



CREATE VALUE FOR ALL STAKEHOLDERS

SUSTAINABILITY REPORT 2020



SMART PEOPLE



BUSINESS TRUST



GROWTH SOCIETY

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About the report

Companies in Somboon Group developed this Sustainability Report 2020 to present sustainability development in its 8th 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 2020 to 31st December 2020.

The credibility of the report

This 2020 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:

1. Somboon Advance Technology PCL
2. Somboon Malleable Iron Industrial Co.,Ltd.
3. International Casting Product Co.,Ltd.
4. Somboon Forging Technology Co.,Ltd.

- For further information, please refer to the company annual report or download from [www.http://www.satpcl.co.th/en/investor-relations/publications/report/annual-report](http://www.satpcl.co.th/en/investor-relations/publications/report/annual-report)
- For this sustainability report, please download from www.satpcl.co.th/th/sustainability/report/sustainability-report



For more information, please contact
Systems Development and Sustainability Department
Somboon Group

129 Moo 2, Bangna-Trad Road, Bang Chalong Subdistrict, Bang Phli District, Samut Prakan 10540
Call 02-080-8233, 02-080-8237

1. Message to Our Stakeholders



Value Creation for All Stakeholders

Focus on strengthening of the business for sustainability covering environmental, social, and governance dimensions.

Business Acceleration to Recovery

Transform the business to be flexible to sustain her performance in the volatility and uncertainty of business environment.

Growth through New Normal

Diversify the businesses and her revenues readily for growth opportunities in the New Normal.

Companies in the Somboon Group have been operating for more than 58 years with her vision “Sustainable growth in the automotive industry through technology through cooperation with partners” by continuing to operate under the philosophy of “Somboon Tripple Bottom Line” to create balanced and sustainable value for stakeholders covering environmental, social and governance dimensions. This would be beneficial for the changes in technology, economy and society for Thailand.

In 2020, the situation of the COVID-19 epidemic affects the economy and industry widely. Somboon Group places great emphasis on measures to prevent and respond to situations to prevent the pandemic outbreak risk. This includes the operational risks from the disruption of the value chain in the automotive industry. By establishing a committee to manage the COVID-19 situation led by top management in every line, this emphasis would build confidence among employees, customers, business partners, as well as relevant stakeholders to overcome the COVID-19 epidemic together.

COVID-19 situation affected the way the business operations of the Somboon Group. The decline of Thai automotive production to the lowest level for the past 10 years required business to transform herself to be more flexible to sustain business performance, while managing the risks for business continuity. Somboon group has taken this opportunity to improve her operations and adjust the production capacity to be more efficient, and flexible responding to the uncertainty and volatility of business environment.

In recent years Somboon Group places great importance on developing cooperation with partners in the automotive manufacturers, automotive parts manufacturer, and agricultural machinery manufacturers to enhance competitiveness including development and finding opportunities to expand in the automotive industry. In particular, the changes and opportunities in the electric vehicle and agricultural machinery industries are leading to modern agricultural technology (Agri Tech) as well as robotics and automation industries. Somboon group focuses on developing knowledge and cooperation with partners to expand business opportunities to support the expansion of business opportunities for growth and development of revenue diversity along with the development of society, environment and corporate governance, while responding to important issues of all stakeholders.

Finally, on behalf of the companies in the complete group I would like to thank the support from all stakeholders, this helps Somboon group to operate the business and grow sustainably. I firmly believe that the dedication and cooperation of all sectors in driving business operations with a balanced view of value to stakeholders will bring benefits to both the environment, economy and society. This would lead the companies in the Somboon Group to progress steadily and sustainably.



Miss Napatsorn Kitaphanich
President



Corporate Overview

- 2.1 Company General Information
- 2.2 Business Philosophy, 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

2.1 Company General Information

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

1,981 employees

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.

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

This company manufactures 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).

Members



2.2 Business Philosophy, Vision, Mission

Business Philosophy Somboon Tripple Bottom Line



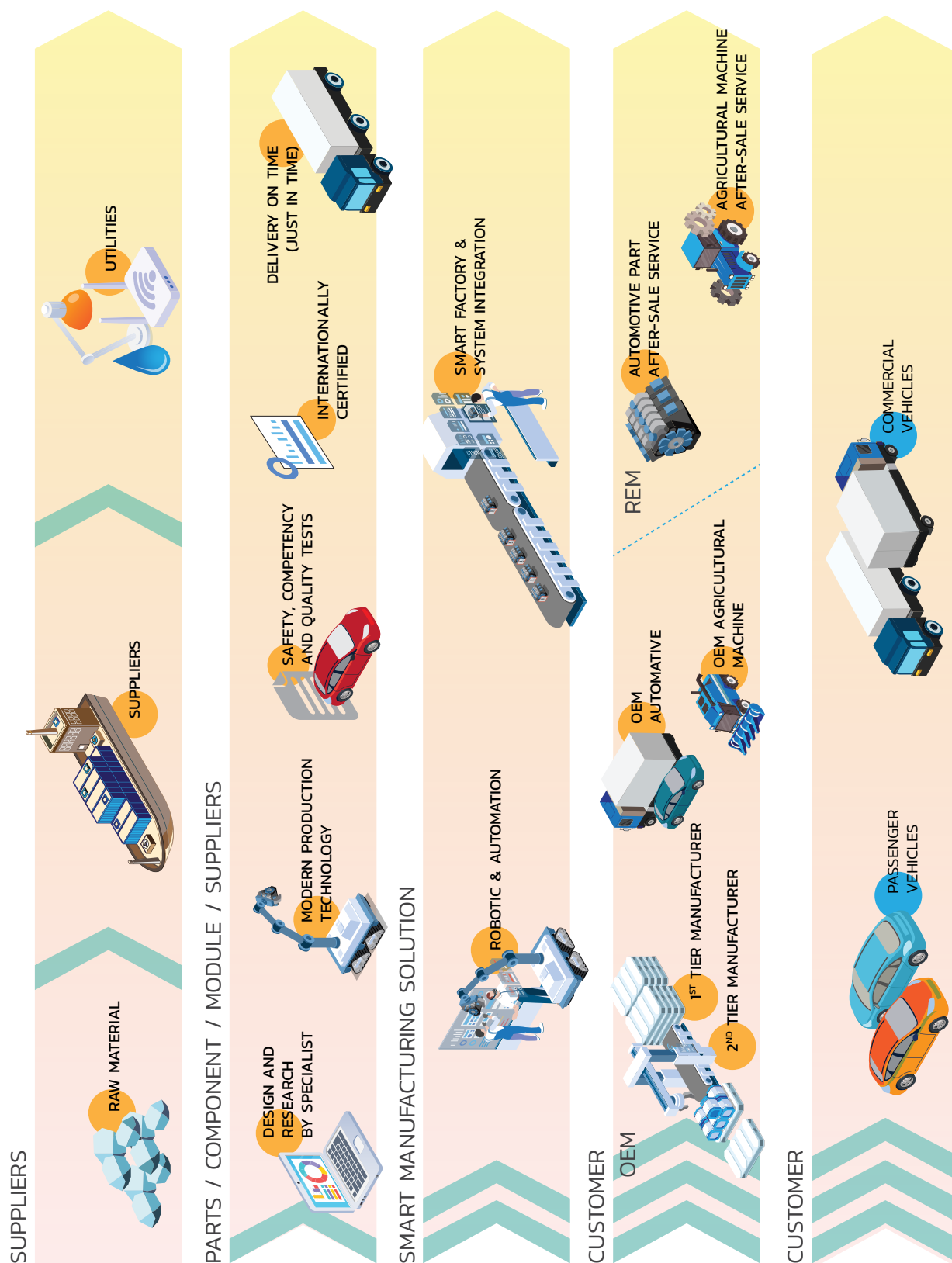
Vision

Strive for sustainable growth in the automotive industry
through advanced technology and partnership

Mission

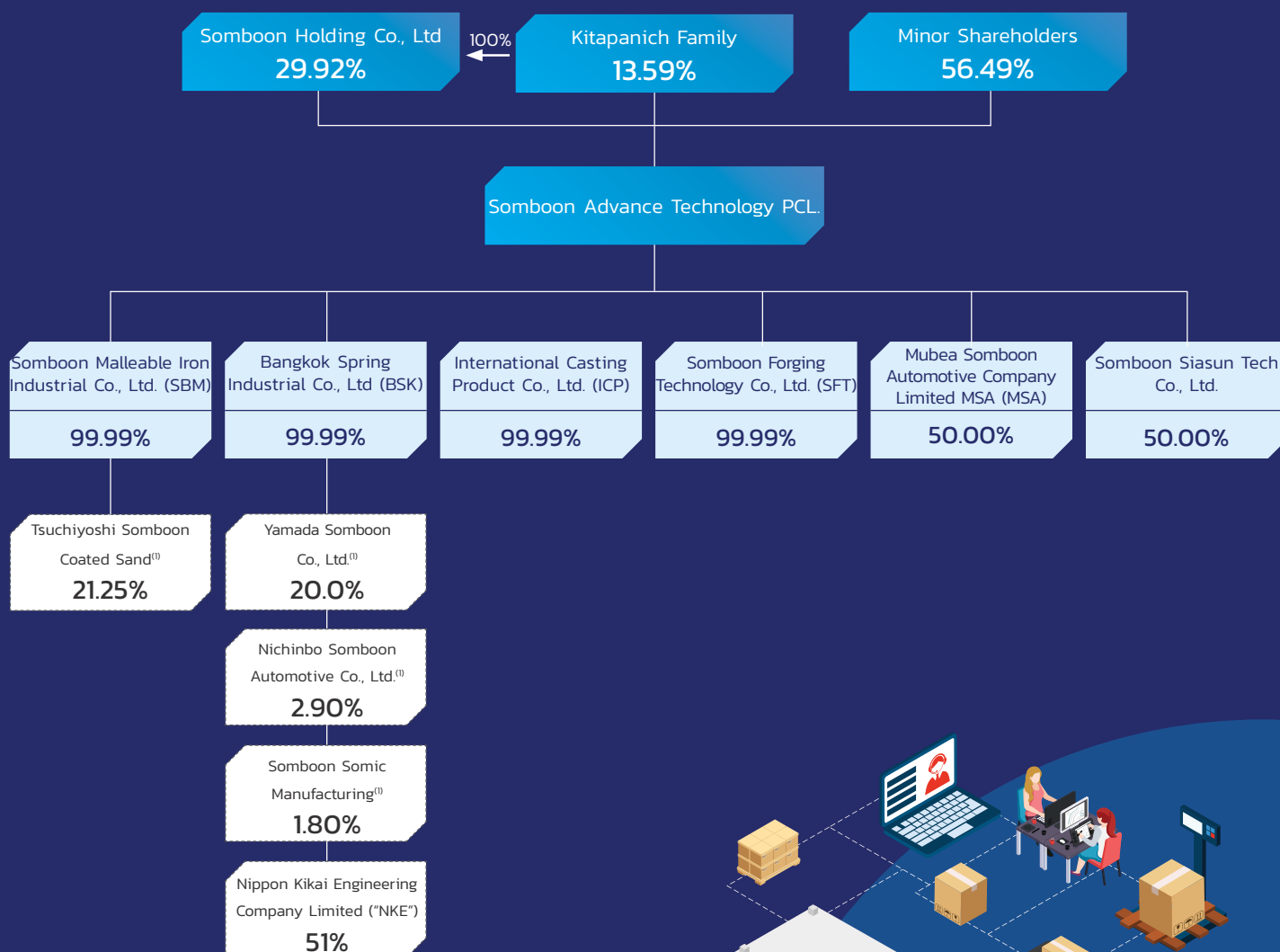
- Create values for shareholders
- Collaborate with strategic partners to develop business
- Provide solutions for customers through advance technology in products design and development
- Enhance excellence in operation and corporate system with information technology
- Embrace corporate governance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

