

## Chapter 2: Taking into account the role of stakeholders and business development for sustainability

The Company attaches importance to the rights of every group of stakeholders such as employees, customers, shareholders, communities and society, environment, trading partners, suppliers, government agencies, the Stock Exchange, banks and competitors. The Company has also set the Code of Conduct as ethical guidelines for business operations by taking into consideration the principle of fairness, human rights, legal respect, intellectual property rights and anti-corruption. In 2022, the Company established the privacy policy for shareholders, directors, and consultants. This includes the review of the policy on interest reporting, such as by taking into account the rights of such stakeholders according to the laws or the contract made with the Company. All directors, executives and employees including employees of the Company, subsidiaries and associated companies are required to strictly comply with such policies and such policies have been disseminated on the Company's website ([www.supalai.com](http://www.supalai.com)) in order to inform shareholders and the general public.

Furthermore, it has provided its stakeholders with a channel for expression of opinion regarding its operations or for making complaints in case of unfair treatment by the Company via Company's website ([www.supalai.com](http://www.supalai.com)).

The Company identifies its stakeholders by taking into account the stakeholders with truly significant impact to the Company's operations, i.e. the organization's activities, products, services and connecting to value chains that cause economic, social and environmental impacts on the stakeholders, not only concerning the Company, but including its subsidiaries, partners that are related parties, without any influence or inclination towards presentation only the information of the stakeholders who are in favor of or agree with the Company.

### Human Rights Principles

The Company has complied with the policy regarding human rights principles, whereby all directors, executives management and employees including employees in subsidiaries, associated companies must strictly respect the laws, the different cultures and traditions of each country in which the Company invests. The Company regards human rights principle as common practice by taking into consideration human dignity, freedom and equality of individuals, and shall not do any act and nor encourage the violation of human rights. The Company has provided a better understanding of human rights to employees in performing their duties and has not supported any activity that violates human rights and all employees shall not do any act in the manner of sexual harassment, flirting, possessing pornographic pictures, using sexual language or touching the employees of the Company or outsiders who contact the Company.

In addition, the Company has also extended its policy regarding human rights respect to cover its contractors, manufacturers and suppliers of raw materials and services pursuant to its policies regarding business operations of the manufacturers / suppliers of raw materials and services to foster fair business operations in accordance with human rights principles.

See additional details regarding respect of human rights under topic "Driving Business Towards sustainability".

## Principle of Law Compliance

The Company recognizes the importance of law, and applies laws along with morality, ethics and integrity with both internal and external stakeholders. It can be seen from the Company's quality policy which is focused on continuous quality improvement in the system planning, design, construction, sales and community management to meet the requirements of the law, professional standard, occupation and written agreements with customers and in consideration of the stakeholder interest. Such quality policy are regarded as creation of culture in the organization and attitude for employees and executives to comply with the laws. The Company has adopted the policy to monitor the business operations to be in line with relevant regulatory laws. The Legal Department is responsible for updating the list of enforced laws within the Company and follow up the progress, the consideration and drafting legislations, relating to the Company's business operations as well as verification, revision, amendment, confirmation on the updated list of enforced laws, and confirmation on law compliance of every department once a year (within September of each year). In general, Legal Department will report to the Chief Executive Officer, and / or the Board of Directors subject to nature of the case. Then it will be reported to the Management Committee, the Audit Committee and supervisors in all departments. Furthermore, the Chief Executive Officer has assigned the Internal Audit Unit to be responsible for the follow-up of the result as well.

In addition, the Company also provides trainings to all employees involved whenever there is a promulgation of new laws or there is modification, amendment or revocation of laws or regulations as well as educating new employees, such as trainings and seminars held by the Legal Affairs Department, offering comments to improve rules and regulations suitable to the economic social environment through the state agencies and independent organizations such as the National Economic and Social Advisory Council, etc.

