



Annual Report 2024

Form 56-1 One Report
Annual Registration Statement/
Annual Report

Sustainable Development

Environmental. Social. Governance.

Report of the Sustainability Steering Committee

Dear Shareholders,

The Board of Directors approved the INSEE Sustainability Ambition 2030 pillars and targets in 2023 and assigned the Group CEO to establish the Sustainability Steering Committee (SSC) to ensure the successful journey.

In 2024, the SSC was given more specific focus by appointing Mr. Hemant Mudgal, Group Chief of Performance and Sustainability to chair this committee. Committee members communicated with Management and CEOs of entities in the Group to drive initiatives that are aligned with the SCCC Group's Sustainability Ambition 2030 as well as the Group Strategy and report back to the Board of Directors in various arrangement, such as, ESG projects and financial plans, ESG risks impacts and opportunities and report of the SSC.

Throughout the year 2024, the SSC held four fully attended working meetings, which were also joined by the CEO of Group companies and Country Sustainability Coordinators.

The Committee followed its Charter rigorously, focusing on key areas: Climate and Energy, Circular Economy, Biodiversity and Water, Community and Stakeholder Engagement and Occupational Health and Safety (OH&S). Sustainability has been seamlessly integrated into the Group's core business strategy, with each CEO, Country Sustainability Coordinator and Pillar Working Group member accountable for delivering on the targets set in the country-specific and Group-wide roadmaps.

Key activities of the SSC in 2024*:

1. Driving the Sustainability Agenda Across the Group towards 2030 Targets:

At Siam City Cement, our strong commitment to decarbonization has enabled us to achieve significant milestones. We have reduced CO₂ emissions to 562 kg per ton of cementitious, with a Clinker Factor of 69.2 percent and a Thermal Substitution Rate (TSR) of 28.5 percent, both surpassing the 2024 targets set for the entire Group.

Our biodiversity agenda continues to advance through ongoing engagement with the International Union for Conservation of Nature (IUCN). Additionally, business units are actively supporting our Net Positive Impact (NPI) journey, including the initiation of potential regional partnerships to strengthen our efforts.

This year, water consumption reached 245 liters per ton of cement, falling slightly short of our target. Similarly, the Lost Time Injury Frequency Rate (LTIFR) stood at 0.36. Improvement areas have been identified and stringent measures will be implemented in the coming year to address these gaps.

Through our community engagement programs, we remain committed to aligning activities with our engagement plans. By actively collaborating with stakeholders, we aim to build trust, foster partnerships and drive sustainable development, ensuring a lasting positive impact on the communities we serve.

2. Group Sustainability Policy:

Approved by the Board of Directors, the Group Sustainability Policy serves as the cornerstone of the Group's sustainability approach, ensuring the integration of sustainability principles into every aspect of our business operations.

3. Key ESG Recognitions in 2024:

- Siam City Cement Public Company Limited received an SET ESG Ratings of "AA", marking second consecutive years of this recognition from the Stock Exchange of Thailand.
- Siam City Cement Public Company Limited achieved a Corporate Governance Rating (CGR) of Thai Listed Companies 2024 at the "Excellent" level or "5-star" rating for nine consecutive years.

The Sustainability Steering Committee diligently oversees the effectiveness of ESG activities and governance across the Group, ensuring alignment with SCCC's commitment of **"Caring About Our Future"**, in which the Committee translates this commitment into tangible actions, reinforcing a steadfast focus on implementation that aligns with our corporate vision and mission.

Hemant Mudgal

Chairman of the Sustainability Steering Committee

**Details of information for governance, strategy, risk management, metrics and targets in relation to ESG appears in Sustainability Development section.

Sustainable Development

2024: A Year of ESG Commitment to Profitable and Sustainable Growth

At Siam City Cement (SCCC), also known as INSEE, we understand that cement is essential to building modern infrastructure, yet we are also highly aware of our responsibility in addressing climate change. As cement production is a significant source of greenhouse gas emissions, we are committed to transforming our processes to support global efforts in limiting temperature rise to 1.5 degrees Celsius.

Our Environmental, Social and Governance (ESG) practices are deeply integrated with our business growth strategy, driving us to enhance operational sustainability, reduce our carbon footprint and innovate for a greener future. By aligning business growth with ESG priorities, we are not only strengthening our resilience but also contributing meaningfully to the global climate agenda.

In alignment with the United Nations' Sustainable Development Goals (UN SDGs), SCCC is dedicated to advancing sustainability, particularly our decarbonization journey, through strategic partnerships with the Global Cement and Concrete Association (GCCA) and the Thailand Cement Manufacturers Association (TCMA). These collaborations have significantly bolstered our decarbonization efforts, addressing both the COP26 climate agreement and Thailand's ambitious Net Zero roadmap, which targets carbon neutrality by 2050 and Net Zero by 2065. By leveraging global and national frameworks, we are accelerating our transition to low carbon solutions, ensuring our contributions align with international and local sustainability goals.

In 2021, guided by our INSEE Commitment to **"Caring about our Future"** – a principle deeply embedded in every SCCC employee - we launched the INSEE Sustainability Ambition 2030, a comprehensive framework with clear and actionable targets. Following a thorough assessment and evaluation in 2023, we have identified opportunities to elevate our sustainability ambition. By stretching our 2030 targets, we are positioning ourselves to deliver even more impactful decarbonization results, directly addressing one of the most urgent global challenges of our time.

- By 2030, we aim to reduce **CO₂ emissions (Scope 1)** across the Group to **<470 kg/ton CEM**, representing a large 25 percent reduction from our 2020 baseline.
- We have elevated our 2030 target for the use of **waste derived fuels** in our cement kilns to **over 1.4 million tons**, with a Group-wide Thermal Substitution Rate (TSR) goal set now at 40 percent.
- An aggressive new target for the use of **By-Products** (Fly ash, Slag, Gypsum etc) has been set at **over 1.7 million tons** in our operations, with a SCCC Group-wide Clinker Factor (CF) target of 65 percent.

Using 2020 as our baseline year, these ambitious targets emphasize our deep commitment to implementing effective decarbonization strategies across our cement and clinker operations.

When it comes to the impact on our environment, it is important for all of us to make a well-informed decision. INSEE Group has proudly declared that we are the first cement manufacturer in Thailand to acquire and promote **Environmental Product Declarations (EPD)** for clinker and all cement types. Additionally, products from INSEE overseas subsidiaries in Vietnam, Sri Lanka, Bangladesh and our business joint venture in Cambodia have also received EPD certification, underscoring INSEE Group's dedication to environmental stewardship.

EPDs demonstrate clarity in the environmental footprint of the Company's cement products and enables the transparent evaluation of cement solutions for project owners and the designers of these projects.



As we intensify our decarbonization effort Scope 2, in 2024, SCCC joined hands with B.Grimm Power, beginning the construction of its first-phase solar panel project at the Siam City Cement Plant in Kaeng Khoi district, Saraburi province, under the new joint venture **INSEE B.Grimm Solar Company Limited**. This clean energy initiative is expected to reduce carbon dioxide emissions by up to 54,000 tons annually, emphasizing the Group's strong commitment to reducing carbon dioxide emissions and **increasing the use of electricity from alternative energy sources in our Thailand's cement production to at least 50 percent by 2030.**

The Plant is expected to be completed by April 2025 and is scheduled to begin generating electricity for the SCCC facility in September the same year.



Image: Executives from both Siam City Cement and B.Grimm Power at a groundbreaking ceremony to mark the start of construction of INSEE B.Grimm Solar, which is expected to be completed by April 2025.

Throughout the Group, we are also working to **increase surface water utilization to over 45 percent of our total water consumption in manufacturing**, thereby safeguarding groundwater reserves and conserving clean water resources for future generations.

Our commitment also extends to creating a net-positive impact on biodiversity, in collaboration with the International Union for Conservation of Nature (IUCN) through the MoU the Group has signed with them.

Additionally, we maintain a **“Zero Harm”** objective for Occupational Health and Safety, aiming to protect not only our employees but also contractors, customers and suppliers. Furthermore, we actively strive to enhance the quality of life in the communities where we operate, in alignment with our sustainability policy, ensuring our actions contribute positively to their well-being and development.

INSEE Sustainability Ambition 2030

Pillar 1: Climate & Energy

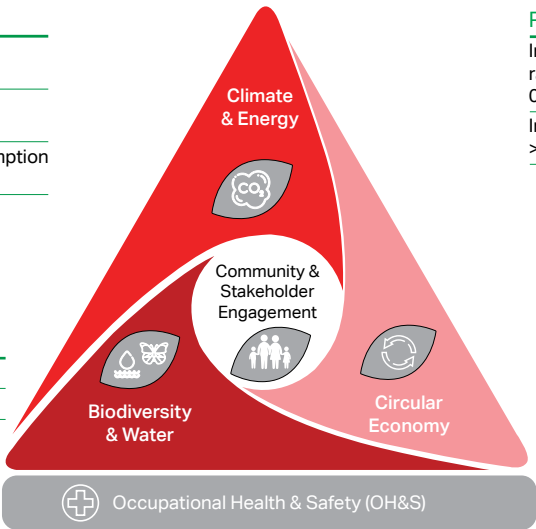
- Reduce our CO₂ emissions to less than 470 kg net CO₂/ton cementitious
- Reduce our specific electricity consumption by >10 percent
- Ensure at least 20 percent of electricity consumption comes from alternative energy sources

Pillar 3: Biodiversity & Water

- Have a net-positive impact on biodiversity
- Preserve water in Company operations

Pillar 2: Circular Economy

- Increase our usage of waste derived fuels and raw materials in clinker production from 0.5 million to > 1.4 million ton
- Increase by-product absorption (fly ash, slag) to > 1.7 million ton



Theme 2:

- Community & Stakeholder Engagement**
- Continue to proactively engage with our communities and stakeholders


- Theme 1:**
- Occupational Health & Safety**
- Our ambition is Zero Harm by 2030

SCCC continuously monitors and evaluates our progress against those targets and evolving risks to stay on track to our long-term goals. We then annually review and disclose our sustainability performance by integrating key non-financial metrics, performance indicators, climate risk assessment into our Annual Report and our website, in line with enhanced Stock Exchange of Thailand guidelines, Task Force on Climate-related Financial Disclosures (TCFD) standards and KPIs of Global Cement and Concrete Association (GCCA), as well as FTSE Russell disclosures requirements.