2.3 Business Value Chain



2.4 Shareholding Structure

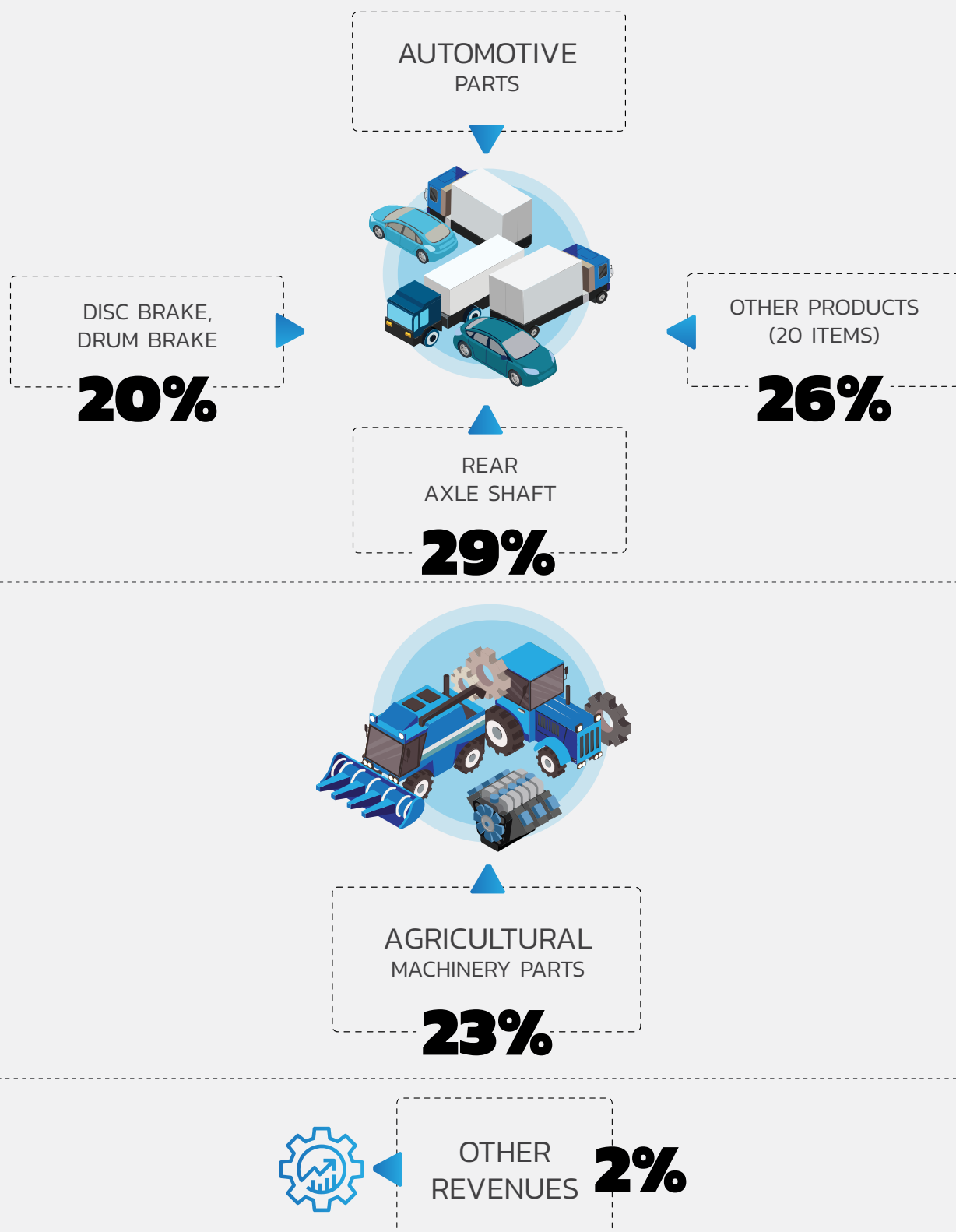
Shareholding structure of Somboon Advance Technology PCL.
as of 4th March 2021



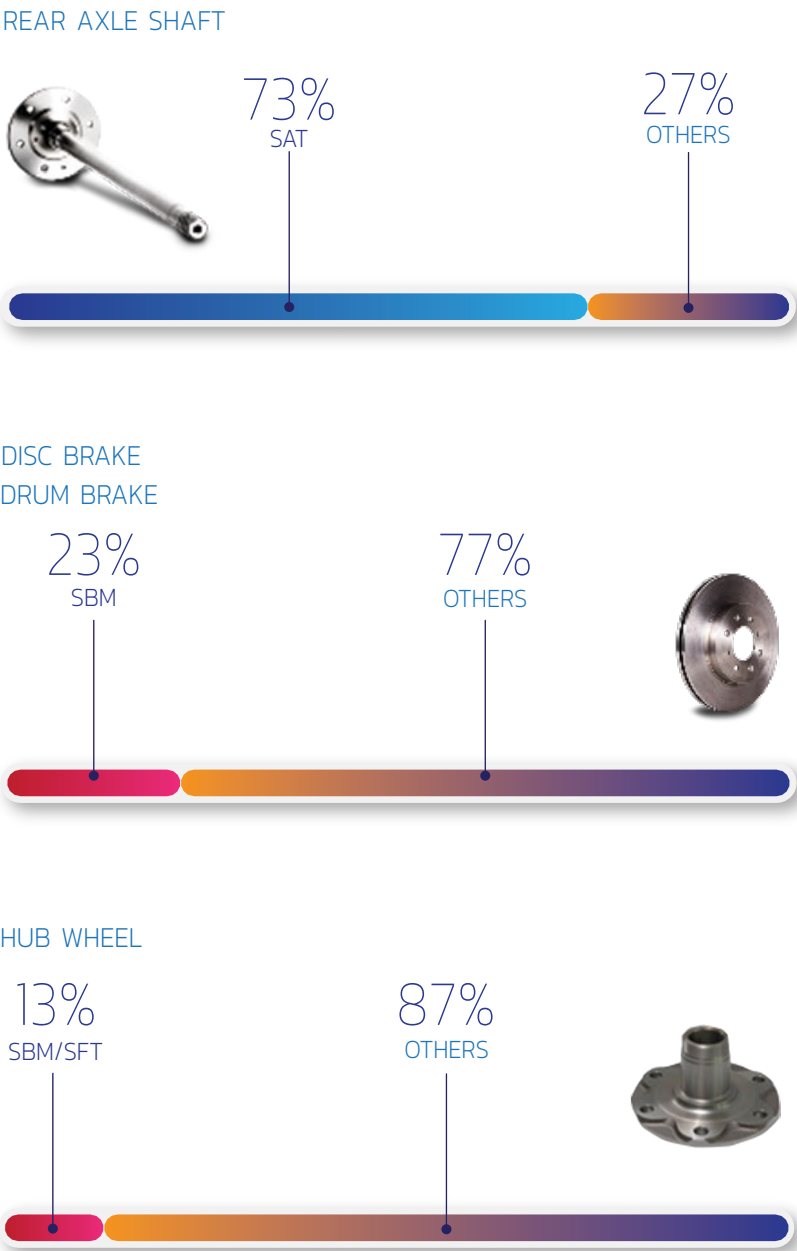
Remark:

1. No interest persons are holding shares in the related companies exceeding 10%
2. SOMBOON SIASUN TECH CO., LTD. ("SST"), was incorporated on June 12, 2020.

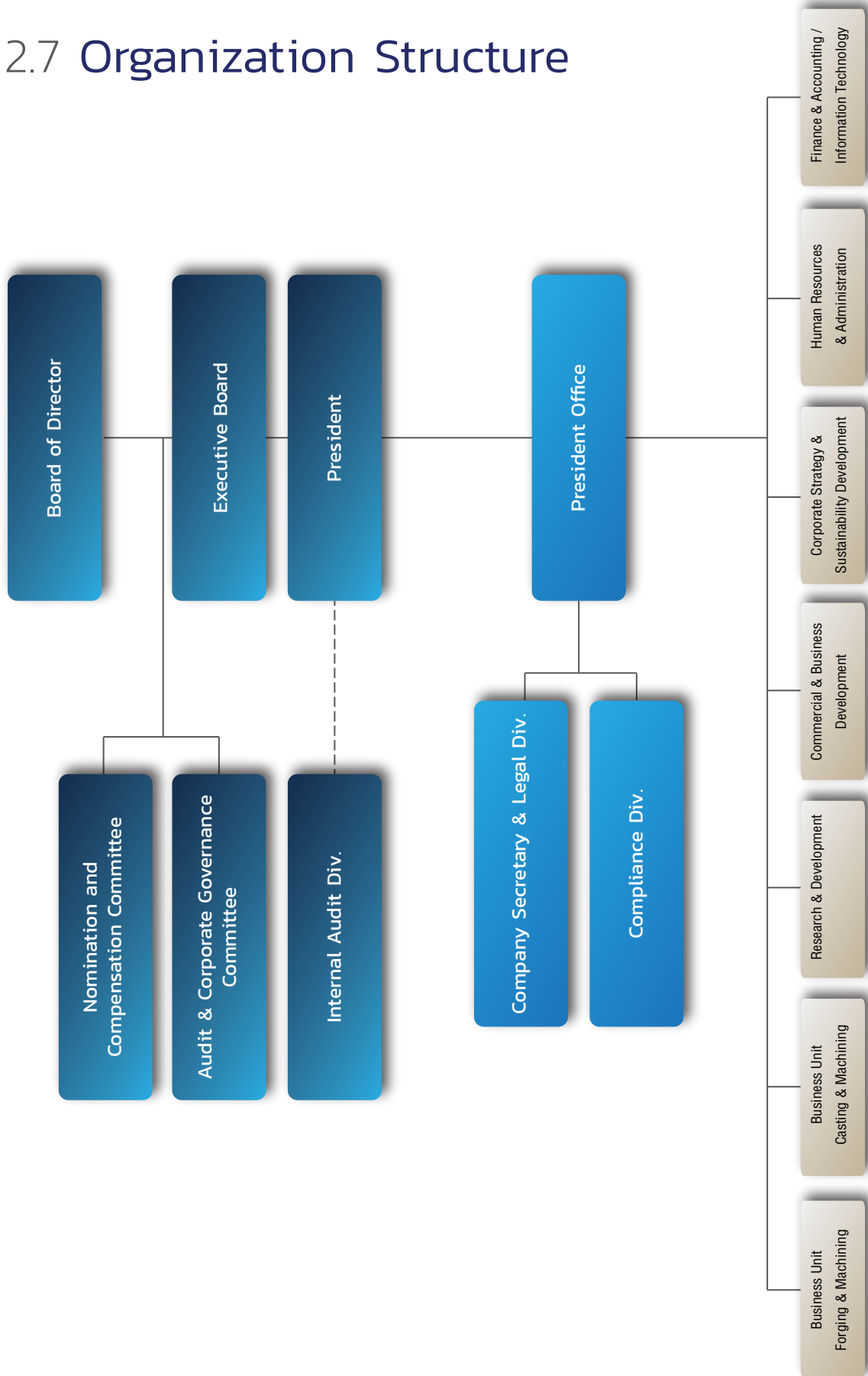
2.5 Main Products and Proportion of Revenues



