

SUSTAINABILITY REPORT 2019

CREATE VALUE FOR ALL STAKEHOLDERS



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Companies in Somboon Group developed this Sustainability Report 2019 to present sustainability development in its 7th year. This shows its determination to be transparent and accountable for all stakeholders. The report has its scope, including the topic of its materiality on economics, social, and environmental issues related to the operation of the company, according to the Somboon Triple Bottom Line philosophy: Smart People, Business Trust, and Growth Society from 1st January 2019 to 31st December 2019.

The credibility of the report

This 2019 Sustainability Report has been created according to GRI (Global Reporting Initiative: GRI Standard with all the core content and selected significant issues relevant from the materiality assessment. Moreover, we have updated the report to include the company's determination driving the UN Sustainable Development Goals: SDGs.

The Scope of the Report

This report considers the relevance of the topics, the readiness of information, and the significance of issues to the performance of the company. The scope includes information for both automotive industry and agricultural machinery industry and the subsidiary of Somboon Group including:

- Somboon Advance Technology PCL
- Somboon Malleable Iron Industrial Co.,Ltd.
- International Casting Product Co.,Ltd.
- Somboon Forging Technology Co.,Ltd.

For further information, please refer to the company annual report or download from www.satpcl.co.th/th/investor-relations/publications/report/

For this sustainability report, please download from www.satpcl.co.th/sustainability/report/sustainability-report

In the year 2019, the operations of the companies in the Somboon Group follow our vision "Strive for sustainable growth in the automotive industry through advanced technology and partnership." Through cooperation with business partners, Somboon Group focuses on balanced development, taking into account the benefits and values to all stakeholders, leading to competitiveness and being immune to the changing needs of the automotive industry. This would prepare Somboon Group for future growth opportunities in new technology and industry.

During the past year, the global economy has slowed down due to the uncertainty of the trade and business operations resulting from trade wars between the United States and China. This uncertainty results in the need for change and adaptation from various businesses. Secondly, the COVID-19 epidemic, which had an increasing impact in early 2020, caused economic downturns in the tourism sector and production disruption in some industries, which have its supply chain linked with China, where the epidemic started. This effect quickly spread, causing many countries to take measures to prevent and deal with this threat seriously.

From the above situations, the company continues to develop to respond to all stakeholders according to the business philosophy of Somboon Triple Bottom Line: Smart People, Business Trust, and Growth Society, which drive the company towards sustainable development goals (SDGs) in line with international context and standards. The company pays close attention to the close cooperation with automotive manufacturers and automotive parts manufacturers to enhance competitiveness and create maximum value in the supply chain. So, the company continuously develops and researches for product development and improvement. In particular, in the year 2019, Somboon group has its investment in Nippon Kishikin Engineering Company Limited (NKE) to develop engineering design processes, automation systems, and testing systems to upgrade production with modern and environmentally friendly technology. The company gives importance to the development of employees at all levels by developing specialized knowledge to strengthen work standards and manage work to create value for oneself, for the organization, and society. The company is confident that balanced development would ensure that parts that have manufactured in the Somboon Group of company to be part of the future automobile's production in Thailand.

Lastly, on behalf of the Board of Directors of Somboon Group, we would like to thank all customers, partners, and all stakeholders for their trust and always supporting for the company. We reaffirm our commitment to drive business in a balanced and sustainable manner and carry on the success and stability of the organization.



Mr. Sansern Wongcha-um
Chairman

Ms. Napatsorn Kitaphanich
President

2 Company General Information

- 2.1 Company General Information
- 2.2 Vision Mission
- 2.3 Business Value Chain
- 2.4 Shareholding Structure
- 2.5 Main Products and Proportion of Revenues
- 2.6 Market Share of Main Products
- 2.7 Organization Structure
- 2.8 Important Development
- 2.9 Awards and Appreciations



Name of the Organization : Somboon Advance Technology PCL

Name in the stock market : SAT

Manufacturing : manufactures parts for automotive industry as its main business to be used for the manufacturing of passenger cars, pick-up trucks, trucks and vehicles for agriculture. The main customer group consists of both domestic and international original equipment manufacturers (OEM) which signed a long-term purchase contract with our company, as well as replacement equipment manufacturers (REM).

Date established : • SAT was established in 1995
• Listed in SET on 31st January 2005

Head Office : 129 Bangna-Trad Rd. (Km 15) Bangchalong sub-district, Bangplee district, Samutprakan province

CEO : Ms. Napatsorn Kitaphanich (President)

Registered capital : 425,193,894 Baht

Number of employees : 2,309 employees

Members



Business Unit



BUSINESS UNIT: SAT & SFT

1. Somboon Advance Technology PCL: SAT

This is headquarter of SBG manufacturing rear axle shafts for domestic and international automotive manufacturers. The headquarter and its plants are located at 129 Bangna-Trad Rd. (Km 15) Bangchalong sub-district, Bangplee district, Samutprakan province (SAT1) Rayong plant is located at 300/10 Eastern Seaboard industrial estate, Rayong province (SAT2)



2. Somboon Forging Technology Co., Ltd.: SFT

This company manufactures automotive parts through hot/cold metal forging. The office and the plant are located at 7/388 Amata City industrial estate, Rayong province



BUSINESS UNIT: BSK

3. Bangkok Spring Industrial Co., Ltd.: BSK

Rent of real estate and investment in other companies. The office is located at 112 Bangchalong sub-district, Bangplee district, Samutprakarn province

BUSINESS UNIT: SBM & ICP

4. Somboon Malleable Iron Industrial Co.,Ltd. : SBM

This company manufactures automotive parts. The main products are disc brake, drum brake and parts for agricultural machines. The office and the plant are located at 112 Bangchalong sub-district, Bangplee district, Samutprakarn province (SBM1 and SBM2). The plant 2 is located at 7/250 Moo 6, Amata City Industrial Estate, Mabyangporn, Pluakdaeng, Rayong province

5. International Casting Product Co., Ltd.: ICP

This company manufacturer casting products for cars such as disc brake, drum brake and brackets and parts for agricultural machines. The office and plant 1 are located at 7/137 Amata City Industrial Estate, Rayong province (ICP1). The plant 2 is located at 7/299 Moo 6 Amata City Industrial Estate, Rayong province (ICP2)

Business Philosophy Somboon Triple Bottom Line



SMART
PEOPLE



BUSINESS
TRUST



GROWTH
SOCIETY

Vision

Strive for sustainable growth
of automotive industry through
advanced technology and
partnership

Mission

- Create values for shareholders
- Collaborate with strategic partners to develop business administration
- Provide solutions for customers through advance technology in products design and development
- Enhance excellence in operation and corporate system with information technology
- Embrace corporate governance and fairness throughout supply chain
- Be socially and environmentally responsible
- Continuously enhance our people skills and competencies through Somboon Learning Academy (SLA)



SMART
PEOPLE



BUSINESS
TRUST



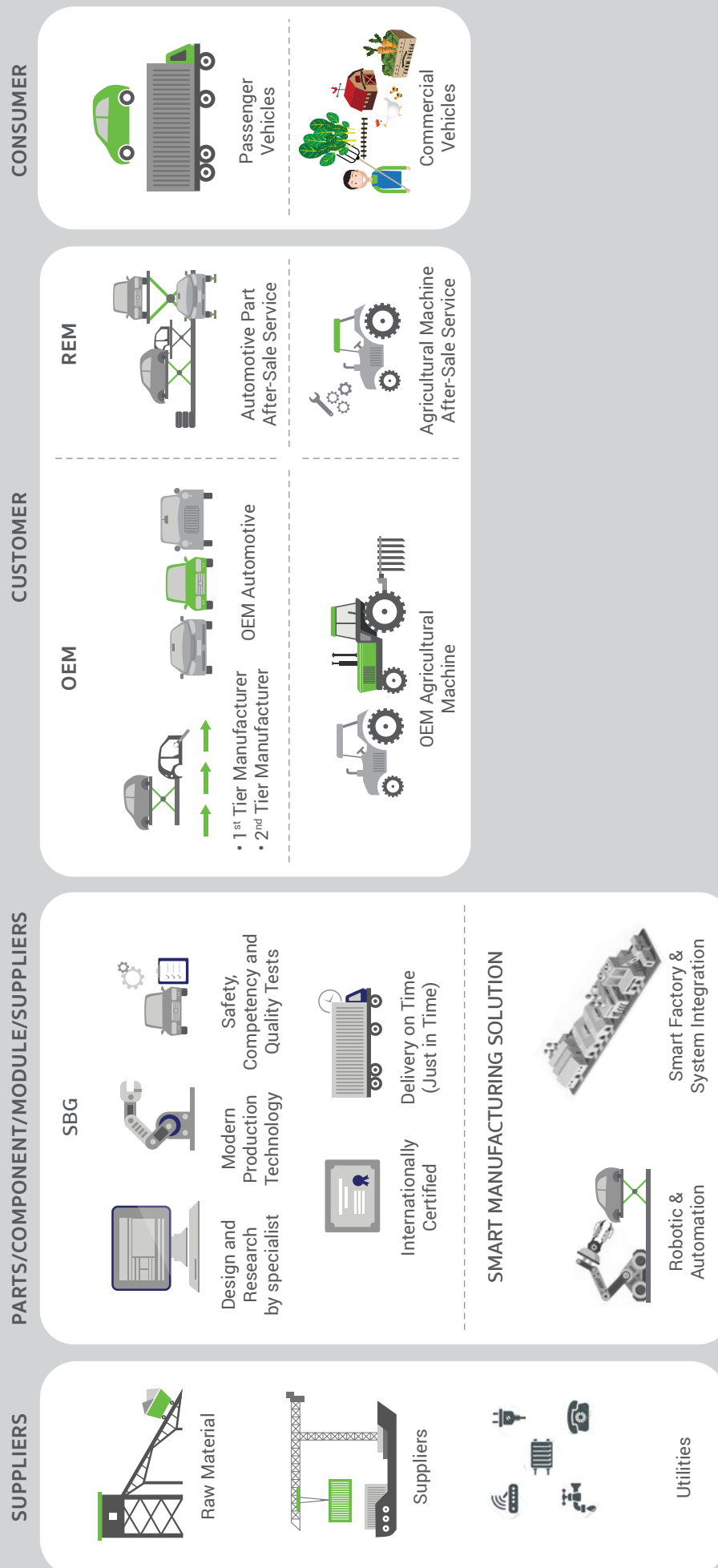
GROWTH
SOCIETY

GOAL 2022

Employee
Engagement
>70%

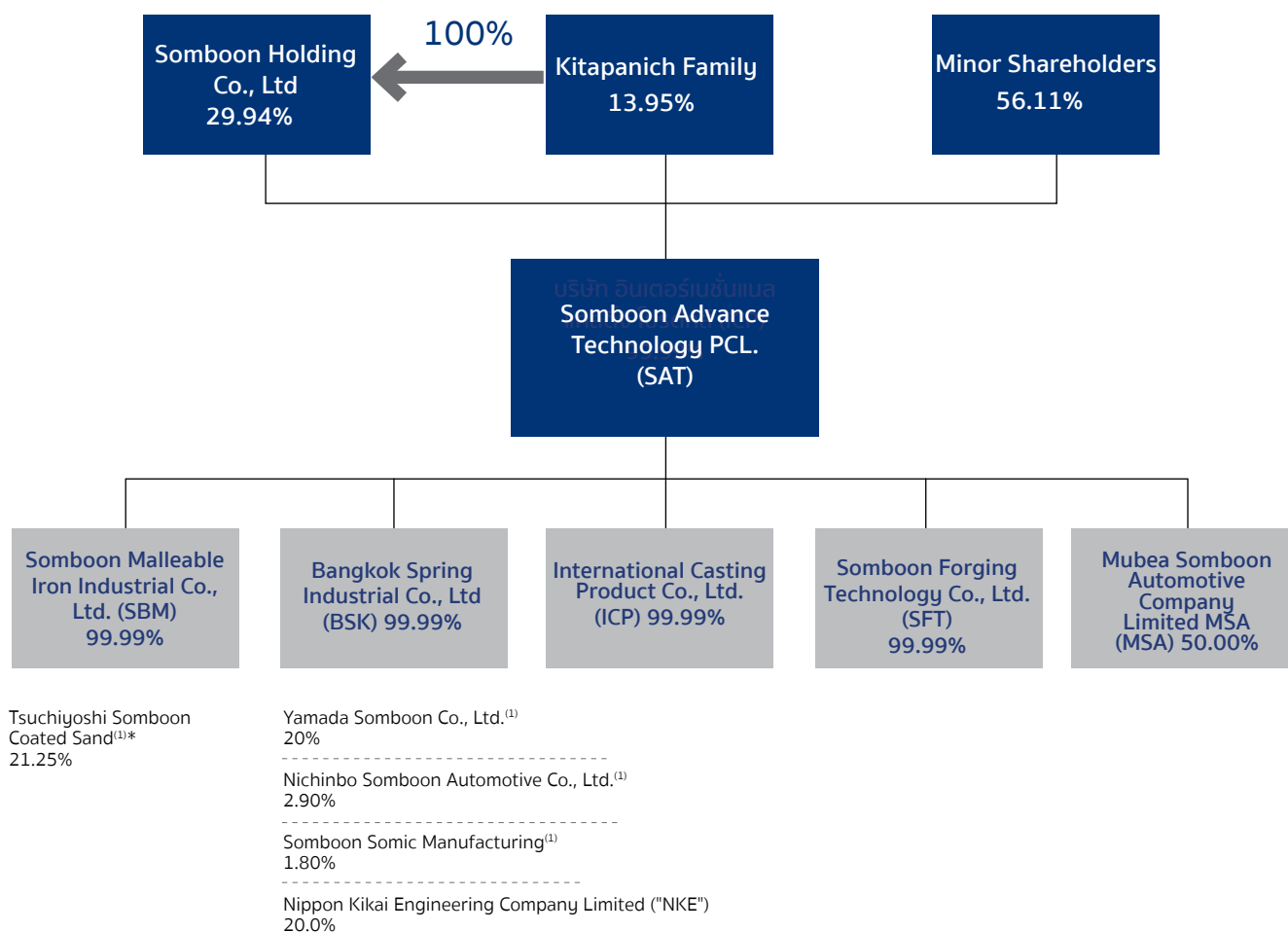
Environmetal
Footprint <12%
(GHG, Resources, Wastes)