These metrics specifically address crucial aspects such as climate change, workplace safety and inclusivity within the workplace. To ensure comprehensive reporting, our Annual Report follows the "GRI Standards" established by the Global Reporting Initiative (GRI), with the GRI Index prominently featured in our disclosure. This reporting and disclosure commitment underscore our dedication to transparently communicating our sustainability efforts and achievements.


The Company follow ISO14001 standards in our environmental management, based on the latest ISO14001:2015 version, which includes all significant processes of our organization. This commitment aligns with our Sustainable Development Policy, establishing benchmarks for corporate governance and generating economic, environmental and social value.

To drive the agenda and our commitment to our established Sustainability Ambition 2030, INSEE has set up a **Sustainability Steering Committee (SSC)** consisting of two members of the Group Executive Committee and leaders in the organization. We have also assigned sustainability coordinators and working groups for each country to plan and track progress toward our yearly goals. The Board of directors has been updated on the work and progress of SSC at least twice a year.

 Details on the sustainable development and environment policies can be found on the Company's website at <https://investor.siamcitycement.com/en/sustainable-development/sd-policy>

Our 2024 SD Performance Highlights
Compare with the Sustianability Ambition 2030

	2030 Target	2024 Actual Performance
Environment		
CO ₂ Emission (Scope 1)	< 470 CEM	562
% Clinker Factor	< 65%	69.2%
% Thermal Substitution Rate (TSR)	> 40%	28.55%
Usage of Waste Derived Fuels	> 1.4 mil ton	744,619 ton
Absorption of by-products	> 1.7 mil ton	992,167 ton
% Surface Water Utilization	> 45%	37.50%
Social		
Lost Time Injury Frequency Rate	Zero	0.36

 More details of SD Performance Index can be found at Company's website at <https://investor.siamcitycement.com/en/downloads/sd-reports>

Governance



SCCC is ranked one of the top 405 Listed Companies with **Excellent Corporate Governance Scoring**, according to the Corporate Governance Report of Thai Listed Companies 2024. The report was developed by The Thai Institute of Directors Association (IOD), with support from the Stock Exchange of Thailand (SET). This indicates the Company's commitment and achievement in sustainability performance in respect of Environment, Social and Governance (ESG). The commitment results in its sustainable growth and favorable long-term returns and values for investors and all stakeholders.



In 2024, SCCC has continued to be certified as a member of Thai Private Sector Collective Action Against Corruption (CAC), embodying a strong commitment to conducting business with integrity, transparency and a firm stance against corruption.



SCCC received the **SET ESG Ratings Awards 2024** (previously known as Thailand Sustainability Investment List or THSI) from the Stock Exchange of Thailand (SET), with SCCC being rated with an "AA" ESG ratings, under the Property and Construction sector, for two consecutive years. This recognition has reflected the Company's continued and strong commitment to sustainability and its ambitious goals of fostering its Environmental, Social and Governance (ESG) practices and integrates them as an essential part of the Company's business strategies and performance.

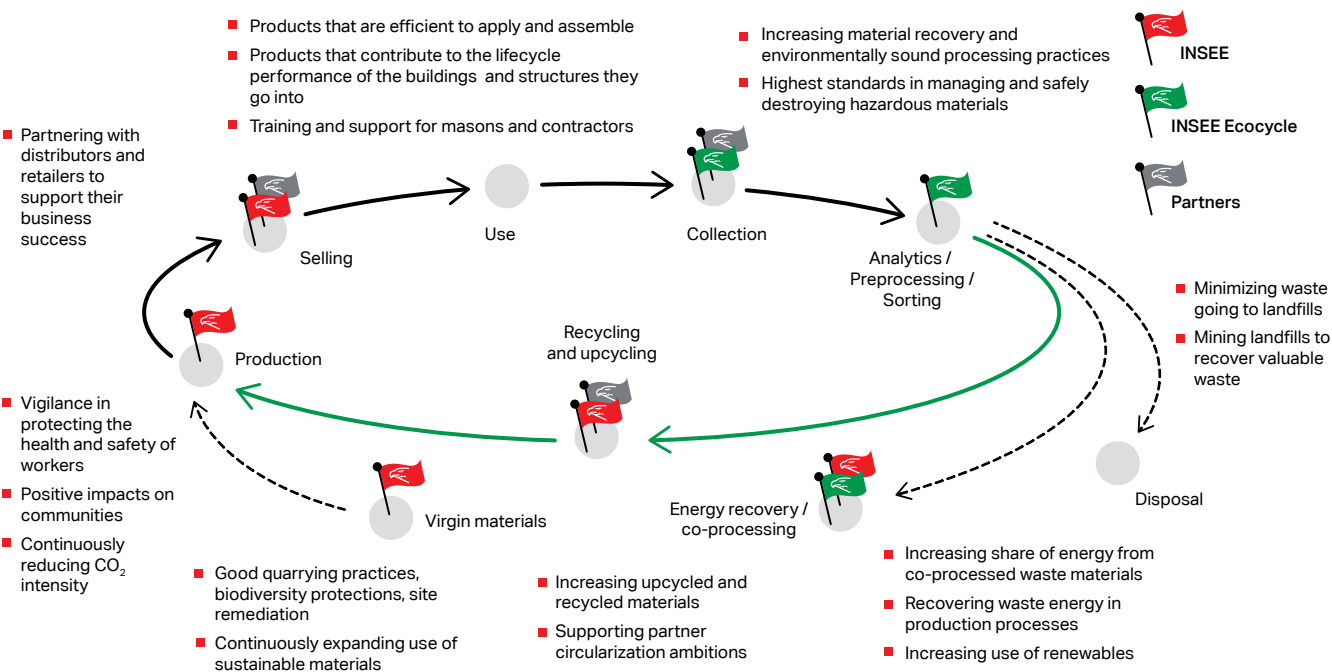


FTSE4Good

SCCC has been recognized as member of the FTSE4Good Index Series by FTSE Russell based on an assessment of its capabilities to operate in adherence to Environmental, Social and Governance (ESG) practices.

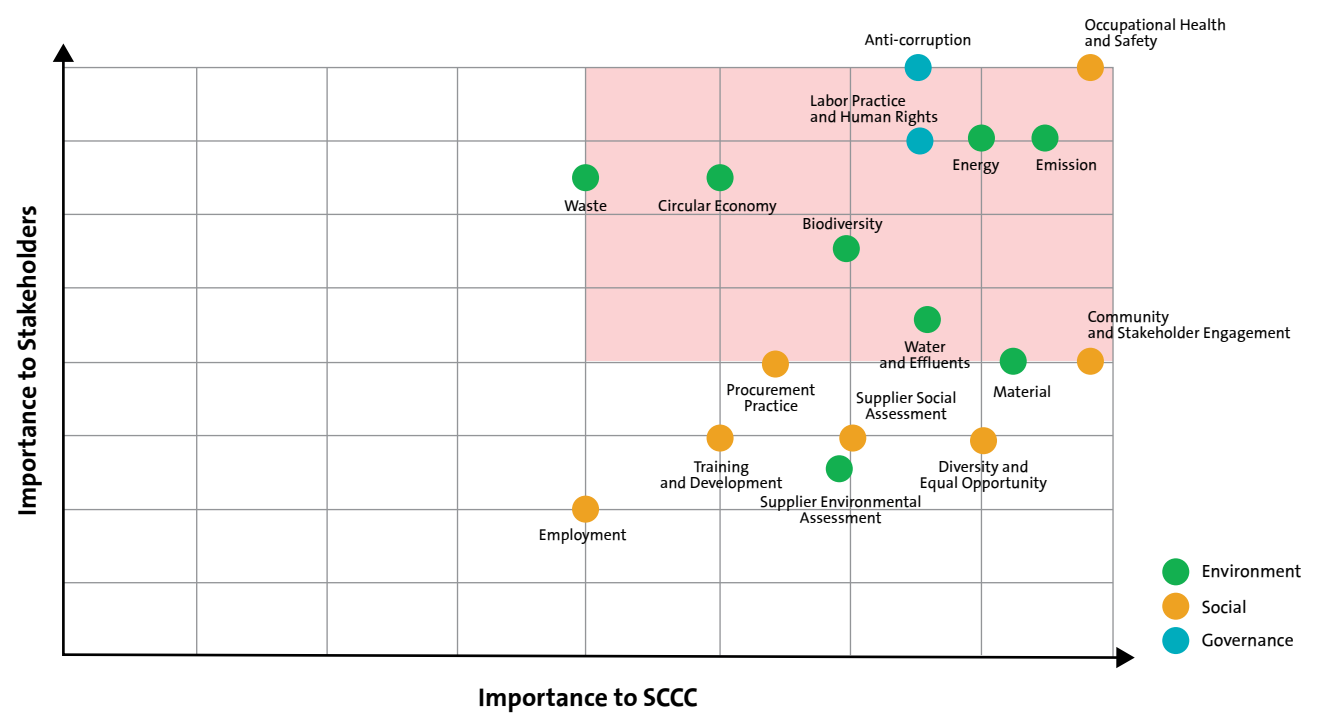
Sustainability Commitments throughout Our Business Value Chains

INSEE incorporates sustainability across our entire value chain, as illustrated below, to uphold the highest standards of good governance. Our aim is to minimize our environmental impact, follow international best practices and optimize production. Within this value chain, we remain dedicated to promoting the health and well-being of our workers, reducing our CO₂ emissions, optimizing energy use, positively impacting biodiversity and water conservation and actively engaging with communities and stakeholders.