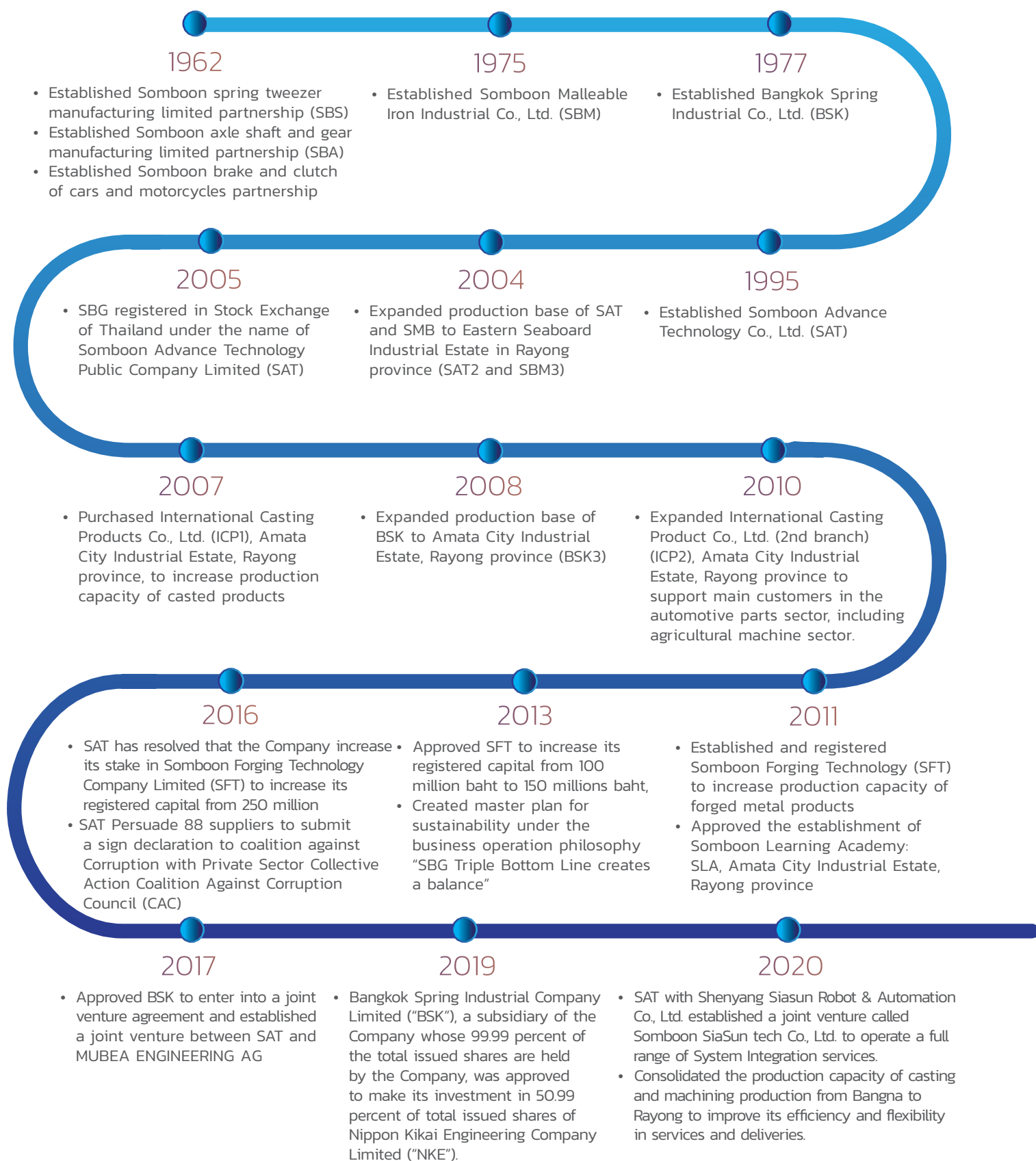
2.6 Market Share of Main Products



2.7 Organization Structure



2.8 Important development



2.9 Awards and Appreciations

1. Award from Stock Exchange of Thailand as following:

- SET Award of Honor – Excellence in Investor Relations 2017-2020
- Thailand Sustainability Investment Awards (THSI), 6 consecutive years



- Best Investor Relation Awards of Honor

- Thailand Sustainability Investment (THSI)

2. Award from Ministry of Labor, Department of Labor Protection and welfare as following :

- SAT1, SBM1-2 received the Thailand Labor Management Excellence Awards on employee relations and benefits, for 15 consecutive years.
- SBM3 received the Thailand Labor Management Excellence Awards on employee relations and benefits, for 10 consecutive years.
- ICP2 received the Thailand Labor Management Excellence Awards on employee relations and benefits, for 5 consecutive years.
- SAT2 received the 2020 Thailand Labor Management Excellence Awards on employee relations and benefits at a national level.
- SAT1-2 received the Certificate of Honor in zero accident campaign 2020 – bronze level from Ministry of Labor
- SAT2 received the certificate of the Standard on Prevention and Solution to Drug Problems in the Establishment from Rayong Province.
- SBM3 received the certificate on drug management system in workplace – the 1st level under the white factory project
- ICPI-2 received the certificate on drug management system in workplace – the 3rd level under the white factory project.

3. Awards from Industrial Estate Department of Industrial Works, Ministry of Industry

- SBM3, ICPI-2 received the certificate of green industry (Green System) – Level 3 from Ministry of Industry.
- SAT1-2, SBM3 received CSR-DIW Continuous Awards 2020 from Ministry of Industry.

4. Rewards From Ministry of Social Development and Human Security, Amata City Industrial Estate

- SAT received the 2020 Role model of Ethical Corporation Award from Project to drive a moral organization.
- SFT received Amata Best Waste Awards 2020 (Platinum Level (P1) from Amata City Rayong, Industrial Estate.



Stakeholder Management & The Determination of Materiality Matters

-
- 3.1 Stakeholder Management
 - 3.2 The Determination of Materiality Matters

3.1 Stakeholder Engagement Management

Opportunities and challenges

Due to the coronavirus outbreak, Somboon Group foresaw a broader economic and social impact, leading to a change in stakeholder expectations, and is an essential part of the Somboon Group to review. Balancing stakeholders' values with the Somboon triple bottom line is an important mission in achieving the business goals of Somboon group. This would help building an engagement with stakeholders to create sustainable value for both an opportunity and a challenge. Somboon group has listened to stakeholders' needs, expectations, concerns and suggestions. This would be analyzed on her strategic planning for her processes for operational improvement including the development of products and services to add value and create innovations that would result in confidence of stakeholders. This also strengthens the competitiveness of the organization in the long run and help the companies in the complete group to grow sustainably.

Key operations

In response to the opportunities and challenges of the industry's significant changes in the wake of the COVID-19 crisis, the Company has conducted a comprehensive review of the engagement management with stakeholders. The company has assessed the impact and influence of each stakeholder on the organization as well as material issues from stakeholders. The result of this engagement has been reported to the management team and the Board of Directors to consider and comment on the operations and respond to stakeholders in a balanced manner. This finally led to a review and improvement of the sustainability policy (SD Roadmap 2021-2022). In addition, this study summarized the relevant internal departments on the needs and expectations of the stakeholders of the activities and operations of the company. This has been used in the formulation of the management plan and the implementation of the plan effectively. The management team has adopted the AA1000 Stakeholder Engagement Standard as a guideline for building and developing a comprehensive engagement building process. It leads to identifying issues of importance to stakeholders. And responding to those issues under the framework of the development of three completely balancing.

The company Operate to manage stakeholder expectations and responding to important issues and expectations consisting of:

- **Identify stakeholders**

Related departments identify stakeholders considering their significant relevance and influence they have on company's operation.

- **Prioritize stakeholders**

Prioritize the relationship taking into account the influence of stakeholders on business operations and the impact of the Company's operations.

- **Establish an operating plan and responsible person**

Establish an action plan in a sustainable development master plan based on priorities. Ready to operate through the appropriate channels and frequency.

- **Monitoring results for reporting and reviewing operational plans**

Follow up on the performance through the SD Roadmap and submit the results to the Sustainability Development Committee and report to board of directors.

Shareholders

Participation channels

- Annual shareholders meeting
- Visit the annual
- Company's visits

Expectation

- Generate good returns.
- Business development in the field of technology in response to the disruption of business
- Operating with social and environmental responsibility

Key operations

- Appropriate dividend payment to shareholders
- Organization management and development for sustainable growth
- Business development to support changes and risks of business interruption

Customer

Participation channels

- Co-product development to meet consumer, social and environmental
- needs, cooperation in the development of efficient use of resources in the process
- Annual customer satisfaction survey
- Annual customer policy acknowledgment meeting
- Shared social responsibility management
- Participating in customer club activities
- Contact via email and online channels

Expectations

- Quality of products, prices and services meet the expectations of the customers
- Reduce the product impact on the environment and society
- Contributing to social value with customers
- Compliance with Value Chain Guidelines and Requirements

Key operations

- Efficient production and delivery Quality and on time
- Research and develop products to meet expectations in the field of environmentally friendly automotive technology
- Conduct social activities with customers, and participation

Partners

Participation channels

- Annual partner meeting
- Cooperation on the development of efficient use of resources in the production process
- Business partner audit (site visit)

Expectations

- Mutual growth in business
- Fair procurement
- Contribute to society

Key operations

- Formulation and supervision of the procurement policy.
- Effective training and development of business partners
- Cooperation in social activities

Employee

Participation channels

- Top management communicates directly with employees through a quarterly forum
- Annual Engagement Survey Every 2 Years We Care
- Annual Two-Way Performance Evaluation

Expectation

- of Potential Development for Career Advancement
- Obtaining fair compensation and benefits
- Work with safety And have a good working environment

Key operations

- Provide online training courses
- Improve the work environment
- Manage appropriate compensation during crises

Community and local authorities

Participation channels

- Meetings with communities, agencies, institutions and foundations
- conducting a survey of community needs
- Attendance to company-driven project meetings to achieve sustainability

Expectations

- Taxation
- Promotion of career building and education for strengthening the community
- Caring for the environment around the community

Key operations

- Pay the right taxes
- Creating projects to create careers and create educational opportunities for the community, such as hiring people with disabilities. The opening of schools for the elderly, etc.
- Educational promotion projects such as scholarships. Bilateral projects, etc.

Government agencies and the government sector

Participation channels

- Monitoring of government policies from channels various
- Meetings with government agencies

Expectations

- Compliance with government regulations and laws
- Cooperation in various projects that government agencies and government sectors
- Corporate social and environmental responsibility

Key operations

- Strict compliance with rules, regulations and laws
- To cooperate in various activities of the government sector
- Continually support social activities with the government.

Competitors

Participation channels

- Participation in Auto Parts Manufacturers Association

Expectations

- Operate with transparency under fair trade and competition

Key operations

- Follow business ethics

Educational institution

Engagement channels

- Visiting and viewing internal and external works
- Internship recruitment

Expectations

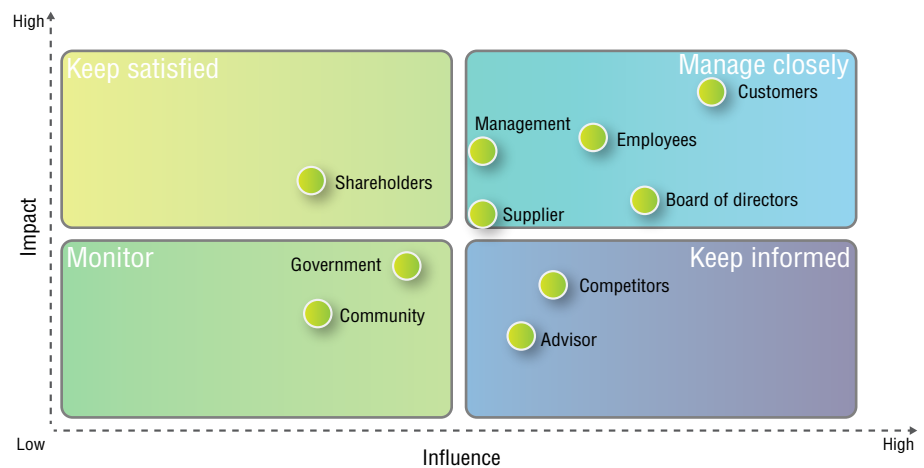
- Gain knowledge and real workplace experience
- To prepare students for entering the labor market
- Students can learn specialized knowledge and apply them in their actual work

Key operations

- Arrange the environment For learning and conveying to students
- As a learning center

Key performance summary

From conducting stakeholder engagement activities through various channels, the results of assessing the impact and influence on the organization from various stakeholders found that the level of impact and influence on the organization by various stakeholder groups are as shown in the matrix. There are different levels of impact and influence, which the company has developed guidelines and procedures for managing conflicts of interest for those according to matrix below



The results of the analysis environment. Related industry development directions And strategic plans of the organization Including the results of a survey of stakeholders It was found that the issues that matter most to the stakeholders were five key strategic issues. According to the evaluation table below:

1. Developing strategies for growth and competition
2. Developing new business opportunities for growth
3. Managing and developing employees for the future
4. Governance and Risk Management Development
5. Development of technology and innovation



Important environmental context for business development

1. The disruption of future electric vehicle
2. Diversity of employees in the organization
3. The development of digital technology
4. Emerging risks in the uncertain business environment

3.2 Determination of Materiality Matters

From the changing in business environment leads to changing stakeholder expectations across five key strategic areas of the organization, the Company conducted a survey, assessed and identified key areas as an integral part of the revision of the sustainability development roadmap. This would also the development of various plans in all areas of the company to address such issues.