Values for Society
0.2% on Sales



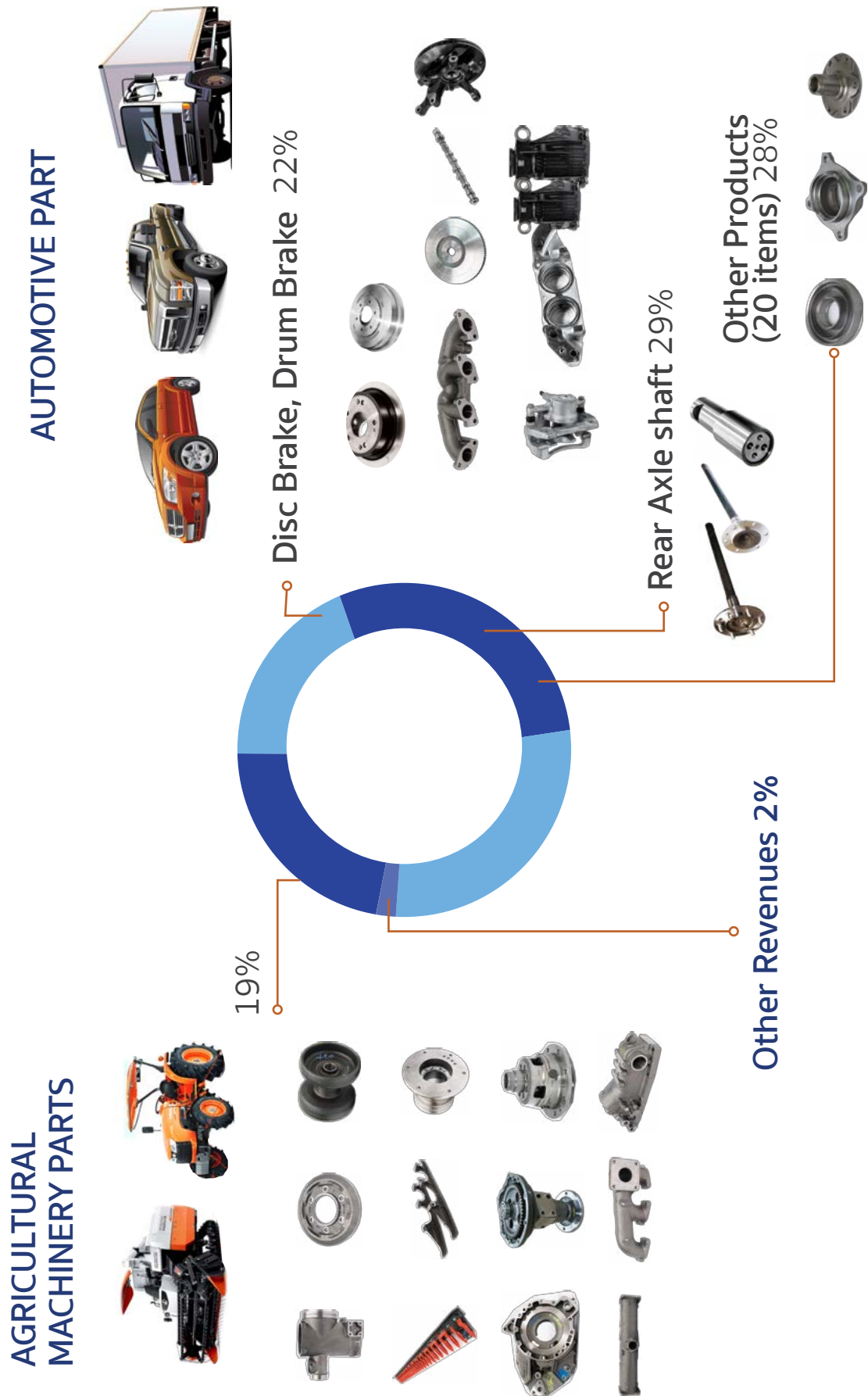
2.4 Shareholding Structure

Shareholding structure of Somboon Advance Technology PCL. as of 5th March 2020

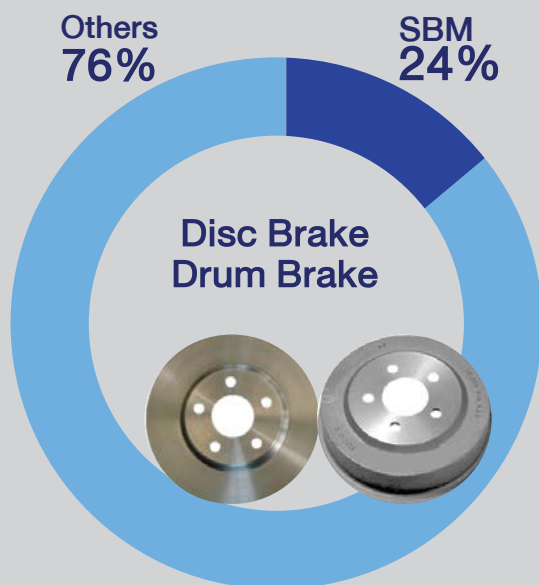
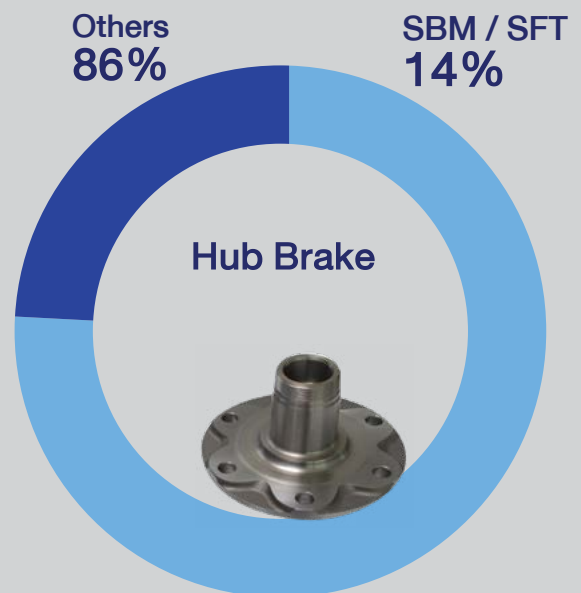
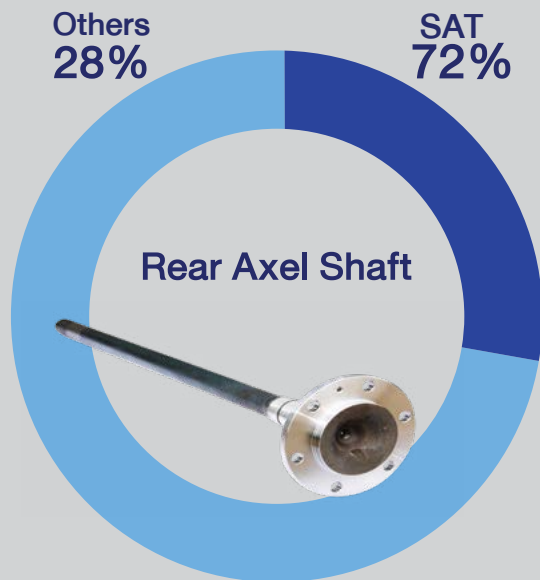


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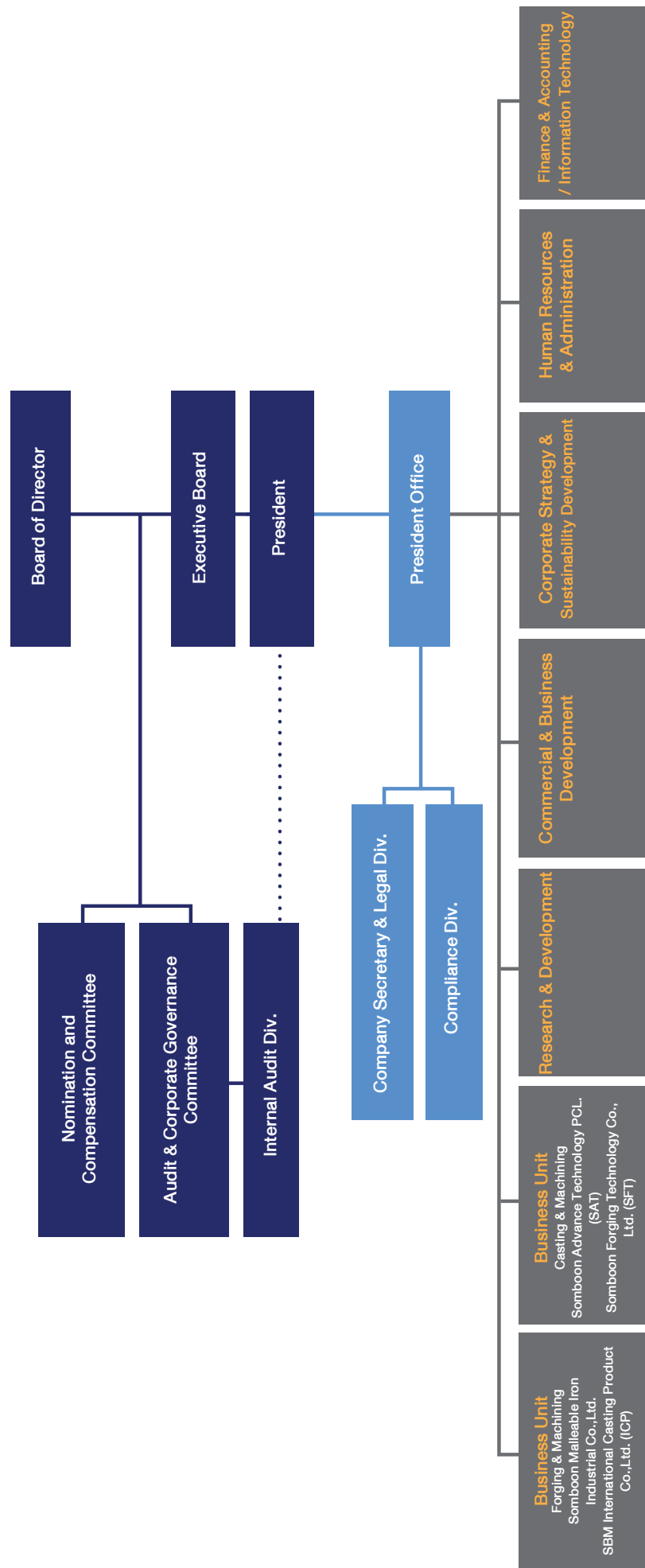
1. No interest persons are holding shares in the related companies exceeding 10%
2. Bangkok Spring Industrial Company Limited ("BSK"), was approved to make its investment of Nippon Kikai Engineering Company Limited ("NKE") of 27 September 2019



2.6 Marketshare of Main Products



Organization chart
Somboon Advance Technology Public Company Limited



2.8 Important development

1962

- Established Somboon spring tweezer manufacturing limited partnership (SBS)
- Established Somboon axle shaft and gear manufacturing limited partnership (SBA)
- Established Somboon brake and clutch of cars and motorcycles partnership

1977

- Established Bangkok Spring Industrial Co., Ltd. (BSK)

2004

- Expanded production base of SAT and SMB to Eastern Seaboard Industrial Estate in Rayong province (SAT2 and SBM3)

2007

- Purchased International Casting Products Co., Ltd. (ICP1), Amata City Industrial Estate, Rayong province, to increase production capacity of casted products

2010

- Expanded International Casting Product Co., Ltd. (2nd branch) (ICP2), Amata City Industrial Estate, Rayong province to support main customers in automotive parts sector, including agricultural machine sector.

2013

- Approved SFT to increase its registered capital from 100 million baht to 150 millions baht,
- Created master plan for sustainability under the business operation philosophy "SBG Triple Bottom Line creates a balance"

1975

- Established Somboon Malleable Iron Industrial Co., Ltd. (SBM)

1995

- Established Somboon Advance Technology Co., Ltd. (SAT)

2005

- SBG registered in Stock Exchange of Thailand under the name of Somboon Advance Technology Public Company Limited (SAT)

2008

- Expanded production base of BSK to Amata City Industrial Estate, Rayong province (BSK3)

2011

- Established and registered Somboon Forging Technology (SFT) to increase production capacity of forged metal products
- Approved the establishment of Somboon Learning Academy : SLA, Amata City Industrial Estate, Rayong province

2017

- Approved BSK to enter into a joint venture agreement and established a joint venture between SAT and MUBE ENGINEERING AG

2019

- Bangkok Spring Industrial Company Limited ("BSK"), a subsidiary of the Company whose 99.99 percent of the total issued shares are held by the Company, was approved to make its investment in 50.99 percent of total issued shares of Nippon Kikai Engineering Company Limited ("NKE").

Awards and appreciations 2019

1) Awards from Stock Exchange of Thailand as following

- Sustainability Excellence Awards of Honor, 3 consecutive years
- Best Investor Relation Awards of Honor
- Thailand Sustainability Investment Awards (THSI), 5 consecutive years



2) Awards from Ministry of Labor, Department of Labor Protection and welfare as following :

- SBM1 received the National Outstanding Prototype Enterprise for Safety, Occupational Health and Working Environment (gold level) for 4 consecutive years.
- SBM1-2-3, ICP1 received Thailand Labor Management Excellence Awards on employee relations and benefits for 10 consecutive years.
- SBM2 received the Certificate of Honor for Safety, Occupational Health and Working Environment Management (gold level).
- SBM2 received the National Outstanding Prototype Enterprise for Safety, Occupational Health and Working Environment (gold level) for 2 consecutive years.
- ICP2 received Thailand Labor Management Excellence Awards on employee relations and benefits for 7 consecutive years.
- SAT1-2 received Thailand Labor Management Excellence Awards on employee relations and benefits.
- SAT1 received Certificate of Honor in bronze level at the first year 1,301,426 hours by reducing zero accident from work.
- SAT1 received the National Outstanding Prototype Enterprise for Safety, Occupational Health and Working Environment (gold level) for 2 consecutive years.
- SAT2 received the Standard on Prevention and Solution to Drug Problems in an Establishment from Department of Labor Protection and Welfare.
- SAT2 received Certificate of Honor in elementary level at the first year 958,336 hours by reducing zero accident from work.



3) Awards from Industrial Estate Department of Industrial Works Ministry of Industry

- SBM3, ICP2 received 3Rs Awards
- SBM3, ICP1-2 received supporting operations award Eco industrial town Eco Excellence Level.
- SAT1-2, SBM3 received CSR-DIW Continuous Awards 2019 from Department of Industrial Works, Ministry of Industry.



4) Awards From Ministry of Education, Amata City Industrial Estate, Social Innovation Foundation.

- SBM3, ICP2, SFT received Amata Best Wastes Management Award 2019 in platinum level from Amata City Industrial Estate.
- ICP1 received Amata Best Wastes Management Award 2019 in gold level Amata City Industrial Estate.
- SAT1 received Awards praise to the sector supporting to the employment for persons with disabilities from Social Innovation Foundation.
- SAT1 received the Certificate of Honor for the Project Partnership School Project 100% from Ministry of Education.

3 Stakeholder Management and The Determination of Report Content

3.1 Stakeholder Management

3.2 The Determination of Report Content



3.1 Stakeholder Management

The company has this report focusing on the significant issues to the organization and its stakeholders following GRI (Global Reporting Initiative Standards: GRI Standards)

The company is aware of the importance of all groups of stakeholders and possible impacts and influences on the company's operations. Therefore, the company intends to conduct business with transparency and good governance to build confidence among the stakeholders. By operating according to the business philosophy (Somboon Triple Bottom Line) the company has its goals of achieving a balance of business values to all stakeholders.

With the goals of achieving sustainability development in the organization, the company has organized a seminar on business development for sustainable development for the board of directors and high-level executives. This seminar has its goals to align the top management to aware of the changing landscape of sustainability development to readjust its operation to achieve balanced and sustainable value for its stakeholders.

The company has its operation carefully managing stakeholders expectations and responding to their expectations. This process consists of:

- **Identifying stakeholders**
Relevant departments identify their stakeholders considering the significance, responsibility, Influence and relationships, and etc.
- **Order of importance**
The departments rank the importance by taking into consideration the influences of the stakeholders, and the possible impact.
- **Determine the operation plan and responsible person**
The departments define action plans according to the sustainable development master plan in order of importance, readily to operate through appropriate channels and frequencies
- **Monitor for reporting and reviewing of the action plan**
The departments follow up on the SD Roadmap and report to the Sustainable Development Committee and the company's board of directors.

Stakeholders	Channel	Expectations	Key activities
Shareholders	<ul style="list-style-type: none"> · Annual general meeting · Quarterly activities with shareholders · Company website 	<ul style="list-style-type: none"> · Good return on investment · Business development through technology adoption · Company operation with corporate social responsibility 	<ul style="list-style-type: none"> · Dividends paid reasonably · Business improvement with growth
Employees	<ul style="list-style-type: none"> · Quarterly top management communication · Engagement survey through We Care program · Annual 2 ways Performance appraisal 	<ul style="list-style-type: none"> · Capability and career development · Fair benefits and compensation · The safe and pleasant work environment 	<ul style="list-style-type: none"> · Training and on the job training program · Engagement activities to enhance social harmony · Corporate social responsibility program to enhance morale within the company

Stakeholders	Channel	Expectations	Key activities
Customer	<ul style="list-style-type: none"> • Products co-development responding to the demand of consumers and stakeholders • Co-development program on the responsible production process • Annual customer survey • The Annual customer policy meeting • Co-corporate social responsibility program • Customer activities club 	<ul style="list-style-type: none"> • Good quality, delivery, services • Reasonable price • Responsible production and consumption • Value creation for society and positive impact to the environment • Compliance to the customer's policy 	<ul style="list-style-type: none"> • Co-development of products • Production, testing, and delivery of quality products • Process development through lean manufacturing • Co-corporate social responsibility activities
Suppliers	<ul style="list-style-type: none"> • Annual suppliers meeting • Co-development program on the responsible production process • Co-corporate social responsibility program 	<ul style="list-style-type: none"> • Fair price and bidding process • Value creation for society and positive impact to the environment 	<ul style="list-style-type: none"> • Process development through lean manufacturing • Co-corporate social responsibility activities
Communities	<ul style="list-style-type: none"> • Collaboration with communities and partnership with various departments, institutions and foundations • The community engagement activities • Meetings through CSR projects to strengthen the communities 	<ul style="list-style-type: none"> • Economic promotion, building career for the strength of the community, especially those with lesser opportunities, such as the elderly, the disabled, etc. • Promoting education in the community • Caring for the environment around the community 	<ul style="list-style-type: none"> • Offer opportunities for the disadvantaged group in the community, including disabled, and the elderly, etc. • Projects to promote education, such as bilateral project
Government agencies	<ul style="list-style-type: none"> • Policy tracking from various channels • Meetings that government agencies have organized 	<ul style="list-style-type: none"> • Legal compliance • Cooperation in various projects • Corporate social and environmental responsibility 	<ul style="list-style-type: none"> • Supporting and complying with the rules, and regulations related to business operations with transparency and accuracy. • Cooperate in various activities of the government
Competitors	<ul style="list-style-type: none"> • Company website • Business forum 	<ul style="list-style-type: none"> • Operate business with transparency under fair trade and competition. 	<ul style="list-style-type: none"> • Continue business operations under competition under free trade mechanisms.
Educational Institution	<ul style="list-style-type: none"> • Visiting or viewing work within the company. • Admissions to learn in the company 	<ul style="list-style-type: none"> • Gain knowledge that can be developed in schools • Students can learn specific knowledge that can be used in real work. 	<ul style="list-style-type: none"> • Sharing knowledge and important operations to be a model for various departments and institutions

3.2 The Determination of Report Content

This report has its content outlined according to GRI core standard and reporting format referenced from the company Somboon Triple Bottom Line philosophy, aiming at managing the stakeholder expectations in a balanced manner. With this, the report has escalated various vital issues according to the stakeholders' view of its importance.

The Process of Determination of Report Content

Step 1: The determination of sustainability aspects, which are important to the business operation

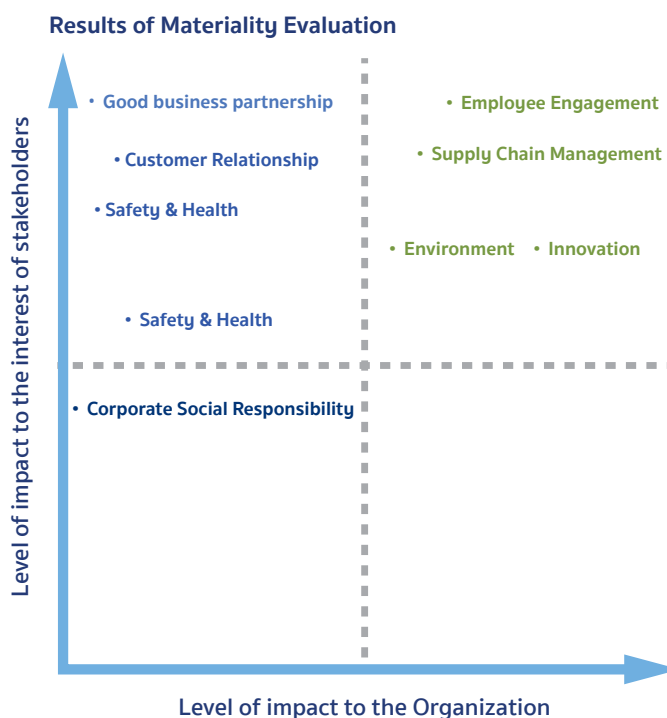
The company collects issues from both internal and external to the organization, including Sustainable Development Goals (SDGs), strategic and sustainability plan, enterprise risk management plan, as well as stakeholder assessments. Moreover, the business environment and its trend on the issues of sustainability development. These issues would be reviewed of its significance to various stakeholders.

Step 2: The evaluation of the significance

Each department would evaluate the importance of each issue on its impacts and value creation with various views, including financial perspective, operation perspective, reputation perspective, customer and supplier impact perspective, as well as employee perspective.

Step 3: The review and approve of the evaluation

After the evaluation from each department has been done, sustainability development department would collect and summarize issues to present to the executive sustainability development committee to review and approve the materiality of the issue to be reported accordingly.