ESG Materiality Assessment

INSEE regularly reviews the importance of sustainability issues to align with the direction of business operations with reference to the GRI Standards. SCCC has identified key materiality issues that are significant and areas where focus are needed for SCCC business operations as follows.



Read more about ESG Materiality Assessment on the Company's website at <https://www.siamcitycement.com/en/esg/-esg-materiality-assessment>

INSEE's Sustainability Focus Areas

1. Climate and Energy

Our SDG priorities



1.1 Ambition

Following the Global Cement and Concrete Association's road map, the decade between 2020 and 2030 is crucial for accelerating CO₂ emissions reduction through the following initiatives: increasing clinker substitution with SCM (Supplementary Cementing Materials); reducing fossil fuels consumptions and increasing the use of alternative fuels; reducing CO₂ emissions in concrete by reducing the cement with a better mix design and at the structural scale by optimizing the structures, using less concrete by element.

In this context INSEE Group has reviewed its Scope 1 roadmap ambition: **from 530 kg Net CO₂/ton cementitious materials originally defined to 470 kg Net CO₂/ton cementitious by year 2030**. This represents a reduction of 25 percent compared to 2020 reference year. This 2030 target is consistent with a pathway to 1.5 degrees by 2050 following the EIA (International Energy Agency) reports.

1.2 Strategy

To achieve this ambition there are necessary key focus areas for INSEE Group as follows,

- Further advances in our low carbon cement portfolio.
- The deployment of alternative energy sources, thermal and electrical.
- Ongoing efficiency improvements to strengthen the baseline and to reduce wasted energy along the production processes.
- Awareness and implantation of selected new technologies to support this ambition.

1.3 Performance and Outlook

Cement Portfolio, Clinker Factor Initiatives

Clinker Factor (CF) of INSEE Group has been reduced by 2.4 points compared to 2023 and 4.1 points compared to 2020 baseline. Progress has been made in INSEE Cement Thailand towards converting from Ordinary Portland Cement (OPC) to a lower carbon cement by the implementation of a separate limestone grinding system and the use of new grinding aids to continue the reduction of clinker in cements.

INSEE Vietnam also plays importance role in clinker factor reduction of INSEE Group via clinker reactivity improvements and product optimization through the application of new grinding aid technologies. The clinker factor of the main production Plant at Hon Chong was reduced by 3 percent from 2023 to 2024 and more than 7 percent since 2020. Vietnam continues to demonstrate the lowest CF in the Group, while maintaining the cement quality and meeting all customer expectations for cement performance.

For INSEE Lanka, a 0.6 point clinker factor reduction was achieved via almost 100 percent transition to a Portland Composite Cement (PCC) using fly ash and slag. High reactivity of produced and imported clinker is a key part of that success.

Chip Mong INSEE Cement Corporation (CMIC) increased limestone utilization in both bulk and bag cement with the help of good strength enhancing grinding aids. Together with product portfolio optimization, these helped achieve a 2.4 point CF reduction from 2023 to 2024.

The operations continue to focus on further clinker factor reduction, by focusing on clinker reactivity improvements, the application of new grinding aid technologies and the use of more supplementary cementitious materials in their products.

Thermal Energy Initiatives

Significant increases in Thermal Substitution Rate (TSR) were also achieved in INSEE Group this year, with total TSR increasing from 21 percent in 2023 to 28 percent in 2024, through the increased use of alternative fuels to replace coal. Alternative Fuel (AF) streams are typically comprised of waste

materials from other Industries which are carefully managed through a variety of pre-processing quality control steps so they can be safely disposed of in the kiln system to recover their calorific value and replace coal. Biomass utilization which is considered as climate neutral is also increasing.

Thailand has made substantial improvements in TSR increasing from 11 percent (2022) to 17 percent (2023) and to 24 percent in 2024. Given the relative size of the Thailand operations in comparison to the overall Group, this represents a significant step change in terms of coal replacement and CO₂ reduction. Improvements have included a new sourcing strategy to increase and secure AF supply, improvements in pre-processing and kiln co-processing and AF dosing accuracy have been key initiatives to enable this improvement.

Substantial progress has continued at Vietnam, with alternative fuels exceeding 40 percent coal replacement in 2024 due to equipment upgrade projects and stable kin operations along the year. Relocation of AF feeding systems to optimize AF combustion have led to TSR of > 30 percent at Cambodia. An aggressive effort to reduce AF moisture content via solar drying efficiency improvements to reduce the moisture content of the AF streams have enabled the Sri Lanka operations to sustain TSR at > 40 percent.

With our TSR ambition 2030 of achieving the new Scope 1 target of 40 percent TSR across the INSEE Group, further operational efficiencies and new technologies are being actively considered and implemented.

Electrical Energy Initiatives

Electrical energy plays an important role in CO₂ Scope 2 emission and SCCC Thailand has developed a solar project and ground mounted solar PV project to enable the further use of renewable energy in their operations. In 2024, they are starting the first phase construction of a combined solar farm and solar rooftop facility which will reduce SCCC's CO₂ emission up to 54,000 ton per year and mitigate electricity cost increases.

1.4 Project Highlights in 2024

■ TSR Improvement - SCCC

In alignment with our commitment to sustainability and carbon footprint reduction, Kiln 5, Kiln 6 and Kiln 3 underwent significant upgrades and operational improvements in 2024 to increase the Thermal Substitution Rate (TSR). This effort focused on the gradual integration of alternative fuels, particularly Industrial waste, RDF 3 and biomass, along with the installation of advanced systems such as

- 1) Enhanced feeder system at Kiln 5 by install 2nd bucket elevator +3.5 percent TSR
- 2) Integrated biomass feeding system at all kilns +2.5 percent TSR
- 3) Addressed operational bottlenecks and adding solid AF add to blend with raw coal +2 percent TSR

These initiatives led to an increase of +8 percent TSR and reduction of 26 kg net CO₂/ton clinker which equivalent to 3 percent reduction. The progress achieved in 2024 from 16 to 24 percent TSR sets a strong foundation for further TSR enhancement in the coming years.

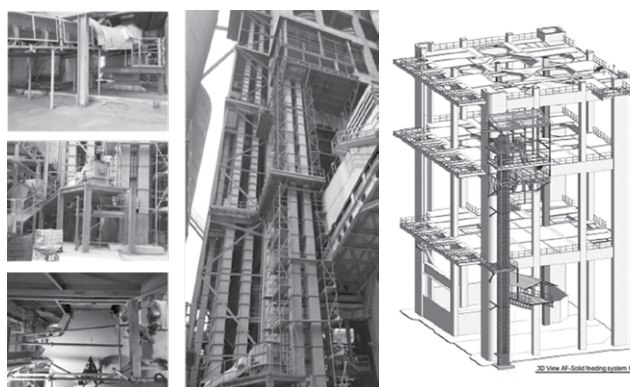


Image: 2nd Bucket elevator at Kiln 5

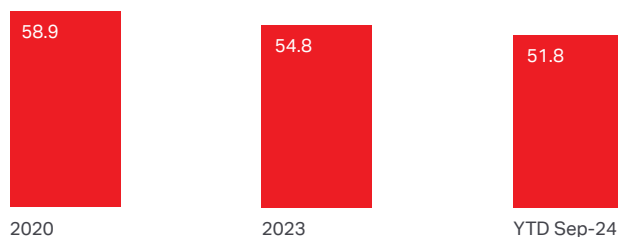


Image: Biomass feeding system at Kiln 6

■ Clinker Factor (CF) Reduction - INSEE Vietnam

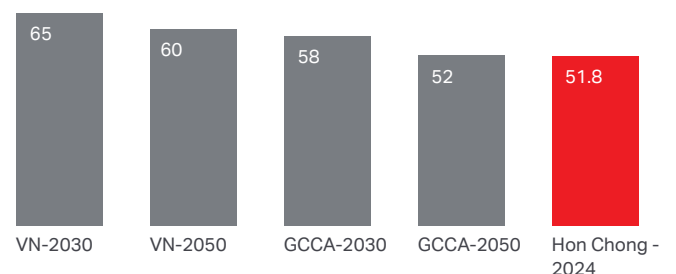
Thanks to clinker reactivity improvements and product optimization through Product Portfolio Management process, market quality benchmarking and cement formulation fine tuning, Hon Chong Plant has played a pivotal role in advancing clinker reduction efforts for INSEE Vietnam as well as the Group. We have successfully achieved the clinker factor at 51.8 percent by YTD September 2024, representing a reduction by over 7 percent since 2020 and by 3 percent versus 2023 which is equivalent to 28,000 ton of CO₂ reduction.

Hon Chong Plant CF reduction journey (%)



Moreover, the current clinker factor at Hon Chong (51.8 percent) at YTD September 2024 is notably lower than the Vietnam cement industry (*) and GCCA roadmap targets for 2030 and 2050, reflecting the plant's commitment to sustainable practices and efficiency. INSEE Vietnam continues to demonstrate the lowest CF in the Group, while maintaining the cement quality and meeting all customer expectations for cement performance.

Hon Chong CF in YTD September 2024 versus Vietnam cement roadmap & GCCA roadmap until 2050 (%)



(*) Vietnam cement industry roadmap for Clinker Factor reduction is stated in Decision 1266 of Vietnam's Prime Minister
(source: VNCA cement industry report by Dr. Luong Duc Long, CEMTECH 2022 conference in Hanoi)

Q For more details on our Climate and Energy, see our **Sustainability Performance Index 2024** and on the **Company's website**.

2. Circular Economy

Our SDG priorities



2.1 Ambition

SCCC Group is driving circularity across our value chain to achieve operational decarbonization goals. By minimizing construction waste and extending the lifespan of buildings and infrastructure, we deliver innovative, sustainable solutions through our Green Portfolio, including hydraulic cement with reduced clinker content as an eco-friendly alternative to traditional portland cement.