The report is based on the GRI Sustainability Reporting Standards and an integrated reporting framework based on the business philosophy: Somboon Triple Bottom Line, so that the company can manage the needs of stakeholders in a balanced manner to resolve various issues, that may affect the business operations of the organization. This would eventually create the value from her the operations according to the interests of stakeholders with efficiency.

The process of defining key business issues

1. Identifying key organizational issues and stakeholders

The Company compiles issues in each area based on external and internal factors such as Sustainable Development Goals (SDGs), trends and directions and various specifications related business strategic direction of the organization. Then, the company Assesses risks and opportunities that may affect business operations to create value and respond to the needs of stakeholders. The previous year's issues were also reviewed according to the stakeholder management process.

2. Assessing the level of importance

The responsible department assesses the importance of those issues by considering the degree of impact on the operations and the value creation of the organization. This would cover the financial aspects, business processes and operations, as well as company's reputation. Importantly, the impact on customers, partners and employees and the level of importance to the organization's stakeholders also includes in considering the importance of such issue.

3. Certification of assessment results

Sustainability development team has then compiled and summarized key points, presented to the sustainability development committee of the company to review, and certify the results of the material assessment and approve for her disclosure.

Assessment results of business-critical issues

From a comprehensive assessment of key issues across all stakeholder groups in 2020, it was found that the impact of the COVID-19 situation led to business, economic and social disruption, affecting stakeholder expectations, especially the uncertainty of income in the business sector. There was also temporary business interruption to curb the COVID-19 epidemic with multi-sector economic recession. This requires all business segment to adapt and learn to be more flexible in its operation. This is an important topic that every sector needs to adjust for sustainability. The context of future automotive technology changes is another key issue in the automotive industry that is of interest to stakeholders. These factors lead to the identification of issues on innovation and digitalization required in its business process. Then, there is an evaluation on the level of importance and verify. This results in the following key outcomes.

The results of the assessment of materiality among the stakeholders can be summarized from its impact on the organization and the importance to stakeholders to achieve the vision and missions of the organization as per the below matrix. In addition, the management has evaluated and approved the gaps to the needs of various stakeholders with the color code assigned. These gaps would be used for the determination of the sustainability development roadmap and strategic plan for the years 2021 onward.

Summary of Business Issues Assessment



4



Sustainable Development

4.1 Sustainable Development

4.2 Supporting Sustainable Development Goals (SDGs)

4.1 Sustainable Development

In 2020, the Company faced COVID-19 crisis. Under the vision “Committed to creating sustainable growth in the automotive industry with modern technology. Through cooperation with business partners”, this crisis has posed a significant challenge for the Company.

However, the company continues to adhere to and operate under the business philosophy “Somboon Triple Bottom Line” with a mission to create value for all stakeholders in a balanced manner. In year 2020, the Company took this opportunity to develop itself to be “flexible and adaptive” for its operations to continue to operate its business continuously and sustainably.

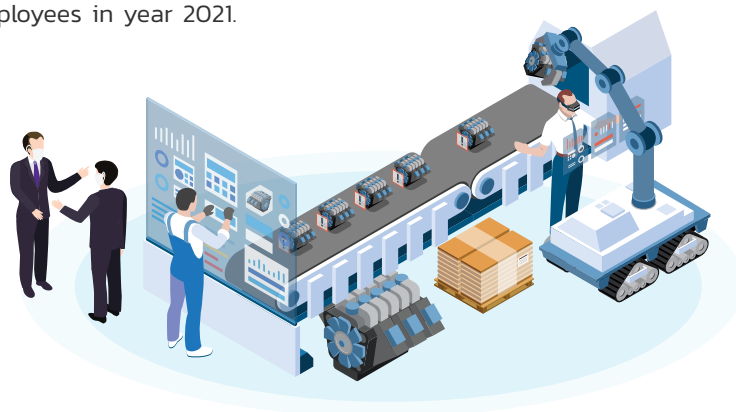
Management guidelines

The company is committed to conducting business in accordance with the rules and regulations. Including the resolutions of the shareholders’ meeting strictly Combine with ESG risk issues with the organization’s risk management system. Under the supervision of the Sustainable Development Committee, the committee has followed up on sustainability performance through meetings. Including through the annual business unit visit.

Sustainability Management Performance following the Somboon Triple Bottom Line.

	Key Indicators	Target 2565	Targets 2563	Performance results 2563
% Completion on both Good People and Smart People	<ul style="list-style-type: none"> Good deeds / person / year Training hours 	<ul style="list-style-type: none"> ≥10 hrs / person / year ≥16 hrs / person / year 	<ul style="list-style-type: none"> 8 hrs 12 hrs 	<ul style="list-style-type: none"> 8.0 hrs 7.47 hrs
Complete business	<ul style="list-style-type: none"> Increase sales Enhance double development. trade Reduce environmental impact 	<ul style="list-style-type: none"> Double that of 2017 More than 5 projects Reduce CO² 8% from 2018 	<ul style="list-style-type: none"> 1.20 times that of 2017 More than 2 projects Reduce CO² 5% from 2017 	<ul style="list-style-type: none"> 0.68 times that of 2017 2 Projects Reduce CO² 1.39% from 2017
communities	<ul style="list-style-type: none"> Create value for society 	<ul style="list-style-type: none"> 0.2% of sales 	<ul style="list-style-type: none"> 0.14% of sales 	<ul style="list-style-type: none"> 0.07% of sales

In year 2020, the Company has reviewed policies and SD roadmap for 2021 – 2022, Following the guidelines from the Stock Exchange and customer policies. The board of directors have reviewed and approved to be announce for employees in year 2021.



4.2 Supporting the development of the SDGs

To be a part in creating the future that we want for the next generation, the company adheres to our operations to support the achieving of the United Nations Sustainable Development Goals (SDG). By assessing the link between the organization's strategy and the SDGs, the company operates the economic, social and environmental dimensions, supporting 6 sustainable development goals in year 2020 as follow.



Smart People

- Organized training courses for employees under the Learning Center of Somboon Group

Business Trust

- Extend the training courses for partners such as TPS, Safety

Growth Society

- Scholarship from father to children.
- Trainee Development
- Elderly Learning Center,



Smart People

- Future Competency Project safety course

Business Trust

- Promote economic growth of stakeholders continuously

Growth Society

- Community Career Development Program
- Disability Development



Smart People

- Innovation Day Project QCC Project, Kaizen, Suggestion

Business Trust

- Innovative development process to support changing the future automotive industry

Growth Society

- Process Innovation with automation (Grinding Robot) for efficiency and safety.



Smart People

- Reduction and Value Creation from plastic waste.

Business Trust

- Automated production stations with environmental friendly production processes.

Growth Society

- Develop a Green Factory to improve the factory environment.
- Manage the environment not to affect the community



Smart People

- Organize ethical training for employees.

Business Trust

- Expand the Coalition on Anti-Corruption to trading partners (CAC)

Growth Society

- Human Rights Policy for Stakeholders



Smart People

- Collaboration with educational institutions to develop employee skills

Business Trust

- Joint investments to grow business and increase the efficiency with technology
- Partnership with TRBN for sustainable development

Growth Society

- Establishment of Professional Standards in Automotive Skill sets.



Governance and Sustainability

- 5.1 Good Corporate Governance
- 5.2 Business Ethics
- 5.3 Anti-Corruption

5. Governance and Sustainability

The company is committed to conducting business under good governance, with ethical and transparent to build confidence among stakeholders including conducting business with social and environmental responsibility. Considering the important issues of stakeholders, it was found that corporate governance and risk management are the key areas for building confidence among stakeholders, especially shareholders, company directors and business partners. In this regard, organizational development in good corporate governance leading to risk management and internal control will create confidence in conducting fair business for all stakeholders leading to a Somboon Triple Bottom Line principle. It requires an organization to operate with integrity, leading to highest efficiency and effectiveness to promote the competitiveness of the organization without corruption at all levels, which is a fundamental factor in driving the organization's growth. Sustainable good corporate governance is also an important basis for promoting the Sustainable Development Goals (SDG) – article.16 in promoting peaceful and inclusive societies for sustainable development. to be fair to all groups of stakeholders.

5.1 Good Corporate Governance

The company is committed to developing the organization for sustainable growth, being a transparent organization, and having good governance. The company shall be responsible and protect the interests of all stakeholders and society as a whole, develop personnel to be good, smart, have morality, and promote new knowledge and the quality of life, along with the development of a better environmental environment to pursue effectiveness and social responsibility through sustainability reporting guidelines. Under the internationally recognized reporting framework, the board of directors, executives and employees of all levels has adhered to the guidelines of the corporate governance policy manual and business ethics handbook and work practices, while also expanding the scope of supervision to disseminate good corporate governance practices and policies to suppliers.

Corporate Governance Structure

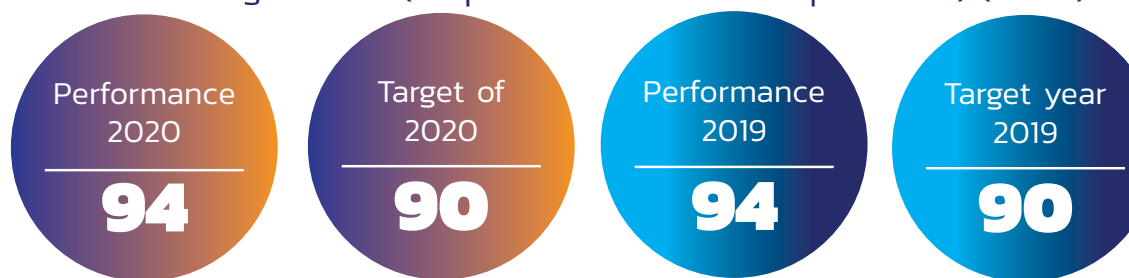
In the year 2020, the Board of Directors consists of a total of 9 directors, of which 6 are independent directors. The company pays attention to the structure and qualifications of the board of directors that are suitable for the best interests of the organization and stakeholders. Therefore, the recruitment 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). The result of the assessment is "Excellent" for 9 consecutive years including the assessment of 100 points 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)



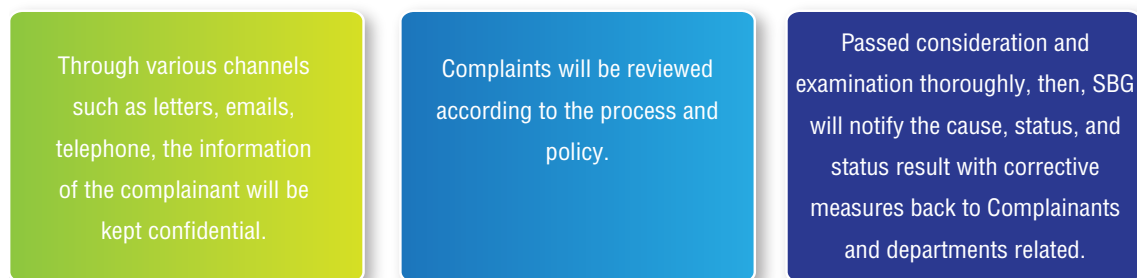
Policy update	The spirit	Share to stakeholders.
Improve the good corporate governance policy. By applying the principles of good corporate governance for listed companies in 2017 (CG Code) by the Securities and Exchange Commission And the stock exchange to apply to the company.	The President pays attention to raising awareness of good corporate governance. Through communicating with senior management at the management committee meeting And employees at all levels in the Top Communication Activity forum on various topics such as Conflict of Interest, No Gift Policy, and Good Corporate Governance Policy, etc.	The company has organized activities to engage stakeholders in 2020 by organizing a forum and interviewing key stakeholders. Also, a questionnaire was conducted to acknowledge expectations and concerns over the conduct of corporate activities on stakeholders. Also, the company has exchanged management guidelines in the COVID19 situation with stakeholders to hedge joint risks.
Improve the Diversity Policy (Skill Matrix) of the Board of Directors.	Employees who answered the topic quiz "Ethics with you" online .	
Planning to revise the good corporate governance guideline. To comply with the principles of good corporate governance And in line with the changing of the world situation that is a technology development and environmental protection.	Communicate the No Gift Policy during festivals and other occasions. To employees across the organization and SBG stakeholders.	

