Key Issues	Level of importance	Key stakeholders	Related SDGs	Guidelines for managing key issues
Circular Economy (E)	★★★★	Customers/Partners/ Distributors		Details on page 83-84
Business Innovation (G)	★★★★	Customers/ Competitors		Details on page 104-106
Sustainable Water Management (E)	★★★★	Communities/ Customers/Employees/ Government Agencies/ NGOs	  	Details on page 82
Supply Chain Management (G)	★★★★	Supplier/Distributors/ Customers/Dept Owner	 	Details on page 33-39
Occupational Health and Safety (S)	★★★★	Employees/Contractor /Communities	 	Details on page 89-90
Employee Rights and Fairness (S)	★★★★	Employees/Contractor/ Government Agencies	  	Details on page 130-134
Employee Skill Development (S)	★★★★	Employees/Contractor	 	Details on page 88-89

3.2 Sustainability Management in the Environmental Dimension

3.2.1 Environmental Policies and Guidance

The Company and its subsidiaries, both domestic and international, are committed to becoming regional leaders in sustainable business innovation and development. The Company recognizes the importance of sustainable business growth, including environmental management and climate conditions across the value chain. Environmental management covers key issues from design, procurement, production, services,

distribution, and transportation to waste and post-use product management. Additionally, it extends to business partners, service providers, and other key stakeholders, such as operations without direct management authority, joint ventures, outsourcing, new projects, improvement projects, agreements, and mergers and acquisitions, both domestically and internationally, ensuring eco-friendliness in all business processes.

The Company has established environmental and climate policies that encompass all operations, including manufacturing, business facilitation, and activities within the Company's value chain, as well as among its business partners. These policies address processes from design, procurement, production, services, distribution, logistics, waste management, and post-use product management. The details are as follows:

1. Conduct business in compliance with relevant environmental and climate laws, regulations, and requirements. These align with global issues while considering local matters based on sustainable development practices and other policies of SCG Decor.
2. Operate with a focus on reducing environmental impacts and adapting to climate change, conserving the environment, and sustainably utilizing natural resources, energy, and water. This is achieved through operations that emphasize eco-efficiency and circular economy practices. Efforts include aligning with related agreements, developing low-carbon products and services, achieving zero landfill waste, preventing air pollution, recycling wastewater for maximum benefit, conserving biodiversity and ecosystems, managing the supply chain, sourcing environmentally friendly materials, and offering eco-friendly products, services, and solutions.
3. Establish environmental and climate management systems, with continuous development and regular evaluations integrated into business operations.
4. Assess sustainability issues (Materiality) and implement environmental and climate management, setting key performance indicators and strategies to achieve operational goals.
5. Ensure transparency and accountability by continuously reporting environmental and climate-related operational data, meeting the expectations of stakeholders.
6. Promote knowledge and awareness about environmental and climate management among employees, customers, business partners, and relevant stakeholders.

The Company's environmental strategy and action plan are divided into two key areas:

- Green Product: The Company focuses on developing environmentally friendly products that also enhance customer well-being, categorized into three types: Climate Resilience Product, Circularity Product, and Well-being Product. The Company aims for Green Products to account for more than 80% of total sales by 2030.
- Green Process: The Company has outlined plans to reduce the impact of climate change, targeting a 25% reduction in greenhouse gas emissions by 2030 (compared to 2020 Base year) and achieving "Net Zero GHG Emissions" by 2050. Additionally, the Company has set other environmental goals, including zero landfill waste, managing over 90% of waste through recycling, reducing external water withdrawal by 2% by 2030 (compared to 2022), increasing the use of recycled materials in production to 9% by 2030 (compared to 2022), and ensuring compliance with air pollution regulations.

3.2.2 Environmental Performance

The environmental performance data presented in this report covers operations at all facilities in Thailand, Vietnam, the Philippines, and Indonesia. The Company compiles and records data through various means, such as reading electricity, fuel, and water meters. Additionally, external licensed auditors are hired to measure water and air pollution levels following the legal requirements of the respective countries. All collected data is reported to the Company's central system and verified by external auditors. Key areas are detailed as follows:



3.2.2.1 Development of Environmentally Friendly Products (Green Product)

The development of environmentally friendly products is a critical approach to meeting the needs of both individual and organizational customers. In response to increasing environmental concerns, these products focus on reducing environmental impact, utilizing resources sustainably, and promoting user well-being, alongside delivering quality, aesthetically pleasing, and durable products. The Company's environmentally friendly products are divided into three groups: Climate Resilience Product, Circularity Product, and Well-being Product.

In 2024, the Company achieved 83% of sales from environmentally friendly products (exceeding the target of 74%), with details on product categories in each country as follows:

	The proportion of Green Product sales compared to total sales (%)	
	31 Dec 2023	31 Dec 2024
Decor Surface Business		
Thailand	77%	88%
Vietnam	88%	87%
The Philippines	64%	45%
Indonesia	45%	79%
Bathroom Business		
Thailand	74%	73%
Company Overview	78%	83%



Climate Resilience and Climate Disclosure Products

The Company has plans to develop Climate Resilience products, which are designed to consume less energy and emit lower greenhouse gases throughout their production process. This aligns with the goal of achieving net zero greenhouse gas emissions by 2050. These products can also be certified with the Carbon Footprint Reduction (CFR) label by external organizations. In Thailand, the Thailand Greenhouse Gas Management Organization (TGO) provides this certification. In 2024, the Company is in the process of obtaining CFR certification for 18 product categories in the mosaic tile and porcelain tile groups.



For Climate Disclosure products, the Company focuses on disclosing greenhouse gas emissions throughout the product lifecycle (Carbon Footprint Product: CFP), which is also certified by the TGO. In 2024, the Company is seeking CFP certification for a total of 35 product categories, divided into 20 ceramic tile categories and 15 sanitary ware categories.

Products certified in these two groups cater to the needs of corporate customers aiming to construct environmentally friendly buildings (Green Buildings) and can be used to support certifications from organizations such as LEED and TREE.

Circularity Products

The Company is developing products that reduce the use of natural resources, both in the production process and in customer product usage. Examples include incorporating waste materials as raw materials in the ceramic tile production process and developing water-saving sanitary ware, as follows:



COTTO ECO Collection Tiles

To extend the lifespan of natural resources such as soil, rock, and minerals (Virgin Materials), which are the primary raw materials for ceramic tile production, the Company has developed an innovative process to produce ceramic tiles using up to 80% recycled materials (Recycle Materials) as substitutes for natural resources. This involves utilizing waste from internal processes or other factories in the production process. Additionally, the production formula has been developed to be free from volatile organic compounds (VOCs) and heavy metals. The COTTO ECO Collection tiles cater to environmentally-conscious customers with their unique designs, suitable for both flooring and wall applications.