One of the key actions driving circularity within our value chain is led by INSEE Ecocycle, a subsidiary specializing in waste management solutions. Since 2001, INSEE Ecocycle has been transforming waste into valuable resources through co-processing in cement kilns, eliminating waste without harmful emissions, reducing reliance on fossil fuels and minimizing environmental impact. Collaborating with government bodies and industries, INSEE Ecocycle sets benchmarks in hazardous waste management while aligning with the Sustainable Development Goals, focusing on climate action and circular resource use.

In addition, our commitment to circularity extends to efficient waste management through consistent production process improvements, optimizing the value of resources while reducing the need for raw material extraction. By utilizing by-products from various industries, we substitute finite natural resources and fossil fuels in cement production. This approach not only conserves resources but also addresses critical waste disposal challenges, further reinforcing our dedication to sustainable development and resource efficiency.

By 2030, our ambitious Circular Economy targets include significantly improving the sustainability of our clinker production processes. Specifically, we aim to increase the use of waste-derived fuels and raw materials in clinker production from 0.5 million tons to over 1.4 million tons. Additionally, we plan to boost by-product utilization—such as fly ash and slag—by 65 percent, reaching over 1.7 million tons annually to produce cementitious products. This strategy reflects our commitment to reducing environmental impact, promoting circular economy principles and advancing the responsible use of resources in cement production, contributing to a more sustainable and eco-friendly future.

2.2 Strategy

Our circularity strategy is built on reducing the reliance on primary raw materials and enhancing the longevity of structures built with our products. We are committed to promoting sustainability through the following key initiatives:

- **Promoting Circular Products and Alternative Fuels:** We focus on increasing the use of alternative fuels and incorporating circular products in our operations. This includes efforts to meet our thermal substitution and clinker factor targets, thereby reducing the consumption of virgin raw materials.
- **Reducing Carbon Footprint:** Through initiatives such as adopting hydraulic cement and closing the carbon loop, we aim to significantly lower our carbon emissions. These steps are part of our broader commitment to mitigating climate change and advancing sustainable construction practices.
- **Partnerships in Construction and Demolition Waste Management:** We are exploring partnerships across Southeast Asia to manage construction and demolition waste more effectively, ensuring that these materials are repurposed and reused in a circular economy framework.
- **Zero Waste to Landfill:** As part of our waste management strategy, we are focused on reducing waste at the source and ensuring that zero waste is sent to landfills. By implementing advanced recycling processes, we can divert significant amounts of waste from disposal.

2.3 Performance and Outlook

In 2024, the use of waste-derived fuels reached 744,619 tons, representing 53 percent of our 2030 target. Additionally, the utilization of by-products across the Group totaled 992,167 tons, achieving 42 percent of our 2030 goal.

INSEE Ecocycle plays a pivotal role in supporting our circular economy goals by treating waste materials from industrial sectors and post-consumer sources. A notable achievement is the production of Refuse-Derived Fuel (RDF) from municipal waste, which serves a dual purpose: preventing landfill overflow and marine pollution while providing an alternative energy source in our operations. Through these efforts, INSEE Ecocycle contributes to a more sustainable, resource-efficient future, helping to close the loop on waste and reduce the environmental impact of our business.

2.4 Project Highlights in 2024

Project 1: Driving Circularity Through Partnerships

INSEE Ecocycle supports Thailand's circular economy through collaborations with government, academia and private sector partners. Key initiatives include establishing drop-off points for materials such as single-use plastics, bras and lingerie, as well as spearheading innovative landfill mining projects to recover valuable resources. These actions align with our commitment to assisting sustainability partners in achieving their environmental and plastic neutrality goals.

Additionally, INSEE Ecocycle participated in the "Benefits and Best Practices on Co-Processing in Cement Kilns" session at the Workshop on Waste Management according to the Circular Economy with the Advantage of Co-Processing in Cement Kilns and Ocean Plastic Turned into an Opportunity in Circular Economy (OPTOCE) workshop. This platform enabled knowledge sharing on sustainable waste management and showcased

the pivotal role of co-processing in reducing environmental impacts and promoting circular economy principles.

For five consecutive years, INSEE Ecocycle has also been entrusted with the environmentally responsible destruction of counterfeit goods. By ensuring these items are safely and sustainably disposed of, we help protect intellectual property rights while minimizing environmental impact. Through these impactful projects and engagements, INSEE Ecocycle reinforces its commitment to innovation, resource recovery and sustainability leadership in Thailand.



Image: Honorable speakers from government agencies, research institutes and cement associations shared insights on waste management policies aligned with the circular economy approach, the current marine waste situation and strategies for managing non-recyclable waste.

Project 2: Sustainable Industrial Services and Innovative Solutions

As part of our circular economy initiatives, INSEE Ecocycle partners with industry leaders to support their sustainability goals and circular economy targets. Our innovative solutions focus on reducing environmental impact while ensuring operational efficiency and safety.

Key innovations include sustainable cleaning solutions for decontaminating oil and gas infrastructure, which minimize waste generation and enhance workplace safety. For example, our robotic tank cleaning technology, featuring advanced crawler robots, eliminates the need for human entry into hazardous environments, significantly enhancing safety while reducing waste and environmental impact. In addition to our work on handling decommissioned assets, electromotive cleaning is a novel process developed through a partnership between Chevron and INSEE Ecocycle to clean subsea pipelines and other assets requiring decommissioning. This electromotive process offers numerous advantages over conventional methods, enabling faster treatment of pipeline bundles, which improves efficiency and reduces costs. Furthermore, it generates significantly less liquid waste, minimizing environmental impact and reducing risks to workers.

Together with Chevron, we have created a sustainable solution for cleaning retired assets, bringing benefits to the oil and gas industry, the environment and society, both in Thailand and worldwide. These cutting-edge services align with our commitment to resource efficiency, waste minimization and sustainable industrial practices within the circular economy framework.



Image: At INSEE Ecocycle's Chonburi Plant, industrial cleaning specialists utilize advanced electromotive cleaning technology to decontaminate subsea pipelines, ensuring efficiency and environmental sustainability.

Q For more details on our Circular Economy, see our **Sustainability Performance Index 2024** and on the Company's website.

3. Biodiversity and Water

Our SDG priorities



3.1 Ambition

Water is a vital resource for development and is crucial in supporting biodiversity and human life. Unfortunately, it is plagued with issues of scarcity, which lead to biodiversity loss and negatively impact nutrient cycles within soils, plant life and essential food crops. These issues are interconnected and will assist in handling land erosion and the regulation of the quality and quantity of water. The conservation of water and biodiversity cannot be neglected. Therefore, we must adopt and emphasize best practices. Sustainable Development Goal (SDG) 17 proposed by the United Nations (UN) urges collective action toward ensuring clean water and sanitation security for all.

SCCC Group is committed to reducing specific water consumption by over 20 percent and increasing the use of surface water collection to over 45 percent by 2030. This target has been modified last year from the initial goal of 40 percent, reflecting our updated sustainability ambitions following a continuous review.

At INSEE, we recognize our impact on biodiversity value, as a Company active in mining. Therefore, to alleviate harm as much as possible, we diligently follow the mitigation hierarchy. Aiming to initially avoid, then minimize, rehabilitate and at the last resort off-set biodiversity impacts. In doing so, we work towards a Net Positive Impact (NPI) on biodiversity by 2030. We are currently exploring nature-based solutions such as artificial reefs to support marine habitats and mangrove nurseries, aligning with our climate and energy goals.

3.2 Strategy

Our strategy of following the mitigation hierarchy, prioritizing impact avoidance as the ideal option, followed by impact mitigation and rehabilitation and finally, once these options have been exhausted, biodiversity offsetting to cover any residual damage that cannot be otherwise addressed, is facilitated by experts at IUCN. INSEE has signed regional and country specific MOUs with IUCN for the period of 2021-2024. These documents detail locally specific agreements and roadmaps assisting sites in developing biodiversity action plans encapsulating site-specific measures and broader initiatives. To reduce water loss and identify opportunities for improving efficiency, such as

Optimizing cooling systems, we regularly perform water balance assessments following the guidelines and tools provided by the GCCA. In addition, we are increasing our efforts to capture surface water by building additional reservoirs, including ponds and quarry dewatering systems, with the goal of achieving over 45 percent surface water usage by 2030. By utilizing internal benchmarking and performance insights from

industry leaders, we aim to consistently enhance our practices and, where feasible, surpass this target.

3.3 Performance and Outlook

In 2024, we continued collaborating with subject matter experts to validate the baseline of our biodiversity value, following the guidelines and tools provided by the Global Cement and Concrete Association (GCCA). With this foundation, we developed and refined our Biodiversity Management Plan (BMP) to ensure alignment with our NPI (Net Positive Impact) target. The BMP outlines site-specific solutions, taking into account the operational impact and guiding restoration and reclamation efforts to maximize biodiversity benefits. It also includes compensatory measures like biodiversity offset programs when necessary.

As part of their commitment, INSEE Lanka and IUCN have successfully completed the the 15th consecutive Annual Quarry Rehabilitation and Biodiversity Monitoring Program (ARP) at the quarry, a key activity that helps track and enhance the restoration of the local ecosystem. These efforts are directly aligned with the NPI goal, as they focus on restoring biodiversity and ensuring that mining activities contribute positively to environmental conservation. In addition to biodiversity monitoring, Sri Lanka has introduced an ongoing animal rescue and release program, which further supports wildlife protection. Looking ahead, the teams are preparing for the 16th year of comprehensive NPI and ARP assessments for both the quarry and biodiversity in 2025. They will also evaluate offset projects for mangroves and coral reefs, as well as conduct an ARP for the solar farm project. These initiatives play a vital role in

minimizing environmental impacts, helping to restore ecosystems and achieving the NPI target, with lasting benefits for Sri Lanka's biodiversity and natural resources.