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.

Filing a Complaint

In the year 2020, 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. Finding no agreement found misconduct, anti-lies, or writing agreement.



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 on 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 2020, there are a main training with total participants of 40 persons.

Anti-Corruption Course

In 2020 the company has expanded the network of anti-corruption to business partners as follows:

1. On September 15, 2020, joined the SME Executive Briefing 2/2020 in the form of Online Seminar via WebEx system, with 7 partners participating.
2. On November 4, 2020, joined SME Clinic 2/2020 in the form of Online Seminar via WebEx system, with 7 trading partners participating.

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, disciplined, knowledgeable 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.

In 2020, despite the coronavirus outbreak 2019 (COVID-19) which spread around the world, the Company continues to support its partners in taking part in the announcement of intentions against corruption by participating in training with CAC to promote knowledge and understanding, including preparing a self-assessment, risk assessment method, audits and monitoring methods, which are the tools for preventing the offering and acceptance of bribes.

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

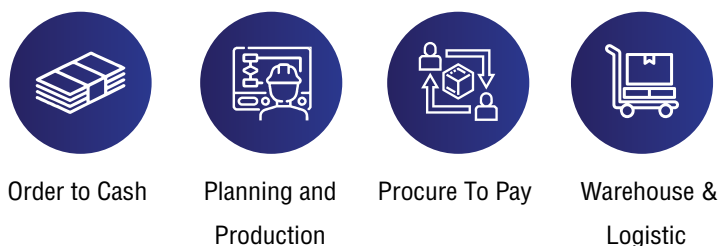
- (1) To stipulate the Anti-Corruption Policy in the Manual of Corporate Governance and Code of Conduct
- (2) To cover all activities associated with the SBG operation
- (3) To evaluate the risk of corruption throughout the organization annually

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 according to Core Business's working system namely



To consider the risks on each activity in order to analyze the corruption channel and assess the opportunity as well as the impact (the score level of opportunity and impact assessment based on the criteria of Enterprise Risk Management Manual) and then the result of assessment will be applied to prepare the annual audit plan and reviewed annually to the Board of Directors through the Audit and Corporate Governance Committee.

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. Assigned the supervision and inspection department to assess fraud risks and create an audit plan in accordance with the internal audit department plan. The audit was carried out according to the plan and approved by the Audit and Corporate Governance Committee. Any significant findings from the audit shall be reported to the Audit and Corporate Governance Committee.
4. A person who commits any corruption 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 illegal.
5. Promote knowledge through the curriculum "Ethics ... and Corporate Sustainability" for new employees to achieve an understanding of business ethics and work practices, Anti-Corruption Policy, and guidelines for accepting and giving items or other benefits of the companies within the Somboon Group.
6. Prepare a test of knowledge and understanding about business ethics, work practices, and anti-corruption through the Company's intranet system and the results were obtained to assess the level of knowledge and understanding to review and develop business ethics and work practices as well as creating awareness of all forms of anti-corruption.

Practice; Receiving and providing items or other benefits of SBG

Receiving gifts or any other benefits.

- 1) Prohibits executives and employees; Accepting bribes, gifts, the party, service, financial support, monetary rewards from partners, creditors or other stakeholders who do business with the company.
- 2) Requested money or something to support can be done in the form of organization and organization. It must be signed by the Authorized Director only.
- 3) Except on traditional occasions or festivals that people should treat each other By such goods or other benefits Must have a price or value of not more than 2,000 baht and / or it is necessary to maintain a good relationship between individuals or organizations
- 4) Designate senior management to be the organization's representative to receive items or other benefits and have to deliver it to the company secretary within 5 working days from the date of receipt of goods or other benefits.
- 5) Except gifts during traditional festivals Employees can accept the value of not more than 500 baht, such as a calendar key ring that has the organization's logo on it.
This shall be done by assigning the senior management to be a representative in accepting and report to the president Through the company secretary office.
- 6) To prevent conflicts of interest, the company does not allow employees to be representatives of the organization to receive items or other benefits. Except for force majeure Allowing executives below 1 level (self-employed or other fields) to be assigned And report to senior management immediately.

Giving gifts or any other benefits.

- 1) Giving gifts: the New Year, or popular festivals all over each other. In these things Company operated by the provision which determines the price or value of not more than 2,000 baht and provides survey and monitoring to prevent corruption.
- 2) Assigned to Executives as a representative of the organization.

Operation in 2020

1. The company has established strategies for improving good governance, risk management, and responsibility to stakeholders and society on the basis of knowledge and moral, which is 1 of the 6 main missions of the organization's strategy. In order for the business to grow sustainably in accordance with the sufficiency economy philosophy and to build good immunity in business operations. The company encourages employees at all levels throughout the organization to have knowledge, understanding, and consciousness in performing their duties with responsibility, caution, honesty, through training and seminars under the CG course entitled "Ethics ... and Corporate Sustainability (Anti-Corruption)" for 11 consecutive years.
2. The company has promoted knowledge in the form of, training / seminars, workshops and various activities to lead to a new organizational culture under the plan to promote and instill organizational ethics as follows
 - 2.1 The Company has set up a course on "Ethics ... and Corporate Sustainability" with a focus on the Company's policy, ethics and work consciousness, morality, honesty, commitment to responsibility towards oneself and others, and an awareness of anti-corruption to new employees at all levels in order for them to gain knowledge and understanding of the principles of good corporate governance and business ethics of the Company and lead the organization to become a "Transparent organization" of quality and in which all procedures can be examined.
 - 2.2 In order to review and inspect management's compliance with the anti-corruption policy on an ongoing basis, the Company requires all executives to take a test and review their knowledge about anti-corruption through the Company's intranet system. Everyone must pass the criteria at the level of 80%. If they do not meet the criteria, the executives are required to revise and repeat the test until they pass. From such measurement, it was found that all executives have good knowledge and understanding about the Company's anti-corruption issues.
 - 2.3 The Board of Directors has the policy to promote business partners, stakeholders grow together with SBG by defining a business-enhancing strategy starting from a project of Collective Action Coalition on Anti-Corruption of SBG and to ensuring that the entire supply chain is truly transparent. The company has expanded the network of anti-corruption efforts to the partner by promoting cognitive awareness, as well as the importance of anti-corruption to expand a more extensive network of anti-corruption networks.
 - 2.4 Report anti-corruption work plans and actions and compliance with good corporate governance principles shall be presented to the Board of Directors through the Audit and Corporate Governance Committee every quarter.

2.5 The Board of Directors had provided the opportunities for employees and stakeholders, having a channel for complaints and reporting illegal acts direct to the independent director. The intended to (1) the development / training. (2) modify / update management (3) investigation. The company secretary is serves as the complaints of corporate governance and business ethics of the company are as follows:

Independent directors – Complaints and suggestions can be sent to the following emails.

1. Mr.Sansern Wongcha-um	Email : sansern.w@somboon.co.th or
2. Dr. Panja Senadisai	Email : panja.sena@somboon.co.th or
3. Mr. Ajarin Sarasas	Email : ajarin.s@somboon.co.th or
4. Mr. Paitoon Taveebhol	Email : ptaveebhol@somboon.co.th or
5. Dr. Suthad Setboonsarng	Email : suthad.setboonsarng@somboon.co.th or
6. Mr. Prayong Hirunyanich	Email : prayongh@somboon.co.th or
7. The Company secretary	Email : pasucha.s@somboon.co.th or Contact : 02-080-8271

Or sent via mail to : The Company secretary, e-mail pasucha.s@somboon.co.th or by postal mail to the Company secretary – Somboon Advance Technology Plc. Bldg. 11, Floor 2, No. 129 Moo 2, Bangna – Trad Road, Km. 15, Bangchalong Sub-district, Bangplee District, Samut Prakan 10540.

2.6 The Company has announced no gift or any other benefit (No Gift Policy) in all forms to reduce the risk that may arise from giving and receiving gifts and to create a good norm of work without expecting other benefits and to prevent corruption.



Expansion Procedure of the SBG Collective Action Coalition against the Corruption

The company requests that all partners must sign a declaration of intent to anti corruption before doing business together. And in the year 2020, the company has set an anti-corruption action plan and target. By developing for many trading partners to jointly announce their intention with CAC

Performance in 2020



Although in 2020 until now, the situation of the coronavirus outbreak 2019 (COVID-19) continues to spread around the world. The Company still continues to promote knowledge to partners to expand the network of anti-corruption measures. The Company has been involved in encouraging trading partners to become conscious and aware of the importance of anti-corruption and promoted to stakeholders in all sectors to be responsible for oneself and the society for sustainable growth together. Trade partners were invited to participate in training with CAC, the objective is to (1) have a transparent internal operating system; (2) have working standards accepted by large trade partners and foreign trade partners; and (3) reduce the risk of corruption. The training seminar is in the format of Online Seminar via the WebEx system as follows:

1. On September 15, 2020, joined the SME Executive Briefing 2/2020 in the form of Online Seminar via WebEx system, with 7 partners participating.
2. On November 4, 2020, joined SME Clinic 2/2020 in the form of Online Seminar via WebEx system, with 7 trading partners participating.

6



Risk Management

6.1 | Enterprise Risk Management

6.1 Enterprise risk management

Somboon Group continually develops enterprise risk management by focusing on developing the system to support the dynamic economic and changes in industrial conditions from emerging risks that are more complex and uncertain. The development of a risk management system is one of the most important aspects of business for the company to have good corporate governance and build confidence among stakeholders to ensure her readiness for uncertainty that will affect the company's performance and sustainability. With this, Somboon Group continues to meet the needs of stakeholders adhering to Philosophy "Somboon Triple Bottom Line." In 2020, the global faced the COVID-19 situation that has resulted in the economic recession and the automotive industry's production to decline to the lowest level in more than 20 years. Somboon Group has developed a Business Continuity Plan and measures to reduce its risk of outbreak in the company. Moreover, Somboon group has shared its practices with the private sector to serve as guidelines for joint prevention of the COVID-19 outbreak. With this, Enterprise Risk Management is crucial in responding to the Sustainability Development Goals in cooperating with the Alliance for Sustainable Development.

Somboon Group has adopted an international standard for risk management system (COSO) as a corporate governance tool to enable effective implementation of corporate strategies and achieve organizational objectives in the midst of rapid business environment changes. Somboon group also responds appropriately to the expectations of all stakeholders. Somboon Group has defined an enterprise risk management policy to guide the practice throughout the organization and provide a clear direction for risk management consistent with business strategy and goals within the framework of good corporate governance. The risk management structure of Somboon Group consists of:

1. **The Policy Risk Management Committee (BoD)** is responsible for defining the risk policy and approving the Risk Appetite, overseeing the implementation of the organization's risk management policies and strategies, and defining the risk management structure. The BoD appoints an enterprise risk management committee and follow up on the performance of the Enterprise Risk Management Committee.
2. **The Enterprise Risk Management Committee (ERM)** is responsible for defining the enterprise risk management strategy and the risk appetite to propose to the Policy Risk Management Committee for consideration. ERM also defines processes and measures for enterprise risk management and follow up on risk review and reporting to the Audit and Corporate Governance Committee including the appointment of a functional risk management working group as appropriate.
3. **The Functional Risk Management Committee (FRM)** is responsible for identifying risks, assessing risks, preparing a risk treatment plan, and determining the responsible person. Also, FRM has its role in monitoring and reporting on functional risk management results to align with the Company's policy.
4. **The Audit Committee** is responsible for reviewing the risk management, recommending on the improvement and risks concerns, and reporting the result of the review to the BoD.

Management guidelines

Risk management is a key component of good corporate governance to achieve defined organizational objectives. The risk management process of Somboon Group focuses on implementing the corporate strategy to respond effectively to the business environment changes and meet all stakeholders' expectations, including customers, employees, and suppliers, which lead to business development and sustainability organization management. Including help add value to the organization and reduce the uncertainty in profitability and operation.

