

## Policy and Guidelines on Stakeholder Treatment

### SCG Decor Public Company Limited

The Board of Directors Meeting of SCG Decor Public Company Limited (“the Company”) No. 200 (4/2022) held on December 1, 2022, resolved to approve the first Stakeholder Treatment Policy, and the Board Meeting No. 1/2023 held on June 9, 2023, subsequently endorsed the continuous enforcement of the Policy upon the conversion of the Company into a public limited company.

#### Definition

“SCG Decor” refers to SCG Decor Public Company Limited and its subsidiaries according to the consolidated financial statements.

SCG Decor has always paid close attention to the engagement of stakeholders. This is evident from the corporate philosophy of engaging in business based on morality and responsibility to society as well as being a good citizen, implementing the code of conduct as a basis of work of all employees, employing the good corporate governance as a principle of management and exercising the sustainable development of SCG Decor.

Along with the changing of the society, environment, and business conditions, groups of stakeholders are more complicated and carry higher expectations of fair treatment and demand participation in the expression of opinions, process of decision-making, and governance of affected issues. The engagement of stakeholders is thus more important than ever. The meeting of the Board of Directors has thus resolved to issue the Stakeholder Engagement Policy as a clear guideline for SCG Decor’s employees in conducting business so as to offer shareholders long-term value added as well as more concerns over the benefits of stakeholders of SCG Decor.

#### Definition of Stakeholders

Stakeholders are persons or groups of persons who are directly or indirectly affected by a business operation of SCG Decor, as well as those who may have interests in a business operation of SCG Decor, or abilities to influence over the outcomes of a business operation of SCG Decor such as customers, employees, communities, shareholders, business partners, government agencies, intellectual leaders, etc.

## Stakeholder Engagement Policy

SCG Decor is committed to acting as a good citizen of society, especially in every community where SCG Decor has business operations. It honors the rights of stakeholders and treats them fairly, listens to their opinions and concerns, builds understanding with stakeholders, encourages co-operation constructively in matters that interest stakeholders, and takes part in developing society and environment so that SCG Decor continues developing its business sustainably.

### Guidelines for the Engagement of Stakeholders

#### **1. Determining, Identifying, and Analyzing Stakeholders**

Clearly determine, identify, and categorize stakeholders taking into consideration the connection with each business unit in order to be able to analyze the risks and impacts, direct or indirect, incurred to each group of stakeholders comprehensively and clearly by bearing in mind that each group of stakeholders has its own set of perspectives and expectations. Different strategies and priorities of implementation need to be formulated for each respective group.

Determine material sustainable development issues that affect decision making, operations, and operational effectiveness of SCG Decor or stakeholders. In the formulation of business strategy formulation, identify the relationships and materiality of issues to SCG Decor and stakeholders.

Develop stakeholder maps to identify stakeholders and relevant parties in SCG Decor and to understand the perspective of stakeholders, potential impacts, and expectations of each stakeholder group. These stakeholder maps will be used in designing means of responding to the needs of stakeholders as well as appropriate strategies and communication methods that will sustainably influence the operation of SCG Decor.

Good relations with stakeholders should be initiated from the very beginning, that is, from the planning stage, so that plans can be adjusted, or work procedures can be revised on time.

#### **2. Adopting Communication Strategies**

Closely communicate and persistently build understanding with stakeholders in order to gain correct perception and lead to good relationship with and trust from stakeholders by adopting particular communication strategies, methods, formats, channels, and procedures suitable to each group of stakeholders, situation, duration, and local culture. This may be determined by the degree of damage, or the possible impact incurred from negligence or inaction.

### 3. Disclosing Information

Disclose information accurately, explicitly, transparently, and comprehensively in order to assure that the stakeholders received sufficient, consistent, and timely information. For example, the disclosure of useful information should be done at the appropriate time, stated the real purpose of information and assured that there is a transparent process of reporting information to stakeholders. However, in disclosing information, one should consider a factor of appropriateness and follow SCG Decor's Disclosure Policy.