Meanwhile, INSEE Vietnam's NPI 2030 Roadmap Action Plan Proposal was approved by the Vietnam Sustainable Development Steering Committee based on the findings of the biodiversity value survey. This plan was further reinforced with the signing of a MoU with the Southern Institute of Ecology (SIE), demonstrating INSEE's dedication to its successful implementation.

In 2024, INSEE Vietnam also signed an MoU with the Phu My Wetlands Nature Reserve to support ongoing efforts to restore wetland habitats by planting native trees. As part of this initiative, INSEE Vietnam contributed 37,000 native trees to aid in habitat restoration. Other activities under the NPI 2030 Roadmap include:

- Supporting local livelihoods through the purchase of sustainable products.
- Raising biodiversity awareness in collaboration with the Kien Giang Department of Natural Resources and Environment (DONRE) on Environment Day.
- INSEE Vietnam has engaged in discussions with the IUCN to participate in the Mekong Delta Coastal Habitat Conservation (MDC) project, where INSEE Vietnam would provide cement for the construction of artificial coral reefs in Kien Giang Province.

These actions underscore the Group Company's continued commitment to environmental sustainability and its proactive efforts to achieve a Net Positive Impact on Biodiversity by 2030.



Image: INSEE Volunteers in Vietnam joined planting tree program and handed over to Phu My NR's Director 37,000 local trees in October 2024.

3.4 Project Highlights of 2024

INSEE Lanka - National Recognition for INSEE's Cement's Sustainable Quarry Rehabilitation Practices

INSEE Cement is honored to have received 1st place in the "Best Rehabilitation Practices Mining Site" category from Sri Lanka's Geological Survey and Mines Bureau. This award, presented on World Environment Day 2024, acknowledges our leadership in implementing sustainable and environmentally responsible rehabilitation practices. This includes Sri Lanka's first-ever animal rescue and release initiative at the Aruwakkalu Quarry. Our achievement is a result of the dedicated efforts of our team and the strong collaboration with IUCN Sri Lanka, demonstrating our commitment to innovative environmental management.



INSEE Lanka - Biodiversity Conservation with Key Partners

In 2024, Sri Lanka made significant progress in biodiversity conservation through various restoration and protection initiatives. Artificial water ponds were created in quarry areas to provide crucial drinking water for wildlife, addressing dry conditions and supporting biodiversity. In partnership with the Coastal Conservation Department, mangrove restoration efforts in the Kalpitiya area focused on protecting coastal ecosystems, reducing erosion and fostering environmental sustainability. Additionally, our team in Sri Lanka successfully planted 1,000 rhizophora mucronate mangroves in the Koggala Lagoon near the INSEE Ruhunu Cement Plant to enhance coastal protection. Quarry restoration activities, following IUCN recommendations, involved planting over 6,000 plants, aiding ecological recovery and sustainable land use. Annual monitoring of these restoration efforts was conducted in June 2024 with IUCN, along with a biodiversity assessment and animal rescue program in December 2024.

INSEE Vietnam - Key Initiatives for Water Management

A key initiative is the recycling of wastewater in the Waste Heat Recovery system, where the Hon Chong Plant treats and reuses 10,000–15,000 cubic meters of water annually. Additionally, domestic wastewater from the Hon Chong Plant and Cat Lai terminal is repurposed for various operational processes. Rainwater harvesting plays a crucial role, with nearly 1,000 cubic meters collected annually at the Cat Lai terminal to support grinding operations, while the Hiep Phuoc grinding Plant has utilized rainwater harvesting since 2020.

To further optimize water use, precise water consumption measurement systems have been implemented across INSEE Vietnam's facilities that monitor usage and identify opportunities for efficiency improvements. This focus on controlling water loss and tracking consumption has significantly reduced dependency on freshwater sources, promoting sustainable water practices. All treated wastewater meets or exceeds environmental standards before being discharged, ensuring the protection of local ecosystems.



Image: Output wastewater re-use in Waste Heat Recovery

SCCC - Key Initiatives for Biodiversity with Business Partners

The INSEE Green Heart Plus Club, in collaboration with the Ministry of Natural Resources and Environment, organized a successful activity focused on the preservation and restoration of mangrove forests in Rayong province. This event was a part of broader efforts to protect vital ecosystems. In a related development, SCCC took a leadership role in biodiversity and carbon reduction by launching a tree planting initiative, in partnership with Prukha Holding and Diamond Building Products. This project aimed to further reduce carbon footprints while promoting biodiversity.

Additionally, in terms of quarry rehabilitation, 0.94 hectares of land were rehabilitated in 2024, contributing to the restoration of disturbed environments. Finally, a comprehensive

biodiversity inventory was conducted with the help of local partner Kasetsart University and the results were shared with IUCN-Thailand, providing valuable data for ongoing conservation efforts.

SCCC - Key Initiatives for Water

One of the first actions was the implementation of a water meter improvement program aimed at increasing the accuracy and efficiency of water usage monitoring. In addition, a water leakage reporting campaign was launched to encourage proactive reporting of leaks and to help identify and address issues promptly. To further reduce water loss, a Variable Speed Drive (VSD) motor was introduced, optimizing water flow and minimizing leakage. The development of a mobile application for water meter recording was another innovative step, allowing for easier and more accurate tracking of water consumption. Lastly, the organization committed to a Zero Discharge project, focusing on eliminating wastewater discharge and ensuring that all water used is either treated or reused.

These initiatives have proven effective in achieving the goal of reducing specific water consumption by 20 percent and decreasing the use of surface water collection by 40 percent by 2030. These efforts collectively reflect a strong commitment to improving water efficiency and sustainability.

Q For more details on our Biodiversity and Water Performance, see our **Sustainability Performance Index 2024** and on the Company's website.

4. Occupational Health and Safety

Our SDG priorities



4.1 Ambition

At SCCC Group, we are dedicated to fostering a culture of safety and well-being across its operations. The Company's overarching goal is to achieve "Zero Harm", prioritizing the safety of its employees and stakeholders.

4.2 Strategy

While significant progress has been made, SCCC acknowledges ongoing challenges such as maintaining long-term focus on safety mindset and behavior, ensuring consistent reinforcement of safety messages across all levels of the organization and implementation of safety practices. The Group remains committed to addressing these challenges and further strengthening its OH&S performance.

"Safety is a core value at SCCC", said Eamon Ginley, INSEE Vietnam CEO. "We are proud of our achievements in 2024, but we recognize that there is always room for improvement. We will continue to invest in innovative solutions, empower our employees and collaborate with stakeholders to create a safer and healthier workplace."

4.3 Performance and Outlook

Our Group-wide OH&S workgroup, chaired by the Group CEO, continues to oversee the improvement of OH&S processes and systems, to keep up with global best practices and to assure OH&S capability building. Via a visible and felt leadership approach, positive reinforcement is practiced and prompt consequence management is used to address conduct breaches.

SCCC Group's Lost Time Injury Frequency Rate (LTIFR) is now at 0.36 against our zero target in 2030.

4.4 Project Highlights in 2024

Key achievements in 2024 included:

- **Digital Transformation:** The implementation of QR code-based equipment inspections has streamlined processes, improved accuracy and enhanced data-driven decision-making for better maintenance planning and ensuring instant transparency on the status of all OH&S related equipment and inspections required.
- **Road Safety:** The Group's road safety awareness campaign has promoted responsible driving behaviors, encouraged employees to adopt safe driving practices both on and off the job.
- **Collaborative Safety:** Inter-organizational audits and peer support have fostered a culture of continuous improvement and shared learning among SCCC's operating companies.

- **Advanced Technology:** The adoption of In-Vehicle Monitoring Systems has enhanced driver safety and provided real-time insights into vehicle performance and driver behavior.
- **Standardized Risk Assessment:** The standardization of risk assessment tools across the Group is underway to improve consistency and facilitated effective risk mitigation and control measures.



Q For more details on our OH&S Performance, see our **Sustainability Performance Index 2024** and on the Company's website.

5. Community and Stakeholder Engagement

Our SDG priorities



5.1 Ambition

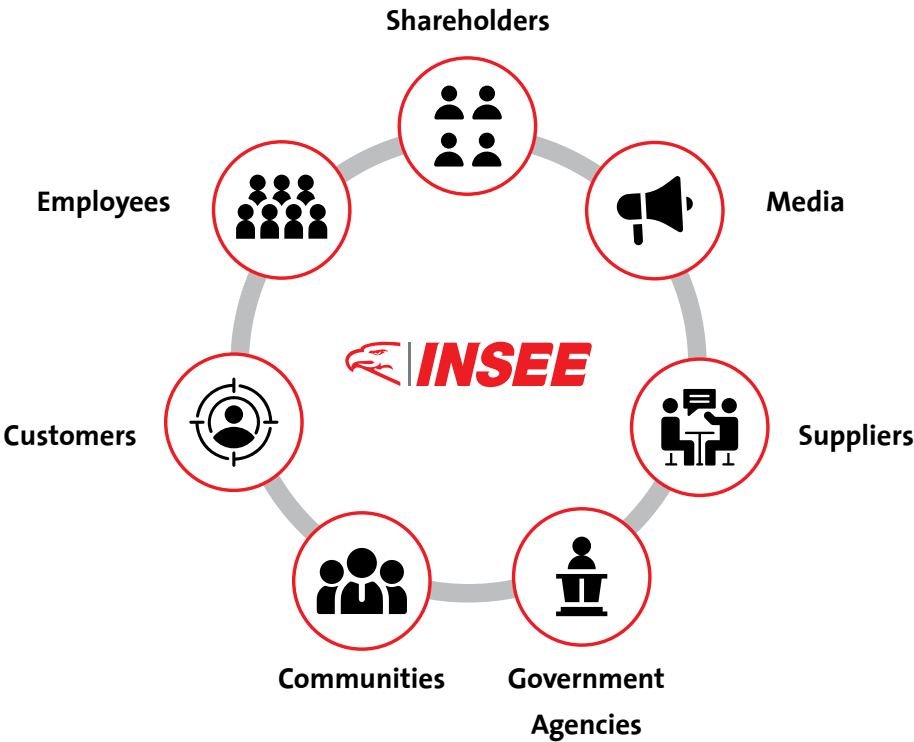
INSEE's ambition is to proactively engage with its communities and stakeholders.

