

## Corporate governance Policy

### SCG Decor Public Company Limited

The Board of Directors participating in the 200th meeting (4/2022) on December 1, 2022, approved the corporate governance policy for the first time. Later, at the 1st meeting of the Board of Directors in 2023 on June 9, 2023, it was resolved to endorse the continuous use of the policy when the company is converted to a public limited company.

#### Definition

SCG Decor means "SCG Decor Company Limited (Public)" and its subsidiaries as consolidated financial statements.

SCG Decor recognizes the importance of human resources as the most valuable asset in driving business. Therefore, it has a policy to manage human resources with ethics and confidence in the value of people. Additionally, it aims to ensure that the organization has suitable human resources, both in terms of quantity and skills, to cope with rapidly changing business situations. The policies for managing human resources are as follows:

#### 1. Recruitment and care for employees with diversity, goodness, and abilities:

- SCG Decor opens opportunities, promotes, and attracts diverse personnel from various backgrounds such as ethnicity, religion, gender, age, generation, culture, attitudes, values, knowledge, skills, experience, and necessary job characteristics into the fair and ethical selection and recruitment processes. The selection process adheres to competency-based principles, with diverse talents among the employee group being a key factor in the selection.
- SCG Decor utilizes a committee system for interviewing and selecting employees, comprising individuals with knowledge and experience from various fields. For those who pass the selection process, SCG Decor considers providing appropriate compensation, benefits, and welfare.

#### 2. Managing Compensation and Benefits Fairly

SCG Decor upholds the principle of fairness in managing employee wages and compensation, both in the short and long term. Therefore, policies are established to consider internal fairness based on individual responsibilities and capabilities of employees. External fairness is also assessed through benchmarking against companies in the same industry to enhance equal opportunities for livelihood and improve the quality of life for employees and their families.

#### 3. Performance Excellence Management

SCG Decor has implemented a Performance Management System to drive the organization, which is a system that links core business metrics, the missions of each department, and individual Key Performance Indicators (KPIs). Additionally, it emphasizes behaviours that support collaboration to ensure that employees from diverse units work together towards SCG Decor's goals and contribute to advancing the organization.

**4. Employee Development**

Employees at all levels are encouraged to continuously learn and develop themselves, both in terms of current job knowledge and skills, and to prepare themselves for future opportunities. This includes development in management skills and leadership qualities, aligning job roles with competencies in practice. There are also methods and development plans in place to help achieve goals and guide employee development comprehensively in a 70:20:10 format.

**5. Succession Planning for Business Advancement**

SCG Decor focuses on developing knowledge, skills, and diverse experiences for high-potential employees (Key Talent) selected based on abilities and job performance. A systematic development plan is in place where employees rotate through units that drive business strategies and participate in significant projects to prepare for future high-level managerial positions. Simultaneously, SCG Decor conducts succession planning for strategic positions to ensure a continuous pipeline of capable and qualified employees ready to assume managerial and critical roles. This proactive approach ensures SCG Decor is prepared to support new business directions effectively.

**6. Development of Human Resource Management Systems in Other Areas**

SCG Decor has a direction to care for and enhance the quality of life in the workplace, including communication of information and news, along with open channels for employees to provide feedback through Employee Engagement Surveys. These surveys utilize concepts, methods, and tools aligned with leading global companies to analyze employee engagement with the organization. The results are then used to consider adjustments and improvements to the human resource management system to develop the organization to international standards. Additionally, SCG Decor continues to promote and support employee involvement in company activities and social responsibility initiatives.

This policy shall be effective and enforced starting from June 9, 2023, onwards.