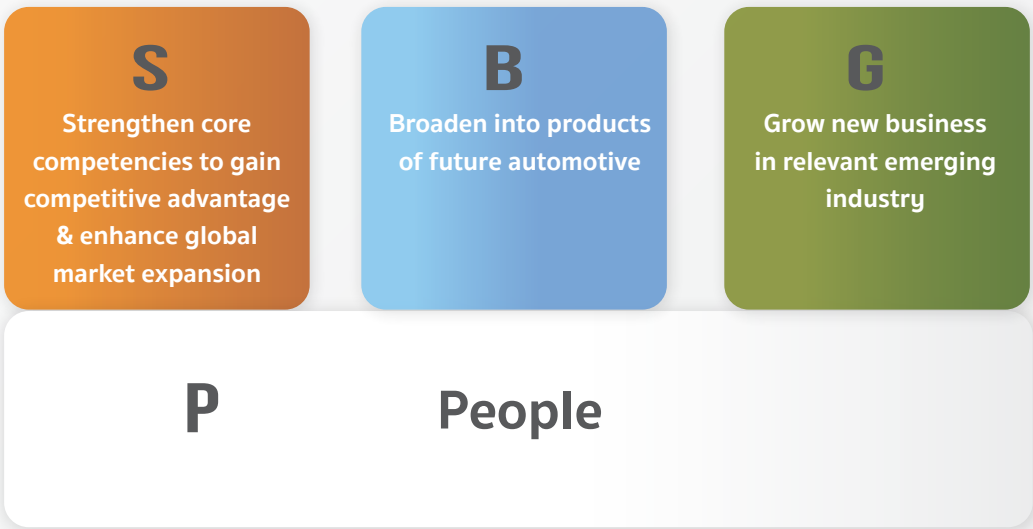


From the evaluation of important issues in the year 2019, it is found that there is a change in context Exterior and interior That affects the expectations of the interested parties Especially in the context of future automotive technology changes, However, expectations Received from most stakeholders are at the same level as employee engagement Relationship Building Partners Environment Building Customer Relations Good corporate governance Corporate social responsibility And there is a less important issue which is safety and occupational health But is the expectation that the company can manage continuously Without causing disruption to the business. For this reason, the importance level of sustainability issues from the previous year remained largely at the same level.

However, due to changes in technology and industry competition, supply chain management issues are increasingly important. As competition in the industry requires development and upgrade of production throughout the supply chain interconnected In addition, supply chain management is also important for managing the impact on society and the environment as a whole. Which the company can be an important part in promoting sustainability to the organization's partners

In addition, the development of technology leads to the importance of innovation, which is an important component in fulfilling the vision. New business strategy of the organization in enhancing growth And innovation also contributes to the sustainability of the organization by reducing the environmental impact And can also promote the well-being of people in the community and society as well.

From the critical issues analyzed, the company has formulated a strategy to respond to important business issues. By considering the relevant external and internal organizational context. Therefore grouped the strategy is organized into three are SBG with P as the foundation, which is to develop the ability Organizations and personnel to support business changes.



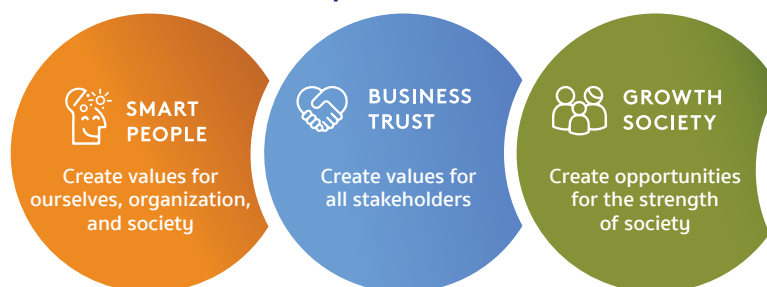
4 Sustainable Management

4.1 Sustainable Development Policy

4.2 Supporting Sustainable Development Goals (SDGs)



Business Philosophy Somboon Triple Bottom Line



4.1 Sustainable Development Policy

With challenges from trends and the disruptive changes of the automotive industry, the company must explore opportunities and business growth, responding to expectations from the stakeholders balanced with risk management. The company, therefore, needs to carefully determine its operating strategy for the organization to progress steadily. In 2019, the company managed under His Majesty's work principles and the philosophy of Sufficiency Economy of Rama IX with the business philosophy of "Somboon Triple Bottom Line". By focusing on sustainable management in 3 areas, namely Smart People, Business Trust, and Growth Society. In addition to focusing on building business success, the company is also involved in taking care of the community. Society and the environment respond to all groups of stakeholders. By adhering to the principles of good corporate governance, while considering the United Nations Sustainable Development Goals as part of the business direction. In this regard, the SBG 4.0 policy has been established so that employees at all levels can change their work to be in line with various situations and challenges. Present and future

Management guidelines

The company has a Sustainability Development Committee (SDC), responsible for supporting and driving sustainability management, with the President being the chairman. Following the announcement of the 2018 Sustainability Policy, the committee has set the management framework and goals to drive all three areas of development according to the company's philosophy. The committee focuses on work and operation at all levels by taking into account the impact on all stakeholders to reduce the harmful impacts while strive to create innovation in business operations through cooperation with partners in all sectors and employee involvement. With this practice, the committee has the confidence to achieve the company's 5-year sustainability goals.

Indicators	Target 2022	Target 2019	Result 2019
Smart People <ul style="list-style-type: none"> Hours of good deed per person per year Hours of Training 	<ul style="list-style-type: none"> More than 10 hours/person More than 22 hours/person 	<ul style="list-style-type: none"> More than 7 hours/person More than 19 hours/person 	<ul style="list-style-type: none"> 8.9 hours/person 12 hours/person
Business Trust <ul style="list-style-type: none"> Increase in revenues No. Of suppliers developed Environmental impact reduction 	<ul style="list-style-type: none"> 2 Multiples of 2017 5 Projects CO₂ reduction 12% vs 2017 	<ul style="list-style-type: none"> 1.2 Multiples of 2017 More than 2 Projects CO₂ reduction 5% vs 2017 	<ul style="list-style-type: none"> 0.93 Multiples of 2017 4 Projects CO₂ reduction 4.72% vs 2017 Growth Society
Growth Society <ul style="list-style-type: none"> Social Impact Value 	<ul style="list-style-type: none"> 0.2% of Revenues 	<ul style="list-style-type: none"> 0.14% of Revenues 	<ul style="list-style-type: none"> 0.07% of Revenues

Guidelines for achieving the target by 2020

- Review of appropriate targets Due to rapid economic, social and environmental changes
- Plan for increased operational efficiency To achieve the set goals as follows

Smart People

- Promote theoretical technology knowledge necessary, coupled with applying knowledge to real work
- Strengthen activities that support the organization of learning
- Initiate a project to strengthen knowledge exchange and gather all knowledge in the organization

Business Trust

- Finding business partners To bring various innovations to help
- Creating financial stability (Stability) with risk management. To create stability for the business
- Bringing technology to help in production To reduce more environmental impact reduce environmental impact

Growth Society

- Build connections between business and society by integrating the needs or expectations of people in society into one part of the organization's goals.
- Use social compensation tools to measure social value

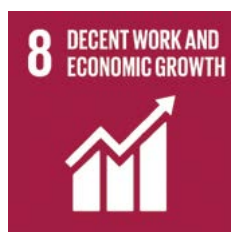
4.2 Supporting Sustainability Development Goals (SDGs)

In the strategic direction of the company, in addition to considering the challenges and trends at the international level and national strategies Sustainability Development Committee has approved the United Nations Sustainable Development Goals as part of its business direction. In 2019, 6 key sustainable development goals of 4, 8, 9, 12, 16 and 17, were considered as follows.



- 4 Increase the capability of personnel to be quality personnel of the organization and the nation. By staff development through training courses or SLA development

School in the Factory initiative has its goals in disseminating knowledge to interested parties applying knowledge to self-development, benefiting organizations, and society.



- 8 Create engagement in work processes through a good workplace environment. Future Competency development and clear career paths.

Implement safety awareness programs To reduce accident statistics to zero



- 9 Support product processes and innovations To meet the automotive business And the direction of changes in the automotive industry

Reduce production costs, increase efficiency and safety. As well as reducing the negative impact on the environment and society



- 12 Enhance environmental policy promoting the efficient use of resources

Develop production processes and products to be environmentally friendly.



- 16 Conduct business by adhering to ethics, morals, and honesty Combined with having a management system, and good corporate governance

Produce qualified personnel enhanced confidence among stakeholders.



- 17 Continually expand the Anti-Corruption Alliance to its trade partners.

5 Governance and Sustainability

5.1 Good Corporate Governance

5.2 Business Ethics

5.3 Anti-Corruption



The company is committed to conducting business under good governance ethically and transparently. To build confidence among stakeholders, the company conducts its business with social and environmental responsibility, which is an essential foundation for growing the organization sustainably.

5.1 Good Corporate Governance

The company has its corporate governance policy from its Board of Directors, committed to developing the organization sustainably. The company transparently conducts its business through good governance and be responsible for protecting the interests of all stakeholders and society as a whole. Moreover, the company develops its personnel to be morally good and smart while promoting lifelong learning. This would enhance the quality of life, along with the development of a better environment aiming for effectiveness, social responsibility through sustainability reporting. By following the internationally accepted reporting framework, the Board of Directors has established a "corporate governance policy."

• Corporate Governance Structure

In the year 2019, the Board of Directors consists of a total of 9 directors, of which 6 are independent directors. The company pays attention to the structure and qualifications of the board of directors that are suitable for the best interests of the organization and stakeholders. Therefore,

the recruitment boards select the board of directors from appropriate competencies, knowledge, and experience in various professions, based on the qualifications as required by law and rules as specified by the SEC. In addition, the diversity of directors has been selected on their skills, and experience (Skill Matrix), regardless of differences in gender, age, ethnicity, or religion to perform the duties of corporate governance of the company. This practice ensures the benefits for the organization and all stakeholders.

• Evaluation of the Board of Directors' Performance

Board of directors is self-assessed at least once a year to review the sufficiency of its roles in directing various operations of the company. This evaluation helps board to review and improve its responsibility. The self-assessment form has been developed from the example from the Stock Exchange of Thailand and being revised to suit the needs of the company. Then, the evaluation results will be submitted to the Board of Directors for acknowledgment and analysis of evaluation results to improve the management operations.

Also, the company has also been assessed for the Corporate Governance Report (CGR) by the Thai Institute of Directors Association (IOD) and the Stock Exchange of Thailand (SET). The result of the assessment is "Excellent" for 8 consecutive years with full scores by the Thai Investors Association. The evaluation results show that the company commits itself to the highest level of good corporate governance.

Assessment results according to the corporate governance survey by Thai Registration (Corporate Governance Report: CGR) (Score)



5.2 Business Ethics

The company has announced its policies and manuals for good corporate governance and communicates with employees throughout the organization and promotes the understanding and application in practice to ensure full compliance with the code of conduct of the company.

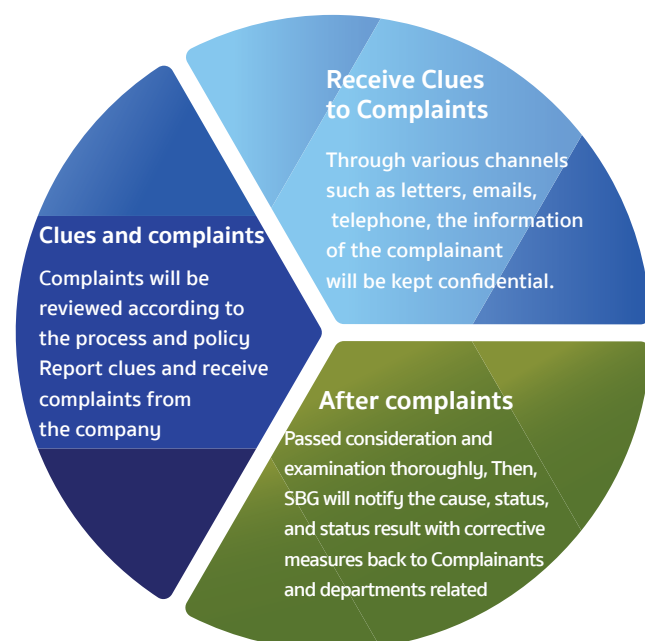
In addition, in the year 2019, the company has improved and added the Corporate Governance Manual regarding human rights policy addressing all group of stakeholders.

For all directors, executives, and employees, it's important to realize the respect for human rights giving priority to human dignity, freedom, and equality of people, including compliance with relevant laws and international principles. This is to ensure business operations without violating human rights in all business activities, both within the company as well as all stakeholder groups throughout the value chain and encourage partners and business associates to participate in conducting business with respect to human rights. And apply the principles of human rights According to this policy to deploy Accurate, transparent, and verifiable.

• Filing a Complaint

In the year 2019, the complaint management process was updated to clearly define the duty of the responsible person, with the company providing channels for receiving complaints and clues about operations that do not comply with the requirements, laws, regulations, and good corporate governance principles via letter or email to the chairman or the regulatory department. Moreover, the company has open for various channels to facilitate the reporting of complaints through online channels, including Facebook, and Line@.

However, there are no complaints being filed on a violation of the anti-corruption policy or corruption in the company.



• Promoting Awareness of Good Corporate Governance

The company has promoted the importance of raising awareness of good corporate governance and provided knowledge and understanding to employees regarding good corporate governance as follows.

• Ethics and Sustainability Program

Ethics and Sustainability Program has its focus about the company's anti-corruption policy, cause of fraud and protection, and expanding the anti-corruption network to partners. Additionally, the company also provides training for new employees at all levels. And, the employees will have to attend 100% of this training. In the year 2019, there are 2 main training with total participants of 40 persons.

• Anti-Corruption Course and System Certification from CAC

The company has expanded the network of anti-corruption to business partners. The trainings were given to 4 partnered companies, which are

- 1) Nippon Kikai Company Limited
- 2) Trident Company Limited
- 3) VRP Rubber Company Limited
- 4) Focus Mechanics Company Limited

5.3 Anti-Corruption

The Board of Directors has focused on the anticorruption to be a transparent organization therefore, the Board of Directors shall stipulate the supporting plan and moral of organization for long term since 2010 as 10 years (2010-2019) through training “Moral...with the Sustainability of Organization” to enlighten the employee to be good, discipline, knowledge and moral bringing about the new culture under the supporting plan and moral of organization

The Company is 1 of 27 organizations to declare its intention against the corruption and to be the 1 of 9 first organizations certified by the Private Sector Collective Action Coalition against Corruption Council: CAC to anti-corruption on July 26, 2013.

On November 4, 2019 The Private Sector Collective Action Coalition Against Corruption Commission committee (CAC) have resolved to certify for renewal “Somboon Advance Technology Plc.LTD.” is a member of the Private Sector Collective Action Coalition Against Corruption. The certification will be valid for 3 years from the date of approval.

This year, the company has provided support to give advice to business partnerships in the form of self-assessment and the anti-corruption measures to submit a self-assessment form to the Thai Private Sector Collective Action Against Corruption (CAC). The board has approved the 4 business partnership of the company to be members of CAC as follows:

1. Tsushiyochi Somboon Coated Sand Co., Ltd.
2. V.R.P. rubber and trade Co., LTD.
3. Focus Mechanic Co.,LTD.
4. Permpoon EDP Co., LTD



• The Board of Directors approved the Policy/ Rule/ Guideline for the SBG anti-corruption as follows:

The Board of Directors has restricted the directors, executives and employees of SBG to accept all kinds of corruption such as to receive thing, gift, the reception expenses, donation, or other benefit for themselves from a person who engages in business with the Company including the employee, supplier, customer and all stakeholders both domestic and international.

Conditions

- (1) To stipulate the Anti-Corruption Policy in the Manual of Corporate Governance and Code of Conduct
- (2) To cover all activities associated with the SBG operation
- (3) To evaluate the risk of corruption throughout the organization annually

Guidelines

1. Directors, executives, and employees shall comply with the Anti-Corruption Policy, business ethics and codes of conduct, and will not be a part of any kind of corruption, either directly or indirectly.
2. Every employee will not disregard or ignore any corruption activities involved with the Company and subsidiaries; they will notify the supervisor or the person responsible for the matter and cooperate in the investigation. If they have any question, they can ask or consult the supervisor or the person responsible for overseeing the business ethics via the available communication channel.
3. The Company will be fair and protect employees who refuse or notify about corruptions involved with the Company and subsidiaries by using protection measure for petitioners or people cooperating in reporting corruptions according to the Company's policy in filing complains and suggestions.
4. The person that commits a corruption or violates the Company's business ethics will be disciplined according to the Company's rules and regulations.
5. The Company and subsidiaries realize the importance of providing and educating people whose responsibility is related to the Company, subsidiaries and stakeholders.
6. The Company is determined to create the “Good and Smart People” who has good conscience and is a good citizen of the society and country.