COTTO SMART Water-Saving Sanitary Ware

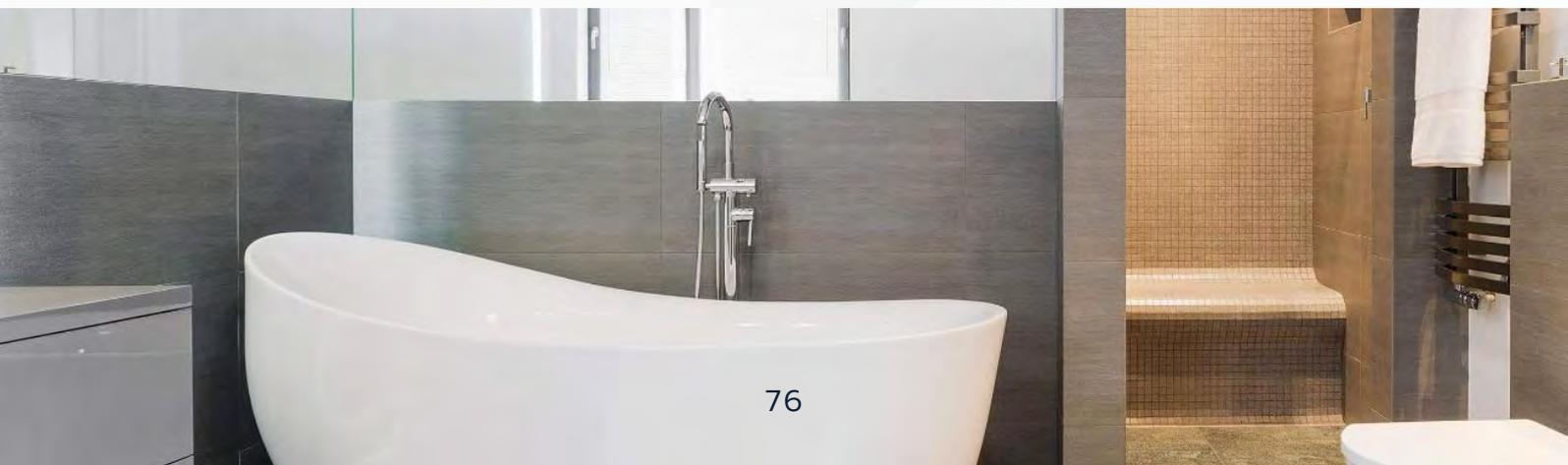
The SMART series of water-saving sanitary ware features water usage rates lower than the 6-liter standard for flushing (industry standard). For example, the Automatic Toilet Model C10207 VERZO utilizes only 3.8 liters per flush, surpassing the industry standard by 36%. It comes with an automatic lid system to prevent the spread of contaminants. The Touchless Toilet Model C105287 Riviera Pro uses 4.8 liters per flush, exceeding the industry standard by 20%. It features a touchless system for added convenience, reducing physical contact. It is also coated with Ultra Clean+, which can reduce bacterial accumulation by up to 99% within 24 hours. These examples represent innovative, hygienic, and eco-friendly solutions that prioritize the well-being of people and the environment. As part of green innovation for sustainability, the water-saving sanitary ware sold in 2024 is expected to help reduce water usage by up to 35 million liters annually.



Automatic Toilet Model
C10207 VERZO 3.8L



Touchless Toilet Model C105287 One
Piece Touchless Toilet, Riviera Pro series





Water-Saving Faucets and Energy-Efficient Production

The CT4916AC automatic faucet is a water-saving product with an average flow rate of 4 liters per minute, which is 33% better than the industrial standard (TIS). It features an automatic sensor system for touchless operation, providing convenience while reducing physical contact. Additionally, it employs Non-Foundry technology in its production, using brass pipes and brass bars instead of brass ingots, eliminating casting processes and reducing production energy consumption by 20%.

Well-Being Product Line

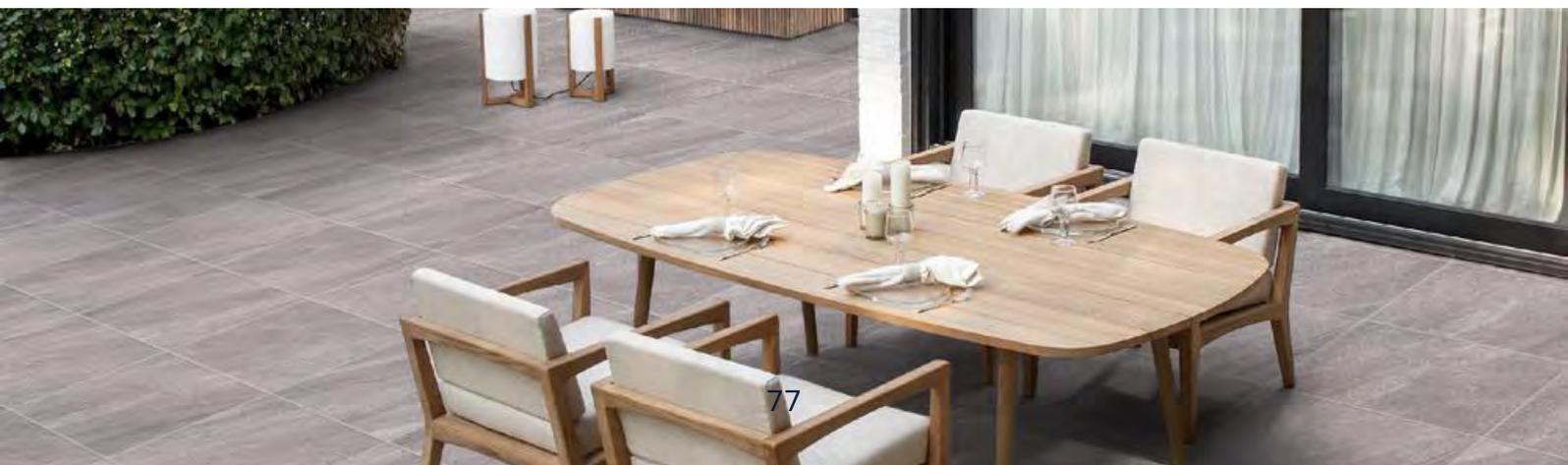
The Company prioritizes enhancing the quality of daily life for users by developing products with functions that continuously meet customer needs, allowing them to live better at home. Key product features include:

Surface Products

- Hygienic Tile: Ceramic tiles coated with special materials that inhibit bacterial growth by over 90%.
- Air-Ion Tile: Ceramic tiles that release ions capable of trapping dust, reducing PM2.5 particles by 89% within 30 minutes, improving air quality indoors.
- Low VOCs Tile: Tiles and surface products that do not release chemical vapors, enhancing indoor air quality.
- Anti-Slip Tile: Rough-surface tiles designed to prevent slips, ideal for use in bathrooms, kitchens, and elderly-friendly spaces.

Sanitary Ware

- Ultra Clean Plus: Sanitary ware with a special coating that inhibits 99% of bacterial growth within 24 hours.
- Touchless: Sanitary ware equipped with waving sensors and automatic water sensors, reducing surface contact.



Environmentally friendly products developed by the Company are certified by global standards such as SCG Green Choice, Carbon Footprint Product, CE-CFP, Circular Mark, Thailand’s Green Label, Green Label Indonesia, Floor Score, and the Metropolitan Waterworks Authority’s water-saving label. The Company is committed to continually developing environmentally friendly products and those that enhance customer well-being, fostering a society that coexists sustainably with the environment.

3.2.2.2 Energy and Greenhouse Gas Management

The Company has set a target to reduce greenhouse gas emissions by 25% by 2030 (compared to 2020) and aims to achieve “Net Zero GHG Emission” by 2050. To achieve these goals, the Company has implemented renewable energy solutions, such as installing solar cells to generate electricity from solar energy and using biomass fuel in various production processes as a substitute for fossil fuels such as coal, natural gas, and diesel. Additionally, the Company has improved its production processes to enhance energy efficiency.