Throughout the course of business, It is apparent that the business of the Company has not only focused on the best interests of the organization but also carried out the management by adhering to the legal principles, honesty, integrity, transparency, honesty and accountability as well as paying attention to the importance and responsibility of concerned parties, both directly and indirectly, such as customers, suppliers, competitors, social, environment and local culture based on compromising principles along with the political and legal principles.



## Intellectual Property

The Company has complied with the policy on Intellectual Property by requiring that the directors, executives management and all employees as well as employees of the subsidiaries and associated companies strictly comply with such principles. Products or production procedures, findings and development, improvement or invention of products, process, procedures; or objects made, used, sold or developed by the employees relating to the work of the Company or expanded from the work of the Company shall be considered as the products or procedures of the Company. All employees have the duty to maintain the confidentiality of trade secret, namely, business information and all technical information of the Company by protecting confidential information or business partners of the Company. The obligation to protect such information shall continue even after the employees have already resigned from the Company.

Any employees who disclose any information without permission and cause damage to the Company shall be subject to penalty according to the law. All the employees shall use computer programs with the copyrights provided by the Company and shall not install and use unlicensed computer software in the Company, shall not demand, accept or use business information acquired illegally or immorally, and shall not to infringe the copyrights, patents and trademarks of others.

## Responsible to stakeholders

### Analysis of Stakeholder and Development of Operation Strategies

The Company attaches importance to the attention to and care for all groups of stakeholders both inside and outside the Company including the responsibility to the society and the environment. Accordingly, the stakeholders have been divided into 11 groups, namely, employees, customers, shareholders / investors, communities including the responsibilities towards the society and the environment, trading partners / suppliers, government agencies, SET, banks and competitors. whereby the criteria on connection has been taken into consideration.

### Criteria for Stakeholder Identification

The Company has categorized its stakeholders into 2 major groups as follows:

- Primary Stakeholders are those who are directly involved with the business, receiving direct interest or effect from the business operations, i.e. employees, customers, vendors and suppliers, shareholders, communities and society, environment, contractors, banks and competitors in the same business.
- Secondary Stakeholders are those who are indirectly involved with the business, receiving indirect interest or effect from the business operations, i.e. Stock Exchange of Thailand and government agencies.

Due to a wide variety of stakeholders, the Company has arranged various tools and channels to look for the needs and expectations of each group of stakeholders, as well as to exchange opinions for further development by the Company, such as:

- Stakeholder Feedback Forum

In 2022, the Risk Management Committee held a forum to listen to stakeholders' opinions and suggestions on products, services and corporate image in order to adopt such suggestions to improve the Company's operations for sustainability and growth.





## Crisis Management

### Company's Emergency Response

The Company has developed a Business Continuity Plan (BCP) to prevent and monitor any potential critical situations, such as business continuity plan (BCP) in the case of flooding, fire, earthquake, accidents in construction projects, etc. This includes the formulation of a Disaster Recovery Plan (DRP) to cover the crisis response from the beginning to the end of processes and the close monitoring of situations and the reporting to the Management.

The Company improves its operations to respond appropriately and continuously to the expectations of all stakeholders from the following tools and channels:

- Expressing opinions of customers, business partners, and employees through comment box
- Expressing opinions at shareholders' meetings where shareholders can inquire information and provide feedback on the Company's products, services and operations in various aspects
- Senior executives and Human Resources Department visit employees at head office and project sites to oversee the well-being of daily life and operations.

As a result, the business grows sustainably on the basis of engagement and good governance principles. Details of demand response, expectations of stakeholders, and communication channels to stakeholders are disclosed on the topic of Driving Business Towards Sustainability.

## Analysis of Economic, Social and Environmental Trends and Changes

The Company has used data from analysis of economic, social and environmental trends and changes in considering the matters that are important to the Company's operations which may affect the stakeholders. Furthermore, it has also used data from risk analysis with significant economic, social and environmental impacts, both from internal and external factors and severity of impact in consideration of the matters that are important to the Company's operations.

Its economic, social and environmental practices result from stakeholder analysis, using criteria that are industrial benchmarks, all of which are significant to the organization in economic, social and environmental dimensions, in line with the expectations of its stakeholders.

