

## CORPORATE GOVERNANCE

### ROLES OF THE STAKEHOLDERS

The Company places importance on all groups of its stakeholders regardless of whether they are internal stakeholders such as employees and the management of the Company and its subsidiaries, or external stakeholders such as shareholders, customers, competitors, and creditors. The Company is fully aware that supports from all stakeholders will enable the Company to build the competitive advantage and create profits, which is the long term success of the Company.

For such purpose, the Company provides fair, transparent, and timely disclosure of the key information to ensure that all stakeholders are treated equally.

#### **Shareholders**

The Company aims to ensure that shareholders receive appropriate returns on their investment by delivering solid business operation results and continuing business development also respecting the shareholders' equal rights to receive necessary information; disclose correct and actual information. The Company also implements an effective and efficient internal control system to ensure that the benefits of the Company and the shareholders are well-protected.

#### **Customers**

The Company recognises the importance of customers; therefore, determines to create customer satisfaction appropriately by offering high quality products and services in response to the customers' needs while fostering Customer Centric as one of the Company's corporate culture on every employee

#### **Employees**

The Company recruits and retains high potential and experienced employees with determination to continuously develop and enhance skills of employees as well as to encourage employees to be successful and feel secure in their profession. The Company treats every employee equally, provides employees with reasonable welfares and other benefits such as provident fund, health, and life insurance, etc.

Moreover, in order to ensure that the employees will have sufficient savings for their retirement and to offer knowledge and understanding in relation to their money management, the Company has procured a provident fund managed by professional management company

which has been certified by the Securities and Exchange Commission, Thailand. The employees will become member of the fund from the date on which they are hired as permanent employees, and the employees must contribute some amount of money into the provident fund by deducting from the employees' salary on the salary payment date at the rate specified in the articles of the provident fund of which the employees are members. The employees can choose the amount of contribution to the provident fund, vary from 2 percent to 12 percent, depending on the period of time for which the employees have been the Company's employees, and the Company will also contribute some amount of money into the provident fund at the rate specified in the articles of the provident fund of which the employees are members. Currently, in 2019, the Company has offered 7 investment plans, which the employees may choose an appropriate plan for themselves to be in line with their age, level of risk, and their own needs. The fund manager will notify the operation result and the direction of investment semi-annually

In this respect, the employees will be entitled to accumulated savings and benefits to such savings when their employment ceases without major default. The amount of savings and benefits to each employee is entitled to depends on the term of their employment at the specified rate.

### **Management**

The Company realises that the management is one of the key success factors; therefore, has arranged for an appropriate remuneration of the management to be in line with knowledge, expertise, performance, and the Company's overall operational performance inclusive of comparisons to remuneration of other companies within the same or similar industry and business sectors as the Company. In addition, individual performance outcomes are considered against the goals that are in line with the Company's vision, mission, and annual strategic plans so as to drive the management's long-term contribution to organisational stability and growth.

### **Creditors and Business Partners**

The Company operates and deals business with its creditors and all groups of its trade partners on principles of fairness and ethical manners by complying with the laws and regulations and on the agreed terms and conditions.

Sansiri Group has prepared the Supplier Code of Conduct for determining the direction of sustainable business development between Sansiri Group and its partners and also stipulating standards and guidelines for the business partners to study and comply with in doing business with Sansiri Group. This Supplier Code of Conduct will determine guidelines for the business partners in the supply chain of Sansiri Group, which include all suppliers of goods and services, with a view to developing the business operation in respect of business ethics, human rights and labour standard, quality management, occupation, health and safety, and environment. This is due to the fact that Sansiri Group places importance on these matters and has an

intention to provide a work standard beyond what indicated by laws, so as to ensure that the business operation standard between Sansiri Group and its business partners is equal, fair, and acceptable, even under the circumstances of different local regulations in various areas.

In order to support, promote, and follow up with the business partners in compliance with the Supplier Code of Conduct, Sansiri Group intends to cooperate with its business partners through monitoring, information provision and guideline that are suitable with compliance and assessment as appropriate, so that the business partners can develop their operation to be consistent with Sansiri Group's standard. Sansiri Group aims that the principles under the Supplier Code of Conduct will escalate the efficiency of operation between Sansiri Group and its business partners to another level, giving rise to the higher confidence and long-term value for all stakeholders.