The Company utilizes electricity and heat energy in its production processes, with the primary electricity supply in each country sourced from government-operated power plants, and the primary heat energy derived from the combustion of coal, natural gas, and diesel used in trucks, forklifts, and other equipment, which are fossil fuels. To transition away from fossil fuel dependence, the Company has started to adopt clean energy alternatives, such as solar energy and biomass energy. Results of these efforts include ceramic tile production plants in Thailand (4 plants), Vietnam (6 plants), Indonesia (1 plant), and the Philippines (1 plant), as well as sanitary ware production plants in Thailand (3 plants), as follows:

	Total Energy Consumption (GJ)		Electricity Consumption (GJ)		Thermal Energy Consumption (GJ)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
Decor Surface Business						
Thailand	4,786,828	4,372,097	587,417	555,892	4,199,412	3,816,205
Vietnam	6,094,305	5,506,445	540,167	497,376	5,554,138	5,009,069
The Philippines	1,105,460	982,792	117,505	102,712	987,955	880,080
Indonesia	1,441,526	1,209,101	143,413	125,039	1,298,112	1,084,062
Bathroom Business						
Thailand	552,530	567,306	110,723	110,018	441,806	457,288
Company Overview	13,977,561	12,637,741	1,496,184	1,391,037	12,481,377	11,246,704

	Specific Energy Consumption (GJ/ton of product)		Specific Electrical Consumption (GJ/ton of product)		Specific Thermal Consumption (GJ/ton of product)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
Decor Surface Business						
Thailand	5.07	4.91	0.62	0.62	4.45	4.29
Vietnam	4.94	5.17	0.44	0.47	4.50	4.70
The Philippines	6.51	7.07	0.69	0.74	5.82	6.33
Indonesia	5.64	5.97	0.56	0.62	5.08	5.36
Bathroom Business						
Thailand	18.51	21.30	3.71	4.13	14.80	17.17
Company Overview	5.31	5.44	0.57	0.60	4.74	4.84

The Company has continuously implemented and utilized solar panel systems for electricity generation, aiming to increase the proportion of solar energy usage to 15% by 2030. In 2024, solar panels with a capacity of 8 MW were installed, accounting for 10% of the total electricity demand. The details are outlined in the following table.

	Size of installed solar panels (MW)		Proportion of electricity usage from solar energy (%)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
Decor Surface Business				
Thailand	16.0	16.0	7.9%	15.8%
Vietnam	2.0	6.8	1.0%	1.5%
The Philippines	1.6	4.8	21.2%	20.2%
Indonesia	2.1	2.1	4.2%	5.0%
Bathroom Business				
Thailand	7.7	7.7	16.8%	35.7%
Company Overview	29.4	37.4	5.9%	10.2%

For thermal energy usage, the Company has undertaken machinery improvements to support the use of biomass fuel, which produces zero greenhouse gas emissions, replacing coal and natural gas. By 2030, the goal is to increase the use of biomass fuel to 50%. In 2024, two Biomass HAG units were installed and commissioned, increasing the proportion of biomass energy usage to 20% of the total thermal energy demand, with details as shown in the table below.

	Proportion of biomass energy usage (%)		Thermal energy produced from biomass fuel (GJ)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
Decor Surface Business				
Thailand	2.9%	10.3%	75,436	272,024
Vietnam	27.4%	27.6%	1,331,130	1,385,718
The Philippines	48.0%	65.5%	575,039	576,651
Indonesia	-	-	-	-
Bathroom Business				
Thailand	-	-	-	-
Company Overview	16.5%	20.0%	1,981,605	2,234,393

In addition, the Company has improved the energy efficiency of its machinery by replacing the wall insulation material with nanoceramic boards, which help reduce heat loss during the firing of tiles. Furthermore, residual hot air is recycled for drying the tiles, which helps save energy and reduce greenhouse gas emissions. This process has been implemented in all factories, with details as per the table below.

	Energy savings from the machinery efficiency improvement project (GJ)		Greenhouse gas reduction (tons of CO ₂ equivalent per year)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
Decor Surface Business				
Thailand	77,678	94,168	4,480	7,592
Vietnam	19,676	22,302	6,323	7,141
The Philippines	-	3,213	-	203
Indonesia	4,326	3,354	671	183
Bathroom Business				
Thailand	150	286	21	35
Company Overview	101,830	123,323	11,495	15,154

In addition, the Company has compiled data on the volume of greenhouse gas emissions in the production process according to SCG's guidelines across all three scopes, which include:

1. Direct greenhouse gas emissions from operations, activities, or machinery controlled by the Company, primarily from the combustion of fossil fuels (GHG Emissions Scope 1).
2. Indirect greenhouse gas emissions from the purchase of electricity and hot air for use in company activities, primarily from the purchase of electricity from external sources (GHG Emissions Scope 2).
3. Indirect greenhouse gas emissions from other activities outside the Company (GHG Emissions Scope 3), covering the following categories:
 - Category 1: Purchase Goods and Services
 - Category 2: Capital Goods
 - Category 3: Fuel and Energy Related Activities
 - Category 4: Upstream Transportation and Distribution
 - Category 5: Waste Generated In Operation
 - Category 6: Business Travel
 - Category 7: Employee Commuting
 - Category 8: Downstream Transportation and Distribution
 - Category 9: Process of Sold Products
 - Category 10: Use of Sold Products
 - Category 11: End of Life Treatment of Sold Products

In 2024, the Company emitted a total of 0.87 million tons of carbon dioxide from Scope 1 and Scope 2 emissions (from a plan of 1.18 million tons of CO₂), a reduction of 26.2% from the plan and a 35% reduction from the baseline year (2020). Additionally, the Company has collected greenhouse gas emission data from Scope 3, which includes data from four ceramic tile production plants in Thailand, six plants in Vietnam, one in Indonesia, one in the Philippines, and three sanitary ware manufacturing plants in Thailand, with details as per the table below.

	Greenhouse Gas Emissions Scope 1 (tons of CO ₂ equivalent)		Greenhouse Gas Emissions Scope 2 (tons of CO ₂ equivalent)		Greenhouse Gas Emissions Scope 3 (tons of CO ₂ equivalent)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
Decor Surface Business						
Thailand	219,940	186,654	85,217	75,251	208,926	220,765
Vietnam	369,804	357,613	129,413	92,511	405,653	142,712
The Philippines	26,251	19,309	17,355	14,195	143,524	19,044
Indonesia	75,580	62,752	34,588	29,903	54,133	50,493
Bathroom Business						
Thailand	25,089	25,944	12,483	10,504	53,721	56,765
Company Overview	716,659	652,272	278,272	222,364	865,817	489,779

In addition, the Company monitors greenhouse gas emissions per unit of product. Currently, data is tracked and reported specifically for Scope 1 and Scope 2 emissions, with details as shown in the table below.

	Specific Greenhouse Gas Emissions Scope 1 and 2 (kg CO ₂ equivalent per ton of product)		Specific Greenhouse Gas Emissions Scope 1 (kg CO ₂ equivalent per ton of product)		Specific Greenhouse Gas Emissions Scope 2 (kg CO ₂ equivalent per ton of product)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
Decor Surface Business						
Thailand	323	293	233	210	90	83
Vietnam	448	424	343	335	105	89
The Philippines	257	241	155	139	102	102
Indonesia	481	476	332	330	149	146
Bathroom Business						
Thailand	1,258	1,368	840	974	418	394
Company Overview	410	394	290	280	120	114

Examples of Greenhouse Gas Reduction Projects Implemented in 2024



The Biomass Hot Air Generator Project at Nong Khae 1 and Nong Khae 2 plants reduced greenhouse gas emissions by 11,000 tons of CO₂ equivalent per year.



The installation of solar panels in Thailand, Vietnam, and the Philippines, with a combined capacity of 8 MW, reduced greenhouse gas emissions by 10,000 tons of CO₂ equivalent per year.