The economic, social and environmental practices of the Company start from complying with relevant laws and regulations, ensuring that the impacts from its operations would not cause problems to the community, neighboring areas, or the society affected from its business operation. It has also given chance for the community and society to play a part in its operations, created shared value between the business and the society, as well as having laid down guidelines and conduct operations towards sustainability. Thus, it is in line with the sustainability development plan in developing business towards Creating Shared Value.

## Management Guideline

The elements of management guidelines are as follows:

1. Vision: the Company defines its vision Leader in sustainable real estate development with contribution to social and environmental improvement, which has arisen from the awareness to create sustainable development of the organization.
2. Strategic objectives: the Company defines its management philosophy as; To develop quality society of "Supalai People", the Company sets out a firm commitment in creating quality housing, continuing product development, developing a society of warmth and safety, developing good services in professional manner for customer satisfaction by adhering to its management philosophy.
3. Key performance indicators: criteria have been put in place to indicate that something has impact on operation results, the Company has defined reasonable indicators that can provide clear, non-complicated information that is measurable and proper to the organization.
4. The Company has reviewed its activities relating to stakeholders to ensure that they are in accordance with the objectives and key performance indicators, business nature, business size, and readiness of the organization.
5. There has been review of the relationship between activities and strategic objectives by ensuring that the activities conducted can respond to the strategic objectives for efficiency in performing its social and environmental activities.
6. Action has been taken for CSR-in-process and CSR-after-process with budgets allocated by the Company, pressing forward various activities, including participation by employees and stakeholders.

In this regard, the Company has defined the scope and format of operations in each issue for each group of stakeholders as follows:

### A) Employees

The Company has always recognized that employees at all levels are a valuable resource of the Company, so it has complied with the policy on treatment of employees, the policy on remuneration and welfare, and the policy on employee development. The Company supervises and treats employees fairly without discrimination to ensure that employees have a good quality of life and also takes care of employees' families in the case of emergency and necessity, including employment, termination of employment, fair and equal remuneration compared with the same type of business groups and in line with the Company's short-term operating results, depending on profitability each year. This includes appointment, transfer, training, orientation of new employees, employee development, welfare, surveys on employees' opinions towards the Company, and emphasis on creating a good and safe work environment. In addition, the Company encourages employees to demonstrate their potential to engage in the sustainable development of the organization.



For the year 2022, the Company had 3 persons with disabilities working for the Company, 2 male and 1 female. The additional contributions were completely submitted to the Department of Empowerment of Persons with Disabilities within the deadline. The Company complies with the Empowerment of Persons with Disabilities Act, B.E. 2550 (2007) and creates savings guarantees upon retirement, including tax benefits. Therefore, there is a voluntary provident fund welfare. In addition, there are training courses that are suitable for the job position level in an online form (Supalai Beyond Training).

The Company publishes policies to all employees on its website ([www.supalai.com](http://www.supalai.com)) and intranet (Corporate Governance & Quality System section). Please see details on the section of Driving Business Towards Sustainability, sub-section of "Analysis of Stakeholders in Business Value Chain of," "Development of Capacity of Employees and Workers", "Respect for Human Rights and Fair Labour Treatment" and "Occupational Safety, Health and Environment".

## **B) Customers**

The Company has committed to comply with the policy on treatment of customers, and requires that the directors, executives and all employees as well as employees of the subsidiaries and associated companies to strictly comply with such policy in order to focus on the development of customer's satisfaction and confidence and is committed to treat customers with integrity, honesty and fairness on the basis of a fair return to both parties, while delivering a quality product at a fair price as well as aiming to provide, develop and produce quality products and good services to meet customers' demand with regular evaluation and improvement of the potential impact on customers. The Company also controls and ensures that its product has the quality that is up to the standards and requirements of the Consumer Protection Act or other relevant laws, such as policy on personal information protection, etc., and also provides SUPALAI SABAI APPLICATION which helps Supalai's residents live more comfortably in their houses. This Application is the center of information relating to houses or condominiums chosen by residents, which can help the residents understand and access houses easily from the process, where customers can check house and condominium unit information, track repair status and payment, which are after - sales service to the customers. This is to facilitate customers efficiently. In addition, there is a system for managing customers' complaints through 1720 channel.