In 2020, Somboon Group analyzed and identified the organization's risks based on internal and external factors. Along with preparing a risk treatment plan and monitoring regularly. The details of risk management are summarized in the following table:

Risks	Impacts	Risk treatment
1. Strategic perspective		
The risk that the company will lose sales and profit from changes in the business environment.	The uncertainty of the performance of Somboon Group.	<ul style="list-style-type: none"> • Monitor changes in external and internal factors to assess sales and consider an important decision. • Review business plan in the short and long term to align with goals and strategic direction. • Improve of production processes and costs with technology and automation to meet customer needs. • Manage customer relations and develop cooperation with the Supply chain. • Annual review of the company's goals and strategic plans.
The risk that the company will not be able to develop business partnership required by her strategy.	The uncertainty of revenue and business growth of Somboon Group.	<ul style="list-style-type: none"> • Study opportunities, demand, and market of a target product. • Plan to develop a collaboration with key business partners. • Focus on the ability to create value for business partners.
2. Operations perspective		
The risks related to human resource management and competency development to support organizational growth.	A continuous succession of key positions in the organization.	<ul style="list-style-type: none"> • Planning and scheduling need personnel in key positions of the organization over the next 5 years. • Recruiting and selecting highly talented personnel from both inside and outside the organization. • Plan to develop the organization's competencies and skills in key positions and prepare personnel for succession planning. • Build a network with educational institutions and external organizations to attract highly knowledgeable people to join the company.
The risks associated with changes in climate, environment, natural disasters, and epidemics.	Disruption of supply chains and business operations of Somboon Group.	<ul style="list-style-type: none"> • Analyze the value chain and determine the key processes to formulate a strategy for risk management. • Review and prepare an emergency plan support in the event of an emergency or crisis. • Review and prepare a business continuity plan (BCP), define the responsibilities, and conduct drills regularly. • Manage supply chain continuity both in finance and important resources to respond to customer changes promptly.
3. Finance perspective		
The risk from exchange rates.	Uncertainty of revenues and expenses of Somboon Group.	<ul style="list-style-type: none"> • Track and analyze exchange rate trends and forecast the value of upcoming transactions. • Manage risk by making forward exchange contracts and managing income and expenditures in foreign currencies to be consistent (Natural Hedge). • Review and manage customer contracts.
4. Compliance perspective		
The risk from changes in laws, regulations, and law enforcement related to the industry.	Damage to the company's reputation, penalties, and fines from government agencies or industrial.	<ul style="list-style-type: none"> • Study and review regulations relating to the business regularly or when there are significant changes. • Develop a regulatory framework and important policies to support legal changes. • Appoint a working group to take action as necessary.

Emerging Risk

A worldwide pandemic of COVID-19, including Thailand, implies a significant new risk to employees' health and safety and the company's overall performance. According to this situation, the company has a duty to protect employees from the COVID-19 and adapt to support changes in production and demand volatility, including the disruption of the automotive industry supply chain. The company has appointed a continuity management committee to make decisions and take action on this emergency promptly.

Risk culture

An effective risk management system is an essential tool for corporate governance to achieve organizational objectives. The creation of corporate risk culture is a key component to the success of risk management. The Board of Directors and the Executives of Somboon Group emphasize participation and implementation of the risk management framework by using as a tool for defining strategy and risks in achieving its target. This would enhance the quality of decision making and promote a good risk culture. There are ways to create a risk culture as follows:

- All employees have a duty and responsibility to working as the principle of risk management.
- Define a clear and easy-to-understand risk management framework and policy to enable management and all employees to understand and use the same language of risk and have a common purpose in risk management.
- Communicate the link between risk management and corporate strategy and understand all employees of their responsibility for the risk management process to be accepted into the process leading to success in the development of risk management.
- Provide training to all executives and employees to understand the risk management framework, responsibility for risk, and communicating risk information.





Smart People

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

7.1 Smart People



“Create value for oneself, Business and society”

Somboon Group Pay attention to employees, who are considered as the most important resource in driving growth for the organization. This would help the company to grow and operate the business with efficiency and continuity. Smart people would be crucial for the business competitiveness following the business philosophy Somboon Triple Bottom Line. Employees development would play a crucial role in resolving various materiality issues especially the development of talent, future skills, as well as the continuity of management (Succession), and last but not least the development of talent as well as developing employee engagement. These are the most important factor for the company to successfully develop her technology and future business growth. This development is also an important basis in responding to the Sustainable Development Goals (SDG) in all areas, especially in education development, in innovation and efficient use of resources and developing good citizenship, which would ensure the good corporate governance implementation with honesty, and transparency.

Smart People Policy

The company is committed to developing her employees as well as caring for the quality of life by creating a culture based on corporate values while pay attention to society, community, environment, with employees, who are smart and good. The company aware of the important in maintaining the competent employees by building a good engagement through human resource management meeting international standards. The company regards the competency development of her employee as crucial for the business in the future. Also, succession and talent are developed to support the business for both present and future.

In a COVID-19 crisis, the Company has decided to take this opportunity to adapt itself digitally supporting employees for their flexibility in their work, so that employees are ready and flexible to the environment in such conditions. The Company keep employees working efficiently Under the business philosophy of “Somboon Tripple Bottom Line” with integrity to “Create value for oneself, Business and society”

Employees who are “good and smart” are essential to a sustainable business. In this crisis, The company encourages employees to be more flexible in their roles. Employees can transfer positions or switch duties. Also, the current technology and innovation play an increasingly important role in the automotive business. The company continues to provide additional training to enhance employees’ skills and strengthen the skills and knowledge required in this situation. so that employees have the potential to be ready to drive the organization in the future.

Management guidelines

The Company focus on the management of the organization, including determining the role of employees in the COVID-19 crisis, organizational structure design to support the new normal operation by adjusting the organizational structure to suit the situation with sufficient allocation of employees, while build and drive the capabilities of employees to suit the job. Moreover, performance management and evaluation and compensation system are also important to be developed to suit the new way of work.

The Company has managed the development of employees in changing situations for better efficiency. Due to the inability to integrate various activities as before, the company has organized online learning courses and encourage employees to learn by themselves. In 2020, the training hours are 7.45 hours/person/year in a room (not inclusive of online learning). The Company adjusted the organization of doing good deeds that are more accessible and easier for employees to make a good deed hours more individually serving the need of social distancing and achieve the target 8 hours/person/year.

Smart People Performance 2020

Target 2020	Performance 2020	Performance 2019
Hours of Good Deed on average 8.00 hours / Person / Year	Hours of Good Deed on average 8.00 hours / Person / Year	Hours of Good Deed on average 8.90 hours / Person / Year
Hours of training on average 12.00 hours / person / year	Hours of training on average 7.47 hours / person / year	Hours of training on average 12.00 hours / person / year
Number of Training Courses 52 courses	Number of Training Courses 52 courses	Number of Training Courses 92 courses
Human Resources Development Expenditures 2.5 million baht	Human Resources Development Expenditures 2.5 million baht	Human Resources Development Expenditures 4.2 million baht

7.2 The development of Good People

The Company realizes that creating value for society and the environment is a part of sustainable development. Therefore, various social activities have been going on continuously from the past to the present with social and environmental responsibility, while creating business value, the Company is confident that such goals will be achieved by using the concept of inside-out explosions approach in which employees are supported and promoted to giving back to the society.

The development of Good People Policy

From the policy of sustainable development under "Somboon Triple Bottom Line" The Company focuses on the development of employees to be able to "Create value for oneself, Business and society" The company places great emphasis on developing employees to have good work potential by developing people to be good people to promote the expression of behavior that reflects a moral and ethical behaviors.

Management guidelines

The Company has set a goal of doing good deeds for the third consecutive year in 2020 to do good deeds of 8 hours per person per year. Guidelines for doing good deeds of the company are divided into 3 approaches in 2020 as follows:



With COVID-19 situation, this prevented employees from joining groups to do other activities as usual, the Company has added special guidelines for doing good deeds more individually. This is to make the good deed activity accessible and easier for employees to take action and achieve their goals for society.

1. Basic good deeds

This is to encourage employees to be good citizenship with social responsibility. The employees can participate in blood donation activity in the organization in cooperating with the Thai Red Cross Society, the company has joined with Thai Red Cross Society to organize blood donations for its 21 consecutive years.

Many executives and employees donated blood continuously, met the criteria, and received a commemorative needle from the Thai Red Cross Society accordingly.



In 2020, there are three blood donations, with

148

employees, executives, and business partners donating blood.

Total blood:

66,600 ccs.



Participation in important religious activities. The company encourages employees to do activities by themselves. By doing merit on important religious days such as Asarnha Bucha Day, Makha Bucha Day, Visakha Bucha Day, Buddhist Lent Day, etc., the Company also support such activity by arraign the merit-making activities internally. This would provide more channels for Somboon's employees to do good deeds.



Doing Good for the Environment. Under the scheme “Creating value from plastic bottle waste” by encouraging employees to donate plastic bottles instead of throwing them away, the plastic wastes has been finally processed into a robe for monks with the conversion of 15 plastic bottles equal to 1 cloth. This project is highly successful with high engagement of all employees. Moreover, this activities result in significant reduction in plastic waste, while supports Buddhism as well.



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 experience 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

This 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

This is another important ways 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 numbers 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

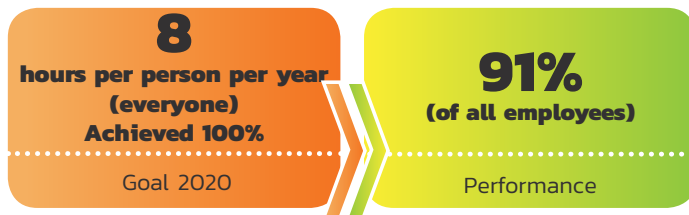
Social service activities encourage employees to conduct themselves to benefit the organization, community, society, and the nation as volunteers. To develop the volunteer spirit of employees with kindness, employees have sacrificed their time with a public mind. The Company encourages each employees to act on their own way to create a 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 as follows:

- Children’s Day water distribution activity at the Social Welfare Council.
- Cleaning activities at Kita Commercial Park,
- Big Cleaning, Building 2 and Building 4,
- Big Cleaning Day activity / common areas around SBG,
- Table repairing activity for Wat Si Long School Samut Prakan Province
- Table repairing activity for Wat Sawang Arom School Samut Prakan Province
- Table repairing activity for Ban Nong Bon School, Rayong Province



Performance of Good People Development



Average number of hours of good deeds of employees.



7.3 The development of Smart People

Today the world is changing rapidly due to technological advances and new knowledge leading to an increasingly competitive business environment. This needs the rapid development of organization's abilities and the competency of her human resources to be competent supporting her corporate strategy to grow sustainably.

The development of Smart People Policy

The Company is committed to developing employees' potential to meet the needs of stakeholders. With this, the Company needs to firstly provide safety and a good environment for work because employees are the key driving force in creating a strategic advantage. Secondly, the Company has focused on the development of good culture that supports it as a learning organization. The company, therefore, encourages its employees to receive training that is consistent with their line to develop potential of employees at all levels appropriately. Somboon group has continually developed its Somboon Learning Academy (SLA) to provide key training courses for all employees throughout the organization. To build potential and increase the capabilities of employees, the company emphasizes the quality control of learning to meet the high standard to meet the needs of organizations and employees.

Management Guidelines

The company has promoted the development of the company's personnel, in which each department has made the necessary competency training plan of the organization. By categorizing development courses as follows:

- Business Advancement Program
- Leadership Development Program
- Functional Excellence Program,
- Fundamental Program,
- Individual Development Program individual

Major projects as follows:

1. The development of curriculum for online responding to the COVID-19 crisis

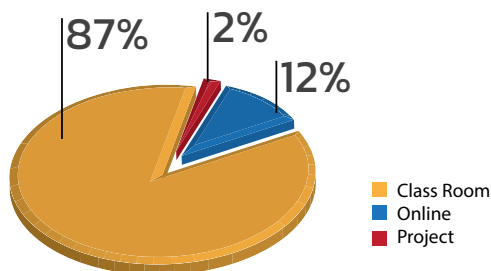
Due to the situation of the COVID-19 virus outbreak, it is not possible to carry out training to develop personnel in a normal format. Therefore, there is a process to modify in the form of online with the following processes.

