

Compliance Policy

SCG CHEMICALS PUBLIC COMPANY LIMITED

The Board of Directors Meeting of SCG Chemicals Public Company Limited (“the Company”) No. 277 (13/2021) held on October 22, 2021 resolved to approve the Compliance Policy, and the Board Meeting No. 282 (3/2022) held on March 30, 2022 subsequently endorsed the continuous enforcement of this Policy upon the conversion of the Company into a public limited company.

The Meeting of the Board of Directors has resolved to approve the setting up and disclosure of Compliance Policy. SCG Chemicals (definition as below) steadily aims that the business operations of SCG Chemicals must be complied with relevant regulations, all employees have to fulfill their duties with honesty, integrity and morality, and commit to the Company’s four Core Values, namely “Adherence to Fairness, Dedication to Excellence, Belief in the Value of the Individual and Concern for Social Responsibility”, as well as strictly adhering to best practices in accordance with SCG Chemicals Code of Conduct. Furthermore, they are also expected to strive for the good citizens of every country in which SCG Chemicals operates to prevent risks that may arise and affect SCG Chemicals, its directors, executives and employees or undermine the confidence of all stakeholders.

Definitions

Regulations means things that the Company shall comply or adheres to as work principles including laws, rules, principles, articles of association, agreements, business code of conduct, policies, work standards, best practice guidelines and social commitments.

Compliance with regulations means compliance with laws, rules, principles, the Company’s Articles of Association, agreements, Business’ Code of Conduct, policies, work standards, best practice guidelines and social commitments.

Compliance management means the process that is implemented to prevent any work practice from not complying with relevant regulations as well as reducing the impacts which may occur from noncompliance with regulations. Operational governance is carried out through several protocols which encourage, support, regulate, audit, and report the operation to ensure compliance with regulations such as gathering relevant regulations, assessing and carrying out work in compliance with regulations, monitoring, auditing, correcting, managing risks, training, communicating, raising awareness as well as managing human resources.

Executives mean employees whose duties are to set the policies for each division and/or ensure compliance with policies, as well as support, allocate and review the division’s resources.

SCG Chemicals means SCG Chemicals Public Company Limited and its subsidiaries according to the Company’s consolidated financial statements.

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- 1) Each director, executive and employee shall strive for full compliance with the laws, regulations, orders, articles of association, contractual obligations, business ethics, policies, operational standards, best practices and public commitments in every country where SCG Chemicals operates.
- 2) Compliance with domestic and international laws is of paramount importance that every director, executive and employee of SCG Chemicals shall respect and comply. Any illegal transactions are thus unacceptable.
- 3) Regulatory compliance constitutes part of the duties that each director, executive, and employee of SCG Chemicals shall fulfill actively, by initiating communications and fostering correct understanding, issuing compliance guidelines and ensuring correct implementation, as well as raising awareness and further fortifying SCG Chemicals culture of honesty, integrity and strengthening compliance.
- 4) SCG Chemicals focuses on the implementation of a compliance management system in the operation to ensure compliance with the laws and key public commitments as prescribed by SCG Chemicals Risk Management Committee or each business unit, by managing efficient compliance procedures in the operation and constantly improving such procedures to correspond with both internal and external business environment and any changes that may occur.
- 5) Any employee of SCG Chemicals who reports or provides information on an act that is or may constitute a violation of any law or key public commitment will be protected in accordance with SCG Chemicals's Whistleblowing Policy.

Compliance Guidelines

Enhancing and supporting compliance management systems will ensure that SCG Chemicals conducts the business in compliance with relevant regulations on accurate and comprehensive basis and has work standards which effectively help prevent noncompliance with regulations, as well as appropriately improving the efficiency in daily works. Details of the guidelines are as follows:

- 1) Determining a scope of compliance and persons in charge of setting up and implementing compliance management system into the organization. The executives shall define a scope of key laws and public commitment applied for compliance management system with identifying concerned persons, functions, activities or areas responsible for setting up and implementing compliance management system.
- 2) Establishing work standard
 - 2.1) Concerned persons shall gather regulations relating to the scope of compliance as stipulated by the executives in item 1.
 - 2.2) Work standard shall be demonstrated as a guideline to perform the work operations in compliance with applicable regulations.