SCCC Group respects the rights and interests of stakeholders by operating according to the process of engaging stakeholders in accordance with the AA1000 Stakeholder Engagement Standard (AA1000SES). The key principles include materiality assessment, inclusivity of stakeholders and responsiveness to stakeholders' expectations.

This is to acknowledge the feedback, opinions and recommendations of stakeholders towards the organization's business operations under both normal and crisis conditions. This is achieved through interviews, suggestion channels and complaint mechanisms provided by the organization, covering sustainability issues across three dimensions: Environmental, Social and Governance (ESG).

■ Classification of SCCC Group's Stakeholders

SCCC Group's stakeholders consist of individuals or entities affected, either positively or negatively, by SCCC Group's business activities, as well as those with the ability to influence SCCC Group's operations. These stakeholders, spanning across the past, present and future, can be classified into seven main categories: Employees, Customers, Communities, Goods and Service Suppliers, Shareholders, Government Agencies and Independent Organizations and Media.



Moreover, INSEE Group actively engages with identified groups of stakeholders to advance its Sustainability Ambition 2030. This commitment is reflected in a robust community and stakeholder engagement plan implemented across all sites, accompanied by regular assessments of the impact of these initiatives.

INSEE's community engagement efforts focus on key areas,

- Quality education through programs like enterprise vocational training and concrete mason skill development.
- Capacity building in climate and energy.
- Promoting circular economy practices.
- Conserving biodiversity and water.
- Enhancing Occupational Health and Safety for stakeholders.

These initiatives reflect the Group's commitment to responsible social and environmental operations, while also collaborating with stakeholders for long-term sustainability.

5.2 Strategy

Along the value chain, INSEE Group identifies the groups of stakeholders to ensure the effectiveness of our business operations by placing high value on information, suggestions and recommendations from key stakeholders. We analyze obtained information to formulate our engagement strategy to meet the requirements and expectations of stakeholders.

The following table gives an overview of the engagement strategy with our stakeholders:

Stakeholders	Objective/Expectation	Engagement Strategy
Employees	Create safe work environments and promote employee's health & wellbeing. Ensure equal opportunities and offer learning and career development within the workplace.	<ul style="list-style-type: none"> ■ Develop leadership capabilities in supervisors to be more attentive to subordinates. ■ Promote engagement and two-way communications within the organization. ■ Develop a safety culture in the workplace and build awareness about the environmental impact of our business. ■ Conduct employee engagement survey to regularly listen to employees' opinions.

Stakeholders	Objective/Expectation	Engagement Strategy
Customers	Build and enhance long-term relationships with customers.	<ul style="list-style-type: none"> ■ Arrange regular meetings and customer visits physically and virtually. ■ Develop communication channels, online sales and support system to increase speed, convenience and effectiveness to the customer's needs. ■ Provide customer training and knowledge sharing. ■ Constantly conduct surveys to listen to customer's opinions for continuous improvement.
Communities	Implement CSR-in-process to prevent or minimize operational impact on the communities, including creating projects to continuously support the communities' sustainable development the so-called CSR-after-process.	<ul style="list-style-type: none"> ■ Regularly conduct surveys of communities' opinions. ■ Develop communication channels, both official and unofficial. ■ Arrange factory visits for community leaders and the public. ■ Promote the community's engagement and joint management in some important projects. ■ Create a fund for community development and environment, as well as community advisory panels.
Goods & Service Suppliers	Promote good collaboration and mutual support to create business opportunities and mutual growth.	<ul style="list-style-type: none"> ■ Announce and implement the Suppliers Code of Conduct. ■ Announce and implement the Sustainable Procurement Policy and Guidelines. ■ Arrange meetings with suppliers to promote good communications and training programs on various topics.
Shareholders	Carry out business operations with good corporate governance while building sustainable progress for the organization.	<ul style="list-style-type: none"> ■ Organize the Annual Shareholders Meeting. ■ Regularly communicate and arrange field visits and participations in CSR and environmental projects.

Stakeholders	Objective/Expectation	Engagement Strategy
Government Agencies & Independent Organizations	Strictly adhere to the laws and ensure good cooperation with the government sector. Seek opportunities for joint activities and projects which are beneficial to the society and the nations.	<ul style="list-style-type: none"> ■ Study legal implications and control all aspects of the business to ensure legal compliance. ■ Participate in meetings, seminars and forums with government agencies, as well as support official exhibitions and seminars. ■ Support and participate in projects for society and the nation as organized by the government sectors.
Media	Promote good understanding of the Company's operations, including policies and major projects so that the media is able to communicate them accurately to our stakeholders and the general public.	<ul style="list-style-type: none"> ■ Regularly provide the media with information, operational facts and figures and progress of major projects. ■ Regularly arrange opportunities for the media to meet senior management, visit factory and participate in ESG-related activities.

5.3 Performance and Outlook

5.3.1 Communities

The SCCC Group ensures sustainable community growth by developing annual engagement plans for each business unit. These plans integrate Corporate Social Responsibility (CSR) initiatives during and after business operations, fostering open communication with local communities. By encouraging active participation in planning and executing development activities and leveraging the Group's expertise and resources, these initiatives contribute to the long-term development of both communities and society.

In Thailand, SCCC is deeply committed to engaging the Thai community in its low carbon cement journey by sharing expertise and collaborating with key stakeholders to drive sustainable change. A prime example is its partnership with vocational students nationwide through the annual **Vocational Education Commission Competition (VEC)**. Since 1995, this national cement and concrete skills competition has attracted over 432,000 participants, with SCCC proudly sponsoring the event using its low carbon cement and working alongside the Ministry of Education to promote education and skill development.

Recognizing the vital role of skilled masons in local communities, INSEE also partners with the Ministry of Labour to run the **INSEE Construction 4.0** program. This initiative enhances masons' existing expertise while equipping them with the latest knowledge and techniques in the evolving cement and concrete industry, ensuring they stay at the forefront of their craft. These efforts reflect SCCC Group's dedication to education, innovation and sustainable community development.



The focus on improving livelihood of communities is also the key agenda of INSEE Vietnam. One of the key events in 2024 is the contribution of a total 42.5 tons of cement donated for the Road No.11, Long Thoi Commune, Nha Be district, aiming to improve the quality of life for residents. Another highlight project is the Waste Exchange Program in Kien Luong district, Kien Giang province, where INSEE Vietnam's Hong Chong Plant coordinated with Department of Natural Resources and Environment in Kien Luong District and Duong Hoa Commune People's Committee to organize the program "Waste Exchange" to raise people's awareness about the act of waste sorting at source and the behavior of protecting our living environment.





In Sri Lanka, INSEE Lanka, in collaboration with the Sri Lanka Police, organized a beach clean-up along 10 locations from Negombo to Wattala for World Environment Day 2024. Over 2,000 participants, including police, community members, INSEE Lanka staff and students from 14 schools, joined the initiative to promote waste management and environmental conservation. Collected waste was sustainably managed through recycling and co-processing.

To further support the community, INSEE Lanka donated Sanstha Cement bags to aid infrastructure development in the participating schools.



5.3.2 Customers

Customer Relationship Management: A Commitment to Sustainability and Innovation

At SCCC Group, building sustainable collaborations with our customers is central to our strategic mission. We recognize that true partnership extends beyond transactions; it involves nurturing long-term relationships anchored in shared environmental and social goals. Our commitment to understanding our customers' needs, delivering innovative and sustainable solutions and maintaining transparent communication forms the bedrock of our enduring partnerships. This dedication aligns seamlessly with our **INSEE Sustainability Ambition 2030**, which outlines our roadmap toward achieving environmental, social and government goals.



Image: SCCC and Prukpa Partner to Showcase Low Carbon Innovations and Combat Global Warming

Product Innovation for a Sustainable Future

The SCCC Group is committed to **continuous product innovation**, ensuring that we meet customer needs while lowering Carbon Dioxide (CO₂) emissions. Our focus on environmentally friendly products led to the introduction of **Low Carbon Cement**, also known as **hydraulic cement**, that minimizes energy consumption and significantly reduces CO₂ emissions during production. In Thailand, our **INSEE Petch Ngarn Thang Luang** cement, designed for road construction, significantly contributes to decarbonization efforts. This innovative product not only strengthens infrastructure but also reduces environmental impact.

In Vietnam, the development of **INSEE Stable Soil** enhances the durability and strength of soil used in infrastructure projects. This cost-effective, eco-friendly solution supports sustainable building practices, providing our customers with reliable products aligned with their sustainability goals.

Under the Light Building Materials (LBM) umbrella, we prioritize customer needs by developing tailored solutions. Recent innovations include **Self-leveling mortar** and ongoing development of **value-added products**, are all designed to enhance customer experience, meet evolving demands while advance our sustainability ambitions.

We also actively engage our customers in the importance of sustainability through initiatives like the **INSEE Business Forum**, **Industrial Sales Seminars** in Thailand and the **INSEE i2i Talks** and **Technical Workshops** in Vietnam. These events provide valuable insights into best practices, eco-friendly products and the broader benefits of sustainability in construction.

Our customers in Thailand have embraced sustainable cement solutions, contributing significantly to CO₂ reduction by opting for hydraulic cement. To recognize their commitment, we awarded **Letters of Recognition** in collaboration with the **Faculty of Engineering, Kasetsart University**, highlighting their positive environmental impact through CO₂ savings equivalent to trees saved. This celebration of partnership strengthens our collective journey toward decarbonization.



