

THE SIAM CEMENT PUBLIC COMPANY LIMITED

STAKEHOLDER ENGAGEMENT POLICY

MESSAGE FROM THE PRESIDENT & CEO

Stakeholders today are playing a greater role in business operations; in view of their importance, SCG has been dealing with its stakeholders according to SCG's four core values, code of conduct, corporate governance principle, and sustainable development guideline. However, a clear stakeholder engagement policy has not yet made in writing.

The Board of Directors of The Siam Cement Public Company Limited adopts a written Stakeholder Engagement Policy of SCG with an aim that it will clarify transparency of SCG's business operations, which ultimately will increase a long-term value added to shareholders as well as an awareness of impact to other stakeholders. It will enable SCG, moreover, to conduct its business sustainably on the basis of true fairness for all parties concerned.

All employees should, therefore, study this Policy and follow the guidelines provided. If there may be any query, please consult with your superior.

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Mr. Kan Trakulhoon
President & CEO

11 November 2010

STAKEHOLDER ENGAGEMENT POLICY

SCG has always paid close attention to the engagement of stakeholders. This is evident from the corporate philosophy of engaging in business based on morality and responsibility to society as well as being a good citizen, implementing the code of conduct as a basis of work of all employees, employing the good corporate governance as a principle of management and exercising the sustainable development of SCG.

Along with the changing of the society, environment, and business conditions, groups of stakeholders are more complicated and carry higher expectations of fair treatment and demand participation in the expression of opinions, process of decision-making, and governance of affected issues. The engagement of stakeholders is thus more important than ever. SCG, therefore, provides “SCG Stakeholder Engagement Policy” in writing as a clear guideline for SCG employees in conducting business so as to offer shareholders long-term value added and more concerns to the impact over SCG stakeholders.

Definition of Stakeholders

Stakeholders are persons or groups of persons who are directly or indirectly affected by a business operation of SCG, as well as those who may have interests in a business operation of SCG, or abilities to influence over the outcomes of a business operation of SCG such as customers, employees, communities, shareholders, business partners, government agencies, intellectual leaders, etc.

Stakeholder Engagement Policy

SCG is committed to acting as a good citizen of society, especially in every community where SCG has business operations. It honours the rights of stakeholders and treats them fairly, listens to their opinions and concerns, builds understanding with stakeholders, encourages co-operation constructively in matters that interest stakeholders, and takes part in developing society and environment so that SCG continues developing its business sustainably.

Guidelines for the Engagement of Stakeholders

1. Determining, Identifying, and Analyzing Stakeholders

Clearly determine, identify and categorize stakeholders taking into consideration the connection with each business unit in order to be able to analyze the risks and impacts, direct or indirect, incurred to each group of stakeholders comprehensively and clearly by bearing in mind that each group of stakeholders has its own set of perspectives and expectations. Different strategies and priorities of implementation thus need to be formulated for each respective group.

Good relations with stakeholders should be initiated from the very beginning, that is, from the planning stage, so that plans can be adjusted or work procedures can be revised on time.

2. Adopting Communication Strategies

Closely communicate and persistently build understanding with stakeholders in order to gain correct perception and lead to good relationship with and trust from stakeholders by adopting particular communication strategies, methods, formats, and procedures suitable to each group of stakeholders, situation, duration, and local culture. This may be determined by the degree of damage or the possible impact incurred from negligence or inaction.

3. Disclosing Information

Disclose information accurately, explicitly, transparently, and comprehensively in order to assure that the stakeholders received sufficient, consistent, and timely information. For example, the disclosure of useful information should be done at the appropriate time, stated the real purpose of information and assured that there is a transparent process of reporting information to stakeholders.

However, in disclosing information, one should consider a factor of appropriateness and follow SCG Disclosure Policy.

4. Encouraging Participation

Encourage stakeholders to participate in matters that affect them; provide channels for receiving suggestions, problems, and complaints from stakeholders; give priority; welcome opinion and exchange views (Stakeholder Dialogue) constructively in order to perceive ideas, expectations, and needs of stakeholders. In doing the Stakeholder Dialogue, one must recognize that differences of stakeholders may affect the opinions, e.g. age, gender, education, experience, attitudes, etc. Moreover, one should provide preliminary information prior to discussion, report outcomes of the discussion, disseminate reports to participants, and collect information systematically.

SCG should also consider participating in giving opinions and identifying problems or obstacles to those having roles in regulating rules and orders which could have a widespread economic, social, and environmental impact.

The Duty of Management

The duty of management is to efficiently and effectively administer operations in accordance with the Stakeholder Engagement Policy by providing suitable resources, such as allocating budget, assigning adequate number of dedicated, skilled and knowledgeable staffs, and providing systems for taking suggestions from stakeholders, compiling information, monitoring progress, and evaluating results.