- **Principles and processes for Risk Assessment for Anti-Corruption**

The Board of Directors assigned the Internal Audit Department to evaluate the corruption risk separated from corporate risk by using a corruption risk assessment guideline

The Board of Directors provided the guidelines for monitoring and assessment on the performance under the anti-corruption policy as follows

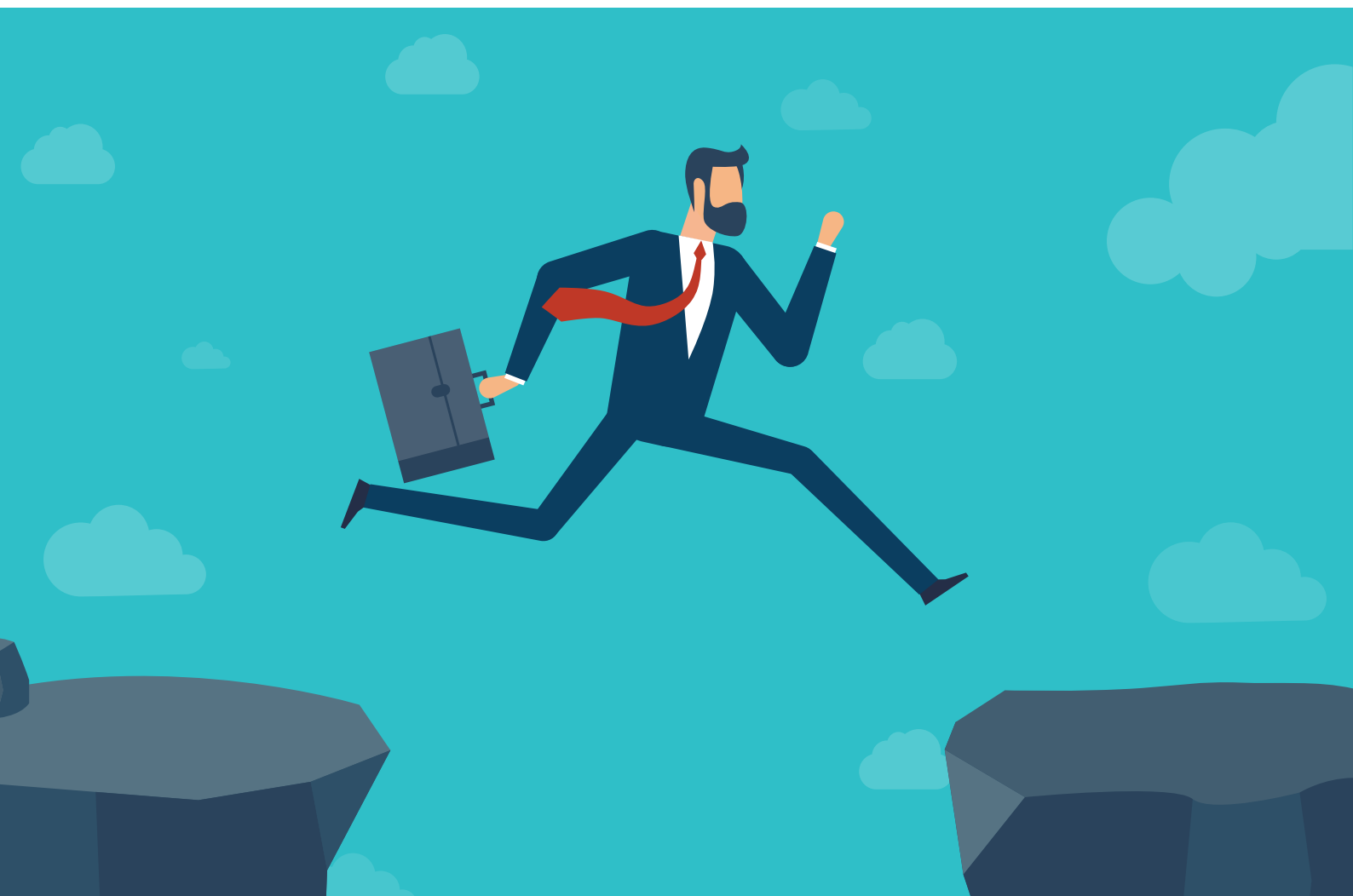
1. To survey a "Report on Conflict of Interest" of Directors and the top 4 of Executives as specified by the law and expand such survey to all management level and relevant employees who is related to the conflict of interest in order to prevent the conflict of interest which may lead to the corruption.
2. To provide the whistleblowing channel and protection measures for the whistleblower in the Company's website and encourage all employees to make a complaint and whistleblowing and shall be deemed as a discipline and duty which the employee should comply with.
3. To assign the Compliance Division Responsible for assessing the risk of corruption and prepare an audit plan In accordance with the internal audit plan.
4. A person who commits any corruptions is deemed to violate the Code of Conduct and shall be punished as specified in the Company's Regulations and by law if such action is an illegal.
5. To promote the knowledge through the course of "Moral with the Sustainability of Organization" for all management level and the activities named leading toward to better thing for employees at the operational level.
6. Expansion of the anti-corruption network to business partners



- **Expansion Procedure of the SBG Collective Action Coalition against the Corruption**

1. The company requests that all partners must sign a declaration of intent to anti corruption before doing business together.
2. The company promotes and educates business partners to understand and recognize the importance of anti-corruption and inviting business partners to announce their intention to against corruption with CAC. In the year 2019, there were 24 suppliers announced their intention with CAC.
- 3 The company attaches importance to encouraging private sector organizations to have a system and have good anti-corruption measures and have applied to join the CAC Change Agent program to expand the business network that is transparent and without corruption. The company has persuaded business partners of SME companies to join the announcement of intent. Under the CAC SME Certification program for more than 10 companies this year. In this regard, Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), therefore, presented the CAC Change Agent Award to the company at the CAC National Conference Day. On 18 October 2019
4. The company has provided support to give advice to business partnerships in the form of self-assessment and the anti-corruption measures to submit a self-assessment form to the Thai Private Sector Collective Action Against Corruption (CAC). The board has approved the 4 business partnership of the company to be members of CAC in these year.

6 Risk Management



Enterprise Risk Management

The companies in the Somboon Group conduct business by recognizing the uncertainty that may occur from both internal and external factors, which affects the achievement of the organization's goals. Therefore, the principles of risk management, in accordance with the international standard (COSO ERM) are applied at all levels of the organization. By covering risk management in terms of strategy, operations, finance, compliance with regulations, the company has compiled various risks, including risks from environmental, social and governance factors, as well as new emerging risks such as those risks from modern technology. With a comprehensive risk management policy, this would ensure the organization to execute its strategy effectively. In addition, the company has established a risk management policy as a guideline practicing throughout the organization consistent with business strategies and goals under the framework of good corporate governance.

The risk management structure of companies in the Somboon Group consists of the Policy Risk Management Committee (BOD) responsible for establishing policies and risk management plans and establish risk management structure covering the entire organization. Secondly, the Enterprise Risk Management Committee (ERM) is responsible for determining the organization's risk management strategy and acceptable risks. Additionally, ERM has defined processes and measures for risk management at the organizational level, followed up on risk reviews and reported to the Audit and Governance Committee. ERM committee is also responsible for setting up a risk management working group at each line of work as Functional Risk Management Committee (FRM). FRM has its responsibility for identifying and assessing the risk at operation level, monitoring and reporting operational risks to comply with the company policy.



Risk Management

The company enhances its risk management by focusing on the organization's strategy responding to the change in the automotive industry and agricultural machinery industry. By focusing on business development with business partners, the company monitors all stakeholders, especially customers, employees, and partners of their expectations leading to sustainable business development. By reducing risk from various factors and rapid change in the business environment, the company will be ready to grow new business opportunities more sustainably. Moreover, with the changes in laws, regulations, and expectations of various stakeholder groups, the company needs to operate to ensure the right level of satisfaction of all stakeholders.

Risks	Impacts	Risks Treatment
1. Strategic Perspective 1.1: The risks that the company will lose key customers' orders	Income instability affecting the profits of the company	<ul style="list-style-type: none"> Track changes in the automobile and agricultural machinery industry both on the technology and customer purchasing policies Develop production processes and technology to meet the needs of customers on cost and quality Manager customer relationship and develop business operations according to the customer policy Diversify corporate income to a diverse portfolio of clients, products
1.2: Risks arising from the advent of electric vehicle technology and future automotive innovations	Income instability affecting the profits of the company	<ul style="list-style-type: none"> Analyze trends and the direction of the growth of BEV cars in the future to assess the risks and the potential impacts on the business, including setting measures and guidelines for monitoring. Diversify business through analysis of investment opportunities and plan to expand both domestic and foreign investment for the sustainable growth of the organization.
2. Operational Perspective 2.1: Risks from quality management, delivery, production engineering, quality systems, and safety	The ability to support customer needs leading to business growth	<ul style="list-style-type: none"> Develop production management to improve quality, quality, production engineering, and quality systems to build customer confidence. Analyze trends, needs, and define a long-term support plan
2.2: Risk from raw material and supply chain management	Discontinuity in production And fluctuations in production costs	<ul style="list-style-type: none"> Develop the measures to assess, monitor, and plan together with customers to reduce the risk that may arise from the shortage of raw materials. Analyze and develop production processes Including finding sources of secondary raw materials To support future needs
2.3: Risks from climate change, environment, technology, and natural disasters	Uncertainty of cost from various production inputs	<ul style="list-style-type: none"> Monitor and assess the risks that may occur from environmental changes and disasters Create a risk management plan and set supporting measures
3. Financial perspective 3.1: Risks from exchange rate fluctuations	Uncertainty of the company's operational profits	<ul style="list-style-type: none"> Analyze the trend of foreign exchange rates, and plan the use of financial tools To prevent the risk of exchange rate fluctuations Mitigate the risk by entering into the forward exchange contracts, including managing revenue and expenses in foreign currencies to be consistent
4. Compliance perspective 4.1 Risks from changes in laws and regulations, and law concerning industrial sector, environmental, social, and governance issues.	Confidence in the implementation of laws and regulations relevant to stakeholders	<ul style="list-style-type: none"> Monitor of new laws, regulations, and their enforcement Evaluates risks, impacts and determines measures to support Prepare the operational plan that is appropriate and in line with the laws and regulations. Audit and implement safety measures to be correct, complete, according to the regulations. Regularly follow up and assess the potential risks



Promoting Risk Awareness Culture

The companies in Somboon Group are committed to achieving business goals. Therefore, the company promotes a culture of risks at all levels, from directors, executives to all employees to have awareness and practice systematic risk management rigidly. The company has set risk management policies as guidelines for operations throughout the organization, in which all executives and employees have duties and responsibilities in operating according to risk

management principles. Under the supervision of the Audit and Governance Committee, Risk Management Committee has its duty to promote the awareness of the potential risks by bringing the risk issues to be discussed at the main meeting of each company or affiliated departments within the organization, including communication of the principles and risk assessment criteria to practice throughout the organization.



7 Smart People

- 7.1 Smart People
- 7.2 The development of Good People
- 7.3 The development of Smart People
- 7.4 Retirement Program
- 7.5 Savings Cooperatives in Somboon Group

7.1 Smart People

The company aware of the importance in human resource management and takes care of all personnel equally. The company prepares and develops the potential of executives and employees of all levels to be good, smart, and professional readily to learn and develop continuously to adapt to the change in technology and automotive industry. In addition, the company encourages employees to fully engage and drive the organization towards sustainability development under the business philosophy of Somboon Triple Bottom Line.

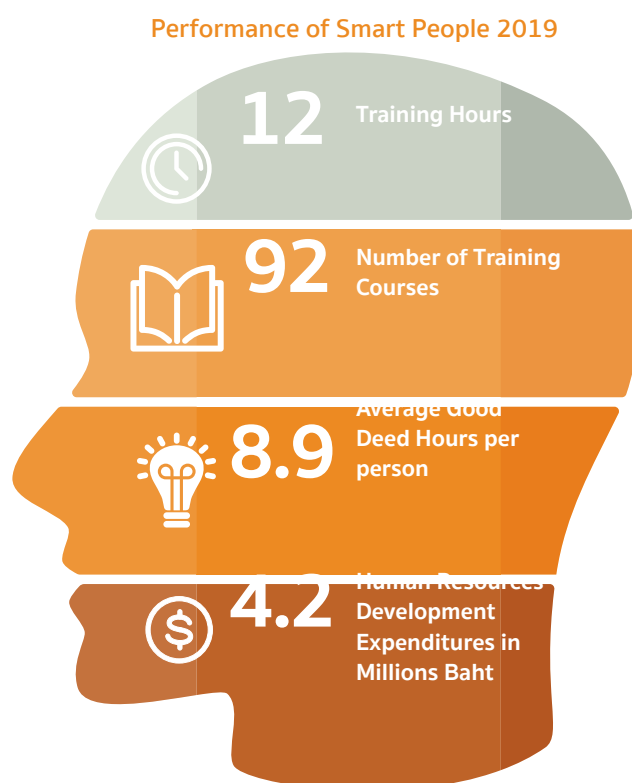
The company is committed to supervising and managing personnel by promoting the creation of employee values, in accordance with the Smart People principle "Create value for yourself, organization and society." By defining human resources strategies, including personnel planning organizational structure design, recruitment strategy, enhancing employees engagement, and human resource development to support technological changes.

The development and preparation of employees in new technology leads to the application of technology to improve the production process. At the same time, it also encourages personnel with agility readily proceed to achieve the organization's goals.

In addition, the company has promoted employees to be good employees and good citizenship. By promoting the creation of good deeds, the employees have various opportunities to participate in various type of corporate social responsible activities following the organization's guidelines.

Management guidelines

The company has its strategic plan on human resources management and development at the business unit level. This unit is crucial in partnership with all departments as the business partner in proposing the measures to develop human resources that suit with diverse workgroups in the company to serve the needs of both employees and organization.



7.2 The development of Good People

The company is committed to being a part of creating a better society, conducting business with honesty, transparency, and complying with the law by raising awareness for employees to be good citizens of the society. Somboon group has created good practice guidelines to build a strong corporate culture. The company has been working on collecting good deeds hours continuously for its second year with an increased target of 7 hours per person per year. This would help develop the employees to be align with the corporate culture, through cultivating good people and their harmony, which would eventually promote the expression of desired behavior that reflects a person of morality and ethics. This includes sharing and exchanging knowledge with various stakeholders, contributing a service to society.

The company has guidelines for promoting employees to do good deeds in 3 ways as follows:

1. Basic Good Deeds

Blood donation

The company encourages employees to be good citizen, having social responsibility. This can be done through participation in blood donations as organized by the organization and the Thai Red Cross. The company, in collaboration with the Thai Red Cross Society, has provided blood donations for the 20th consecutive year, 4 times a year. In 2019, there were 713 employees, executives, and partners participate in the blood donation activities in the companies. The Thai Red Cross received a total blood volume of 147,700 C. This time, there were number of executives and employees who continuously donated blood according to the criteria and received a commemorative needle from the Thai Red Cross.

Participation in important religious activities

The company encourages harmony within the company through promotion of norms of merit-making by offering alms on religious days such as Asanha Puja Day, Makha Puja Day, Visakha Puja Day, Lent Day, and various other merit making activities as provided by the company. This Increases the channels of doing good for employees to access.

Sharing to create a good society. Whether it is donating money to external organizations Or together with the internal activities of the company



2. Sharing and exchanging knowledge

The sharing and exchanging knowledge divided into 3 ways as follows.



Being a Somboon Learning Academy (SLA) course speaker, this encourages employees to pass on their competencies, experience, and expertise to Internal staff through the SLA curriculum, which will benefit the company's personnel. It also develops the coaching skills among the employees as well.



Knowledge sharing within the organization is an exchange of knowledge and experience transfer. Both formal and informal forms in the knowledge management process. In work-related matters, by recording the knowledge that has been transferred.



Sharing knowledge with stakeholders is another important way for our staffs to share their knowledge, experience, skills, concepts in various forms such as coaching, lecture style, OJT coaching, participation in coaching, mentoring. This would benefit to number of stakeholders in professional areas.

The good deeds hours in sharing knowledge will be counted to the total number of hours for sharing real knowledge.

3. Services activities

Social service activities encourage employees to conduct themselves to benefit the organization, community, society and the nation as volunteers. In order to develop the volunteer spirit of employees with kindness, sacrifice with a public mind, the company encourages to try each employee's own way to create better society to live in. The company places great importance on creating an atmosphere within the organization, which allows all employees to have the opportunity to participate in various social service activities. By developing activities to match the use of their skills to do good and benefit others, the company stipulates the guidelines for social service activities in 4 forms as follows:

Services through the activities of the company of the company.

1) The company promote the development of various activity clubs. This will perform according to the policy "1 Club, 1 Merit Activity" in which the members of each club will use their own abilities according to the operations of the club to benefit others at least 1 activity a year in which employees can participate in activities. Both as a member and not a member.

Good deeds from Somboon Group volunteer club help harmonizing the members of Somboon by the gathering of employees with



volunteer spirit to carry out public service activities. These activities have been carried out continuously for 19 years, with over 300 members. In 2019, there were social club activities as follows:

- Activities for Children's Day with Water Giveaway Activity at the Social Welfare Council
- The 1st CSR activity of public facility improvement at Wat Tan Wandee Charoensuk of bathroom painting and renovation activities
- Public area cleaning activities at Bangchalong Subdistrict Administrative Organization
- Cleaning activities at Kitaphanich Park
- 3 days 2 nights social service activity at Ban Nong Rai School, Nong Rai Subdistrict, Pluak Dong District, Rayong Province,
- Painting and Fencing activities for SLA Rayong Agriculture farming area

In 2019, employees grouped together into various clubs based on their own aptitudes or interests. These groups conducted social service activities by applying skills of members of the club under the company's good deeds principle to create value for the society.

- Road maintenance activities at the Center for Nature Conservation

- Food donation by Food and Beverage club at the canteen at Hom Sin Temple,
- Cleaning activity at by Vipassana Club and Dharm Lanthong Club at the Tan Wandee Charoensuk Temple
- Cleaning activities by Buddha amulets club at the temple at Kasattrathirat temple, Phra Nakhon Si Ayutthaya province,
- Social service painting activity by Takraw football club, badminton, petanque, basketball court

2) Perform service through activities organized by the company Each year the company will determine the service activity plan, communicate and invite all employees to participate in various occasions.

3) Improving the scenery within the company
This is another activity that all employees are able to participate in to help improve the company's internal landscape, leading to a good working environment, such as painting the building to clean various areas, planting trees, collecting garbage, separating waste, etc.

4) The external service activities, which are not conducted through the company activities
These are another channel of social service activities in which employees can gather to perform service activities or this can be a service activity with a their own family. This may include social service activity organized by an outside organization.

Total hours of doing good work average of all employees



7.3 The Development of Smart People

Nowadays, the world has changed rapidly from technological advancement and new knowledge. This leads to an increasingly competitive business environment, resulting in the need to develop the organization's capabilities and personnel capabilities readily for the organization to grow sustainably.

For this reason, the company has changed the organization through recruiting employees suitable for new areas of operations supporting for implementation of its strategy. In addition, the company focuses on promoting continuous learning of all employees to enhance new capabilities and skills. To support the introduction of new technology, the company also encourages employees to be life long learning citizens of new skills and technologies. This learning skill will be extremely important for the employees to be smart and be ready to adapt to the changes in technology and the labor market in the future.

1. Development of capability and career advancement

Capability is an important factor that drives competitive advantages as well as increases value for the organization. With a culture that supports learning organization, the company, therefore, encourages employees to receive its training in line with the career development of employees appropriately at all levels. Additionally, there is a Somboon Learning Academy (SLA), learning center of Somboon

Group organized training for employees throughout the organization to increase capability and skills for employees emphasizes on quality control in learning to meet standards and meet the needs of organizations and employees.

In the year 2019, the company provides training for employees with an average of 12 hours per person. This would enhance both the skills and learning potential throughout the working life. A total of 92 courses have been organized, which are divided into 4 groups as follows:

1. Curriculum: Developing Business Management Program such as Practical Innovation Design Thinking Process, Somboon Management program, The Managerial Grid, etc.
2. Curriculum: Expert Development (Specialist Development) such as courses in quality systems Environmental courses, etc.
3. Curriculum: Skills and Techniques Development (Functional Excellence Program) such as safety courses. Factory Specific Techniques Course Procurement, etc.
4. Curriculum: Fundamental Program for Sustainability, such as the Ethics and Sustainability Program of the organization, etc.