Image: SCCC Group recently joined hands with our customers, Pruksa Holding Public Company Limited and Diamond Building Products Public Company Limited, in our "Planting for A Better World" initiative.

Empowering Customers with Expert Support

Our responsibility extends beyond delivering innovative products; we are committed to empowering our customers to maximize the value of these solutions. **INSEE Technical Services offers tailored consulting, from product recommendations to custom solutions for specific building challenges.** Whether through on-site support or sustainability consulting, we aim to help our customers achieve optimal performance, cost-efficiency and compliance with sustainability standards.

SCCC Group is committed to enhancing customer experiences and continuously surpassing customer expectations. This is achieved not only through the expertise provided by INSEE technical consultants but also through the **Customer Service Center**,

a one-stop solution offering centralized support. This centralized system ensures seamless engagement across all customer touchpoints, delivering a cohesive and responsive service experience. Our **Customer Satisfaction Index (CSI)** for 2024 in Thailand stands at an impressive 93.7 percent, surpassing our target of 90 percent. This achievement reflects our unwavering commitment to **enhancing customer experiences and swiftly addressing their needs.** It also highlights our dedication to exceeding expectations and ensuring that customer satisfaction remains at the forefront of our business priorities.

Standing Together: Compassion and Support in Times of Crisis

In moments of crisis, we stand shoulder to shoulder with our customers, employees and communities. During recent floods in Thailand, Vietnam and Bangladesh, the Company acted quickly to provide essential supplies and food items to those in need. In collaboration with our partners and INSEE Cement Thailand, Rattanamongkol Bangpa-in Transport Company Limited and Watcharasup Petroleum Company Limited, these donations were distributed through local government agencies to ensure timely and effective delivery to affected individuals. Relief aid has been distributed by the Company to those affected in the flood-stricken regions in Bangladesh and the employees of the INSEE family have donated one day's salary to support this initiative. In Vietnam, the money raised from donating within the Company to support flood victims to overcome the consequences of storms and floods. Standing side by side, sharing and caring with open hearts and a deep sense of unity reflect the beautiful stories of human kindness.

It's the collective strength of each individual that forms the solid foundation of INSEE. Together, we've created a positive and lasting impact, demonstrating how unity can inspire change that resonates far beyond the present moment.



Image: Reflecting our commitment to stand by communities in both good times and challenging moments, the Company provided essential supplies and food items to those in need.

5.3.3 Employees

Group Employee Engagement

SCCC Group has been conducting INSEE Employee Engagement Survey continuously since 2021 to listen to direct feedback and comments from employees within the group. Additionally, impact plans have been developed, focusing on areas that need improvement to directly foster employee engagement in the organization, both at the Company and Functional levels. In 2024, our Group Employee Engagement score stands at 79 percent (against target of 80 percent), and the

results of the overall engagement survey with the factors affecting the score will be analyzed and used to develop Engagement Impact Plans. The aim is to elevate employee engagement and demonstrate a collaborative effort to create an organization in which all employees are engaged and work together to truly drive the organization's success.

SCCC Group prioritizes employee well-being by ensuring a safe work environment and promoting health and wellness. To foster a positive workplace, the Company organizes various activities aimed at enhancing employee happiness, including:

- **Physical Health:** Encouraging physical well-being through organized activities that promote exercise, along with providing employee benefits for access to fitness facilities and sport club. Annual health check-ups are also offered.
- **Mental Health:** Supporting mental well-being by fostering positive relationships within the organization, organizing team-building activities, promoting meditation practices and engaging employees in collaborative events.
- **Financial Health:** Enhancing financial well-being by offering education on financial planning and investment through provident funds and self-investment programs. Additionally, employees receive guidance on debt management through the Debt Clinic initiative.

These initiatives are designed to enhance employee well-being and create a supportive and positive workplace.

In 2024, the Company also organized activities with the aim of promoting INSEE engaging workplace, building collaborative teamwork among employees and further fostering their commitment to the organization, such as

1. Team Collaboration: One Team One Goal
2. INSEE People Fest 2024
3. INSEE Games 2024

Human Rights Practices at SCCC Group

Guided by the United Nations Guiding Principles (UNGPs) on Human Rights, SCCC Group believes that our business can thrive only when the human rights are respected, advanced and upheld and that all relevant stakeholders uphold and comply to the same principles. Below are the Human Rights practice on employees of SCCC Group;

1. Protection of Employee Rights

At SCCC Group, we maintain a strict adherence of zero tolerance towards any form of discrimination or harassment. Our commitment entails respecting human rights and seeking to avoid involvement in human rights abuses, identifying, assessing and minimizing potential adverse impacts through due diligence and management of issues and resolving grievances from affected stakeholders effectively. We are committed to employing people solely based on their ability to do the job, prohibiting any discrimination based on

race, color, age, gender, sexual orientation, gender identity and expression, ethnicity, religion, disability, family status, social origin and so on.

Our employee rights and their working conditions comply with labor standards of both domestic and international laws where SCCC operates. This includes embedding in our work culture the respect of rights inherent to all human beings, regardless of physical or mental status, race, nationality, country of origin, ethnicity, religion, gender, language, age, skin color, education, social status, culture, tradition or any other status as specified by laws of each country.

1.1 Recruitment and Screening: SCCC provides the opportunities to all applicants regardless of gender, sexual orientation, disability, education, race, age or religion, with fair and transparent recruitment and screening processes.

1.2 Learning and Development: Throughout their employment, all employees are provided with equal learning opportunities for self-development and are encouraged to have on-going conversation with their supervisor about their development journey.

1.3 Fair Compensation: SCCC ensures the pay is attractive to key talents in the market and employees are paid fairly and competitively.

1.4 Performance Assessment: SCCC is committed to driving employees to engage in a performance-driven culture where fair and transparent evaluation process are followed strictly.

1.5 Termination and Separation: SCCC ensures fair and transparent employee termination/separation, with appropriate consideration of organizational needs, transparent process and legal compliance, in line with the fair treatment and consistency of procedures.

1.6 Culture of Diversity and Inclusion: SCCC continuously promotes an inclusive work culture by including transparency, professional manner and equal opportunities in every activity we do, as well as provides the suitable communication channels in order to cascade the Management's direction and to continuously receive valuable feedback from employees.

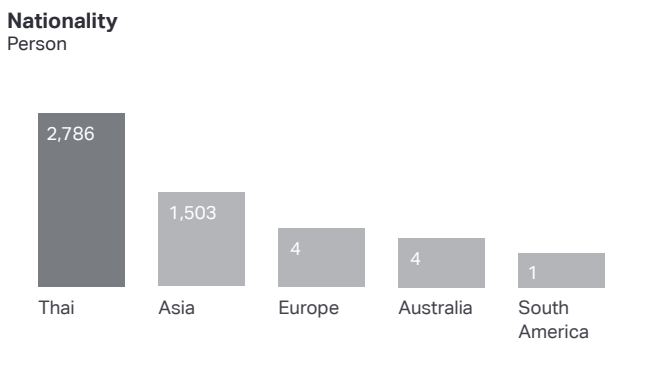
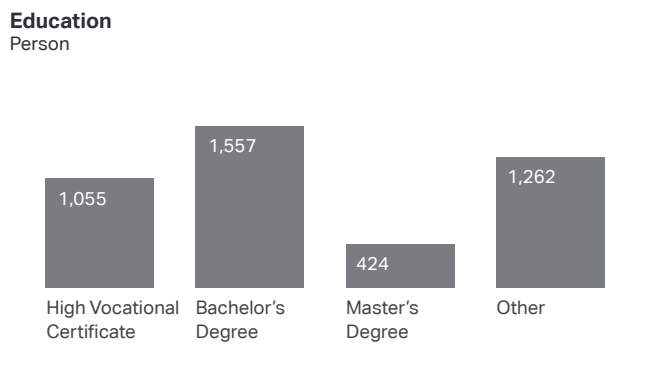
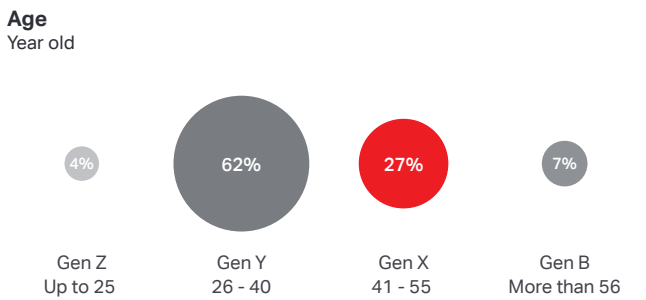
2. Compliance and Accountability

Every member of the Board of Directors, the Management team, employees and any individuals or entities representing or acting on behalf of SCCC are bound by a rigorous commitment to adhere to these principles.

Anyone found in violation of human rights will be subject to disciplinary measures as defined by SCCC and may face legal consequences if their actions contravene the law.



For more on Human Rights practices in SCCC Group, please see on the Company's website in Group Sustainability Policy, Business Code of Conduct, Group HR Policy and Supplier Code of Conduct.



Remark: The above is not inclusive of Lanna Resources Public Company Limited and Thai Agro Energy Public Company Limited, information for which can be found in the respective companies' 56-1 One Report.

Embedding Sustainability in Our Business Strategy

Siam City Cement Public Company Limited operates its business in alignment with the principles of governance and responsibilities towards society and the environment. The Company's Board of Directors has established the Sustainability Policy, which combines the sustainability principle with all aspects of business strategies, from economic, social, to environmental aspects, with the policy covering matters including reduction of CO₂ emission, reduction of electricity consumption, increase in usage of renewable energy, efficient resource management, efficient water usage in production, etc. The Board of Directors assigned Management to consistently monitors the performance on these fronts, adjusting our strategies to adapt to the ever-evolving business environment and set annual key performance for SD matters for Management across the Group.

