



Appendix 6 The Audit Committee's Report SCG Ceramics Public Company Limited

The Audit Committee independently performed its duties, in accordance with the Audit Committee Charter which has been reviewed in conformance with current affairs and approved by the Board of Directors. In 2021, the Audit Committee emphasized the utilization of Digital Technology to verify, review governance, strategic identification, business operation and monitoring in order to achieve the Company's goals and business sustainability. To support this operation, the Management and all employees must have moral principles and code of conduct, as well as understand their roles, authority, responsibilities and accountability according to the Three Lines Model, together with working under the umbrella of Integrated Governance, Risk Management, Compliance and Control (Integrated GRC).

In 2021, the Audit Committee held 4 meetings with a full quorum for every meeting. The performance assessment of the Audit Committee as a whole and self-assessment are conducted at the end of each year. The assessment result was on a satisfactory level. Assessment issues are the structure and qualifications of the Audit Committee, the roles, responsibilities and accountability, the performance and meetings, overall opinions, the performance of the Audit Committee's secretary and the performance of the Internal Audit Office.

The Committee performed its duties as follows;

1. Review of Financial Statements: The Audit Committee reviewed significant data and information in the quarterly and annual financial statements of SCG Ceramics Public Company Limited and its Subsidiary, which were prepared in accordance with Thai Financial Reporting Standards (TFRS) which is in conformance with the International Financial Reporting Standards (IFRS). The Committee reviewed material issues and special items and obtained clarification from the external auditors, the Management, and the Director of the Internal Audit Office, confirming that the financial statements and

the disclosure in notes to the financial statements were in compliance with the relevant laws and financial reporting standards. The Audit Committee therefore approved the Financial Statements, which were reviewed and audited by the external auditors without reservation. In addition, the Committee held a meeting with the external auditors without the Management so as to freely discuss obtaining information, important matters in the preparation of the financial statements and the disclosure of information in accordance with financial reporting standards and to be beneficial to users of these financial statements, including Key Audit Matters (KAM), as well as to hear whether there was any suspicious information indicating potential fraud following Section 89/25 of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No.4) B.E. 2551. In 2021, the external auditors did not discover any material misstatements or indications of suspicious incidents. Furthermore, to ensure that no such incidents were discovered, the Audit Committee resolved that the President and CEO report the results to the Audit Committee. In 2021, the President and CEO confirmed that no indication of such suspicious incidents was found. Thus, the preparation of the financial statements and consolidated financial statements was conducted with reliability and transparency, in conformance with standards, and the external auditors performed their duties independently and with verifiability as they saw fit.

2. Review of Connected Transactions, Acquisition and Disposition Transactions and Transactions which might result in Conflict of Interests: The Audit Committee reviewed the connected transactions and transactions which might result in conflict of interest, as well as information regarding the relevant directors, all of which were found to be valid and reasonable. These transactions and information are disclosed to the Stock Exchange of Thailand in a timely manner.

3. Review of Corporate Governance: The Company continues to conduct its business in accordance with sustainable development and corporate governance principles, with reference to international standards including Organization for Economic Co-operation and Development (OECD), The Securities and Exchange Commission (SEC) Stock Exchange of Thailand (SET), and the Thai Institute of Directors Association (IOD). In 2021, the Company revised and adjusted the Code of Conduct for clarity, comprehension, consistency with related policies, good domestic and international corporate governance principles, and current business operation. The Audit Committee reviewed the efficiency and effectiveness of good governance and found that the directors, the Management and employees have strictly complied with the policy by having the Board of Directors and the Management as the role model. Employees were tested on their knowledge and understanding of business ethics through Ethics e-Testing, which the Company passed with the score of 100%. The Company has placed great emphasis on anti-corruption for 7 years in the row, by revising Anti-Corruption Policy for clarity, consistency with current business operation and Self-Evaluation Tool for Anti-Corruption System Development Version 4.0 by Thai Private Sector Collective Action Against Corruption (CAC), which correlates to current risks and situations. Also, the Company created an Anti-Corruption Compliance Checklist to create methods to limit the risk of corruption. Moreover, the Company has implemented indirect major shareholders' important regulations in a suitable manner which are the Supplier Code of Conduct.

4. Review of Risk Management Assessment: The Audit Committee reviewed efficiency and effectiveness of the Company's risk management process by responsibility of the Risk Management Committee. The Risk Management Committee has the duties to consider the structure, policy, apply the risk management framework of the Company, risk management plan, also review risk profile and monitor the Company's risk management on a quarterly basis in the form of a Risk Dashboard. In 2021, the Company prioritized the COVID-19 situation, which had worsened in many countries, including Thailand's neighboring country like Myanmar. Thus, Thailand's economy slowed down

significantly, especially the tourism industry, exports, and new constructions. Moreover, many regions were affected by floods, which may become a prevalent and continuous problem. The Risk Management Committee has prepared risk management measures for unexpected situations.