2. Development of leaders for sustainability

In addition to encouraging employees to be skilled in the organization The company also develops and encourages leaders to improve themselves. To have the potential for employee development And organizations to be effective in today's competition.



Course	objectives	target groups	number of participants
Practical Innovation Design Thinking Process	<ul style="list-style-type: none"> • Learn to implement the Design Thinking process. • Develop innovative ideas in every part of the organization. • Implement plans or ideas and extend to innovation projects • In accordance with customer and open Innovation & Co-Creation, Innovation & Co-Creation 	Innovation-driven Management Group	30
Somboon Management program	<ul style="list-style-type: none"> • Enhance knowledge to apply strategies to work smarter and cause • In accordance with the Global Minset, strategic Visionary & Big Picture and Direction Making 	Strategic Executive and Management Group	20
Strategic Management & Deployment by TQA Framework	<ul style="list-style-type: none"> • Learn the guidelines of the administration. in the direction of the organization to excellence In line with the Competency for the Strategic Visionary & Big picture, Change Leadership 	Strategic Executive and Management Group	15
The Managerial Grid	<ul style="list-style-type: none"> • Understands the differences of others and managed by. diversity In line with the Openness and Leveraging 	Talent Pool	20

3. Staffs development to grow as a leader

To support the growth and change of business in the future, the company is committed to maintain and motivate employees with outstanding talents and potential to stay with the organization. Therefore, the company develops the framework for managing employees to be leaders with potential and skills by determining guidelines for all employees to have the opportunity to develop oneself towards career growth. By laying out the Talent Management Framework and the Succession Management Framework. The company prepare and upgrade their abilities in various areas, which would enhance the business opportunities for the company. This would ensure the continuity of leaders for the future. The above development, the company aims not only for the benefit of the organization, but this also grows the skills and abilities for employees acquiring from the program, which eventually benefits their future career growth.

4. Promoting innovation in the organization.

At present, "Innovation" is very important for the automotive industry, which helps increase competitiveness for the company. Therefore, the company focuses on creating and developing employees to generate ideas and create new things, while also promoting the atmosphere In an organization that is conducive to innovation, such as organizing conceptual training, creative design and new innovation to expand the knowledge and ideas in all departments of the organization. Moreover, the executives will have their role as coaches to give advice and encourage employees to develop new innovations. This has benefited organization in increasing its efficiency as well as reducing operating costs.





QCC & Kaizen

with the company's vision. "Strive for sustainable growth in the automotive industry through advanced technology and partnership". The organization, therefore places importance on the development of employees by cultivating culture supporting the learning and developing oneself As well as promoting cooperative work which is an important foundation for building a strong organization. This process is crucial for the company to be ready and capable in coping with future changes. The organization chose QCC and Kaizen as a basic tool to help employees know how to improve work and increase work efficiency in the part of Improvement and use it as a tool to assess the performance of employees.

Employee development guidelines according to the company's guidelines are as follows:

- Establishment of a team The company drives the improvement activities by identifying responsible parties, team structure and assign roles and responsibilities clearly, such as project managers, who responsible for supporting various fields, pushing for progress And evaluate for Improve, improve,
- Develop the team HRD team of the organization is responsible for providing knowledge to enhance knowledge creation throughout the company. This requires the understandings of the roles and responsibilities of the team. This includes various development of environment and practices. including the meeting format and morning talk meeting.
- Launches activities When the team has the knowledge and understanding about operations and tools for work improvement, the next step is to "communicate" to all levels of employees. Through the Kick-off activity, this would formally launch improvement activities
- Create knowledge and understanding for employees. After the public relations and communication activities to improve work for all levels of employees, HRD team would strat to educate employees at all levels. Which is divided into 3 parts

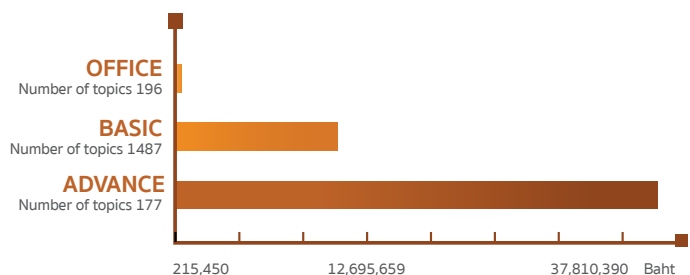
Basic training: allowing the operational level employees in the production section to propose ideas for self-improvement It is a simple matter that can be carried out in a very short amount of time.

Advance training: The level of supervisor in the production group together. Use basic problem-solving skills in data analysis, finding problems, and proposing ideas for improvement.

Office training: Bringing office staff together. Propose ideas for improvement in office space.

- Communicate throughout the organization In every phase of the activity The team will plan for public relations activities appropriately. And match the target group Data collection Various knowledge including knowledge
- Obtained from QCC and Kaizen will be accrued in a database system that gathers all the improvement topics of all employees in one place. The registration is organized by category, department, title and category for easy information searching. For employees who are interested can learn, use and expand the value from these database.

The results of the 3 activities are crucial for the organization saving total cost of 50,721,499 baht / year which can be divided by categories as follows:



The company also provides opportunities for employees to advance their Kaizen initiative to compete in the "Kaizen Thailand Awards" competition, in which the employees of the company can win prizes back resulting in higher achivement, which is shared among employees. With this limelight, the employees within the organization are more alert to participate in Kaizen activities.

* Bronz Award and Certificated Achived for 2019

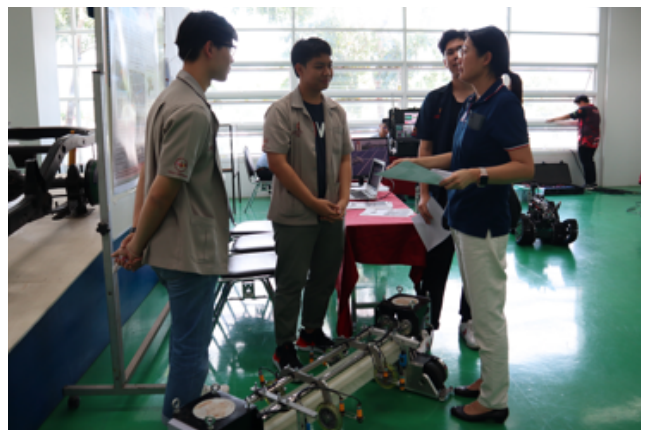
The innovation day

The company continues to drive the development of culture, innovation and technology in the organization, therefore, organized "SBG Innovation Day 2019" which is For the 4th consecutive year. The purpose of the event is for employees to exchange knowledge and be good models for the improvement of work processes with technology and innovation, which have been applied to the actual work within the company. Moreover, this would ensure that the creation of innovation shall be done at all levels to create breakthrough innovations in the company.

There are exhibitions of innovative works. Knowledge management And quality work portfolio From various departments, including employees Company partners And educational institutions.

The company collaborates with leading educational institutions in the country ready to be an important force in promoting automotive education and research. This would enhance the creation of relevant innovations to be upgraded for the automotive of the future The innovation day is an important forum for employees, students, teachers, and academics to enhance their knowledge and ability through professional collaboration. This provides the opportunity to present the work as well as being a forum for exchanging knowledge. There are 5 educational institutions which are exhibited as follows:

- King Mongkut's University of Technology North Bangkok
- King Mongkut's University of Technology Thonburi
- King Mongkut's University of Technology Ladkrabang
- Rajamangala University of Technology Thanyaburi
- Thai-Japanese Institute of Technology





7.4 Retirement Program

The company perceives the importance of a long time served employees, who have dedicated their energy and loyal to the company. Therefore, the company develops post-retirement plans for employees to prepare for the expiration of their service to the company.

The company, therefore, encourages employees to prepare a career after retirement with the project "Hundred hearts from SBG People" to prepare for diverse experiences to learn a way to plan and build vocation and be self-reliant after retirement. The company has carried out this program continuously so that employees entering retirement age will gain knowledge and understanding of the life after retirement, which help to learn of various way of life. In addition, the company has prepared the training on the crucial knowledge on social security for retirees as well. In the year 2019, the company has prepared such services for total of 17 employees.



7.5 Savings Cooperatives in Somboon Group

Due to the slow economic conditions and family problems, leads many families in the Somboon group into financial problems with various financial institutions and informal debt.

The company foresaw the benefits and importance of establishing a savings cooperative in an organization. With savings cooperatives, this has allowed many members to have another form of welfare being passive income for our employees.

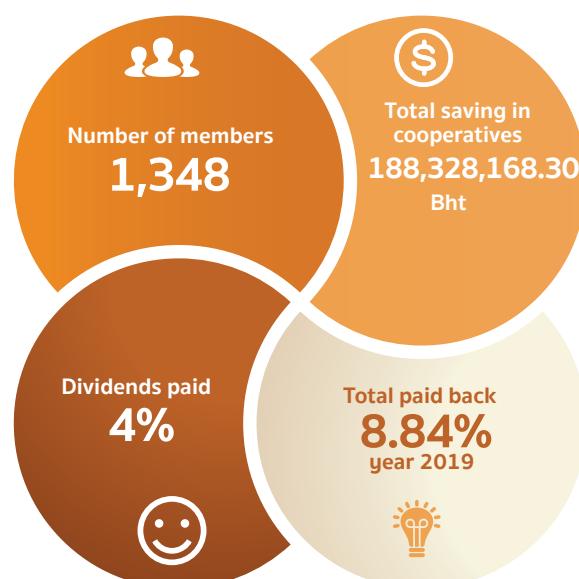
First, this gives our members a source of a low-interest loan. This alleviates suffering during a difficult time, or when there is a necessity for spending in the family.

Secondly, this helps employees having less needs to take shark loans and high formal debt, which would result in a distraction of high interests being paid monthly, affecting the organization's effectiveness overall.

The company established a savings cooperative in the Somboon group of companies for 12 years **with total savings of 188,328,168.30 Baht**. There is several cooperative committees' members, who help plan, formulate policies, supervise and develop various rules and regulations for the cooperatives to operate efficiently and continue to be strong.

From past operations, employees are interested in participating in the program and abiding by the cooperative rules and regulations.

Currently, savings cooperatives of companies in the Somboon Group as of December 3, 2019



8 Business Trust

- 8.1 Business Trust
- 8.2 Human Rights
- 8.3 Taking Care and Creating Engagement for all Employees
- 8.4 Occupational Health and Safety Management
- 8.5 Value Chain Management
- 8.6 Supplier development
- 8.7 Customer Relationship Development
- 8.8 Environmental Management and Energy Conservation
- 8.9 Innovation in Business
- 8.10 Tax Action



8.1 Business Trust

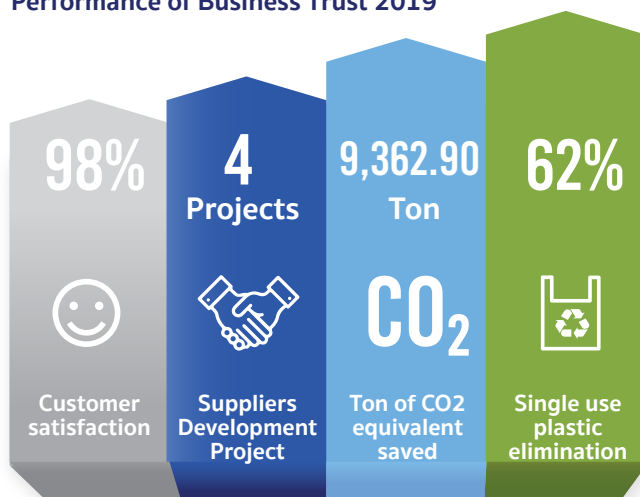
SBG aims to create value based on good corporate governance. By creating business value through innovation, the company focuses on developing and manufacturing high quality, environmentally friendly, and safe products for consumers. Additionally, the company has its goals in creating value, while reducing impacts from its business processes to build trust among stakeholders throughout the value chain, these practices of the company have been applied from the philosophy of the sufficiency economy.

The company has always been committed to sustainable growth to achieve its vision with determination for success, driven by talented and responsible personnel. The company cares and focuses on creating value for the stakeholders while having its environmentally friendly operation with new technology and innovation, which lead the company to achieve the vision and mission of the organization.

Management guidelines

The company has a strategic plan and track its progress to ensure the satisfaction of various stakeholders. By having the process of reviewing the vision, missions, goals, and company performance, the management of the company focuses on strategic project management to develop new business opportunities. Besides, the company also focuses on the development of human resource management so that the business can create value for the stakeholders sustainably.

Performance of Business Trust 2019



8.2 Human Rights

The company has announced a policy for supervising operations in accordance with the human rights laws by paying attention to the respect of human dignity, rights, liberty, and equality of persons, recognized or protected by both Thai and international law. The company has prepared a Code of Conduct manual to emphasize its employees to understand and be aware of the importance of respecting human rights aligning its operation and supply chain with the following guidelines

• Group of companies and employees

Labor rights and working conditions of employees in the group shall comply with international labor standards and Thai laws, which cover the criteria specified in the corporate governance policy, business ethics and work regulations and employment policy, employees' performance evaluation policy and compensation management policy, human resources development Policy and Labor Relations Policy of the Company

• Business partners

The company aims for its partners to respect human rights by selecting and operating the business with partners based on equality and fairness. while allowing partners to participate in the company's activities in raising social awareness as specified in business ethics and code of conduct. In addition, the company have urged its partners to demonstrate their commitment to identifying prevention, mitigation, and accountability in the event of human rights violations

• Social groups and communities

The company operates with respect to the community and the surrounding environment. The company will reduce the impacts to the community on the well-being and quality of life, in accordance with the international standard ISO 14001. In addition, the company provides channels for the communities to make complaints and recommendations, which the company will immediately and appropriately handle in the event of a violation of human rights.

8.3 Taking Care and Creating Engagement for all Employees

The company considers employees to be the most valuable resources, driving organization for success and sustainable development. Taking care of employees and making the workplace to be where everyone wants to work is an important issue for the company. Therefore, employee engagement survey is crucial for the company to develop a policy and use the feedback from employees to improve and develop the organization to have the better standard of care within the same industry. This survey is done every 2 years and the improvement plan would take the appropriate time to implement and gain the results before the next survey in 2021, which covers employees in both Rayong and Samut Prakan. There are two main parts: 1. Employee engagement and 2. Factors driving employee engagement or satisfaction, such as pride in the organization, job opportunities, Quality of work life, etc.



level	Average 2019	Average 2015	Average 2013
 Executives	3.58	3.53	3.47
 Employees	3.29	3.42	3.28

Satisfaction survey results 2019

There is a number of areas the company focuses on to improve the work and life for the employees including:

Finance

The company has established a fund to promote economic and social development of staff members, which is highlighted by the appointment of independence, Cooperatives Committee to operate the cooperative's business to achieve such objectives.

Physical and mental health

The company has improved and expanded the area around the company to be a place to work, relax, exercise, as well as meetings for employees. In addition, the company also

has various programs to strengthen the dimensions of physical and mental health are as follows:

- Care for Health Project is an employee health care program for employees. In 2019, the cafeteria was renovated. The education for the staff on healthy consumption, and also annual health checks. In addition, there is an Influenza vaccination and there is a doctor in the nursing room for consultation on health problems as well
- Moreover, the company has the Hundred Hearts Project, which has its aim to prepare employee near retirement age for career after retirement to have a quality of life after retirement.
- Sports activities for employees are another activities being promoted in Somboon Group. These activities promote the participation in sporting events, which would support more happiness and harmony among employees.
- Religious activities and traditions are another important activity to preserve and extend Thai traditions. Somboon group has maintained these traditions and culture for most of the important religious days to provide opportunities for employees to be involved in.

8.4 Occupational Health and Safety Management

Companies in Somboon Group Is committed to creating a safe workplace for employees to have a good quality of working life by focusing on the development of occupational health, safety, and working environment management systems. By focusing on creating a safe culture and behavior, employees are inspecting areas and machines before starting work. Moreover, the company encourages innovation and safety technology in the production process through participation in the contest for the outstanding safety prototyping aiming for zero accidents avoiding any losses. These measures are crucial for the satisfaction to SBG's customers.

Objective

- 1) To develop safety measures in production processes to reduce the risk of accidents
- 2) To meet customer and government policies in compliance with laws and regulations
- 3) To provide knowledge, skills, and awareness of safety in working environments by training and developing personnel And creating a culture and safety behavior

Summary of occupational health and safety performance

Indicators	Target	2019	2018	2017
1. Accidents with leave (no.)	0	3	4	3
2. Accidents without leave (no.)	≤5	6	9	10
3. Frequency of injury (decline in % per year)	≥20% (1.06%)	1.56	1.55	1.66
4. Critical accident (no.)	0	0	0	0

• Preparedness for emergencies situations

Emergency preparedness may occur in all cases, such as chemical spill drills, fire drills, and fire evacuation drills, with 100% staff participating.



- **Occupational health promotion activities And safety** The company Organizes safety promotion activities for employees, including Behavior-Based Safety (BBS) activity, to demonstrate positive safety behaviors, which promotes safe expression behavior and reduces dangerous behavior. The company has a target of at least 2 actions per year for each employee to meet the set goals, such as promotions of practices at the crossing with stop, and point your finger before crossing the road, not using the phone while walking or driving all kinds of vehicles. Secondly, KY activities are essential to provide employees with knowledge and understanding of the dangers of various types of work. This practice would help all employees to be aware of risks and find proper preventative measures. The result in 2019 is the participation of 100% as planned. In addition, there are safety promotion activities both at work and outside of work, such as Hazardous Search activities (Completely Check Completely Find out: CCCF). Moreover, various Shop Floor Management, which promotes safety culture, safe driving activities, Buddhist Lent period alcohol hibernation activity, and safety training, etc. are also maintained to ensure regular awareness of safety in the workplace.