- 3) Compliance enhancement in daily work
 - 3.1) Control works to be complied with stipulated work standard.
 - 3.2) Monitor and audit works to ensure that the works have been accurately and comprehensively carried out in compliance with relevant regulations.
 - 3.3) Report regulatory compliance to authorized persons and relevant parties in order to effectively and efficiently manage, monitor for ensuring the compliance.
 - 3.4) Any matters which are considered as regulatory noncompliance shall be corrected to reduce the impacts that may occur and taken for preventive actions to avoid the non-compliance recurrence in the future.
 - 3.5) Manage compliance risks by giving prioritization on significant risks with timely and appropriate manner.
 - 3.6) Regularly review operations on the aspect of regulatory compliance to ensure that the compliance of operations is still achieved.
- 4) Supporting operations regarding regulatory compliance as follows:
 - 4.1) Necessary resources shall be efficiently allocated to ensure successful compliance with regulation.
 - 4.2) Enhance knowledge and skills of employees so that they could regularly and accurately act in compliance with regulations.
 - 4.3) Build up awareness and encourage organizational culture which adhere to compliance with regulations through various means such as training, coaching, sharing experiences from experts, launching campaigns, communicating, setting good corporate values and role models, recognizing and motivating with rewards, and setting appropriate punishment measures.
 - 4.4) Appropriately monitor document or information relating to conducting operations in compliance with regulations to ensure that such document or information is accurate, complete, capable of being used appropriately, safely kept from being destroyed, forfeited, disappeared, leaked, publicized, and easily searched and stored.

Duties and responsibilities

- 1) The Board of Directors of the Company shall set the compliance policy of SCG Chemicals and monitor on a policy basis by assigning the Risk Management Committee to monitor the operations to comply with the compliance policy.
- 2) The duties of the Board of Directors also include instilling good conscience, encouraging all employees to be aware of the value of compliance, as well as acting as a role model to pass on the compliance culture of SCG Chemicals.
- 3) The Audit and Risk Management Committee has duties to ensure that SCG Chemicals has the proper controlling and monitoring process for compliance as well as sufficient internal control system and oversee the compliance audit report.

- 4) The Risk Management Committee has duties to monitor that the compliance policy is implemented by establishing effective and appropriate compliance management system to ensure that SCG Chemicals operates its business in compliance with relevant regulations. The Risk Management Committee shall also report any acts of noncompliance which significantly impacts to SCG Chemicals and the progress of corrective actions to The Audit and Risk Management Committee.
- 5) The executives are the key persons in charge of having the policy implemented practically and regularly. The executives, thus, must understand the compliance policy, guidelines and regulations relating to their works, as well as ensuring that proper communication and good mindset are undertaken. Responsibilities of the executives includes encouraging their subordinates to value the importance of acting in compliance with regulations, setting guidelines and supervise their subordinates to ensure they precisely and consistently comply with regulations, and act as a role model to pass on the compliance culture of SCG Chemicals.
- 6) The employees of SCG Chemicals must understand their roles, duties and responsibilities in abiding by the compliance policy and relevant regulations. They must also strive to enhance their knowledge and skills as well as having the deep understanding in their own duties, being responsible and diligent towards their assigned duties, and having a thoughtful approach to their works.
- 7) If the employees have any inquiry regarding regulatory compliance, they should ask their supervisors or related supporting functions such as compliance department, legal function or other departments which have expertise in compliance.
- 8) In case that there is any act of noncompliance or avoidance of regulatory compliance, all employees of SCG Chemicals must report to their supervisors or persons in charge or notify via various channel, such as whistleblowing system, and cooperate in the investigation. SCG Chemicals shall give fair treatment and protect the whistleblowers who report any regulatory noncompliance as stipulated in Whistleblowing Policy.
- 9) All divisions shall gather information and report any act of noncompliance or avoidance of compliance with laws and social commitment which are considered crucial to SCG Chemicals to compliance department of SCG Chemicals as well as supporting and cooperating with compliance department to solve problems, protect and manage any risk which may occur, including improving and enhancing SCG Chemicals compliance management system. The reported information will be kept confidential while the protection for the whistleblowers and the unfavorable consequences which may occur to the whistleblowers or other concerned persons will be prioritized.

- 10) Compliance department of SCG Chemicals is the corporate function responsible for monitoring compliance in operations, advising, supporting, and analyzing data, as well as assessing and reporting the effectiveness and efficiency of compliance management system, to ensure that SCG Chemicals operates its business in compliance with applicable regulations which, in turn, promote the improvement and enhancement of SCG Chemicals compliance level.

This Policy shall be effective from October 22, 2021.

Announced on April 4, 2022

-Signed by-

(Mr. Chumpol Na Lamlieng)
Chairman of the Board of Directors