5. Review of Compliance: The Company appropriately utilized SCG Compliance Management System by creating a guideline and checklist for important policies such as Anti-trust Policy, Insider Trading Policy, and Disclosure Policy. Moreover, the Company used a new or changed law transferring and assessment system to improve the Compliance Management System, in order for the new or changed laws to be promptly and accurately implemented. Moreover, the Company developed the Business License Management System with IT system, making it into an assisting tool for storing, tracking, and acting in accordance with the law, and periodically reporting the result to the Risk Management Committee.

6. Review of Internal Control System: The Audit Committee reviewed the results of internal control assessment, both in operational and information technology systems, which were reported by the Internal Audit Office on a monthly and quarterly basis. It is one of the missions prescribed in the Internal Office Charter and Internal Control Sufficiency Evaluation by The Securities and Exchange Commission (SEC). It was found to be sufficient, appropriate for the Company's business operations and corresponded with the external auditor's opinion that there was no material deficiency which impacts the Company's financial statements. The Management emphasized on creating awareness to promote moral principles, ethical behavior, code of conduct and anti-corruption to employees continuously, focusing on developing the Proactive and Preventive System comprising of Ethics e-Testing, e-Policy, e-Testing, risk management responsibility guidelines, and good control practices in accordance with the Three Lines Model. Workshops were organized for various business units, using important matters that had been discovered as case studies on corruption, anti-corruption policy, non-conformance to laws, the Company's regulations, policies, and code of conduct to allow the person in charge at all levels to gain better understanding of the risks, impacts,

and key internal controls involved in the operations. The Company utilized these appropriately and in accordance with the relevant law and regulations. Moreover, the Internal Audit, along with the First Line staff, developed reports by increasing the use of Data Analytics, for business to govern responsible works and auditors to inspect.

7. Internal Audit: The Audit Committee conducted a review of the Audit Committee Charter and the Internal Audit Office Charter to ensure their relevance to the current risks and current situation. In 2021, the Internal Audit Office revised and adjusted operating strategies in accordance with the COVID-19 situation and the risks in the New Normal era. By using Machine Learning (ML), Robotics Process Automation (RPA), and Data Analytics (DA), the Company improved efficiency of risk assessment. Moreover, the Company conducted necessary on-site fieldworks, raised awareness about business governance, risk management, business governance, Cybersecurity Internal Control. The Company also organized online seminars, Data Analytics workshops, for the auditors to learn basic programming skills, brainstorming activities for new ideas and innovations within time-limits for the third year in a row (Hackathon). The Internal Audit Office pushed forward the Three Lines of Defense model. For example, allowing the highest First Line of the unit to hold important roles and be a role model to other employees, provide communication and suggestion to subordinates to evaluate risks, control identification and monitor the performance, etc. of the system, new business or information technology system. The Company developed the auditors to assess governance efficiency and effectively, manage risk, and act in accordance with the law and regulations of the subsidiary. Moreover, the auditors would have more Digital knowledge regarding information analysis and assessment. They also created and improved the Internal Control Document to correspond with changes in the operational process due to the application of technology. The Company organized workshops, both for IT and business operations, to spread knowledge about international standards, risks, internal control, and audit results.

8. Review of Fraud Investigations: The Company had implemented the Whistleblowing System where external and internal complainants can report through www.scgceramics.com, both in Thai and English and always available, phone calls, letters, or emails to directors, Internal Audit Director, and the Board Secretary Director.

In 2021, there were no internal or external complaints through any channels. If there should be any complaints in the future, the Company will utilize them to further improve upon existing work and defense models. The Internal Audit Office will be responsible for tracking, presenting, and reporting the progress to the Audit Committee at every meeting.

9. Appointment of the External Auditor and Review of the Audit Fee for 2021: KPMG Phoomchai Holdings Co., Ltd was selected and appointed as the external auditor, working independently with knowledge and skills, experience in auditing, acting in accordance with standards on auditing, and knowledge related to business other than auditing. The Audit Committee thus proposed to the Board of Directors to consider and a resolution was passed for approval at the Shareholder’s Meeting for the appointment of Mr. Wairoj Jindamaneepitak, Certified Public Accountant Registration No. 3565; or Mr. Charoen Phosamritlert, Certified Public Accountant Registration No. 4068; or Ms. Pornthip Rimdusit, Certified Public Accountant Registration No. 5565 of KPMG Phoomchai Holdings Co., Ltd as the external auditors for the Company for 2021. The audit fee was found to be appropriate.

On behalf of the Audit Committee



Dr. Prawit Ninsuvannakul

Chairman of the Audit Committee