Sending employees back home



Safe driving activities



Kick-off safety activities



KY activity



Safe Forklift driving



Occupational health training

8.5 Supply chain management

Supplier management policy

The company has a policy of procurement in the form of good business alliances under the principles of transparency, fairness, and equality. There are clear rules and regulations in the company's code of ethics, subject to the treatment of business partners and suppliers. The important details are as follows:

- 1) Executives and employees must adhere to the highest interest of the company.
- 2) The company provides equal opportunities for trade partners/suppliers to compete from both small, underprivileged businesses, minority groups, women, and disabled veterans.
- 3) There is competition from bidders, and fair and appropriate selection
- 4) There are evaluation criteria and selections of business partners, aligned with international contract format
- 5) Establish contract management and monitoring system to ensure full compliance with the contract conditions to prevent fraud and misconduct at every step of the procurement process.
- 6) Develop and maintain lasting relationships with partners who have declared their intention to fight against corruption.
- 7) Executives and employees comply with the conditions set by the company. Towards the partners under fair competition framework
- 8) Executives and employees do not request, receive or pay dishonest benefits to business partners.
- 9) If the company is unable to comply with the conditions, the company will notify the partners in advance in order to find a solution.

In the year 2020, the company has prepared "Sustainable guidelines for business partners in the Somboon Group (SBG)" by considering the content and scope under regulations. The company will drive SBG partners to operate ethically with the social responsibility, taking care of occupational health and safety of employees, and being responsible for the environment and sustainability development.

Procurement policy

The company has a procurement policy that is in accordance with the policy of customers, domestic law, international rules and regulations in which the company communicates to the suppliers in the meeting of partners every year. This includes measures to support and promote standards during the operation which cover various aspects as follows:



1.Green Purchasing Policy ; SBG green purchase policy

<p>1) CHEMICAL SUBSTANCES OF CONCERN (RAW MATERIAL, MATERIAL SUPPLY)</p> <ul style="list-style-type: none"> • Ensure material and products comply with Toyota's SOCs guide-line (covered 11 substances) and Honda's chemical substance management standard (4 metals:Pb, Cd, Hg, Cr6+) with testing report or certificate * Request: Testing report on July 2017 	<p>2) ENVIRONMENTAL AND GLOBAL WARMING IMPACTS REDUCTIONS</p> <ul style="list-style-type: none"> • CFC-free packaging • Energy saving project or reduction CO₂ Emission. (Logistic activities) • Project 3R (Reuse, Recycle, Reduce) (at least 1 project/year) * Request: Project Sheet and Action Plan 
<p>3) RAW MATERIAL (STEEL SCRAP)</p> <ul style="list-style-type: none"> • Ensure raw material without radioactive contamination * Request: Testing report or certificate on March & August 2017 	<p>4) CSR AWARENESS/ COMMUNITY CARE</p> <ul style="list-style-type: none"> • Corporate Social Responsibility (CSR) Activities inside/outside company (at least 1 activity/ year) * Request: Self activities or Participation with SBG's CSR activities, declare by survey form. 

2. Human rights policy for suppliers ; Conflict Minerals policy

The company has a policy to purchase quality raw materials from reliable sources. The human right policy is declared and communicated to the business partners as well as to the public that the company do not accept raw materials from the production source that comes from countries with human rights violations or have international trade sanctions especially the 4 minerals, such as tin (Sn), tantalum (Ta), tungsten (W) and gold (Au) that come from mines in countries with human rights violations in Africa.

8.6 Supplier development

The company believes that having good business partners will develop business relationships and growth. With the expertise and access to customers in each product category, this increases opportunities for partners to present good supplies to be provided to the customers with up-to-date and technology and cost. In the year 2019, the company has continuously developed important trading partners as follows:

• Strategies and tools used for development

1. TPS / Lean Supply Chain for suppliers

The company has collaborated with TMB to disseminate knowledge of TPS system: Transaction Processing System / Lean Supply Chain to trade partners between August and November 2019 for a period of 4 months, consisting of 6 companies as follow:

1. FOCUS MECHANIC CO.,LTD
2. V.R.P. RUBBER AND TRADE Co.,LTD
3. TOOL LINK Co., LTD
4. THAI AUTOMACH Co., LTD
5. YONGKEE Co., LTD
6. Poempoon Paint Auto Parts (2013) Co.,Ltd.

2. Expansion of the anti-corruption network to business partners

After the partner has received training and joined the workshop within the company. Each trading partner has been assigned to create a cost reduction program within the organization, based on actual practice, as well as presenting the project at the end of the course to receive suggestions for improvement and further projects.

Since 2016, the company has been certified by the Private Sector on Collective Action Coalition Against Corruption. (CAC) until now. The company remains committed to continually expanding the Anti-Corruption Alliance as a mentor to partners to improve the work process to be transparent in every step and to prepare documents for Requesting certification from CAC.

Up until the year 2020, the partners of the company have announced the intention of anti-corruption with the company's total of 666 people (accumulated from the year 2016). Moreover, 90 of the partners have announced their intentions to CAC.

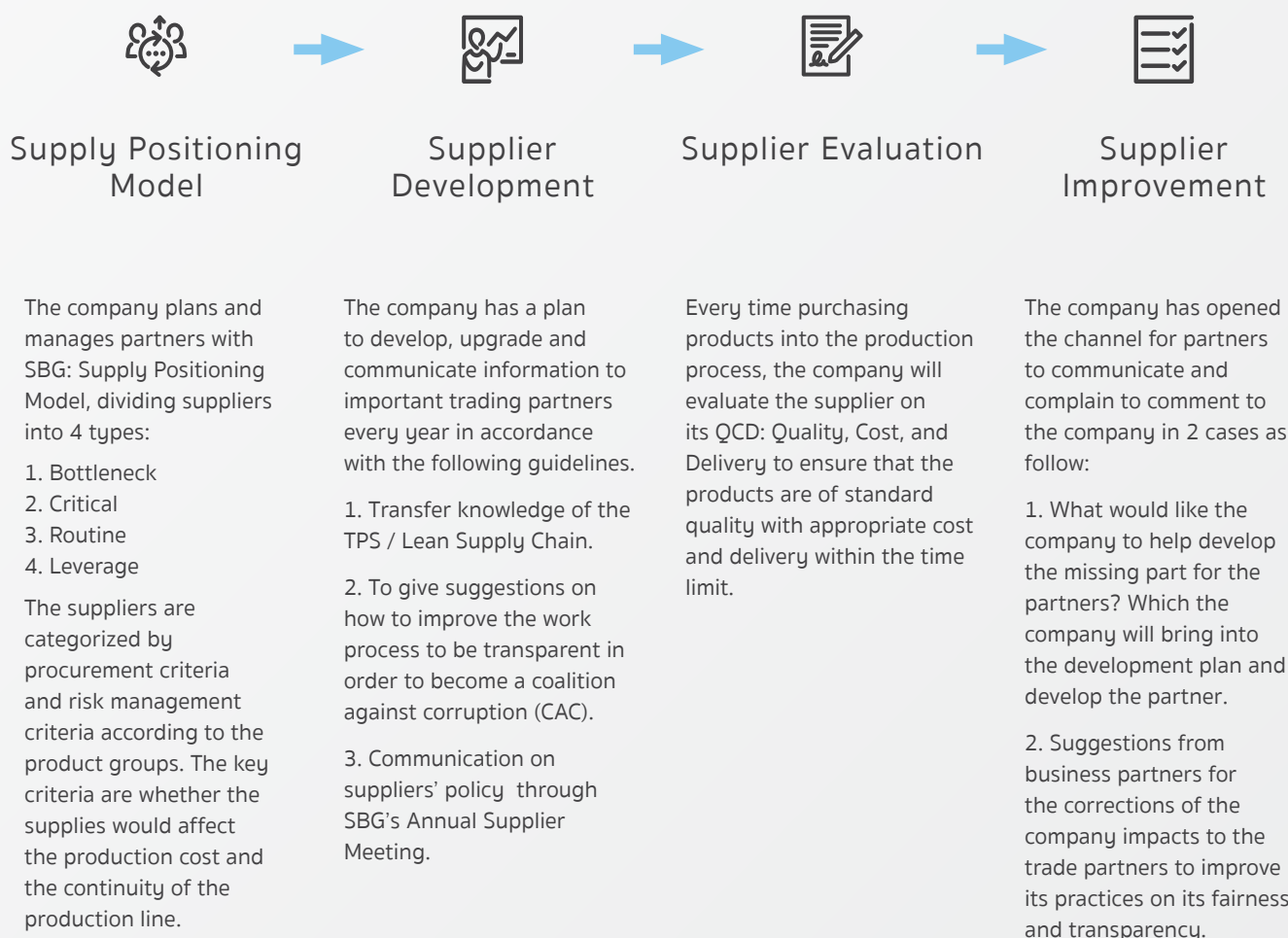
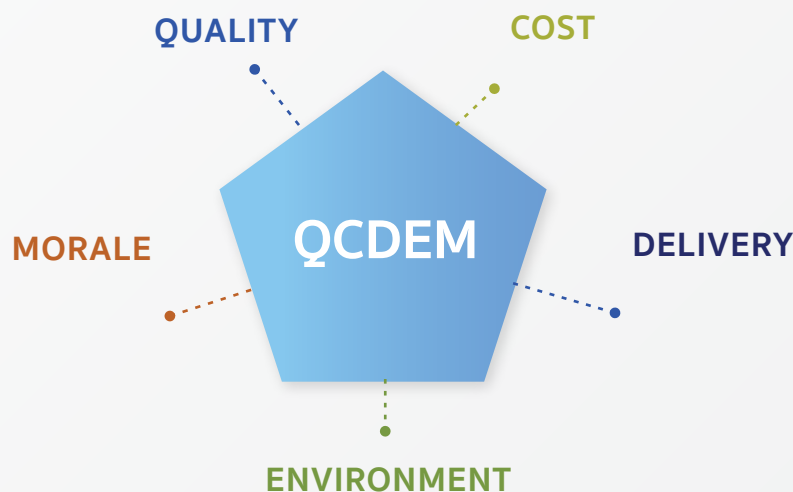
The company's partners have received the system certification from CAC in all 9 cases (accumulated from the year 2016) as follow:

1. Trident Steel Co., Ltd.
2. Nippon Kikai Engineering Co., Ltd.
3. TOA Paint (Thailand) Public Company Limited
4. Metro System Cooperation Public Company Limited
5. Thai V.P. Corporation Limited
6. Tsuchiyoshi Somboon Coated Sand Co., Ltd.
7. Poem Poon EDP Co., Ltd.
8. Focus Mechanic Co., Ltd.
9. V.R.P. Rubber and Trade Co., Ltd.

The company has its goals from the year 2020-2022 to have 15 partners receiving CAC system certification. In the year 2019, the partners have received the CAC system certification total of 4 partners.



- Strategy and criteria for supplier development



8.7 Customer Relationship Development

Customers are the most important aspect for Somboon Group in doing the business. The company relies on customers and must understand customer needs both for now and in the future. So, the company needs to proceed to achieve the needs of customers as much as possible to maintain good relations with each other.

The company has the policy to focus on creating value, developing relationships and growing in business with customers to gain trust from customers. This is a factor leading to the success of the company through our principles of treating customers with sincerity and politeness, being humble, and with the intention to seek ways to meet the needs of customers more efficiently by defining the following policies and practices as follows:

1. Manufacture, design and deliver products that have been certified and quality assured, meet the agreements with customers at fair prices while avoiding undue profits.
2. Provide information, news and advice that is accurate, sufficient, and up to date to the customers to have enough knowledge of the product, and service.
3. Strictly comply with the conditions that the customer has. In the event that cannot be complied with any conditions, the company must notify customers to jointly find ways to the solutions.
4. Treat customers with politeness and is trusted by customers.
5. Protect customers' information to ensure the compliance of customers' confidential information. Do not share

information without the customer's consent and do not use customer information for their own benefit and/or other parties.

6. Product warranty under the right conditions following the Consumer Protection Act
7. Have a system and process that allows customers to complain about the quality, quantity, safety of products and services Including the speed in responding to delivery and the utmost action so that customers get a quick response.
8. Support the operations of the social responsibility activities from customers.
9. Focus on the development of production productivity, packaging and transporting of products that are environmentally friendly.
10. Create a channel for providing product information and product development to have customers constantly informed.

The company cooperates with customers to participate in various production development activities to continuously apply to actual work. This helps the development of knowledge and skills for employees to apply a new idea in the workplace as well.

In addition to the work improvement activities, the company has always supported and participated in various corporate social responsibility (CSR) activities with customers. The closeness of participation in these activities leads to a stronger relationship to all the customers.

Activities for development and improvement in the year 2019, the company won awards for participating in various activities. Customers are customers of the Year Award 2562



- prize winner of the third event THCC QCC Activity 2019 (Group B)
- won THCC QCC Activity 2019 (Group D)
- won THCC QA Improvement Activity 2019 (Group 4)



- SPARE PARTS AWARD
- QUALITY AWARD



- Bronze Award Kubota Kaizen Community Productivity Up 200%



- Grand Finals. 1st activity MCC-QCC Activity 2019 (Group a)
- Honorable Mention (SBM3)

Remark : Customers were sequenced on alphabetical order.



satisfactory overall average in 2562

98%



Quality

95%



of Delivery

100%



Management

97%



Engineering

100%



Price

98%



Service

100%

8.8 Environmental Management and Energy Conservation

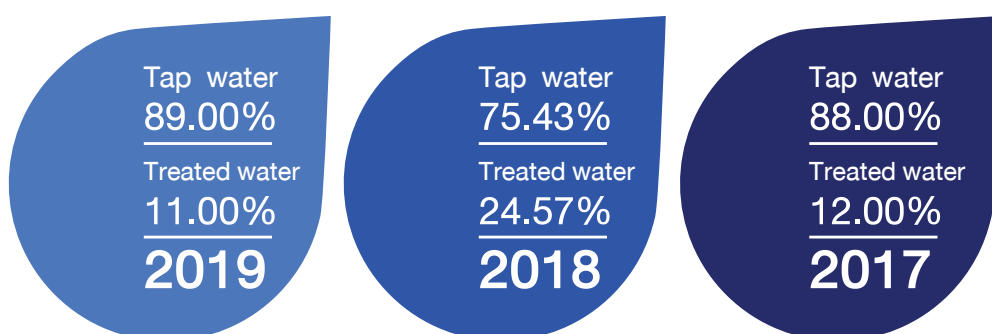
Companies in Somboon Group are committed to doing business in an environmentally friendly manner, focusing on using resources efficiently. Moreover, the company continuously develops production processes to reduce its impacts as well as promoting knowledgeable personnel environmental awareness and social responsibility. The company has its environmental policy, which can be summarized its operations on its goals as follows:

Indicators according to environmental policy 2016-2021	Target for year 2021	Results 2019	Results 2018	Results 2017
1. CO ₂ equivalent from production process per outputs from year 2017 (2.17 Tons CO _{2eq} per output*)	Reduction 10 % 1.95 Tons CO _{2eq} per output	Reduction 4.72 % 2.02 Tons CO _{2eq} per output	Reduction 3.69 % 2.15 Tons CO _{2eq} per output	Starting year 2.17 Tons CO _{2eq} per output
2. Water consumption per output from year 2016 (6.19 Cubic meter per output *)	Reduce 10 % 5.57 Cubic meter per output	Reduce 22.34 % 4.80 Cubic meter per output	Reduce 18.06 % 5.06 Cubic meter per output	Reduce 16.64 % 5.16 Cubic meter per output
3. Industrial wastes to landfill per output from year 2015 (0.0288 Ton per output *)	Reduce 4% (< 0.0259)	Reduce 30.89% (0.0179)	Reduce 32.01 % (0.0195)	Reduce 47.96% (0.0150)
4. Project on Environmental Development	100%	100%	100%	100%

Remark : (*) Output refer to the units in Tons of products or a thousand pieces of products appropriate for each business units

• Water management

The company gives importance to the use of water by having a wastewater treatment system from the production process and the office. The company will reserve this water for use within the company by improving its quality and called as “Treated Water” to be reused in some production processes. Additionally, in the year 2019, the company use it for the cooling tower. Aside from those increase use of treated water, the company has transferred the production lines that previously used tap water to Amata City Industrial Estate, Rayong province. Therefore, the proportion of Treated water usage decrease to 11.00%. The treated water system is still efficient and can produce enough water to meet future water demand.



• Management of unused materials and industrial waste

The company has the policy to separate used materials by type and store systematically before sending it to the disposal company authorized by the Department of Factory to send to landfill or treated according to the law. In 2019, the company has continuously implemented Zero Plastic Wastes, initiated since 2018, with a campaign to encourage employees to reduce the waste of single used plastic. Moreover, the company requires cooperation from all the stores within the company not to use and give away plastic bags and reduce the use of all single used plastic. In the long run, the company has expanded the results to various activities such as meetings, training by using glass, paper, bottled glass, and etc. Lunch break has been changed with paper or natural materials, etc. In addition, the company continues to implement a waste management program in accordance with 3Rs (Reduce Reuse Recycle) continuously from 2017, which can reduce expenses by more than 3.4 million baht. The program results in various important savings from recycling or using waste as raw materials or alternative fuels in the company's production process to avoid waste disposal by landfilling to a minimum, according to the Zero Waste to Landfill guidelines.



In 2019, companies in the Somboon Group participated in the AMATA BEST WASTE MANAGEMENT AWARDS 2019 and received an award for industrial waste and solid waste management from Amata Facility Services Company Limited as follows:

1. International Casting Products Company Limited (ICP1) received the GOLD LEVEL award
2. International Casting Products Company Limited (ICP2) received the PLATINUM LEVEL award
3. Somboon Malleable Iron Industrial Company Limited (SBM3) received the PLATINUM LEVEL award.
4. Somboon Forging Technology Company Limited (SFT) received the PLATINUM LEVEL award.

Waste management project in accordance with important 3Rs principles	Reduction in expenses (Baht per year)		
	Changes	2019	2018
1. Reuse Brine water from the RO water system to use for cleaning floors and roads in the factory.	Increase 1.48%	121,430	119,660
2. Remove scrap metal and scrap sawdust Return to melt into raw materials (Internal Recycle)	Increase 30.31%	2,724,034	2,090,381
3. Sorting, polishing beads, steel dust, scale steel and selling for reuse (External Recycle).	increase 17.01%	66,751	57,046
4. Separated oil from slag and sell for recycling (External Recycle)	Increase 26.22%	97,041	76,880
5. Reuse used coolants at other processes (Internal Reuse).	Increase 13.50%	312,125	275,000
6. Reduce the amount of landfill contaminated material disposal to use as an RDF mixed fuel (Zero Waste to Landfill)	New Project	101,250	-
Total		3,422,631	2,618,967

• Monitoring and measuring of environmental quality

The company has put in place measures to monitor environmental quality both inside the factory and in the community area every year. The results of environmental quality measurement in various fields have passed the legal standard criteria. In addition, the company has inspected areas within the factory including a visit to the surrounding communities with the community leaders once a quarter to survey and listen to suggestions for continuous improvement.