3.2.2.3 Water Resource Management

The current climate change situation has resulted in uncertainty regarding the volume of water available each year. Therefore, the Company places significant importance on water management by identifying it as one of the business risks, both in terms of quantity and quality. The Company has a water production system and a wastewater treatment system to improve water quality, ensuring it meets production requirements and complies with legal standards. Additionally, the Company has established backup water sources to mitigate the impact of droughts. The Company has also improved its production processes and the use of recycled water, aiming to minimize wastewater discharge to external environments and increase the efficiency of water resource usage. The goal is to reduce water usage per unit of product by 2% by 2030 (based on 2022 data). Furthermore, the Company is continuously developing the capabilities of personnel managing water resources, with the following outcomes:

	Backup Raw Water Source (million cubic meters)		Amount of Water Withdrawn from External Sources for Production (million cubic meters)		Water Usage per Unit of Production (cubic meters per ton of product)	
	31 Dec2023	31 Dec2024	31 Dec2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
Decor Surface Business						
Thailand	1.3	1.3	1,332,052	1,421,149	1.41	1.60
Vietnam	0.7	0.7	638,689	603,233	0.52	0.57
The Philippines	0.3	0.3	349,762	253,543	2.06	1.82
Indonesia	0.1	0.1	249,123	190,503	0.97	0.94
Bathroom Business						
Thailand	0.1	0.1	128,403	106,827	4.30	4.01
Company Overview	2.5	2.5	2,695,952	2,575,255	1.02	1.11

	Proportion of Surface Water and Tap Water Usage (%)		Proportion of Groundwater Usage (%)		Proportion of Recycled Water Usage (%)	
	31 Dec2023	31 Dec2024	31 Dec2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
Decor Surface Business						
Thailand	34.1%	58.8%	14.3%	1.7%	51.7%	39.5%
Vietnam	47.3%	79.2%	3.9%	8.5%	48.8%	12.3%
The Philippines	0.0%	0.0%	58.0%	64.9%	42.0%	35.1%
Indonesia	35.3%	50.6%	21.4%	12.9%	43.3%	36.5%
Bathroom Business						
Thailand	54.6%	23.0%	0.0%	0.0%	45.4%	77.0%
Company Overview	41.0%	51.8%	10.1%	9.3%	48.8%	38.9%

3.2.2.4 Utilizing Renewable Resources and Waste Management

The suitable resources for producing ceramic tiles are limited and may be depleted in the future. The Company has adopted the Circular Economy (CE) concept to maximize resource circulation and minimize the use of new resources, ensuring efficient resource utilization, reducing the volume of waste, and adding value by reusing waste. For waste that are externally disposed, the Company has established a committee to inspect and communicate with external operators, ensuring proper handling in compliance with the standard. The Company also promotes separation of unused materials to facilitate proper management for each type of material. Additionally, the Company aims to increase the proportion of using recycled materials to 9% of total raw materials by 2030 (compared to 2022). The performance results are as follows:

	Recycled materials replacing Virgin materials (tons)		Proportion of recycled materials used as raw materials (%)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
Decor Surface Business				
Thailand	106,573	132,984	10.0%	13.6%
Vietnam	49,151	49,988	3.9%	4.7%
The Philippines	26,141	15,187	13.2%	10.8%
Indonesia	10,701	12,913	4.4%	5.0%
Bathroom Business				
Thailand	58,993	15,210	26.2%	28.9%
Company Overview	229,784	226,283	8.2%	9.1%

The Company has implemented a policy for production waste management with Zero Process Waste Landfill method, both in Thailand and abroad. The goal is to maintain a recycling rate of over 90% of production waste generated annually. The performance results are as follows:

	Hazardous waste from production (tons)		Hazardous waste per unit of production (kg/ton of product)		Non-hazardous waste from production (tons)		Non-hazardous waste per unit of production (kg/ton of product)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
Decor Surface Business								
Thailand	238	493	0.25	0.55	4,616	4,716	4.89	5.30
Vietnam	1,090	84	0.88	0.08	27,923	20,634	22.64	19.35
The Philippines	33	19	0.20	0.14	502	332	2.95	2.39
Indonesia	17	13	0.07	0.06	375	331	1.47	1.64
Bathroom Business								
Thailand	583	485	19.54	18.22	18,439	15,962	617.55	599.27
Company Overview	1,962	1,095	0.75	0.47	51,855	41,974	19.69	18.06

	Total waste from production (tons)		Total waste per unit of production (kg/ton of product)		Proportion of recycled waste (%)		Proportion of landfilled waste (%)	
	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024
Decor Surface Business								
Thailand	4,854	5,208	5.14	5.85	96.8%	95.8%	-	-
Vietnam	29,013	20,718	23.52	19.43	99.7%	98.9%	-	-
The Philippines	535	351	3.15	2.53	100.0%	100.0%	-	-
Indonesia	392	344	1.53	1.70	100.0%	100.0%	-	-
Bathroom Business								
Thailand	19,022	16,447	637.09	617.49	99.8%	99.8%	-	-
Company Overview	53,817	43,069	20.44	18.53	99.5%	98.9%	-	-

3.2.2.5 Air Pollution Control

In the production of ceramic tiles and sanitary ware, air pollutants are emitted, such as dust from the clay powder production, storing process for transportation, and fuel combustion, as well as the tile firing process releases Nitrogen Oxides (NOx) and Sulfur Oxides (SOx). The Company has established management guidelines to prevent and reduce pollutants from production processes and has implemented air quality monitoring plans at emission stacks to prevent impacts on surrounding communities and the environment.

The Company aims to control air emissions from all production processes to remain within the legal standards of each country. Management strategies have been established, such as benchmarking the efficiency of air pollution emissions per ton of product for Total Suspended Particles (TSP), Nitrogen Oxides (NOx), and Sulfur Oxides (SOx), measured in grams per ton of product (g/Ton). The performance results are as follows:

Thailand

Air Pollution	Unit	Result	Standard
Total Suspended Particles (TSP)	Milligrams per cubic meter of air	35	320
Nitrogen Oxides (NOx)	Parts per million (ppm)	11.2	200
Sulfur Oxides (SOx)	Parts per million (ppm)	6.6	60

Vietnam

Air Pollution	Unit	Result	Standard
Total Suspended Particles (TSP)	Milligrams per cubic meter of air	125.0	200
Nitrogen Oxides (NOx)	Parts per million (ppm)	29.1	191
Sulfur Oxides (SOx)	Parts per million (ppm)	16.0	452

The Philippines

Air Pollution	Unit	Result	Standard
Total Suspended Particles (TSP)	Milligrams per cubic meter of air	53.4	150
Nitrogen Oxides (NOx)	Parts per million (ppm)	137.2	532
Sulfur Oxides (SOx)	Parts per million (ppm)	43.2	573

Indonesia

Air Pollution	Unit	Result	Standard
Total Suspended Particles (TSP)	Milligrams per cubic meter of air	55.6	150
Nitrogen Oxides (NOx)	Parts per million (ppm)	21.4	319
Sulfur Oxides (SOx)	Parts per million (ppm)	4.6	152

To mitigate annual PM2.5 pollution, the Company has introduced additional measures beyond standard operations.