However, such policy has been disseminated to customers through the Company's website ([www.supalai.com](http://www.supalai.com)). More detailed information on practices can be found under topic "Driving Business Towards Sustainability".

## **C) Suppliers**

The Company has committed to comply with the policy on Treatment of Trading Partners, it has the policy to treat its contractors, suppliers and banks creditors equally with fairness, whereby directors, executives and all employees as well as employees in the subsidiaries and the associated companies are required to strictly comply with such policy, by taking into account the best interests of the Company, while focusing on fair returns to both parties by avoiding situations that cause a conflict of interest. It shall also

comply with contractual obligations by providing accurate information and correct reports. Any negotiation to solve problems and find solutions shall be based on the business relationship. The Company has supported the construction contractors on a continual basis to boost the morale and to encourage them to create quality work products.

The Company has committed to comply with the policy on Treatment of Creditors, whereby directors, executives management and all employees as well as employees in the subsidiaries and the associated companies are required to strictly comply with such policy. The Company is committed to conducting business in a fair manner in order to create trust among creditors. The Company is committed to maintaining a sustainable relationship and mutual trust with the creditors. The Company is committed to strict compliance with the conditions of the creditors regardless of whether it is the objective in spending the money, repayment, maintaining of quality of collaterals and any other agreed matters made with the creditors in order to achieve mutual benefits. In the case of non-compliance with any of the conditions, it shall inform the creditors promptly in order to jointly solve the problems by applying reasonable principles. The Company shall not do any dishonest act against the creditors. The Company treats its counterparties/creditors as follows:

- The Company strictly complies with various agreements and conditions. In the event where the Company cannot fulfill any one of the conditions, it will inform the creditors promptly in order to jointly find a solution based on rationality.
- The Company strictly follows the conditions made by its creditors, regardless of whether it is about the spending objectives, repayments, maintaining of quality of collateral, guarantee conditions, capital management, payments for goods, and any other matters agreed with its creditors in order to achieve mutual benefits.
- The Company attaches importance to the payment of goods by making payment upon due date as agreed. However, in some cases where a supplier needs to receive payment before due date and agrees to give discount, the Company is willing to provide assistance if it has adequate liquidity and in a position to do so.
- The Company shall not conduct fraudulent trade with creditors and shall not provide cooperation or support any person or organization operating illegal businesses or a threat to society and security of the nation. The Company is committed to maintaining a sustainable relationship with creditors and trusting each other.
- The Company treats its trading partners equally and fairly on the basis of fair returns to both parties.
- The Company shall not demand, receive, and pay any benefits that are dishonest in trading with business partners. If any dishonest demand, receipt, or payment of benefits is found, the details must be disclosed to business partners and the problems must be jointly resolved fairly and quickly.
- The Company establishes the transparent, fair and non-discriminatory criteria for selection of business partners. Such criteria are periodically reviewed. There is the evaluation for business partners and the preparation of contracts in accordance with agreements.