### **Competitors**

The Company treats its competitors fairly and does not seek for any information of the competitors dishonestly, refraining from abusing the intellectual property rights of others or those of competitors.

### **Corporate Social Responsibility**

The Company operates its business based on responsibility, care, and concerns to the overall community, society, and environment, and complies with all relevant laws and regulations.

As the Company has a vision to achieve a full satisfaction of dwelling and to increase a long term value to all stakeholders, the Company strongly intends to have a sustainable business development and thus determines its method and objectives covering the business growth and also the control over environmental impact from business operation through innovative thinking to accommodate any changes in the future. The Company also escalates the organisation management level to be consistent with the good corporate governance. In this connection, the Company's sustainable management is consistent with the important matters in sustainable, economical, social and environmental aspects, which have been reviewed in light of global trends as well as sustainable development context in real estate industry. The result of such management and the sustainable management plan will be communicated to all stakeholders, in order to illustrate the Company's strong intention in response to the expectation of all stakeholders in relation to the sustainable matters in all aspects that is required continuously every year. The innovative support, the environmentally-friendly project development and the good corporate governance are the vital keys of the organisation to achieve the sustainability at large. In addition, the Company intends to deliver sustained happiness to society by collaborating with UNICEF to create space and opportunities for children while also preventing child labour as well as develop environmentally-friendly projects in various fields with desire to see everyone in the society having sustained happiness.

In determining the target and achievements of the business operation each year, apart from the financial outcome, the Board of Directors pays particular attention to the social and environmental impacts with a view to becoming a leader in determining the new standard for the real estate industry in relation to the corporate social responsibility on a serious and sustainable basis. It thus assigned the management team to work on a study project in respect of the decrease of energy and resources consumption that may result in a negative impact against the global environment. The project commenced with a model under the name "Sansiri Green Mission" reflecting the philosophy of concept "Circular Economy", in coordination with the creation of innovation and technology through researches and development on the sustainable environmental conservation and energy management. This will operate under the Green Roadmap to drive the sustainability in all new projects of Sansiri, with 4 promises, i.e. (i) Waste Management, (ii) Energy Saving and Generation, (iii) Smart Move and (iv) Sustainability, so as to have a better world and life quality in dwelling of Sansiri residents and the global populations. The management team will periodically report the progress of project to the Board of Directors.

For the Company's sustainability target till 2022, the Corporate Governance Committee has determined it to be consistent with the Company's value in order to set out guideline in economical, social, and environmental aspects and also to convey Sansiri's principle on the sustainable business development in response to the continuous expectations of the stakeholders. The Company then stipulates the structure of sustainable management, comprising the Board of Directors, executives, and relevant departments, in driving the management to accomplish its objective of sustainable and efficient development.

In light of the operation on sustainability, the Company has developed its direction to conform to the Sustainable Development Goals (SDGs) of the United Nations, by conducting a survey on threats and opportunity from the operation along the value chain, so as to consider and prioritise the targets of SDGs relating to the Company's operation and also to support the determination of organisational objectives and prepare the cooperation plan with the stakeholders. The Corporate Governance Committee has implemented a policy and measures to lessen the environmental impacts and support the full utilisation of resources efficiently in order to control environmental impacts starting from project design, production, transportation of materials to construction. The Company has stipulated their goals in decreasing the consumption of energy and water supply and waste production in the business process along the value chain as well as continuously communicating the result to the employees through information technology.

The Company has prepared the Sustainability Report 2019 for the forth year in order to offer the method of management and performance on the important matters on sustainability to all stakeholders, covering economical, social and environmental respects. The scope of report also covers the Company and the group companies in which Sansiri holds shares of 50 percent

or more and which is under management of the Company in Thailand. The report will present data from 1 January 2019 to 31 December 2019, which is consistent with the report of Global Reporting Initiative (GRI) Standards - Core Option.