The Company has established a sustainability risks and opportunities management and monitoring system, with the Board of Director providing strategic directions prioritizing ESG performance. The Board of Directors, to this end, has also established the Sustainability Steering Committee in 2023, which consists of high-level management personnel and representatives from relevant organizations, with the primary objectives being to drive sustainability policies and to identify, assess and manage sustainability risks and opportunities and their impact to the Company's business.

The Sustainability Steering Committee reports its ESG monitoring and relevant risk matters directly to the Group CEO and the Board of Directors consistently, in the interest of ensuring the Company's operation is in alignment with the established strategies and to adjust where they are required in relation to the current events. The Company also closely monitors and assesses ESG risks, with the Risk Mitigation Plan on hand to prepare for climate change risks, which covers assessment of risks and opportunities arising from climate change that may have impacts on the Group's business operation in accordance with the Task Force on Climate-related Financial Disclosure (TCFD). Further details can be found on page 137.

The Board of Director supports the Company's endeavor to effectively manage sustainability matters. This is reflected in sustainability matters being embedded in the Company's Business Plan and CAPEX, to ensure sustainability is a part of the Company's short term and long-term plans. Lastly, the Company is committed to sustainability in all dimensions of business operation, from economic, social, to environmental. Prioritizing sustainability is not only a part of the Company's overall strategy, but it is also one of the core principles on which decisions and operations of the Company are based. Our determination to consistently improve our strategy to effectively align with the ever-evolving global context continues to strengthen and so is our commitment to sustainable growth.

Task Force on Climate-related Financial Disclosures (TCFD)

International standard setters, regulators and investors call for TCFD reporting and more and more jurisdictions have TCFD-aligned reporting requirements (e.g., Hong Kong, Japan, New Zealand and Singapore in the APAC region). The TCFD-aligned information focusing on governance, strategy, risk management as well as updated metrics and targets (see table).

Governance Around Climate-related Risks and Opportunities

Disclosures	Annual Report 2024
■ Board's oversight of climate-related risks and opportunities	p. 136, 151
■ Management's role in assessing and managing climate-related risks and opportunities	p. 100-101

Strategy: Impacts of Climate-related Risks and Opportunities

Disclosures	SD / GCCA Index
■ Climate-related risks and opportunities SCCC have identified over the short, medium and long-term	p. 139-142
■ Impact of climate-related risks and opportunities on SCCC's business strategy and financial planning	p. 139-142

Risk Management: Identification, Assessment and Management of Climate-related Risks

Disclosures	Annual Report 2024
■ SCCC's processes for identifying and assessing climate-related risks	p. 100-101, 139-142
■ SCCC's processes for managing climate-related risk	p. 100-101, 143, 159
■ Integration of climate-related risks into SCCC's overall risk management	p. 100-101, 143, 159

Metrics and Targets used to Assess and Manage Relevant Climate-related Risks

Disclosures	Annual Report 2024 SD/ GCCA Index
■ Climate-related metrics	p. 106, 110-113
■ Disclosure of Scope 1 greenhouse gas emissions	p. 106, 110
■ Climate-related targets	p. 106, 110-113

Strategy: Impacts of Climate-related Risks and Opportunities

Global warming is one of the most urgent challenges the world is facing. If left unaddressed, it will impact both our climate system and the security of the population in general. Risks are related to deregulation of land and oceans temperatures; heat waves; drought; higher precipitation; and negative consequences across the food supply chain.

SCCC acknowledges the importance of this problem as well as the need to reduce carbon emissions and has developed a climate and energy ambition with Group and country-specific climate and energy roadmaps, targets and initiatives.

The most significant climate-related risks and impacts have been identified, reviewed and prioritized in line with the Business Risk Management the significance and likelihood were assessed based on the financial and reputational impacts considering different time horizons: short-term (until 2027), medium-term (until 2032) and long-term (after 2032). Focus of 2024 was to continue addressing risks and identifying opportunities.

Climate-related Risks and Opportunities Assessment Outcome

Risk type	Risks / Opportunity	Time horizon	Description	Impact (-) = negative impact (+) = positive impact
Physical risks				
Chronic & acute	Changes in weather patterns as well as increased severity and frequency of extreme events	Short/ Medium-term	Countries where SCCC operates are experiencing heavier rainfall and flooding and sea level rise. An increase in severity and frequency of extreme events will affect business operations due to the proximity of some plants to shorelines and rivers as well as soil erosion risks.	<ul style="list-style-type: none"> - The impact of changing weather patterns could affect our assets, production and potentially the market in some countries, increasing operating costs and negatively impacting our revenue. There may be a need to relocate at-risk assets. + Mitigation action such as flooding and landslide protection could lead to an increased demand for cement and concrete and may open up opportunities for more resilient infrastructure projects.

Risk type	Risks / Opportunity	Time horizon	Description	Impact (-) = negative impact (+) = positive impact
Transition risk				
Technology	Substitution of existing products and services with lower emission options	Short / Medium-term	Increasing demand and pressure from stakeholders for lower carbon intensity in cement and its associated semi-finished products, clinker content must be reduced continuously over time.	<ul style="list-style-type: none"> - Increasing demand of secondary materials associated with low carbon cement production such fly ash, alternative fuels and raw materials results material scarcity and increasing operational costs. + Opportunities arise from the low carbon product development, improvement, substitution and diversification of the product portfolio to meet market demands, without compromising excellent quality of our products in performance applications and be a competitive advantage.
Technology	Transition to lower emissions technology	Medium/ long-term	Require capitalizing in higher R&D cost, develop/ bring new technology to enhance low carbon product production.	<ul style="list-style-type: none"> - Increasing upfront capital investment to deploy low carbon emission technologies in operations and loss competitiveness if the technologies are operational less profitable and if customer continue to use high-carbon emission products. - Operation costs could rise periodically as companies adapt to working with new technology. + Gain competitive advantage on low-carbon process and product development and benefit from new technology adoption barrier.

Risk type	Risks / Opportunity	Time horizon	Description	Impact (-) = negative impact (+) = positive impact
Reputation	Changing public perception of the sector	Medium	Public sentiment around sustainability and climate change issues affects all value chain players. In addition, ESG including decarbonization capability issue become an increasing important factor for investors when making decisions about where to allocate their capital.	<ul style="list-style-type: none"> - Negative perceptions and result in reputational damage and influence customer decisions. - Not responding to the demand for low-carbon products combined with a curtailment of high-emission products could disrupt the business. + Positive perceptions/reputation create opportunities to attract customers, talent and investors.
Policy & Legal	Regulatory changes	Short-term	Experience mandated changes toward lower carbon products and services that conform with specifications, limits on certain materials/fuel.	<ul style="list-style-type: none"> - Introduction of new processes and regulations potentially leading to greater compliance costs and increased risks of fines and project implementation costs. - New product specification and regulatory compliance have to be met in order to secure funding from investors. + Anticipating new product specification provide the opportunity to expand the product portfolio and innovate new products ahead of peers.

Risk type	Risks / Opportunity	Time horizon	Description	Impact (-) = negative impact (+) = positive impact
Policy and Legal	Pricing of GHG emissions	Medium / long-term	A tax on GHG emissions is to be expected after 2025 in some of the countries where SCCC operates.	<ul style="list-style-type: none"> - Increased pricing of GHG emissions drives up relative operation and distribution costs, present significant cost burden and technical hurdles for implementation of carbon reduction facilities due to demands for Company to reduce operational emission. + New products and services with lower CO₂ emissions are seen as an opportunity to differentiate SCCC from other players. + Opportunities to commercialize CO₂ utilization, carbon credit from the CO₂ reduction implementation and offset some operational costs.
Market	Increasing cost of raw materials, shift in consumer preferences	Short / Medium-term	Market exposure to raw material volatility risks due to climate change, influence consumers to seek alternative or substitution material/ product options	<ul style="list-style-type: none"> - Increased energy prices and new raw material costs affect operational cost. + Changing demand could offer opportunities for demand generation in specialization and solutions, such as the expansion of low emissions products.

Risk Management: Identification, Management and Management of Climate-related Risks

The Board of Directors of Siam City Cement Public Company Limited establishes a risk governance structure by assuring risk assessment and management at all levels of the business, as well as awareness of and action on both risks and opportunities as they arise.

In 2024, we assessed climate-related risks and opportunities with representatives from our different operations in Thailand, Bangladesh, Cambodia, Sri Lanka and Vietnam. The risks were chosen based on the WBCSD Construction and Building Materials TCFD Preparer Forum and have been assessed the likelihood significance of physical and transitional risks at our different operations. The likelihood was thereby equated to time horizons, i.e., a risk is very likely if it occurs by 2027, potentially likely if it occurs between 2027-2032, less likely if it occurs after 2032. Significance was assessed in line with our Business Risk Management considering financial and reputational impacts. The outputs were approved by the Sustainability Steering Committee and the Board of Directors and are included in our risk and opportunity disclosure on page 137.

Group Management oversees risk management through working committees such as Investment Committee, CAPEX Committee, Sustainability Steering Committee. In addition, the Board of Directors and the Audit Committee set the agenda for reviewing risk identification and management of risk mitigation on a quarterly basis.

This process covers changes in market, competitive, operational, financial and talent conditions that potentially affect our performance and growth—positively or negatively—and review of actions to address changes. In 2024 the SD coordinators in each country reviewed the climate-related risks with the Business Risk Management Champions on a quarterly basis and the action plans defined for the most significant climate-related risks are reviewed at least on a yearly basis.



Siam City Cement Public Company Limited

Column Tower, 3rd, 10th, 12th Floor,
199 Ratchadapisek Rd., Kongtoey,
Bangkok, 10110, Thailand
Phone +66 2 797 7000
Fax +66 2 797 7001-2

www.siamcitycement.com