- The Company establishes the management and monitoring system to ensure the strict compliance with the terms of the contract and the prevention of corruption at all stages. If the Company fails to comply with any terms, business partners must be informed promptly in advance in order to jointly consider and find solutions based on the principle of reasonableness.
- The Company has measures for examination and screening of trading partners, such as contractors and subcontractors while providing supports to trading partners who conduct fair business with no violations of human rights and recognize social responsibility.
- The Company does not cooperate with or support any person or business partner who operates illegal business or poses a threat to society and national security.
- The Company is committed to maintaining sustainable relationships with business partners and trusting each other.
- The Company promotes the competency and capability of business partners by providing cooperation in the development of products, services or innovations which are beneficial to business operations in accordance with the principles of sustainable development with social and environmental responsibility.
- It is the Company's policy to treat contractors as business partners, while adhering to contract or agreement mutually made under requirements of the law. In order to obtain mutual benefits in operating business between the Company and its business partners, the Company has followed the policy to select the contractors (business partners) on a fair basis with transparency and strictly complying with trading conditions. It also jointly considers and solves the problems with the contractors on a regular basis, for instance, providing the Supplier Portal which is a communication channel between the contractor and the Company for inspecting and delivering quality houses to the Company and customers. The Company employs the contractors by providing a lump sum for the materials and the labor cost, however, in case of shortage of materials, the Company has leverage potential to assist the contractors to procure material supplies for maximum benefits in the joint business operation. In addition, the Company provides privilege to the construction contractors having worked for the Company for a long time to carry out construction work in the provincial projects in order to have work continually.
- The Company has also supported the contractors to have an opportunity to expand or change the residence by providing privileges to contractors building houses in the Company's projects to buy Supalai's houses or the houses of its subsidiaries
- The Company has offered a chance to new contractors to jointly work with the Company in order to create quality work.
- To jointly find a way, to develop and test materials in cooperation with the manufacturers to ensure that all materials used for construction possess the qualifications as specified.
- Taking into consideration fairness to financial institution creditors.
- The Company has also coordinated with the banks to provide support of credit lines to the contractors so as to have supplement liquidity and capacity in expanding work.

The Company has informed its trading partners of such policies and disseminated them on the Company's website: [www.supalai.com](http://www.supalai.com).

#### **D) Shareholders/Investors**

The Company places emphasis on the quality and sustainable business growth. Thus, it has conducted business with integrity, transparency, aiming to provide good services for customers' satisfaction, which will result in value adding and maximum returns to its shareholders in the long run. Emphasizing on the equality of major and minor shareholders.

The Company complies with a policy on equal treatment of both major and small shareholders by respecting their rights, and treat all of them equally, while operating business with honesty, integrity and transparency. The Company also manages its business to grow on a stable basis for sustainable benefits of shareholders by carrying out efficient operation with good business performance, while disclosing information to shareholders appropriately, completely with standards under legal framework, ethical principles and good corporate governance practice.

See additional details regarding respect of human rights under topic "Driving Business Towards sustainability".

#### **E) Community, Society and Environment**

The Company has committed to comply with the policy on Responsibility toward Community, Society and Environment, whereby directors, executives management and all employees as well as employees in the subsidiaries and the associated companies are required to strictly comply with such policy. The Company is committed and attaches importance to business operations with the responsibility towards communities, society and the environment in order to achieve sustainable development in terms of economic, social and environmental aspects by taking into account interest of related stakeholders in the project area as well as the society in general. This is to return benefits to the community, the society and the environment on a sustainable basis.

More detailed information on practices can be found under topic "Driving Business Towards Sustainability".

#### **F) Environment**

As regards the use of resources, the Company has also observed the policy on efficient use of resources, whereby the directors, executives management and all employees including employees of the subsidiaries and associated companies are required to strictly observe this policy as currently, natural resources are diminishing; the Company, therefore, focuses on raising awareness of the employees to make the most effective use of resources in order to further create the habit and apply at home. This by-product is also expected to result in more efficient use of resources at national level. Such good habit would be passed on to the younger generations and be a role model for the future. This habit will lead to the concept of "thinking before using" and will further help create the saving habit. It also provides knowledge on the environment, health and safety to the employees and



the general public in order to be applied at the office and extended to the outsiders. The topics of the trainings dissemination of recommendations on Thailand's role and operational approach in the context of climate change cooperation in the ASEAN region, "Guidelines for consideration of environmental impact assessment reports for the expert committee to consider the environmental impact assessment report on waste and hazardous waste management, etc. More detailed information on practices use of resources can be found under topic "Driving Business Towards Sustainability".