### 4. Encouraging Participation

Encourage stakeholders to participate in matters that affect them; provide channels for receiving suggestions, problems, and complaints from stakeholders; give priority; welcome opinions and exchange views (Stakeholder Dialogue) constructively in order to perceive ideas, expectations, and needs of stakeholders. In doing the Stakeholder Dialogue, one must recognize that differences of stakeholders may affect the opinions, e.g. age, gender, education, experience, attitudes, etc. Moreover, one should provide preliminary information prior to discussion, report outcomes of the discussion, disseminate reports to participants, and collect information systematically. SCG Decor should also consider participating in giving opinions and identifying problems or obstacles to those having roles in regulating rules and orders which could pose an impact to the business operation of SCG Decor.

### 5. Managing risks related to stakeholder engagement

Anticipate, identify, and prioritize risks related to stakeholder engagement in order to prepare plans to handle and manage potential risks from a constructive exchange of opinions with shareholders. Risks that should be considered include reluctance to participate, fatigue, dissatisfaction with SCG Decor's responses, presence of reserved stakeholders among those who prefer to share their opinions, presence stakeholders who intentionally obstruct an exchange of opinions, presence of stakeholders who have not received information, presence of stakeholders who do not have leverage, technical problems, and conflicts among stakeholder groups.

### 6. Reviewing and reporting

Inspect and assess stakeholder engagement systematically to continuously enhance stakeholder engagement; develop action plans; foster cooperation between stakeholders and related parties in SCG Decor, track the cooperation development process, and report to stakeholders.

In addition, SCG Decor must also disclose the overall results of its stakeholder engagement to the public, including obtained results, impact, and operation scopes, as well as demonstrate the relations between benefits from stakeholder engagement and SCG Decor's operations.

### The Duty of the Management

The duty of the management is to ensure efficient and effective stakeholder engagement operations in accordance

with the policy by providing suitable resources, such as allocating budgets and assigning knowledgeable, skilled, and sufficient person-in-charges, and by putting in place systems for taking suggestions from stakeholders, compiling information, monitoring progress, and conducting assessment. Information on stakeholder engagement will be integrated into the Company's corporate governance, strategies, and management at every level to create acceptance and develop sustainable business practices across the organization.

### SCG Decor's Policies and Practices towards Stakeholders

SCG Decor has established policies and practices for 12 groups of stakeholders as guidelines for its business operations, added value creation, and sustainable development, as detailed below.

#### **7. Policies and Practices towards Stakeholders**

SCG Decor places great importance on its shareholders. Accordingly, the Board of Directors, the executives and the employees of SCG Decor are committed to carrying out business in line with the principles of good corporate governance and SCG Decor's own business philosophy to ensure maximum benefits and long-term economic value for shareholders. The guidelines to achieve such purposes have thus been set forth as follows:

- 7.1 To operate the organization in accordance with SCG Decor's corporate vision and corporate governance principles with honesty and prudence, and without conflict of interest, while creating good returns for every shareholder in a sustainable manner.
- 7.2 To respect the rights of shareholders and provide equitable and fair treatment to every one of them. Accordingly, to not perform any act that might violate or restrict the rights of shareholders.
- 7.3 To provide shareholders the right to propose the agenda of the Annual General Meeting of Shareholders and to nominate any qualified person to be a director with sufficient time in advance within the timeframe constituted by the law.
- 7.4 To provide shareholders with all significant details concerning the Shareholders' Meeting and the Meeting agenda items to be considered by the shareholders with sufficient time in advance.
- 7.5 To prevent the directors, executives, and employees in the involved departments as well as their spouses and children from making use of inside information for their own benefit or that of others, which is considered shareholder exploitation, before disclosure to the public.

- 7.6 To assign independent directors to take care of minor shareholders and to receive complaints or suggestions from shareholders through easily accessible channels established by SCG Decor.
- 7.7 To establish efficient measures for internal control, internal audit, and risk management.
- 7.8 To disclose SCG Decor's significant information, financial reports, and operating results on an accurate, complete, timely, transparent, and reliable basis through easily accessible channels to consistently keep shareholders abreast of the Company's operating performance.