The learning process for online courses

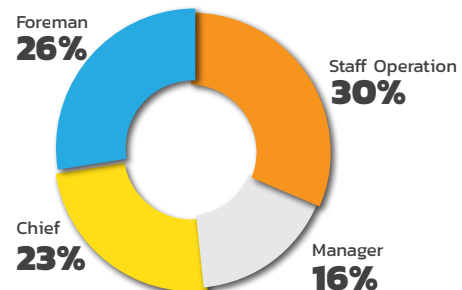


Development of Smart People Performance

The proportion of training by level



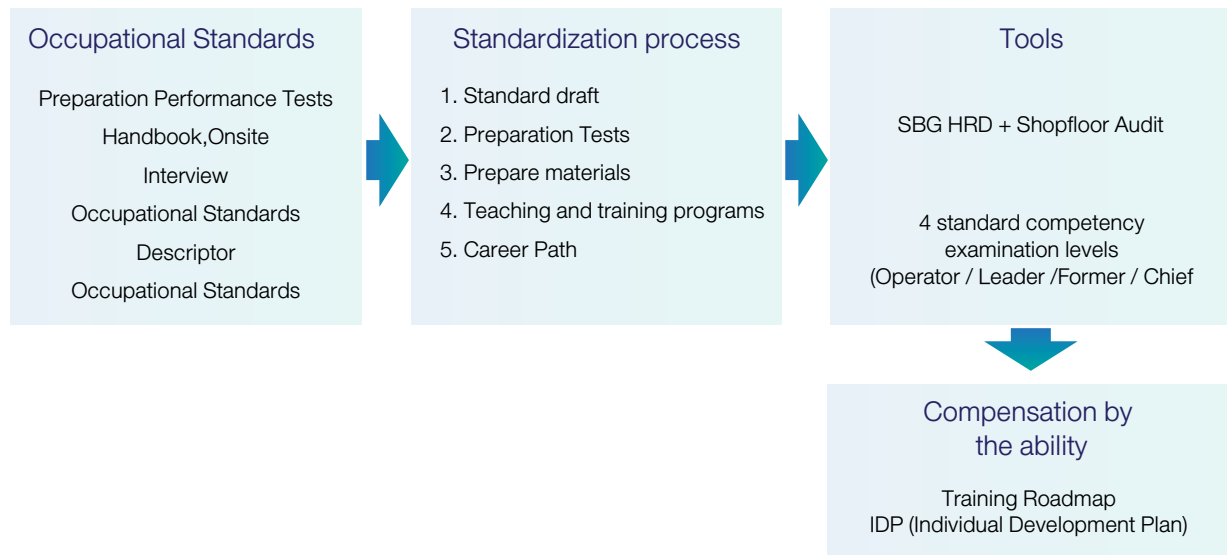
Number of trainees at each level



In 2020, the company provided employee training with 7.47 average hours / person / year, the number of internal courses, actually organized offline total of 52 courses, and online total of 6 courses.

2. Occupational Standards

In addition to the personnel development process in the form of training The company has given importance to the competence of its personnel according to the core process by having developed professional standards within the organization. This will be a framework for the performance of the profession to achieve the goals along with continuous self-development by the profession to gain professional expertise both specialized expertise and general expertise according to the level of quality of the operating standards. Moreover, it needs to be developed according to the criteria that have the knowledge, ability, and skills suitable to perform the work in that professional field.



Performance of Occupational Standards

Occupational Standards	Conducted standardization by internal and external experts.	Conducting theoretical and practical exams with curriculum development.	Continue to develop according to professional standards.
Hotwork Standard	100%	100%	2 courses 370 people / Time
Machining Standard	100%	100%	3 courses 256 people / Time
Metal casting Standard	100%	100%	Next step
Maintenance work Standard	50%	Next step	Next step



After certification according to professional standards, employees are considered with pay for performance system. This is a critical process in talent development to retain smart people in the organization.

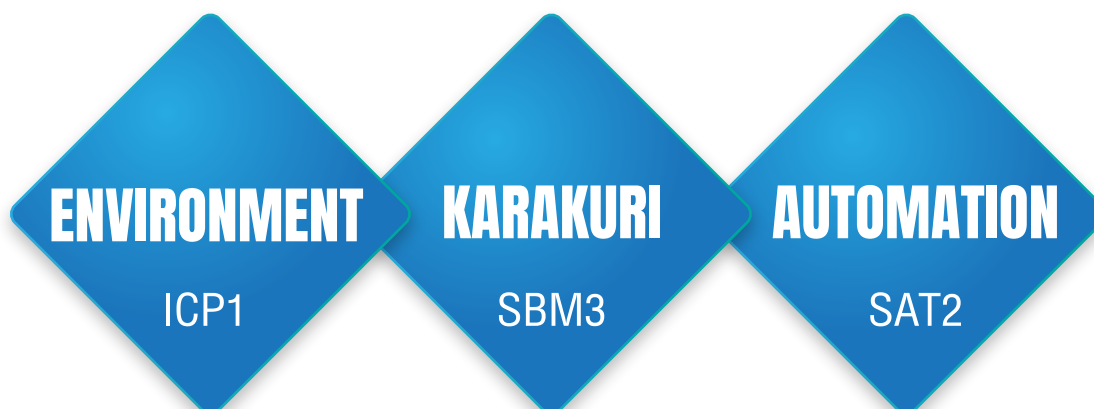
Also, the company is committed to developing personnel at all levels to have higher working performance. Investing in human resource development is a very important mission that focuses on the development not only of knowledge and skill, but also the personal character to allow personnel to develop their behavior and attitudes following the organizational culture. In this regard, a systematic human resource development policy has been established since the recruiting of new personnel, starting with orientation. In this regard, new employees will be exposed to learning in the Productivity Training and Education Center, which covers important aspects of the organization, including safety. This is to ensure employees awareness and to understand the basic working systems of machines and how to avoid potential hazards in the job. After that, the Human Resources Department will follow up and assess work results (On-the-Job Training) to assess the readiness of work at the production level to assess the performance and organizational adaptation of new employees at all levels. Additionally, the Association for Overseas Technical Scholarship (AOTS) in Japanese Language and Culture Learning has partnered with Somboon group in sending personnels to learn of operations at IBARASEKI Company. This experience of training in Japan strengthened direct experience and work system development to be able to be applied after the training. The training period is 90 days and the employees can resume work efficiency in various improvement projects.

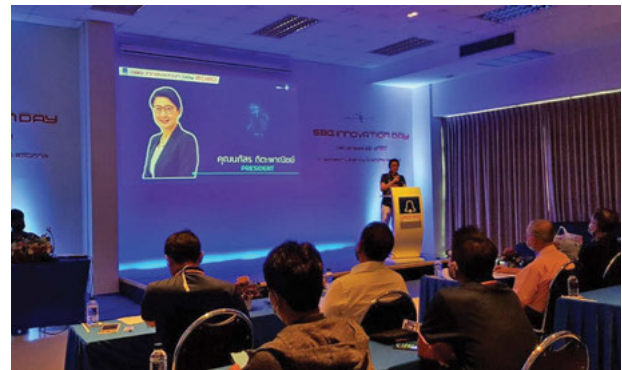
3. Promoting Innovation in the Organization

Innovation is of great importance for the automotive industry and will help increase competitiveness. The company aims to create and develop employees to create ideas. It also promotes the atmosphere in organizations that facilitate innovation, such as concept training, innovative design, and others. There will be executives who will give advice and encourage employees to develop innovations up to the stage that those innovations be optimized and applied directly into the production line for cost reduction.

Somboon group Innovation Day

SBG Innovation Day is one of the activities organized to promote innovation and technology in the organization. This activity is held for the 5th year in a row, targeting more than 150 manager-level participants. The event this year focus on the practice of outstanding Kaizen from each business units to present it in the form of AR Vision and introduces expert speakers from ThaiInstitute-Japanese(TGI) to provide knowledge on how to step up innovation. In this event, number of highly successful staffs have presented their key development for the year for knowledge exchange. This year, the company has also invited practitioners in innovation to share and exchange their views in innovation practice in following topics.





QCC & Kaizen

To ensure customer satisfaction, the company has continuously improved the quality of the production process through its core activities, Quality Control Circle (QCC) and Kaizen, the company has set policies as follows: The management shall focus on employee competence development through participation in activities especially Quality Control Circle (QCC) and Kaizen to improve quality of work. The improvement shall focus on work processes to be improve its efficiency, while promote teamwork and jointly fix the problem to eliminate the root cause of the problem. The company focuses its practice in preventing problems in the work performed in a systematic manner, while promote good quality of life in the workplace. This way would help reduces various wastes and loss from work. Finally, the good work done internally would eventually affect product and service quality, cost, reliability, and customer satisfaction.

QCC & Kaizen Performance 2020

QCC activity aims for employees to participate in activities with goal 100%, participation success at 91%

The number of QCC groups has a target of 80% (105 groups), success 100% (131 groups)

Cost reduction from conducting QCC Activity 2020 = 1,973,573 baht

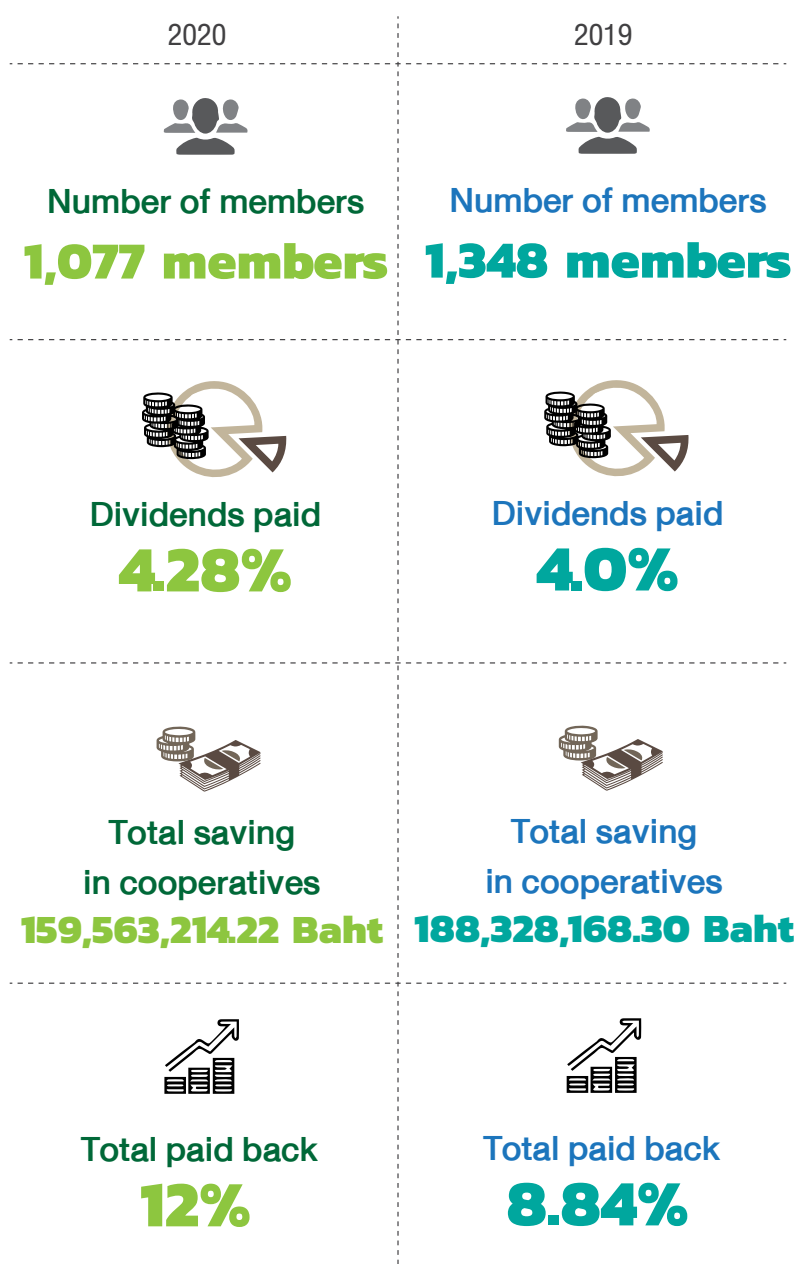
SBM3 received Thailand Kaizen Award 2020 (Bronze award) from Technology Promotion Association (Thai-Japanese)

7.4 Savings Cooperatives in Somboon Group



The Company's savings cooperatives have the policy to promote the quality of life of employees and build confidence and trust to members. The cooperative is also a center to link the relationship between the members of the group, while making the cooperative stable and growing continuously.

