

Sustainable Development Policy
SCG Chemicals Public Company Limited

The Board of Directors Meeting of SCG Chemicals Public Company Limited No. 279 (15/2021) held on December 18, 2021 resolved to approve the first Sustainable Development Policy, and the Board Meeting No. 282 (3/2022) held on March 30, 2022 subsequently endorsed the continuous enforcement of the policy upon the conversion of the Company into a public limited company.

Definition

SCG Chemicals means SCG Chemicals Public Company Limited and its subsidiaries, associate and joint ventures according to the consolidated financial statements of SCG Chemicals Public Company Limited.

The aforesaid Board of Directors of SCG Chemicals Public Company Limited (the "Company") resolved to approve the setting up and disclosure of the Sustainable Development Policy of SCG Chemicals of the Company, its subsidiaries, associate and joint ventures (collectively, "SCG Chemicals"), both in Thailand and overseas to operate its businesses on the basis of sustainable development, taking into account risks and opportunities in enabling work improvement at all levels of the organization, both short-term and long-term demands and expectations of all stakeholders, as well as social and environmental impacts. Such information is also vital to the Company's business strategy determination to achieve sustainable growth in ever-changing circumstances while maintaining balance in economic, societal and environmental aspects as the following:

Corporate Governance: The Company conducts business with transparency, fairness, and disclosure of information to all stakeholders.

- Ensure strict compliance with all applicable laws and regulations, oversee business operations in accordance with the Compliance Management System and ensure good corporate governance.
- Examine the major areas of sustainability operations in line with the dynamic materiality based on an evaluation of the impact and expectations of stakeholders resulting from the organization and the impact of external factors on the organization.

Economy: The Company prioritizes creating value and fulfilling the needs and expectations of all stakeholders by enhancing the organization's adaptability to changing circumstances and supporting stakeholders throughout the supply chain in conducting their activities with sustainable development in mind.

- Develop innovations by creating and managing them systematically to fulfill actual demands and differentiate products and services. Additionally, it has collaborated with leading universities and research institutes in Thailand and overseas to gain access to research networks based on the Open Innovation approach to maximize research and development capabilities and ensure business sustainability.

- Design products and services that promote health and well-being, reduce greenhouse gas emissions, preserve resource values in accordance with circular economy principles, encourage water conservation, and promote safety throughout the value chain to meet customer needs, industry trends, and sustainable development goals.
- Manufacture products and services responsibly in line with the Product Stewardship Management System, avoid and control the use of hazardous chemicals that jeopardize safety, health, and the environment during manufacturing, and assess the environmental impact of products throughout their life cycle.
- Support stakeholders throughout the supply chain by imparting knowledge and raising awareness of sustainable business practices in accordance with the SCGC Supplier Code of Conduct.

Society: The Company conducts business with integrity and treats its people fairly and equitably, striving for maximum workplace safety and concerning for social responsibility while enhancing the quality of life in areas where it operates.

- Respect the fundamental rights of all human beings and do not discriminate on the basis of physical and mental differences, races, nationalities, religions, genders, languages, ages, skin colors, education levels, social statuses, vulnerable groups, or any other legal basis, in which everyone receives ethical and fair treatment.
- Develop the employees' capability to enable them to operate in response to the Company's strategy by constantly investing in upskilling and reskilling.
- Promote operations and safety culture along with the development of safety management systems and occupational security and health to eliminate safety, security, and health risks and to keep employees and suppliers free from occupational accidents and illnesses.
- Take care of the communities surrounding the plants and all stakeholders to create a harmonious way of coexistence, exchange opinions and actively solve problems, develop society, organize campaign activities, and raise environmental awareness among youth through social projects, including supporting sustainable development efforts for communities, public agencies, suppliers, external agencies, and organizations with shared interests.

Environment: The Company is committed to environmental and climate stewardship, resource usage maximization, and sustainable ecological balance maintenance.

- Encourage environmental protection practices and culture, as well as the development of environmental and energy management systems, to ensure that environmental and energy risks are controlled.
- Improve production processes, integrated the circular economy principles, and move toward a low-carbon, environmentally friendly, and efficient society by adopting cutting-edge production technology, machinery and digitalization applications to achieve resource efficiency and pollution control and prevention.

- Implement innovations to minimize energy consumption and increase the proportion of clean and renewable energy to support carbon neutrality targets.

To be consistent with the Company's vision, SCG Chemicals activities both at in Thailand and overseas are tasked with adopting such practices in business operations, and the Board of Directors or Sustainable Development Committee shall develop a sub-policy on each issue to serve as a guide for the adoption of the corporate culture and concrete implementation.

In order to cultivate this Sustainable Development Policy as part of the corporate culture and implement in a concrete manner, SCG Chemicals conducting business both domestically and internationally, shall adapt this Policy to align with individual business operation together with SCG Chemicals' vision.

This Policy shall be effective from January 01, 2023 onwards.

Announced on November 24, 2022



(Mr. Chumpol NaLamlieng)

Chairman of the Board of Directors

Note:

The first amendment to this Sustainable Development Policy was made pursuant to the resolution of the Board of Directors Meeting No.282 (3/2022) on March 30, 2022.

The second amendment to this Sustainable Development Policy was made pursuant to the resolution of the Board of Directors Meeting No 7 (7/2022) on November 24, 2022