## **8. Policies and Practices towards Employees**

SCG Decor firmly believes that employees are its most valuable assets and a vital contributing factor to the Company's success. As a consequence, the Company treats employees fairly with respect to human rights in accordance with SCG Decor's human rights policy and with concern for their needs. The goals are to foster a good relationship between the Company and its employees, to promote ongoing development of employees' skills and potential, and to provide job security and career advancement. The guidelines for practice toward employees are as follows:

- 8.1 To recruit employees through a fair and efficient selection system and employment conditions to find "smart and ethical" employees having strong qualifications and integrity to join the Company.
- 8.2 To treat employees with sensitivity and fairness while paying due respect to their personal rights, protecting these rights from being violated. Likewise, to support and respect the right of employees to express their opinions independently.
- 8.3 To provide channels for employees to file grievances and report any act of impropriety in violation of the SCG Decor's Code of Conduct as well as to protect the complainant from retribution or penalties related to filing a complaint (Whistleblowing Policy).
- 8.4 To provide employees in every field of work and at all levels sufficient and continuous professional development appropriate for their duties and responsibilities and to instill ethical awareness into every employee.
- 8.5 To promote and encourage working as a team to create unity and to raise employees' awareness about work discipline.
- 8.6 To evaluate employees' performance and provide fair remuneration on the basis of the suitability, capability,

and competence of each individual. The Company is also committed to providing fair and appropriate benefits to employees. The benefits will be constantly improved to keep them on a par with those of leading companies in the same industry.

- 8.7 To raise awareness and promote employees' occupational health and safety while maintaining a congenial work environment that enables employees to feel like being part of a family.
- 8.8 To operate in compliance with internationally accepted occupational health and safety standards as well as environmental management standards.
- 8.9 To encourage employees to find a balance between personal life and work.
- 8.10 To provide channels where important information can be disclosed to employees to keep them informed of the operations and operating results of all SCG Decor's business units.

## **9. Policies and Practices towards Customers**

SCG Decor pledges to ensure that its products and services offer maximum benefits and complete satisfaction in terms of quality and fair price to customers. Likewise, the company pledges to develop and maintain a sustainable relationship with customers. The practice guidelines are as follows:

- 9.1 To deliver products and services that address the needs of consumers and to play a part in contributing to better quality of life and the sustainable development of society.
- 9.2 To constantly drive innovation and research & development to generate high quality, high value-added products and services that meet the needs of customers in multiple ways.
- 9.3 To develop environmentally friendly products and services with a focus on resource efficiency, energy-efficiency, recyclability, and long life of service.
- 9.4 To produce safe, reliable products and services as well as to give accurate and adequate information about them to customers.
- 9.5 To store customers' information safely and systematically, and to refrain from abusing the information.
- 9.6 To set the prices of products and services at reasonable rates.
- 9.7 To implement a quality management system that matches international standards.

- 9.8 To set up a customer support office to provide product information, advice, and solutions to problems, while also handling complaints, to ensure customers' highest satisfaction in both products and services.

**10. Policies and Practices towards Suppliers**

SCG Decor always obeys fair competition standards and strictly complies with all contractual obligations, the SCG Decor's Code of Conduct, and all promises to suppliers. The guidelines are as follows:

- 10.1 To determine and establish fair and reasonable prices by taking into account the reasonableness of the offered prices, quality, and service levels and to be able to provide appropriate reasons during any audit.
- 10.2 To pay suppliers accurately and on time.
- 10.3 To establish clear procurement regulations.
- 10.4 To operate business sustainably and transparently by complying with all the terms and conditions agreed upon in a transaction and treating all involved parties fairly.
- 10.5 To refrain from demanding or accepting any improper benefits from suppliers.
- 10.6 To pay regular visits to suppliers to exchange ideas and listen to their suggestions or advice on improvement.
- 10.7 To support procurement of eco-friendly and community products.
- 10.8 To refrain from purchasing products from suppliers that violate human rights or intellectual property law.
- 10.9 To refrain from disclosing information of suppliers to others without their prior consent.
- 10.10 To refrain from dealing in any business with any supplier that carries out illegal acts or acts against public order and good morals.
- 10.11 To provide support and encourage suppliers to adopt the principle of sustainable development through social and environmental responsibility in their business operations, in accordance with SCG Decor's Supplier Code of Conduct.