The Company and its subsidiaries have not been investigated or under investigation by any authorities regarding the practices of the Company or its subsidiaries, in respect of any violation of social and environmental laws. It has also never taken part in or been accused of undertaking business in such a way that create adverse effect on the society and the environment, either in the news published in the media or in the case that might significantly affect business operations, reputation, or trustworthiness of the Company or its subsidiaries.

### **Safety, Occupational health and Environment in Working**

As regards safety, the Company has complied with the policy on safety, occupational health and environment in working, whereby the directors, executives management and all employees including employees of the subsidiaries and associated companies have strictly complied with such policy. Having attached importance to the safety, occupational health and environment in working, the Company is committed to improve its operations in terms of safety, occupational health and environment on a continual basis. Activities on safety in working have been encouraged and supported, while monitoring and evaluating the policy implementation for maximum efficiency.

The Company has set up the Committee on Safety, Occupational Health and Workplace Environment in accordance with the Notification of the Ministry of Labor and Social Welfare, Re: Committee on Safety, Occupational Health and Workplace Environment. More details on activities regarding occupational health, safety and working environment can be found under topic "Driving Business Towards Sustainability".

In addition, the Company had reported the statistics on accidents in the report of professional level of the work safety officer in accordance with the Notification of the Ministry of Labor and Social Welfare, Re: Work Safety of Employees, which done on quarterly basis. More detailed information can be found under topic "Driving Business Towards Sustainability".

### **G) Government Agencies**

The Company has complied with the laws while operating according to international standards and strictly reported on such compliance, be it the tax payment and other expenses according to the regulations and rules prescribed by the state sector, and provided cooperation and support in implementing the state policies for the benefits of the country. It is also committed to carry out projects beneficial to the public, either being assigned by the state sector or initiated by the Company itself.

The Company has no operation that is in violation of the laws regarding labor, employment, child labor, consumers, trade competition and environment; it also has not been

subject to any action by regulatory agency due to its failure to publicize information on significant event within the time prescribed by the authority.

The Company has established channels of communications for stakeholders to communicate and provide suggestions and information beneficial to the Company's business operation, or to directly submit complaints to the Audit Committee in case of malpractices. Such information or complaints shall be kept confidential in order to protect informants or whistleblowers and maintain confidentiality of the complainants as the access to this kind of information would be restricted to only responsible persons to examine the complaint issues, and only independent directors shall consider, give instructions and report to the Board of Directors. via the channel 1720.

## H) Competitors

The Company has committed to comply with the policy on Treatment off Competitors, whereby directors, executives and all employees as well as employees in the subsidiaries and the associated companies are required to strictly comply with such policy.

- Whereby the business operations shall be conducted under the free and fair competition framework without entering into agreements with competitors or other exclusive business operators and shall not seek trade secret of the competitors by fraudulent, dishonest, inappropriate, immoral or illegal acts.
- Regarding its competitors, the Company shall not do any act to cause damage to the reputation of the competitors by accusing, defaming or using any tactics without grounds; and shall not do any act to violate intellectual property rights and copyrighted works of others or competitors; and shall not conduct monopoly with its trading partners or suppliers.

In 2022, the Company had never had any dispute regarding trading competitors. Such policy has been publicized on the website of the Company ([www.supalai.com](http://www.supalai.com)).

## I) The Stock Exchange of Thailand

The Company operates with transparency in accordance with a good corporate governance by strictly complying to the regulations of the Stock Exchange of Thailand. More detailed information can be found under topic "Driving Business Towards Sustainability"

## Chapter 3: Information Disclosure and Transparency

The Company has a policy to disclose the information to the investors and all groups of stakeholders equally by disclosing accurate, complete and transparent information in a timely manner. Such information includes the information on finance, results of operations, future directions of business operations and other information. Thai disclosure will allow in order that the shareholders and all groups of stakeholders to be able to access to the Company's information conveniently, promptly and in a timely manner and support investment decisions through the channels and publications of the Stock Exchange of Thailand, press conference, meeting with analysts, Annual Registration Statements/Annual Reports (Form 56-1 One Report) as well as the Company's website, which is available in Thai and English versions.