Measures	Frequency
<p>Production Process</p> <ul style="list-style-type: none"> • Ensure that dust collection systems of Wet Scrubber and Dust Collectors at raw material loading points are operational. • Conduct additional stack air quality monitoring. • Measure respirable dust and total dust in the area. • Installing water curtains and dust barriers when PM2.5 levels are high. 	Annually as the monitoring and maintenance plan
<p>Factory Area</p> <ul style="list-style-type: none"> • Use vacuum trucks/road sweepers around and within the factory. • Replace diesel forklifts with EV models. • Equipping employees with hand-held detectors when PM2.5 levels are high. 	Every day, twice a day
<p>Transportation</p> <ul style="list-style-type: none"> • Ensure transport vehicles are in good condition and emit no black smoke. • Cover transport vehicles with tarpaulins from the start to the factory. • Use shuttle buses for employees instead of personal vehicles. • Increase the amount of Fleet cars and NGV cars for product deliveries in Bangkok and metropolitan areas. 	Every day when PM2.5 levels are high
<p>Other activities</p> <ul style="list-style-type: none"> • Distribute N95 dust masks (PPE) to employees and relevant business partners. • Gather feedback or complaints from the community. • Prohibit burning in the factory area and ask employees' families to refrain from burning waste and crops (rice field and sugarcane farm) 	Every day when PM2.5 levels are high

3.2.2.6 Preservation Nature and Environment

The Company is committed to conduct the business as well as preserve and restore the environment to maintain biodiversity and a balanced ecosystem. The Company has initiated tree planting and reforestation in degraded areas to increase green spaces that absorb carbon dioxide, mitigating the effects of climate change, in collaboration with communities, government agencies, and educational institutions. Results are as follows:

	Number of trees planted (units)	Carbon dioxide absorption (tons of CO ₂)
	31 December 2024	31 December 2024
Thailand	1,000	10,000
Vietnam	500	5,000
The Philippines	500	5,000
Indonesia	-	-
Company Overview	2,000	2,000

Furthermore, the Company collaborated with the Nakhon Ratchasima Land Development Station and Nakhon Ratchasima Rajabhat University to research and develop soil conditioners from gypsum waste produced by the factory. In 2023-2024, the Company provided 400 tons of gypsum to improve saline soil across 800 rai in Dan Khun Thot District, Nakhon Ratchasima. Previously unproductive land was transformed into rice fields which generates income for the local community.

The activity of planting trees to increase green spaces and help reduce greenhouse gases.



The support of using surplus gypsum from the production process to rehabilitate saline soil areas.



The area before adding gypsum was unable to be cultivated.



The addition of soil amendment materials to saline soil areas.



The area after adding gypsum can now grow rice and has seen an increase in yield.

3.3 Sustainability Management in Social Aspect

3.3.1 Social Policy

The Company respects human rights and promotes equality, conducting business ethically with all stakeholders while maintaining a strong commitment to social responsibility. The Company supports activities aimed at improving quality of life and fostering the well-being of communities and society where it operates. Additionally, the Company encourages employees and stakeholders to actively contribute as responsible citizens benefiting the community and society.

3.3.1.1 Respect of Human Rights

The Company and its subsidiaries, both domestically and internationally, are committed to conducting business ethically, upholding social responsibility, and addressing the interests of all stakeholders in line with corporate governance and SCG Decor's Code of Conduct. In the area of human rights protection, the Company and its subsidiaries strictly comply with laws and international standards, particularly supporting and adhering to the United Nations Global Compact (UNGC) and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The Company is dedicated to implementing its Code of Conduct and various human rights policies to ensure SCG Decor's business operations are free from human rights violations. Hence, the Board of Directors has established human rights policies and guidelines to prevent violations across all SCG Decor business activities (Direct Activity), including suppliers, contractors in the business value chain, and joint ventures.

3.3.1.2 Fairness of Employees Treatment

The Company values employees as key contributors to its success and is committed to fair treatment, respecting human rights and employees' needs, and fostering positive relationships. The Company also promotes continuous skill development, career growth, and job security while ensuring fair recruitment and employment. Employees' rights and freedoms are safeguarded and encourages freedom of expression of employees' opinions.

A structured system for complaints and whistleblowing is implemented to report misconduct under the Company's Code of Conduct, with policies to protect employees from punitive actions. Comprehensive training is provided across all levels to align with responsibilities, and healthy work-life balance are encouraged in the Company.

3.3.1.3 Anti-Corruption Measures

The Company is committed to ethical business practices, adhering to social responsibility and stakeholder interests in line with good corporate governance principles, the Company's Code of Conduct, and policies and practices to groups of stakeholders. The Board of Directors has also established a written "Anti-Corruption Policy" to provide clear guidelines for business operations, promote sustainable development, and ensure the Company has robust policies outlining responsibilities, practices, and measures to prevent corruption in all business activities. This policy also ensures careful consideration and business decisions that may involve corruption risks.

3.3.1.4 Diversity Management and Individual Differences Acceptance

The Company recognizes the importance of human rights for all individuals, treating everyone equally and without discrimination. The Company is committed to ethical business practices, as outlined in SCG Decor's Human Rights Policy, which emphasizes respect for diversity and acceptance of individual differences. The Board, management, and employees at all levels of SCG Decor recognizes and upholds diversity and inclusion, treating everyone equally and respecting differences within the organization and society. This commitment aligns with SCG policies, national laws, and international treaties. The Company fosters a culture that exemplifies respect for diversity and inclusion, rejecting all forms of discrimination or inequity. It also promotes and supports ethical business practices among suppliers, contractors in business value chain, and joint ventures, encouraging them to adopt and adhere to this policy in their operations.

3.3.1.5 Community and Social Development Collaboration

The Company encourages participation from communities, society, and all stakeholders in its activities and projects, welcoming feedback, suggestions, or complaints arising from SCG Decor's operations. The goal is to sustainably coexist between industry and communities, focusing on the sustainable development of society, communities, and the environment by supporting and assisting society and communities near operational areas. Additionally, the Company implements measures to protect the environment and ensure safety in nearby communities. This includes managing waste from production processes and general use, as well as controlling contaminants released into the environment.

Advanced technology and continuous monitoring are adopted to minimize environmental impact. The Company also supports initiatives aimed at developing youth potential, particularly in science and technology education, while teaching moral and ethical values. These efforts aim to nurture responsible and capable individuals with a strong sense of social and environmental responsibility.

3.3.2 Social Performance Results

3.3.2.1 Performance in Employee and Workforce Development

- **Long-Term Employee Care**

The Company is committed to long-term employee care by offering a provident fund under the Provident Fund Act B.E.2530 of the Ministry of Finance. Employees who are fund members contribute 2% to 5% of their monthly salary, while the Company matches contributions at rates of 5% to 10% of their salary to ensure financial security after retirement. The Company's contribution is based on the employee's tenure. Additionally, the Company also promotes many long-term benefits, such as providing post-retirement medical allowances, pre-retirement preparation programs covering health, financial management, investment planning, and career development, and supporting employee clubs and activities, such as financial and investment club, running club, soccer club, and cycling club.

- **Employee Training and Development**

The Company regularly conducts training programs to enhance employees' knowledge and skills, ensuring they adapt to the organization's evolving needs. Using the 70:20:10 development model, the focus extends beyond classroom training to include Action Learning and Coaching & Consulting. E-learning methods have also been introduced, offering the following programs:

Functional Training Program

The program covers topics such as ceramic tile production standards and quality control (Basic Ceramic) and includes knowledge sharing from each department. This ensures standard and effective knowledge transferred to on-site employees.

Leadership Development Program

The program promotes learning in management skills to help employees become effective leaders and work collaboratively, including change management for leaders to handle business operations and set positive examples in line with company guidelines, such as:

- On Boarding for New Manager: Focused on developing newly appointed managers.
- Business Concept Development (BCD): Designed to provide business operation knowledge for supervisors with over 6 years of experience.
- Management Development Program (MDP): Focused on management skills for employees at all managerial levels with 10 years of experience.
- Senior Management Conference (SMC): Focused on management skills for senior executives.