**11. Policies and Practices towards Business Contractors**

SCG Decor assists its contractors with respect to human right standards, environment, work safety, and remuneration.

Furthermore, the Company is resolved to develop the capabilities and knowledge of contractors both related to work and beyond to enable them to work more efficiently. The guidelines are as follows:

- 11.1 To determine appropriate and fair remuneration and ensure that the amount of remuneration paid by the contractors to their workers shall not be less than the wage rate stipulated by law.
- 11.2 To promote safety awareness among contractors and oversee a safe work environment in their operations.
- 11.3 To open up opportunities for contractors to meet with executives to listen to their opinions and concerns so they can work more efficiently to achieve goals.
- 11.4 To encourage contractors to develop their knowledge to ensure maximum work efficiency.
- 11.5 To provide support and encourage contractors to adopt the principle of sustainable development through social and environmental responsibility in their business operations, in accordance with Supplier Code of Conduct of SCG Decor.

**12. Policies and Practices towards Joint Venture Partners**

SCG Decor respects the rights of joint venture partners and treats every partner equitably and fairly. It also promotes fair treatment of relevant parties in the business operations in accordance with the Company human rights policy. In addition, the Company works collaboratively with joint venture partners to ensure that the joint ventures achieve shared goals. The relevant guidelines are as follows:

- 12.1 To collaborate with joint venture partners in supporting and strengthening joint venture operations.
- 12.2 To encourage the exchange of ideas and suggestions with the joint venture partners and to jointly define the business plans to ensure the sustainable growth and development of the joint ventures.
- 12.3 To monitor the operations of the joint ventures in order to ascertain that they comply with the law and the sustainable development approach.
- 12.4 To work with the joint venture partners in allocating profits from the joint ventures in a fair and transparent manner.
- 12.5 To refrain from taking advantage of the joint venture partners in any way.

**13. Policies and Practices towards Creditors**

SCG Decor has a policy to treat its creditors equitably, fairly, and transparently with commitment to strictly comply with all terms and conditions agreed upon. The guidelines are as follows:

- 13.1 To enter into contracts with all types of creditors legally, equitably, fairly, and transparently without taking advantage of the contract party.
- 13.2 To refrain from resorting to dishonest means or concealment of any information that might harm the Company's creditors.
- 13.3 To strictly abide by any term or condition stated in any contract entered into with all types of creditors accurately and straightforwardly.
- 13.4 To repay loans and interest in full to all types of creditors on time as agreed upon.

**14. Policies and Practices towards the Community and Society**

SCG Decor conducts business with respect to human rights and equitable treatment to others, commitment to fairness to all stakeholders, and concern for social responsibility. SCG Decor also provides constant support to activities that contribute to the improvement of living standards and the development of the communities and societies in which it operates. It also encourages employees and other concerned stakeholders to be good citizens contributing to communities and society. The guidelines are as follows:

- 14.1 To cultivate awareness of social responsibility in employees at all levels.
- 14.2 To participate in and support activities that are in line with social development policies, both at the community level, national level and globally.
- 14.3 To become a leader in promoting the efficient use of resources according to the principles of the Circular Economy.
- 14.4 To develop society, communities, and environment sustainably by supporting and providing proper assistance to society and communities, especially the communities surrounding SCG Decor's plants.
- 14.5 To preserve the environment and safety nearby the communities and to control and manage waste from the production process and general consumption as well as contamination released into the environment through the use of efficient technology and close monitoring.