• Energy conservation and global warming reduction

The company is committed to operating energy conservation and reducing global warming from greenhouse gases continuously. This program has started from the foam-free project from 2008, which was successfully done 100% in 2010. From that time, the efforts in energy conservation and global warming reduction have been done in a systematic way and extended the results to partners to implement energy conservation projects to reduce global warming. The company does not purchase greenhouse gases containing substances such as CFCs, HCFCs, Halons, and Methyl Bromide, which are ozone-depleting substances in the atmosphere. According to environmental policy and energy conservation. The company has set a goal to reduce greenhouse gas emissions from production processes and related activities by 10% by 2021 compared to 2017. In 2019, the company has continuously implemented energy conservation projects to reduce greenhouse gas emissions. Glass can increase production by 4.72%, equivalent to 16,077,376.44 kWh of energy per year or reduce greenhouse gas (GHG) 9,362.90. Energy Conservation Project As in the table below.

Energy Conservation Project 2019	Energy Saving (kWh per year)	Ton CO ₂ (equivalent) Reduction per year
1. Installed Intelligent Flow Control (IFC) air compressor at SAT1 and SAT2.	292,177.68	170.07
2. Change the lighting in the factory to LED lamps at SAT1, SAT2 and SFT.	60,745.73	35.36
3. Zero Loss Drain. Reduce the loss of compressed air from draining water at SAT1	25,285.52	14.72
4. HMMT Activity 2019 at SAT2	12,286,799.27	7,151.80
5. Change Cooling Tower Fan to Energy Saving type, reduce 20-30% KW at SBM & ICP	370,539.10	215.68
6. Change the lighting in the factory to all the office LED lamps at SBM & ICP	45,855.14	31.12
7. Reduce the use of NGV by changing valve and steam pipe insulation (SAT-2)	27,345.92	16.12
8. Cancellation of use of the 11 KW. Water pump motor for the cooling water system (SFT)	27,588.00	16.13
9. Energy Conservation Project Continuous since 2013-2019 (Solar Rooftop, Efficiency Fan, Ring Loop Air Compressor etc.)	2,941,040.08	1,711.90
Total	16,077,376.44	9,362.90



Solar Rooftop



Reduce the use of NGVs from valve replacement And steam pipe insulation



Deactivate Motor Pump 11 KW. Of Cooling Water

8.9 Innovation in Business Processes for Sustainability

The company promotes and supports product innovation and development through the Research and Development department that has expertise in design, testing and development of raw materials and products lead to innovation in product and create value for all stakeholders responding to the changes in the automotive and agricultural machinery industry.

In this regard, the company focuses on creating innovation in 2 levels:

1. Product Innovation
2. Process Innovation

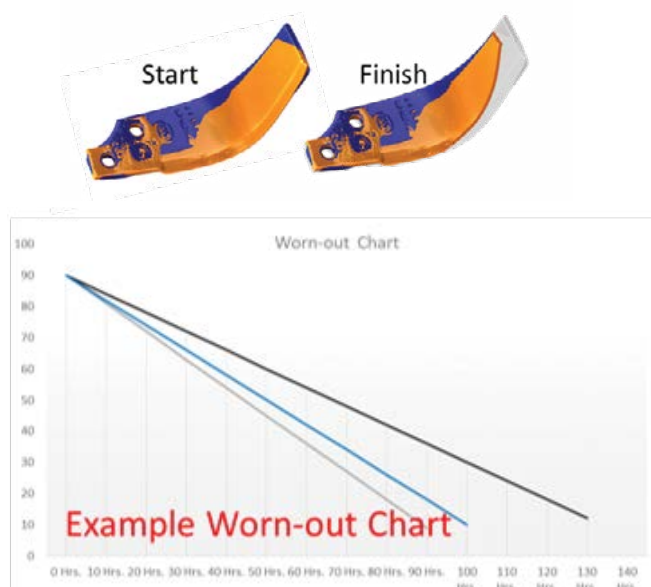
The company focuses on creating innovations in products through cooperation with business partners. In particular, customers, partners, and experts in the continuous development of the company's products responding to consumer demand and reducing environmental impact throughout the product life cycle. The major development is for the rotary blade, axle shaft, and brake disc, which are the company's main products in response to customer needs. It also reduces the environmental impact in the production process and usage.

In addition, the company has an innovation policy and innovation promotion process for business processes at all levels of the organization, which helps the organization to improve business processes and create value, especially cost development Reducing the impact on society and the environment. It also increases the ability to compete in business. Taking into account the benefits to stakeholders around.

• Activities to promote innovation in enterprise Quality Control Circle

The company has implemented Quality Control Circle (QCC. Continuously) to develop a clean and efficient production process. By allowing employees to participate in the development and improvement of quality and increase efficiency for the company's stakeholders, various teams use brainstorming methods and promote a systematic problem-solving process to reduce expenses and time loss from work. Moreover, the expectations of this activity are continuously providing quality products and services reliability to create satisfaction and security for customers and consumers.

In the year 2019, the major projects implemented are as follows:




Project Name	Objective	Value / Benefits / Positive Impact
1) Lightweight axle shaft	<ul style="list-style-type: none"> to reduce product weight according to customer requirements Increase driving performance and reduce energy consumption 	<ul style="list-style-type: none"> Meet the needs. Both quality and price Helps the car be lightweight and save energy. Reducing pollution
2) Aluminium forging product	<ul style="list-style-type: none"> to gain knowledge of Aluminum forging technology through Reverse engineering and Pilot Project methods to expand the Forging business opportunity which has high demand in the future. 	<ul style="list-style-type: none"> Increase the opportunity to expand existing businesses into new businesses with high returns and sustainability Respond to the needs of customers and prepare to enter the production of parts in the automotive electric group.
3) Rotary Blade	<ul style="list-style-type: none"> Solving agricultural problems Labor shortage Reduce costs and increase production efficiency Developing collaboration in design and development with major agricultural machinery distributors in Thailand 	<ul style="list-style-type: none"> Reducing wastage, fuel consumption and durability of rotary blade in each soil condition in Thailand Reducing agricultural costs through mechanization Reducing the need of labors

8.10 Tax Management

The company has always given importance to tax management adhering to the principles of accuracy, transparency, and accountability. In the year 2019, the company had total revenue of 8,198,588 million baht and tax was paid to the government in the amount of 99,758,461 million baht.

And this year the company has issued tax management policies clearly stated as follows:

1. Carry out tax management according to various laws and regulations correctly and completely including the use of tax incentives to maximize benefits for shareholders and government agencies.
2. Perform tax remittance within the period specified by law including the management of tax payment and/or tax refunds (if any) in order to maximize liquidity for the company.
3. Study and consider the tax effect regularly when new laws or tax policies are announced, including the case that there are a new type of transactions in the company to maximize company benefits.
4. Manage tax planning by studying laws and regulations and consider the effects that may occur including a tax specialist consultation enabling the compliance as specified by law, and ensure that the practice does not avoid the tax payment.
5. Arrange for a person to be responsible for tax and to coordinate with government agencies regarding tax to ensure the proper operation of the company Including providing information on the operations of the company based on the fact that occurred when receiving a request from a government agency
6. Disclose the company's annual tax payment information to the public to demonstrate the payroll performance, accuracy, completeness, transparency, and related risk assessments and reviews at least once a year.
7. Train for tax knowledge to the personnel in the organization to allow relevant personnel to work correctly and completely.


INTERNAL MEMO

Attention : Finance & Accounting	From : ณัฐชัช ญาณภักดิ์
CC : All Executives , Managers	Dept./Company : ฝ่ายการเงินและบัญชี
Subject : นโยบายการบริหารจัดการด้านภาษี	Date 27/5/2562
Enclosure :	No. ACC.001/2562

บริษัทในกลุ่มศูนย์ ให้คำแนะนำด้านการจัดการด้านภาษี โดยยึดหลักความถูกต้อง โปร่งใส และตรวจสอบได้ เพื่อประโยชน์สูงสุดของบริษัทและมีส่วนได้เสียทุกฝ่าย มีความสอดคล้องตามหลักปรัชญาในการดำเนินธุรกิจ “5 สมบูรณ์ สร้างสมดุล” และยึดหลักความถูกต้องครบถ้วนภายใต้กฎหมายในการดำเนินธุรกิจ จึงได้กำหนดนโยบายด้านภาษีของบริษัทฯ ดังนี้

1. ดำเนินการให้มีการปฏิบัติตามกฎหมายและข้อบังคับต่างๆ ที่เกี่ยวข้องด้านการเสียภาษีอย่างถูกต้องครบถ้วน รวมถึงการให้สิทธิประโยชน์ทางภาษีเพื่อให้เกิดประโยชน์สูงสุดแก่ผู้ถือหุ้นและหน่วยงานของรัฐ
2. ดำเนินการนำหลักวิชาการมาใช้อย่างเหมาะสมภายใต้กฎหมายกำหนดวิธีการบริหารจัดการทางภาษีการและ/หรือข้อบังคับทางภาษี (ถ้ามี) เพื่อให้ได้สภาพคล่องสูงสุดแก่บริษัทฯ
3. ทำการศึกษาและพิจารณาผลกระทบทางภาษีอย่างรอบคอบเมื่อมีกฎหมายหรือนโยบายทางภาษีการใหม่ๆ ประกาศออกมา รวมถึงมีการปรึกษากับผู้เชี่ยวชาญด้านภาษีการโดยมีการศึกษาผลกระทบด้านภาษีการที่เกี่ยวข้องกับบริษัทฯ เพื่อพิจารณาผลกระทบที่อาจเกิดขึ้น รวมถึงมีการปรึกษากับผู้เชี่ยวชาญด้านภาษีการ เพื่อให้การนำไปปฏิบัติเป็นไปอย่างถูกต้องตามหลักเกณฑ์ วิธีการและเงื่อนไขตามที่กฎหมายกำหนด โดยไม่เป็นการหลีกเลี่ยงภาษีการ
4. จัดให้มีผู้รับผิดชอบด้านภาษีการและติดต่อประสานงานกับหน่วยงานของรัฐทางด้านการภาษี เพื่อให้การดำเนินการของบริษัทฯ เป็นไปอย่างถูกต้อง ครบถ้วน รวมถึงการให้ข้อมูลการดำเนินงานของบริษัทฯ ตามข้อเท็จจริงที่เกิดขึ้น เมื่อได้รับการร้องขอหรือเรียกตรวจจากหน่วยงานของรัฐ
5. ทำการเปิดเผยข้อมูลการจ่ายภาษีรายปีของบริษัทฯสู่สาธารณะ เพื่อแสดงความซื่อสัตย์ในการปฏิบัติตามหน้าที่ในการจ่ายภาษีการ ครบถ้วน โปร่งใส พยายามมีการประเมินความเสี่ยงที่เกี่ยวข้องและหาแนวทางป้องกันแก้ไข 1 ครั้ง
6. ให้ความรู้ทางภาษีการแก่บุคลากรในองค์กรเพื่อให้บุคลากรที่เกี่ยวข้องสามารถปฏิบัติงานได้อย่างถูกต้องครบถ้วน

ทั้งนี้เพื่อสร้างมูลค่าเพิ่มและประโยชน์สูงสุดแก่ผู้มีส่วนได้ส่วนเสียทุกฝ่าย รวมถึงการเป็นผู้นำด้านภาษีการที่ดีต่อไป

หมายเหตุ : นโยบายด้านภาษีการ จะมีการทบทวนอย่างน้อยปีละ 1 ครั้ง

(Signature)
 (ณัฐชัช ญาณภักดิ์)
 รองกรรมการผู้อำนวยการ สายงานการเงิน บัญชี และเทคโนโลยีสารสนเทศ





9 Growth Society

9.1 Growth Society

9.2 The Bang Chalong Subdistrict Learning Center Project

9.3 Creating Educational Opportunities

9.4 Making of Good Deeds for Society by Employees of Somboon Group

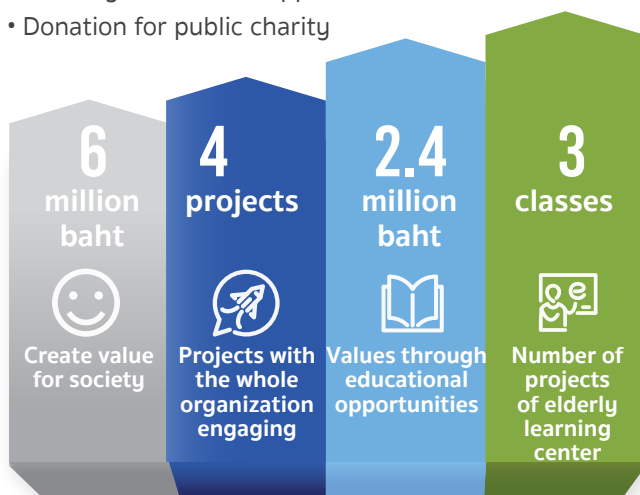
9.1 Growth Society

The company is well aware of its duties of the company as well as its employees to be a good citizen for the society and the nation. The company is committed to help and strengthen society. This has been guidelines throughout the organization to promote the growth and sustainability of the community and society. In the year 2019, the company focuses on the development of youth education and creates value for the elderly as well as job creation for the disabled, since these groups are the most vulnerable in the society and require more attention. By collaborating with a network of partner organizations that have specialized expertise. This would drive concrete social change in those areas, and create value to the society in many dimensions. These changes result in lifestyle and the quality of life of people in society sustainably. The essential development includes providing financial knowledge, inspiring people to start their careers or doing business, including encouraging employees to participate in corporate social responsible activities.

Management Guidelines

The company has a sustainability development roadmap monitoring on its values to the community with growth society master plan. This roadmap and master plan will be reviewed annually through the Sustainable Development Committee and coming out with the guidelines. Moreover, the company has developed various activities to create value for society with the total social impacts value of 6 million baht as follow:

- Corporate social responsibility activities
- The Bang Chalong Subdistrict Learning Center Project
- Career development for disables
- Career development for community
- Creating educational opportunities
- Donation for public charity



9.2 The Bang Chalong Subdistrict Learning Center Project

Somboon triple bottom line: Smart People, Business Trust, and Growth Society is the organization's business philosophy. Community is essential for the business to grow sustainably, so the company focuses on strengthening the community, especially the vulnerable groups in the society, namely the elderly, the disabled, and others. The elderly are the group that has special significance, as they have community knowledge and experience, which can be valuable. Moreover, they are the group that has the essential time to help each other in the community. Therefore, the elderly school is considered as a strategic project to improve the quality of life of the elderly so that they can live happily in society with value creation, and self-reliant. With this, Somboon group has developed the creative activities resulting in healthy elderly and physically and mentally healthy.

The company has participated as a consultant in this project. And with the partnership with various sectors such as Bang Chalong subdistrict administrative office, Bang Phli district office, and various private companies have joined hand to support this activity to leverage knowledge, refresh and return the happiness to the elderly and society.

Important guidelines for operations

The company has an operational plan in participating with the Bang Chalong Elderly Learning Center Project by considering the needs and suitability of the target audience. Then, the company has connected with various groups with knowledge bodies, in which this would be beneficial to the community with the following action plans.

As a project consultant



The team has made suggestions for joint planning of operations and the development of various activities suitable for the elderly. Additionally, the company provides support in various fields, including facilities, equipment, staff, and facilitates to ensure the successful implementation of the project.

As a speaker for knowledge



The company invited executives and employees, who has the expertise in various fields to be a speaker to educate the elderly in the community, so that the elderly can apply in their daily life. This is to empower the elderly to be firstly self-reliant and secondly help their family and community. The field of trainings are as following:

- Basic legal knowledge provided by the company's legal department executives. Nowadays in our daily lives legal knowledge are essential for the community from birth, attending school, borrowing money, and etc. Legal knowledge is crucial to ensure various kinds of contracts are fair, just, and most importantly compliance with law. This is beneficial to all citizens especially elderly, who might be taken advantage of. To get to know their rights and duties as well as various regulations as required by law, this helps prevent violating the law or being exploited by others. Knowing the law will not violate the law. And not being exploited by others. This would eventually enhancing the society harmony.

- Beginner level of Chinese having been taught by a company Chinese specialist. Learning new language, is fun and challenging at the same time, for elderly, the exposure to new language has enhanced their careers especially in tourism to at least be able to greet, and thanks to the tourists is both fun and the elderly. And for families with a trading career. Can actually be used for greeting, thanking foreign customers is especially fun in learning.

- Learning of plastic waste from the environmental department manager. As, environmental issues become more critical especially the amount of wastes having been created all over Thailand, the education for elderly to aware of impacts and understand on how to live their life more sustainably in community is crucial. The training has been done especially to know first on how to separate the waste to lessen their impacts. In the second part, the training focuses on how to live alternative life to lessen the impact with more holistic approach and reduce, reuse, recycling of plastic in various usage. More importantly, the elderly can use this knowledge to communicate with family members and neighbors. to help the campaign on reducing plastic waste. The company has given a glass of water to all the elderly to be used to participate in project activities to reduce the use of plastic glass and plastic bottles.





SBG as a hub for study, and learn for community

As professional coach



- Taught growing plants upside down by staff. The company received advice from the management to bring upside-down plants to study and practice, since this method of planting helps increase the yields of plant especially in the households and adapted for use in Somboon internal garden.

With this know-how, the company brings this practice for the elderly to learn and practice planting, in which can help generate a better environment in the community with more green plants. And also able to bring the plants grown upside down to decorate the garden in the house or various places, causing the sight to the viewer.

For housing estates and condominiums, the upside-down planting suits well with limited living space. It is popular to grow vegetables upside down, because this can be easily hung and making use of both the top and bottom areas of the pot. In addition, this method help saving the planting area and can be beneficial for consumption purpose.

From the studies and experiments, we have seen the benefits of growing new crops. We have publicize and train this knowledge for those interested in coming to study in our Somboon garden. And this is one of the most impressive activities for the elderly school.