Skills Development with Integrated Business Excellence (IBE) Program

A system is implemented to enhance problem-solving skills and improve work processes, preparing employees to adapt to changes. Training programs focus on developing skills in the following areas:

- Feedback & Coaching: Skills for giving and receiving feedback and effective coaching techniques.
- Performance Dialogue: Principles for using visual boards, team meetings, and problem-solving.
- Inspirational Leadership: Skills to communicate vision, develop leadership accountability, and translate vision into action.
- Courageous Conversation: Techniques for effective communication, particularly in critical and challenging discussions.
- Delegation & Empowerment: Principles of prioritization, task delegation, and decision-making authority.

Safety Competency Program

A training program designed for employees that is related to this course. The program is divided into mandatory legal compliance training, role-specific risk-based training, and policy or management system training. These programs ensure employees work efficiently and safely, aligned with the Company's objectives.

Problem Solving Skill Program

A program for operational employees and supervisors to enhance understanding of problem-solving processes, focusing on applying statistical tools and fostering systematic analytical thinking to address various scenarios effectively.

Design Thinking Program

A program designed to foster creativity in developing new approaches and processes to effectively meet current customer needs.

Digital Tools Program

A program introducing digital tools to enhance work efficiency and speed, such as Power BI, RPA, and Office 365.

English Skills Program

A program to enhance employees' English skills, improving communication with customers and stakeholders for more effective collaboration.

DAP and DCP Programs (Risk management for managers)

A program to strengthen capabilities in risk assessment, organizational risk management, and business continuity planning, ensuring the organization can operate effectively during crises.

Risk Assessment (A refresher course)

The Company has adopted ISO 9001, 14001, and 45001 standards for factory management, requiring annual business risk assessments. To ensure effective risk evaluation and mitigation, training sessions are held to refresh knowledge and methods for risk assessment.

3.3.2.2 Performance in Safety, Hygiene, and Workplace Environment

The Company is committed to adopting SCG Safety Framework for occupational health and safety, both domestically and internationally. Emphasis is placed on identifying risky employee behaviors and fostering operational discipline, which are key contributors to accidents causing injuries or fatalities and work stoppages. The Company also adapts to global trends and evolving business practices while prioritizing risk management systems for safety, by encouraging all companies and partners to implement measures to prevent and reduce health and safety risks in the workplace environment, aligning with SCG Decor's safety objectives.

Strategy

- Enhancing the implementation of Occupational Health and safety management standards and Life-Saving Rules in operational and transport areas, both domestically and internationally.
- Promoting proactive risk identification and management to cultivate a safety culture across the organization.
- Promoting safety leadership among employees and business while raising awareness to demonstrate safe behaviors in the organization.
- Implementing the Safety Performance Management System (PMS) to translate safety policies into concrete actions and set shared targets for safety performance evaluation.

Management

- The Occupational Health and Safety Committee and the Travel and Transportation Safety Committee establish policies, strategies, short-term, medium-term, and long-term plans, goals, and KPIs. They oversee, monitor, and evaluate implementation progress to achieve targets while analyzing outcomes for continuous improvement.
- Establishing a system for regular self-audits to drive continuous self-correction, improvement, and development within the organization (Ownership & Continuous Improvement).

Goal	2023	2024
Zero fatalities among employees and partners	Employee 0 person Operational partner 0 person Transport partner 0 person	Employee 0 person Operational partner 0 person Transport partner 0 person
Zero work-related injury rate resulting in lost workdays among employees and partners (person/1,000,000 working hours)	Employee 0.127 Partner 0 Total 0.09	Employee 0.188 Partner 0.307 Total 0.226
Zero work-related illness and disease rate among employees and partners (person/1,000,000 working hours)	Employee 0 Partner 0	Employee 0 Partner 0

Workplace Safety and Health

The Company encourages all domestic and international companies to conduct self-assessment of safety performance through the Safety Performance Assessment Program (SPAP). During the operation the safety standards for factories are required to achieve workplace safety, as well as monitoring compliance is also required, based on comprehensive risk assessments covering employees and partners. Measures are implemented to mitigate and reduce risks effectively. The risk assessment results show that minimal risk is at 39%, acceptable risk is at 36%, moderate risk is at 25%, and high and unacceptable risk is at 0%. Although no high or unacceptable risks were identified, SCG Decor conducts regular risk reviews and continues to manage moderate risks. The top 3 moderate-risk tasks include electrical work, forklift operations, and machinery handling. These risks are addressed using the Hierarchy of Control, starting with hazard elimination and ending with using personal protective equipment (PPE) as a last resort. In 2024, the Company achieved its goal of zero fatalities at its facilities.

In workplace health management, a Health Screening System has been established in collaboration with occupational medicine specialists. The process includes reviewing annual health checkup records, medical expense claims, infirmary visits, health questionnaires, and self-health declarations. These data are used to assess health risk levels and provide care tailored to the assessed risk.

Transportation Safety

To achieve the goal of zero fatalities from transportation and vehicle use, the Company has implemented the Goods Transportation and Road Safety Standards to oversee transportation and vehicle operations. Key measures include training drivers to enhance driving skills, conducting pre-driving readiness checks, and utilizing GPS systems and dash cameras to monitor and improve driving behavior. In 2024, the Company successfully achieved its target of zero fatalities from transportation and vehicle use.



3.3.2.3 Performance in Social Responsibility and Collaboration

1. Education

- Happy and Fun Children’s Day 2024: SCG Ceramics, in collaboration with Siam Sanitary Ware, organized Children’s Day activities for 5 schools near the factor with 700 children attending from Wat Nong Pling School, Wat Nong Sadao School, Wat Ban Mai School, Wat Rat Charoen School, and Wat Nong Ang Thong School. The event aimed to foster physical, emotional, social, and intellectual development while encouraging children to aspire to be good citizens for society and the nation.



- COTTO Scholarship for Children: SCG Ceramics, in collaboration with Siam Sanitary Ware, provided books, educational supplies, and sports equipment to schools around the factory, including Wat Nong Pling School, Wat Nong Sadao School, Wat Ban Mai School, Wat Rat Charoen School, and Wat Nong Ang Thong School. This initiative aimed to ensure students have sufficient learning tools.



- Bottle exchange for Eggs Activity: SCG Ceramics, in collaboration with Siam Sanitary Ware, organized a waste segregation initiative in local communities. Students collected bottles from home to exchange for eggs. The collected bottles were donated to schools for resale, with the proceeds used to enhance student learning opportunities.
- Kok Volunteers – Children’s Day 2024: Siam Sanitary Fittings organized activities to donate educational and sports equipment to local youth. The event included games and prize giveaways for children attending the Children’s Day celebration at the Naklang Subdistrict Administrative Organization, Nakhon Ratchasima Province.
- Kindergarten Classroom Renovation Project: Siam Sanitary Fittings donated 39,350 THB to renovate and build classrooms for kindergarten students at Nonkha Wittaya School, Nonkha Subdistrict, Non Sung District, Nakhon Ratchasima Province.
- Safety Program: Teaching Juniors: Siam Sanitary Fittings conducted training and demonstrations on the proper use of fire extinguishers for students and educators to raise awareness about accident prevention at Nonkha Wittaya School and Chaturakarm Samakki School in Sung Noen District, Nakhon Ratchasima Province.
- Scholarship for Employees’ Children: The Company organized scholarship exams to award educational grants to employees’ children, covering primary, secondary, vocational, advanced vocational, and bachelor’s degree levels.
- New School Opening and Scholarship Program in Vietnam: Prime Group organized the Opening Ceremony of the new school to provide scholarships to underprivileged students from schools near the factory.