- 14.6 To promote and support carrying out of activities/projects designed to develop the potential and capabilities of youths especially in the areas of education, science, and technology, as well as instilling ethics and morals into young people so they are both smart and ethical individuals with consciousness on social and environmental responsibilities.
- 14.7 To support activities/projects dedicated to providing immediate assistance to those affected by disasters and to improve the potential and living standard of people in the society through various efforts such as career development and building strong communities to enable people to become self-reliant sustainably.
- 14.8 To support medical and public welfare activities/projects to enable people in local communities and society at large to have better health and better quality of life.
- 14.9 To promote and support activities in the areas of cultural heritage preservation and sustaining religion as appropriate.
- 14.10 To provide support to foundations and charitable organizations to help and provide opportunities to the disenfranchised in society, empowering them to better quality of life. This support also extends to organizations carrying out activities beneficial to human resources development.
- 14.11 To open up opportunities for communities and other stakeholders to take part in the activities/projects, to voice their opinions and suggestions, or to file complaints as a result of SCG Decor's operations, with the goal of allowing industry and the community to coexist sustainably.

**15. Policies and Practices towards Government Agencies**

SCG Decor places great importance on government agencies as stakeholders of the Company. Guidelines for engaging in transactions with government agencies are defined in SCG Decor's Code of Conduct to allow employees to proceed appropriately and in compliance. The Company also cooperates with government agencies, providing technical assistance and support for various activities. The guidelines are as follows:

- 15.1 To strictly abide by applicable laws and regulations and keep in mind that laws, regulations, cultures, and traditions in each locale may have different conditions, procedures, or practices.
- 15.2 To refrain from influencing government officers to abet and collude in improper acts.
- 15.3 To build a body of knowledge in community development for government agencies such as local administration organizations.

- 15.4 To provide support to activities undertaken by government agencies
- 15.5 To participate in meetings to share ideas, support and provide technical assistance on a continuous basis.
- 15.6 To receive visits from government agencies.
- 15.7 To receive comments and suggestions from government agencies.

**16. Policies and Practices towards the Media**

SCG Decor stresses the importance of disclosing information to the media so they can communicate the information to the public accurately and rapidly. The guidelines are as follows:

- 16.1 To disclose information to the media equitably. The information must be accurate, clear, and right to the point.
- 16.2 To communicate information on a quick and timely basis appropriately.
- 16.3 To provide opportunities for the media to closely meet and talk with top executives.
- 16.4 To facilitate the media to get in contact with the Company.
- 16.5 To establish good relationships with the media through various activities such as business and plant visits to allow the media to observe the production process and plant management as well as obtain accurate information.

**17. Policies and Practices towards the Civil Society Sector, Academia, and Opinion Leaders**

SCG Decor conducts business with concern for social responsibility and all stakeholders. In addition to full and accurate disclosure of information, SCG Decor is also open to comments and suggestions from every part of the civil society sector to ensure a shared approach to operating business sustainably alongside social and community development. The guidelines are as follows:

- 17.1 To disclose information regarding business operations transparently and verifiably.
- 17.2 To disclose information in the annual report, sustainability report, articles and news releases, as well as in the form of electronic documents and information.
- 17.3 To carry out business with concern for impact on the environment and the community and to encourage the Civil Society Sector, Academia, and Opinion Leaders to take part in protecting the environment.

- 17.4 To collaborate with the Civil Society Sector, Academia, and Opinion Leaders to foster a relationship with the community and promote community involvement.
- 17.5 To receive comments, suggestions, or complaints from the Civil Society Sector, Academia, and Opinion Leaders to find means for collaboration and to meet the needs of all stakeholders.

**18. Policies and Practices towards Competitors**

SCG Decor has a policy to treat competitors fairly within the framework of honest competition. The Company is committed to carrying out business fairly in compliance with the law and SCG Decor's Code of Conduct and with concern for trade ethics and antitrust laws. The guidelines are as follows:

- 18.1 To operate under a fair competition framework and applicable laws ethically and transparently and to refrain from taking advantage of competitors unlawfully.
- 18.2 To refrain from obtaining confidential information through fraudulent or improper means.
- 18.3 To refrain from violating the intellectual property rights of competitors.
- 18.4 To refrain from attacking and destroying competitors' reputations by defaming them with any false statement.
- 18.5 To promote and support free trade and avoid entering into any agreement with competitors that may reduce or restrict competition.

This Policy shall be effective from June 9, 2023.