- Study and learn sufficiency principle being implemented for agriculture in the Somboon garden. In order to get good products in a limited area, our agricultural club and disabled staffs have brought their experience and knowledge from the experiment of growing vegetables in the Somboon garden to share knowledge for those who are interested in applying to their own free space. Somboon garden has been developed and improved each year according to the sufficiency economy principle with variety of vegetables with chemical-free. These vegetables are sold for Somboon employees at a bargained price for both good health and economic consumption. Moreover, this emphasized that we all can live a better and healthy lifestyle sufficiently. Regardless of how small or large the space in the house and condo, our employees can grow owned vegetables and live more sufficiently.
- Learn how to make a simple Green Cone fermenter. By using inexpensive materials, we can recycle our food wastes to substitute for fertilizer. This would reduce waste and reduce the purchase of fertilizer. At Somboon garden, our disabled staff went on to study and prototype the greenhouses fermentation tank. By learning from Sirinat Rachinee Mangrove Ecological Learning Center, Prachuap Khiri Khan Province, our team has developed the food waste recycling for our Somboon's canteen in Bangna plant to be used as fertilizer at Somboon gardens to further our Somboon philosophy of Triple Bottom Line.



By producing fertilizer from the green cone tank, we have gained fertilizer resulting from the degradation process of microorganisms in different soil layers that will spread automatically into the surrounding soil. Green cone fermentation tanks make the soil fertile, suitable for plant growth. Therefore, planting vegetables around the area Green cone fermentation tank requires no more fertilizer. We can take the food waste and put into the fermentation tank. Those foods will undergo fermentation and automatically add nutrients to the soil. Somboon has been successfully implemented this project and use this case to help promote the use of Green cone fermentation tanks for wider society.

From the above example, the company, therefore uses the knowledge gained from practicing, taking it forward to the wider society. This results in a number of sharing sessions for the community around Somboon as well as interested parties visited Somboon each month. We hope that our practice would help further Somboon practice to be fully sustainable in the resources usage in various areas.

80%

Satisfaction
after learning of
the elderly

0.1 MB

In creating value
for the learning
center

The company has participated in supporting the Bang Chalong Elderly Learning Center project in various fields continuously for its second years. Up to date, there are more than 150 students participating in the project, a total of 3 generations. This project has resulted in number of benefits to both the community around Somboon as follow: Elderly people in the community have more knowledge and understanding in various matters.

The elderly can take care of their health and enjoy better. The elderly have recreational activities together.

- The community is more united with more connection among the elderly
- The elderly have demonstrated the potential and transfer of wisdom to the society. The community can have a mutual benefit for the relationships between the elderly and people of all ages to live together in a harmonious and happy society.
- Various parties around communities can help create experiences and make society aware of the value of the elderly having a good quality of life.
- Employees and executives in the organization have a greater understanding of different stakeholders.
- Create involvement of people within the organization with the community.

The company hopes that it will be a part that will help look after society, take care of people in the community so that they can help themselves sufficiently and happily. The company expects to help strengthen the surrounding society. This will be a good example organization, who look for and further the benefit for society.

9.3 Creating Educational Opportunities

The company places great emphasis on creating educational opportunities. With determination to develop good citizen for society, the company, therefore, collaborate with various agencies, both public and private, to promote youth education. These youth are important forces in national development to have educational opportunities, especially at the vocational level, which is a key pillar for the production of personnel for the sustainable growth of the industry. The company has implemented many educational projects to create sustainable education opportunities as follows:

• Cooperative Education Program

The company is committed to being a learning organization under the concept of "School in the factory" to create quality human resources to society. Therefore, the company opens the opportunities for both internal and external parties to study from a real experience in the factory as the Cooperative Education program. This program has established since 2001 and has been running for a total of 19 consecutive years. This project focuses on learning from work experience (Work-based learning), which requires knowledge and skills that meet the disciplines of students. This follows the learning philosophy of creating value for yourself, organization, and offering knowledge exchange between mentors and fellow students.

Result of the program:

In the year 2019, there are 42 interns in the company under the cooperative education program from 11 institutions including Burapha University, Suranaree University of Technology, King Mongkut's University of Technology, Thonburi Bangkok University, Thaksin University, King Mongkut's University of Technology, North Bangkok Rajamangala University of Technology, Srivijaya Mae Fah Luang University, Walailak University, Prince of Songkla University, and Thai-Japanese Institute of Technology.

• Bilateral educational project

Bilateral educational project is a project to create cooperation with various departments to provide knowledge to students at the vocational level. With the concept of "joint learning working together", the students will have practical training in the production line and learn various experiences from working life. The company also supports various scholarships welfare to students. In year 2019, 5 students have been training in this project.

• Scholarship program from the SBG founder

The scholarship program is a project that promotes scholarships for employees' children and students in the community. In year 2019, the company granted 183 scholarships totaling 727,500 baht to promote educational opportunities. The scholarship has been granted for operated its 21st year.

• Summary of the Learning Resources in the Factory for Youth Project

To create opportunities for young people to learn theoretical and practical skills and experience before graduation, the company has shared the opportunities for various institutes to across the country to visit and learn from real working experience total 80 students as follow:

1. The Cooperative Education Program 42 students
2. Bilateral Educational Project 5 students
3. Project for Education in Automobile and Parts 8 students
4. Project Internship Students 25 students



Knowledge of factories in the factory

- **New Theory of Agriculture.** The company remembers the unending royal grace for Thai people. Therefore has applied the new theory to suit the factory area appropriately Following the conditions of the area The company Has driven and inherited the "New Theory Agriculture" by encouraging employees and communities to apply the new Theory Guidelines in agricultural activities In their area as appropriate to have a better quality of life Can reduce household expenses And have extra income
- **Lukphradabos network.** The company went to study trips to improve learning and transfer of agricultural technology adding a value of agricultural products, herbs, using renewable energy and others to support the teaching of Phra Dabos students in the sufficiency agriculture program and the carpentry and furniture of Phra Dabos School. The study, research and development of technology transfer to the community Agro tourism as well as use as a training place practice And study visits to students, farmers, and the general public By being under the joint responsibility of the Bureau of the Royal Household Phra Dabos Foundation And Samut Prakan Province
- **Reducing the use of plastic waste With the policy,** the company has campaigned and created a culture for employees on reducing the use of plastic waste in various forms since 2018 and in the year 2019, the company has studied and learned how to do "Conserving the earth" fermentation tank, which is a new way to eliminate waste at the source. To design and create to manage organic waste left from households So as not to be a source of germs or to be contaminated with other waste That can be used for further benefits It also benefits in terms of nutrients that are by-products used in soil improvement. Making the soil suitable for the growth of plants that have been known as Green Cone



9.4 Corporate Social Responsibility Activities

The company is ready to support and create participation with all sectors in order to promote the development of the quality of life of people in the community. The company has its policies and activities on sustainable development to solve problems and create opportunities for communities and society. Moreover, the company has its goal to develop the capacity of the community to be able to progress be self-reliant in a sustainable way. In the year 2019, the company has continuously performed activities that are beneficial to society. With the awareness that it is the duty of the company, the company must communicate to the community who are stakeholders related to the company by providing a budget to support activities every year in order to create awareness and participation from employees. The company also encourages employees to have the opportunity to determine the type of CSR activities in order to create a sense of belonging to the project and contribute to social projects and activities with the cooperation from all levels of employees. In the year 2019, employees have done good deeds activities for the society in the amount of 18,634.20 hours.



10 Summary of Activities under SBG

10.1 Smart People

10.2 Business Trust

10.3 Growth Society



Smart People

Percentage of employees engaging in good deed activity	2562	2561	2560	หมายเหตุ
Percentage of employees engaging in good deed activity	98	94	-	
Total good deed hours from all employees (hrs)	20,550.00	18,634.20	19,541.00	
Average good deed hours per person (hrs/person)	8.9	7.8	6.9	
Blood donation with the Thai Red Cross Society (persons)	713	403	304	
Total blood donated to the Thai Red Cross Society (cc)	320,850	181,350	61,200	
The development of Smart People				
Investment (millions Baht)	5.4	5.4	5.6	
Number of internal courses	92	116	82	
Percentage of employees being trained	100	100	100	
Average training hours (hours/person/year)	12	18.2	18.12	
Number of promoted	36	76	67	
จำนวนโครงการด้าน Suggestion & Kaizen	1,487	2,557	170	
Number of suggestions and kaizen projects	12.6	2.6	2.7	
Number of QCC projects	373	205	202	
Cost saving from QCC projects (M Thb)	38	7.9	17.4	

Business Trust

Economic aspect				
Economic value creation (financial statement as at 31 st December)	2562	2561	2560	Remark
Ordinary share information				
Par value per share (Baht)	1	1	1	
Book value per share (Baht)	15.6	15.3	15.1	
Earnings per share (Baht)	2.11	2.15	1.91	
Results of operation (Thousand Baht)				
Sale income	8,005,588	8,193,797	8,593,222	
Total income	8,198,588	8,307,933	8,802,283	
Net profit	898,666	915,597	811,241	
Financial statement information (Thousand Baht)				
Current assets	4,580,744	4,224,378	4,486,481	
Total assets	9,311,490	9,064,761	9,571,969	
Current liabilities	1,635,510	1,723,592	2,464,594	
Total liabilities	2,108,202	2,178,121	3,151,999	
Issued and paid up capital	425,194	425,194	425,194	
Shareholders' equity	7,203,288	6,886,640	6,419,970	
Financial ratios				
Return on equity Ratio (%)	12.80%	13.76%	13.18%	
Return on fixed Assets (%)	41.68%	39.89%	33.60%	
Return on Assets (%)	9.78%	9.83%	8.54%	
Gross profit (%)	18.66%	18.43%	15.49%	
Ratio of current assets to current liabilities (Time)	2.8	2.45	1.82	
Ratio of liabilities (Time)	2.28	2.01	1.51	
The ratio of liabilities to equity (Time)	0.29	0.32	0.49	
Taxes and Tax Incentives (Thousand Baht)				
Tax Paid to Government	99.7	91.8	83.1	
Code of Conduct				
Number of complaints of violation of the code of conduct submitted in				
company's complaint system (number of cases)	0	0	0	
Number of violation case verified as true (Number of cases)	0	0	0	

Human resource	2562	2561	2560	Remark
Human resource	2,309	2389	2,745	
• male	1,960	2038	2,339	
• female	349	351	406	
Number of employees divided by workplace (1) (Persons)				
• Samutprakarn	675	856	945	
• Rayong	1,634	1,533	1800	
New employees (persons)	216	320	232	
Resigning employees (persons)	257	187	291	
• Resigning employees younger than 30 years	142	97	170	
• Resigning employees older than 30 years	115	90	121	
• Resignation rate (% of all employees)	11.13%	8%	10.60%	
Maternity leaves(persons)				
• Employees on maternity leave	9	17	43	
• Employees returning to work after childbirth	9	17	43	
• Rate of Employees returning to work after childbirth (%)	100%	100%	100%	
Employee care and welfare				
Budget for quality of work life (Million baht)	22.4	21.1	18.1	
Products and Services				
Overall customer satisfaction index	98%	88%	88%	
Supply Chain management				
Number of partners who have received the knowledge of Toyota Production System (TPS)	6	3	4	
Safety				
Serious accident causing absence (employees)	3	4	3	
Accident not causing absence (employees)	6	9	10	
Frequency of injury (decreasing% per year)	1.55	1.56	1.66	
Intense fire accident (times)	0	0	0	

Environment and Material Use	unit	2562	2561	2560	Remark
1. Amount of raw materials used in production					
1.1 All main raw materials (steel sheet, steel bar, etc.)	Ton	32,398.03	62,992.68	54,372.26	The year 2019 Information from all factories
1.2 Main raw materials recycled by external agent	Ton % comparing to all raw materials	26,687.45 83.00%	34,626.17 55.00%	28,929.79 53.00%	
1.2.1 Recycle materials from external sources (Such as iron briquette plant assembly etc.).	Ton % comparing to all raw materials	18,724.63 58.00%	3,575.21 5.68%	3,032.41 5.58%	
1.2.2 Recycle main raw materials within the group company	Ton % comparing to all raw materials	7,962.82 25%	31,050.96 49.29%	25,897.38 47.63%	
1.3 All raw materials in category of chemical mixtur	Ton	2,908.67	705.68	610.28	
2. consumption of electricity and fuel					
2.1 The use of all kinds of energy	Giga joule	740,027.11	984,037.48	854,766	The year 2019 Information from all factories
2.2 The energy from the use of all kind of fuel	Giga joule % comparing to all raw materials	177,900 24%	435,437 44.25%	386,782 45.25%	
Energy from fuel oil of all kinds	Giga joule	139,206.00	208,370	163,524.98	
Energy from LPG	Giga joule	38,127.00	34,734	36,862.64	
Energy from Natural gas	Giga joule	567	192,332	186,430.08	
2.3 Use of purchased electricity	Giga joule % comparing to all raw materials	561,095.06 76.00%	548,506.31 55.74%	467,889.89 54.74%	
2.4 Use of renewable energy	Giga joule % comparing to all kinds of energy	1,032.21 0.14%	94.59 0.01%	94.59 0.01%	
2.5 Energy used per product unit	Giga joules per number of product unit (Thousand) Giga joules per number of product unit (Ton)	17.62 7.14	18.24 7.97	16.89 8.26	
2.6 Amount of greenhouse gases from production	Tons of carbon dioxide equivalent	89,726.88	106662.42	99,211.62	
2.7 Greenhouse gases per product unit	Tons of carbon dioxide equivalent Tons of carbon dioxide equivalent	2.51 1.26	2.39 0.89	2.41 0.91	
3. Industrial Waste Management					
3.1 All industrial waste	Ton	28,213.46	33,309.70	30,194.77	The year 2019 Information from all factories
3.2 Non-hazardous industrial waste disposed	Ton	24,658.57	18,873.35	17,610.05	
Landfills	Ton	16,020.03	332.65	121.28	
- Black sand dust	Ton	15,462.67	-	-	
- Scale	Ton	387.49	-	-	
- Sand particles	Ton	33.55	-	-	
- Others	Ton	135.53	-	-	
Incineration	Ton	-	-	-	
Reuse	Ton	-	-	-	
Recycle	Ton	7,817.46	17,018.78	16,228.46	
Recovery	Ton	8.13	-	-	
Other method	Ton	812.95	1,521.92	1,260.32	
3.3 Hazardous industrial waste disposed	Ton	3,554.89	14,436.35	12,584.72	
Landfills	Ton	473.93	839.13	653.82	
Incineration	Ton	-	-	-	
Reuse	Ton	36.28	-	-	
Recycle	Ton	1,676.11	13,017.81	11,741.51	
Recovery	Ton	712.18	-	-	
Other method	Ton	656.39	-	-	

Environment and Material Use	unit	Standard	2562	2561	2560	Remark
4. Air quality						
4.1 Air quality from factory chimney						The year 2019 Information from all factories
Carbon Monoxide: CO	ppm	< 690	16.67	122	1.6	
Oxide of Nitrogen: NO	ppm	< 200	14.18	N/A	<0.01	
Sulfur Dioxide: SO ₂	ppm	< 60	1	< 100	2.07	
Total Suspended Particulates: TSP	mg/Nm ³	< 400	10.42	7.85	1.6	
4.2 Air pollution in communities around the plant						
Carbon Monoxide: CO	mg/Nm ³	< 34.20	0.87	1.31	0.72	
Nitrogen dioxide: NO ₂	ppm	< 0.17	0.01	0.06	0.023	
Sulfur Dioxide: SO ₂	mg/Nm ³	< 0.30	0	0.03	<0.002	
Total Suspended Particulates: TSP	mg/Nm ³	< 0.33	0.07	0.11	0.056	
5. Water						
5.1 Water used						Information from SAT & SFT
Quantity of water used in production process (water supply)	m ³	-	170,696.16	163,658.86	234,640.47	
	% comparing to total quantity of water used	-	89.00%	75.43	88.00%	
Renewable water (water from treated water system)	m ³	-	20,818.13	53,299.19	31,989.31	
	% comparing to total quantity of water used	-	11.00%	24.57	12.00%	
5.2 Quantity of water treated before discharge	m ³	-	153,211.43	95,940.62	103,985.61	
5.3 Quality of water treated before discharge						The year 2019 Information from all factories
pH at disposal point	-	5.5-9.0	7.9	7.37	7.2	
Temperature at disposal point	Celsius degree	< 40	30.06	30.13	28.68	
Biochemical oxygen demand (BOD5)	mg/l	< 20	55	4.82	5	
Chemical oxygen\ demand (COD)	mg/l	< 120	167.75	26.49	44.14	
Oil and grease from treated water (Grease and Oil)	mg/l	< 5	4.78	2.33	2.4	
Heavy metal and zinc in wastewater (Zn)	mg/l	< 5	0.22	1.66	1.51	
6. Noise level						
6.1 Inside the factory						The year 2019 Information from all factories
Average noise level during 8 working hours in working area	dB(A)	< 90.0	83.68	83.2	83.8	
Maximum noise level in working area	dB(A)	< 140	111.77	98.7	99	
6.2 Around the factory						
Average noise level in 24 hours around the factory	dB(A)	< 70	56.75	52.1	54.3	
Maximum noise level around the factory	dB(A)	< 115	95.47	80.7	88.4	
7. Oil and chemical leakage						
Number of occurrence of oil and chemical leakage	Occurrence	-	0	0	0	The year 2019 Information from all factories
8. Compliance with environment laws						
Indemnity caused by failure to comply with environment laws	Baht	-	0	0	0	The year 2019 Information from all factories
Number of Occurrence of failure to comply with environment laws	Occurrence	-	0	0	0	
9. Number of complaint about environment from outside factory						
Number of complaint about environment from outside factory	Occurrence	-	0	0	0	The year 2019 Information from all factories

Growth Society

Education opportunities for youth	2562	2561	2560	Remark
Value from education opportunities for youth (M Thb)	2.4	2.8	3.5	
Education grant for young (Thb)	727,500	952,000	961,000	
Intern students (persons)	80	176	141	
Bilateral student project (persons)	5	2	11	
Cooperative students project (persons)	42	44	53	
Development of quality of life for society				
Value from social impact (M Thb)	6	2.5	1.7	
Total good deed hours from all employees (hrs)	8.9	18,634.20	19,541	
Community improvement projects	4	3	1	
Elderly persons involved from communities (persons)	50	114	-	
Disabled people supporting projects (persons)	25	26	28	
Alliance and network with other organization for the strength of society				
Stock Exchange of Thailand	√	√	√	
Bangplee District Office	√	√	√	
Bangchalong Sub-district Administration Office	√	√	√	
Thai Listed Companies Association	√	√	√	
Social Innovation Foundation	√	√	√	
Department of Industrial Works	√	√	√	
The National Council of Social Welfare of Thailand	√	√	√	
Thaipat Institute	√	√	√	
Office of the Civil Service Commission	√	√	-	

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