2. Community Development

- Food and Supplies Donation for the Underprivileged and Patients: SCG Ceramics, in collaboration with Siam Sanitary Ware, donated food, essentials, and medical supplies to underprivileged individuals and bedridden patients in Khok Yae Subdistrict, Nong Khae District, Saraburi Province. The initiative aimed to improve their quality of life by providing balanced nutrition, beverages, medications, and daily living necessities.
- Sanitary Ware Donation: Siam Sanitary Ware donated sanitary ware to temples, schools, government offices, meditation centers, and shelters in Saraburi Province. The donations replaced damaged items and increased awareness of COTTO products in the area.
- Support the Center for Blind and Disabilities (Baan Ruensuk): SCG Ceramics, in collaboration with Siam Sanitary Ware, donated essential items needed by the center, including financial support for utilities and consumables, to ensure continuous assistance for individuals with disabilities.
- Household Waste Management Program: SCG Ceramics promoted waste segregation awareness and integrated community waste management in collaboration with Nong Pling Health Promoting Hospital. Training sessions on household waste segregation were conducted for 9 villages in Nong Pling Subdistrict, Nong Khae District, Saraburi Province.
- Cycling Tourism and Community Service: Siam Sanitary Fittings organized a cycling tour in Sung Noen District, coupled with a community service activity to clean the grounds of Wat Kutjik in Sung Noen District, Nakhon Ratchasima Province.
- Darunphiwat Project by Kok Volunteers: Siam Sanitary Fittings donated sanitary ware to Naklang School and Nonkha School to address issues of old, damaged and insufficient school bathrooms for the students.
- Donation for Victims of Yagi Typhoon: Prime Group donated a total of 310 million Vietnamese dong to assist victims of Super Typhoon Yagi in Vinh Phuc, Thai Nguyen, Tuyen Quang, and Vinh Yen provinces.
- Tile Donation for Persons with Disabilities: Prime Group donated 361 square meters of tiles to the Red Cross organization in Binh Xuyen Province, Vietnam, to support the construction of suitable housing for individuals with disabilities.
- Tile Donation for Community and Government: KIA donated 1,000 square meters of tiles to communities and government agencies in Karawang Province, Indonesia, to repair homes for the underprivileged and renovate damaged government buildings.



3. Community Healthcare

- Blood Donation Program: The Company, in collaboration with the Thai Red Cross Society, set up blood donation booths at various factories to ensure an adequate blood supply for patients in urgent need of medical treatment.
- Drinking Water Station in Local Health Promoting Hospital: SCG Ceramics established a clean drinking water station at Nong Pling Health Promoting Hospital, Nong Khae District, Saraburi Province, to provide convenience for visitors.
- Football Match for Community near Factory: The Company organized football matches between factory teams and surrounding communities to promote health among employees and community members while fostering positive relationships.

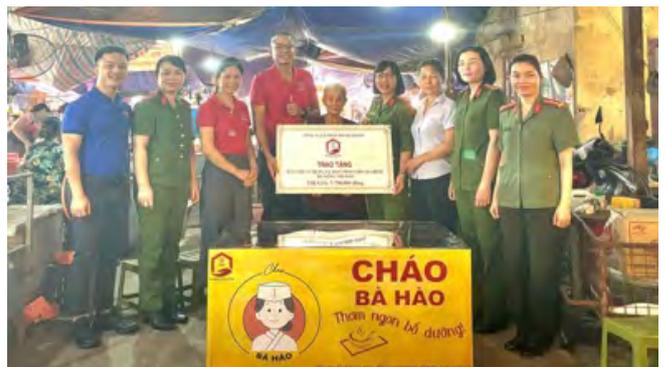


4. Local Traditions and Cultures

- Buddhist Activity: The Company organized religious events such as community Kathina ceremonies, Royal Kathina offerings, and food offerings during Buddhist Lent to support and preserve Buddhist traditions.
- Sanitary Ware for Happiness at Hua Plee Market: Siam Sanitary Ware provided sanitary ware for building toilets at Hua Plee OTOP Village Life Market in Saraburi. The initiative supports local traditions through the promotion of village lifestyles and OTOP products which is a community knowledge.
- Mid-Autumn Festival: Prime Dai Loc promoted the annual Mid-Autumn Festival in Phoung Trung Village to preserve and sustain local traditions.

5. Career Support & Creating Income for the Community

- Local Market: Chim Shop Chai: Siam Sanitary Ware opened its factory to local vendors, allowing them to sell products to employees and business partners. This initiative created a marketplace to promote community products from 6 districts, generating income of 360,000 baht for local communities.
- Prime Dream Come True: Prime Group, in collaboration with local government agencies, identified and supported underprivileged individuals in Vinh Phuc Province by providing tools to help them start a career and earn. In 2024, 2 persons were supported: one received a cart for selling goods, and the other received a set of tables and chairs for a restaurant business, totaling 26 million Vietnamese dong.

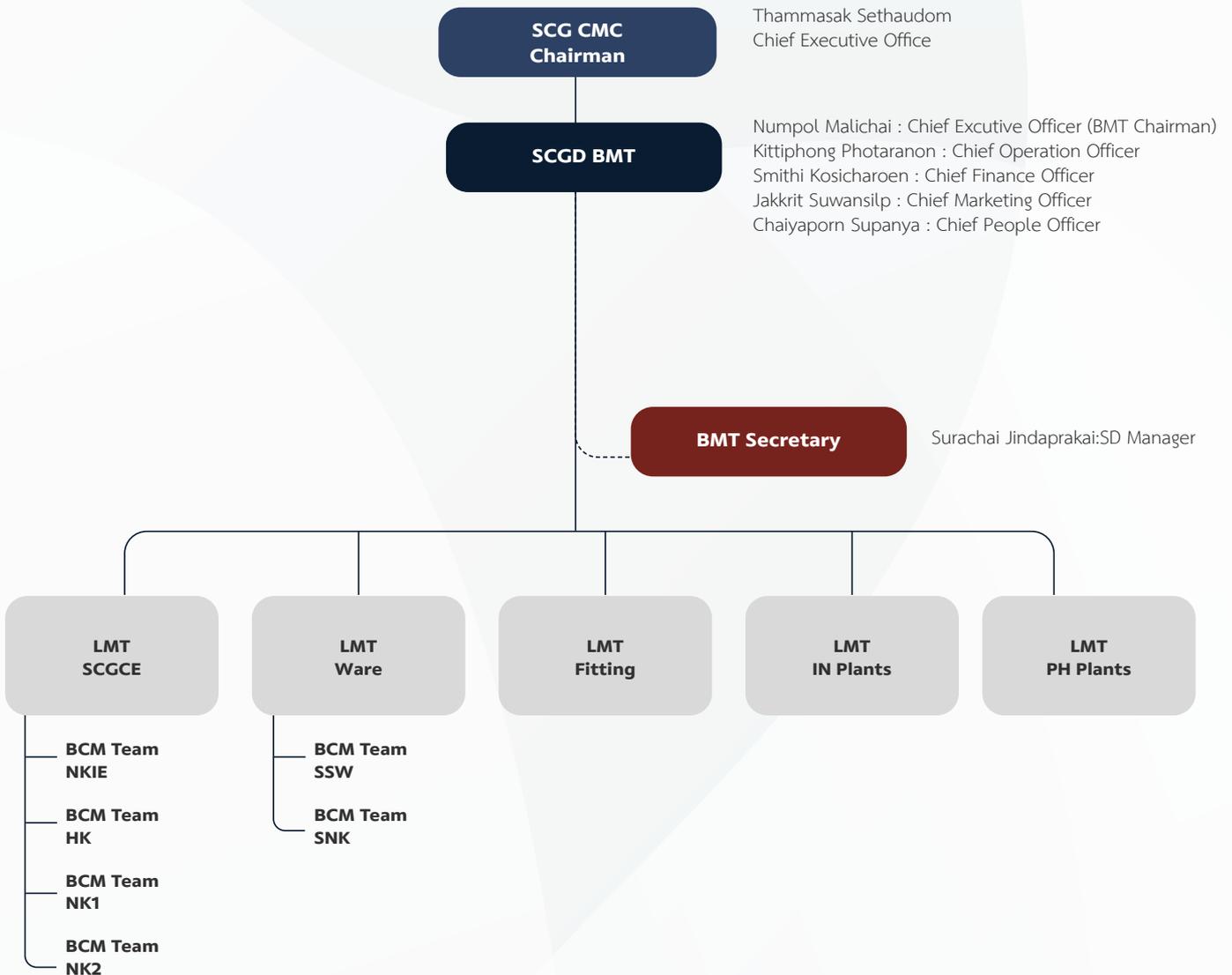


3.4 Business Continuity Management

The Company recognizes the importance of operations and has implemented a business continuity management system and plan to identify threats and mitigate business impacts. This enhances organizational flexibility and resilience to threats, protecting stakeholder interests, the Company’s reputation, and its image. The Business Continuity Plan (BCP) is then implemented and it provides a framework for assigned employee to maintain uninterrupted operations during crises. It includes guidelines and methods for managing disruptions to production and delivery processes effectively. However, the Business Continuity Plan (BCP) covers scenarios where disruptions prevent SCG Decor Public Company Limited from maintaining normal business operations; high-risk threats such as fire, flooding, gas explosions, and other potential incidents. In such cases, the BCP provides procedures to ensure that SCG Decor’s core activities such as production, product delivery, and other services can continue at a level.

The structure of the Business Continuity Management team includes the following:

SCG Decor Business Continuity Management Structural



3.5 Sustainability Data Verification

The Company hired SGS (Thailand) Co., Ltd. to verify its 2024 sustainability data, certifying the following performance indicators:

1. Total energy consumed
2. Total greenhouse gas emissions scope 1,2,3
3. Total external water and recycled water
4. Total waste water
5. Waste water quality
6. Total emissions of Nitrogen Oxides, Sulfur Oxides, particulate matter, and air pollutants
7. Total waste in categories and management
8. Waste management
9. Number and rate of fatal work-related injuries, severe work-related injuries, work-related injuries that caused lost-time, recorded injuries, total work hours
10. Number of fatal occupational illnesses, and rate of recorded work-related illnesses
11. Ratio of base salary, total compensation, and gender pay gap between female and male employees
12. Key issues in sustainable development
13. Number of tier-1 business partners, cost with tier-1 business partners, number of indirect business partners
14. Number of risk-assessed business partners, significant business partners, proactively evaluated business partners
15. Number of business partners with corrective action plans and number of partners who completed it



ASSURANCE STATEMENT

SGS (THAILAND) LIMITED'S REPORT ON SUSTAINABILITY ACTIVITIES IN SCG DECOR PUBLIC COMPANY LIMITED'S FOR 2024

NATURE OF THE ASSURANCE/VERIFICATION

SGS (Thailand) Limited (hereinafter referred to as SGS) was commissioned by SCG Decor Public Company Limited (hereinafter referred to as SCG Decor (SCGD)) to conduct an independent assurance of SCG Decor (SCGD) Sustainability Report 2024 and the Sustainability Report webpage (hereinafter referred to as the Sustainability Report) the year ended December 31, 2024 in accordance with the reporting criteria.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all SCG Decor (SCGD)'s Stakeholders.

RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the directors or governing body (as applicable) and the management of SCG Decor (SCGD). SGS has not been involved in the preparation of any of the material included in the Report. Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all SCG Decor (SCGD)'s stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognised assurance guidance and standards. Assurance has been conducted at a limited level of level of scrutiny.

The assurance of this report has been conducted according to the following Assurance Standards:

- ISAE 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information
- ISAE 3410, Assurance Engagements on Greenhouse Gas Statements

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

- GRI Standards 2021 (in Accordance with)
- WBCSD/WRI Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard
- Sustainability Accounting Standards Board (SASB)

SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE

SCG's Sustainability Report are adequately in line with the Sustainability Reporting Standard and fulfills all the required content and quality criteria for the identified aspects listed as below;

- a) Environmental dimension performance indicators expressed numerically or in descriptive text
 - o Energy consumption (petajoules)
 - o Greenhouse gas emissions scope 1 & 2 & 3 (tons CO₂ equivalent)
 - o Water withdrawal (million cubic meters) and recycled water (million cubic meters)
 - o Water discharge (million cubic meters)
 - o Water discharge by quality (BOD, COD and TSS (tons))
 - o Oxides of Nitrogen (NO_x), Oxides of Sulfur (SO_x), dust and other significant air emissions
 - o Production and raw materials (thousand tons)
 - o Total weight of waste by type and disposal method (tons)
 - o Waste management (waste generated, waste diverted from disposal, waste directed to disposal) (tons)
- b) Social dimension performance indicators or in descriptive text
 - o Number and rate of fatality work-related Injury, high-consequence work-related Injury, lost time injury, recordable work-related Injury and number of hours worked
 - o Number of fatality work-related occupational illness & disease and occupational illness & disease frequency rate and number of hours worked
 - o Ratio of the basic salary and remuneration of women to men and gender pay gap
- c) Governance dimension performance indicators or in descriptive text
 - o Business ethics assessment
 - o Double materiality assessment
 - o Number of Tier-1 supplier, significant supplier in Tier-1, spend on significant supplier in Tier-1 and significant supplier in non Tier-1

- Number of supplier assessed assessment, significant supplier assessed and supplier assessed with substantial actual/potential negative impact
- Number of suppliers in corrective action plan implementation and supplier assessed with substantial actual/potential negative impact supported in corrective action plan implementation

ASSURANCE METHODOLOGY

SGS's assurance engagements are carried out in accordance with assurance procedure.

The assurance comprised a combination of

- SCG Decor (SCGD)'s Management interviews, including the Sustainable Development team with responsibility for performance in the areas within scope
- Interview with data owners &/or managers responsible for internal data collection and reporting databases
- Document review of relevant systems, policies, and procedures where available
- Understanding, analysing and sample testing the key data collection, aggregation, validation and reporting systems, processes, procedures, and controls
- Sampling evidence to confirm the reliability of the selected reporting standards, selected SOSUCO Ceramic Co., Ltd. for onsite visit

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process. Note here any other specific limitations for the assurance engagement and actions taken to mitigate those limitation. Some statements and data within the scope were not assured due to lack of accessible records during the timescale allowed for assurance, and these are clearly marked throughout the Report.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from SCG Decor (SCGD), being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 9001, ISO 14001, ISO 45001, ISO 50001, ISO 14064-1, ISO 14067, ISO 26000, WFP, SA 8000 and experience on the SRA Assurance service provisions.

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria. For future reporting, more descriptions of SCG Decor (SCGD) and subsidiaries' involvement with reconsidering data collection tool and establish mechanism for internal audit on the data performance and should maintain the system in place.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

Signed:

For and on behalf of SGS (Thailand) Limited



Montree Tangtermsirikul

General Manager

238 TRR Tower, 19th-21st Floor, Naradhiwas Rajanagarindra Road, Chong Nonsi, Yannawa, Bangkok 10120, Thailand

19 February 2025

WWW.SGS.COM