At present, savings cooperative companies in the Somboon Group as of December 31, 2020



In 2020 due to the COVID-19 crisis, the employee's income decreased. The company has measures to help members of the cooperative to alleviate the cost by freezing loan debt and extend the repayment period for many employees, who have joined in this project.



Business Trust

- 8.1 Strategy
- 8.2 Human Rights
- 8.3 Engagement Management for all Employees
- 8.4 Occupational Health and Safety Management
- 8.5 Crisis Management of the COVID-19 Outbreak
- 8.6 Customer Relationship Management
- 8.7 Supplier Management
- 8.8 Environmental Management and Energy Conservation
- 8.9 Innovation in Businesses for Sustainability
- 8.10 Tax Action

8.1 Business Trust Strategy

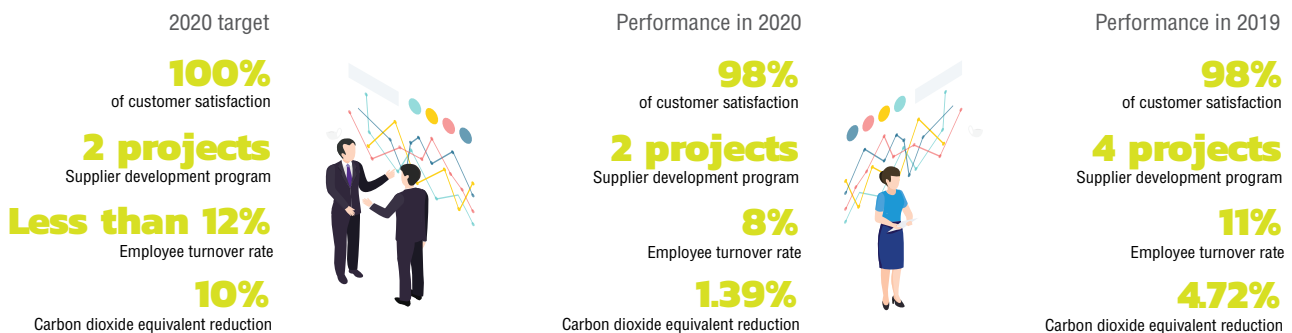
“Creating Value for all Stakeholders”



The company focuses on the development of business trust based on the business philosophy, Somboon Triple Bottom Line by focusing on “creating value for all stakeholders” with a focus on management of good governance and transparency leading to business sustainability. However, the COVID-19 crisis is a critical situation that requires the company to adapt its business administration in this critical state. With this, the company develops her supply chain management in matters of raw materials and finance to achieve business continuity by focusing on adding business value through innovation for sustainable growth for all stakeholders. In this regard, in the development of a business trust, the Company takes into account important business issues, especially the supply chain management for competition by working with customers and trading partners for its competitiveness in the value chain in terms of operations and product development. Also, the company develops environmental friendly technology that is good for employees and communities. The development of business trust will play a vital role in supporting the Sustainable Development Goals (SDG), especially the development of employment promotion, efficient use of resources with innovation and creating a peaceful society. This requires the cooperation with business partners and stakeholders of the company.

Management Guidelines

In this COVID-19 Crisis, the Company has planned its business continuity by considering various factors and resources that would be affected by the pandemic. First, the company takes into account the safety of employees, customers, and all concerned business partners. Second, the company requires to emphasize on adaptability to respond to the changes and ready for the changing behavior and needs of the customer. The company also finds an opportunity under this crisis to explore for business opportunities to further develop for its sustainability. Also, in 2020, the Company also reviewed the engagement and examined expectations from all stakeholders, which is reviewed for the changes on its strategic planning for business operations following the current crisis.



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.

Human Rights Risk Assessment

In 2020, Somboon Group of Companies has no complaints about human rights violation issues from employees and its stakeholders.



8.3 Engagement Management for all Employees

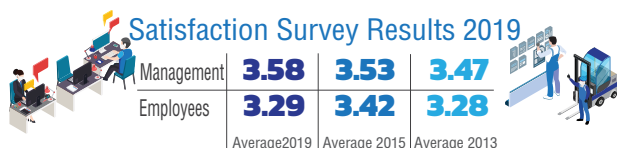
The company places great emphasis on taking care of its employees, which is the key to driving the organization's success. The principle that the company considers is for employees to be happy both in work life and family life. That happiness will be a great driving force for the organization to achieve sustainable success. Therefore, taking care of the quality of life of employees is another important mission that the company has focused on.

Management guidelines

- **The company communication (ER in Line)** emphasizes on the channel with Two Way Communication. The company opens its channels to learn and support on current employees' livelihoods and problems. This would help the company in planning for help and improve the quality of life of employees. By sending a labor relations team to speak in a friendly manner with the employees, this would open up their minds to talk about various problems, the impact of changes both from the company and from the external circumstances. This Includes the exchange of information in a way that the company is working to let employees know and have good morale in working with the organization.
- **Safety aspect Measures to take care of employees in the COVID-19 situation.** During the crisis, the company pays attention to the health of its employees for the prevention of COVID-19 infection. There are more preventive measures such as setting up a screening point to measure body temperature before entering the company to work. Issuing questionnaires to screen employees at risk. Also, the provision of protective equipment to protect the employees from risks of infection. All those measures are crucial to reflect how important, the company places the safety of employees including, providing masks for all employees. Providing alcohol gel at different points within the company.
- **The financial debt relief during economic crises** The company emphasized the importance of employee debt problems during the economic crisis and the COVID-19 epidemic. Therefore, an employee debt survey program has been developed to find common solutions to resolve debt problems in a sustainable manner by inviting a financial advisor to provide individual employees with in-depth knowledge on how to deal with systematic debt. HR team also guides fellow employees to be able to better manage their finances during critical times and regularly promote to the employees of the options available in solving the debt burden. And finally, the team has checked on the understanding of employees on the important principles to solve the problem and prevent the recurrence problems
- **Welfare management.** During the economic crisis and the COVID-19 The company continues to implement a policy of bringing feedback from employees to improve and develop organizations from the survey on satisfaction done in 2019 to plan for an improvement. The main focus is on improving non-monetary welfare such as marriage leave, graduation leave, wife maternity leave as well as leave due to natural disasters. As for the welfare in a monetary, there will be an increase in shift fees for employees at the operational level.

Performance, Taking Care and Creating Engagement for all Employee

The company has a satisfaction survey to assess and analyze engagement factors that may affect the operations of the company, which will lead to a plan for further development and improvement.



Note: Two-year satisfaction survey

The company has taken care of and encouraged employees participation continuously, As a result, there in 2020 is likely to improve



8.4 Occupational Health and Safety Management

The company is committed to operate with good occupational health and safety in workplace by designing a safe production process with the inspection of the work area and the inspection of machinery and equipment to be safe and comply with laws and regulations.

This Includes providing safety knowledge and raising safety awareness with a safety culture for employees at all levels in the organization as well as implementing the policy into practice and continuously responding to the customer's safety policy.

Management guidelines

1. Develop and improve production processes to achieve safety excellence and to reduce the risk of accidents especially severe accidents
2. Respond to customer and government safety policies in compliance with the law and requirements
3. Human resource development and training to build safety culture and behavior to develop skills, knowledge, and awareness of safety and work environment

- **Preparation for emergencies situations**

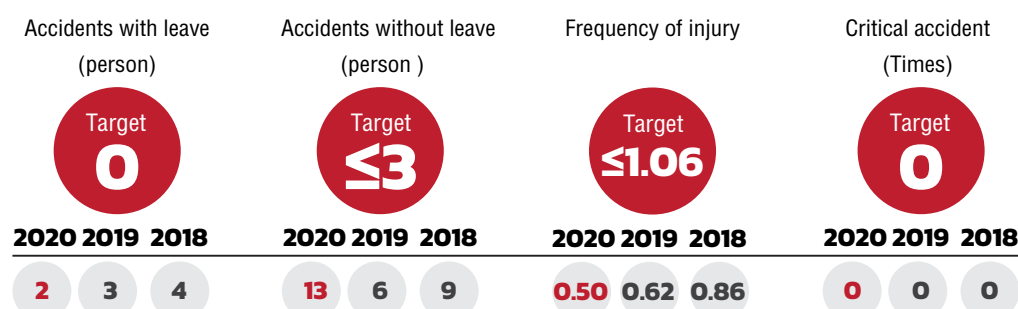
Emergency preparedness may occur in all cases such as chemical spills drills, fire drills, and evacuation with 100% of employees participating.

- **Occupational health and safety promotion activities**

The company promotes various activities on occupational health and safety with a focus on human resource development and building a culture and safety behavior to develop skills, knowledge, and awareness of safety in the work environment. The activities are carried out as follows: KY ability activity to provide employees with knowledge and understanding of dangers in various types of work. The employees shall be able to find measures to prevent danger 100% of employees and can participate in activities according to the plan including Completely Check Completely Find out (CCCF) activities so that employees can find work hazards. Additionally, the employees shall provide solutions to fix with a goal of 100% participation in Behavior-Based Safety (BBS) activities. This promotes safe behaviors and reduces risky behaviors to achieve the a goal of 100% compliance, including Safety Shop floor Management activities with all levels of employees participated in operational area surveys. The goal of this activity is to explore the operational areas to cover all areas with a goal of once/week. Also, there are other safety promotion activities such as safety driving activities, No alcohol activities, etc.



Summary of occupational health and safety performance



8.5 Crisis Management of the COVID-19 outbreak

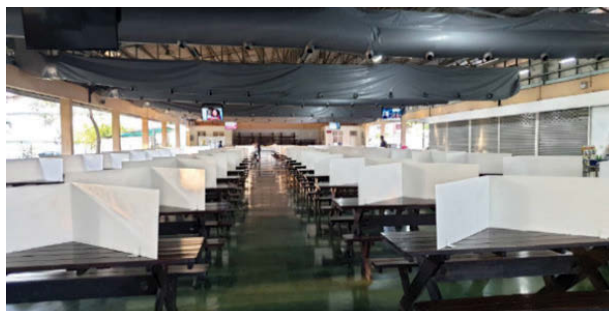
The pandemic of the virus COVID-19 in year 2020 has affected the economy and industry worldwide. It is a factor affecting both microeconomics and macroeconomics at the national and world levels. Somboon Group was indirectly affected by the decrease in sales. This was due to the negative factor of the decline in car production in 2020. However, there is preparation for the situation of the spread of the virus COVID-19 as follow.

1. Measures to prevent the pandemic.

Senior management has a risk management policy to prevent the pandemic of the virus COVID-19 in the Somboon Group by establishing a COVID-19 crisis management Committee to issue number of policy following the changes in the law and regulation from the government. Additionally, Crisis Management COVID-19 Manual has been developed and deployed for all businesses in the Somboon Group. There are a number of measures to prevent the spread of infectious diseases with the virus COVID-19 in the workplace such as access control check with temperature measurement before entering the workplace. The work from home (WhF) policy allows employees to work from home by using online channels for meetings. Social distancing policies, which require the setting up of workplace for its safety. Also, the travel policy to designated risk locations in collaboration with the government.



Temperature measurement before entering work



Establishing a social distance within the cafeteria

1. Car service staff



Wash the car with disinfectant, Temperature measurement, Wear a mask.

2. Canteen



Spaced 1 meter away with a barrier between each person.

3. No outsiders are allowed to enter the production area or office



Prepare specific area outside as a waiting area.

4. Meeting room with desks



Limited attendees and spaced 1 meter from each others.

5. Switch working time



Divide the team into subsections to prevent the entire team stop if being infected.

6. Screening personnel before work

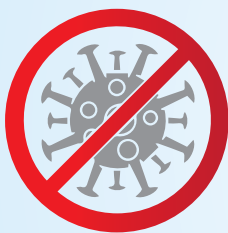
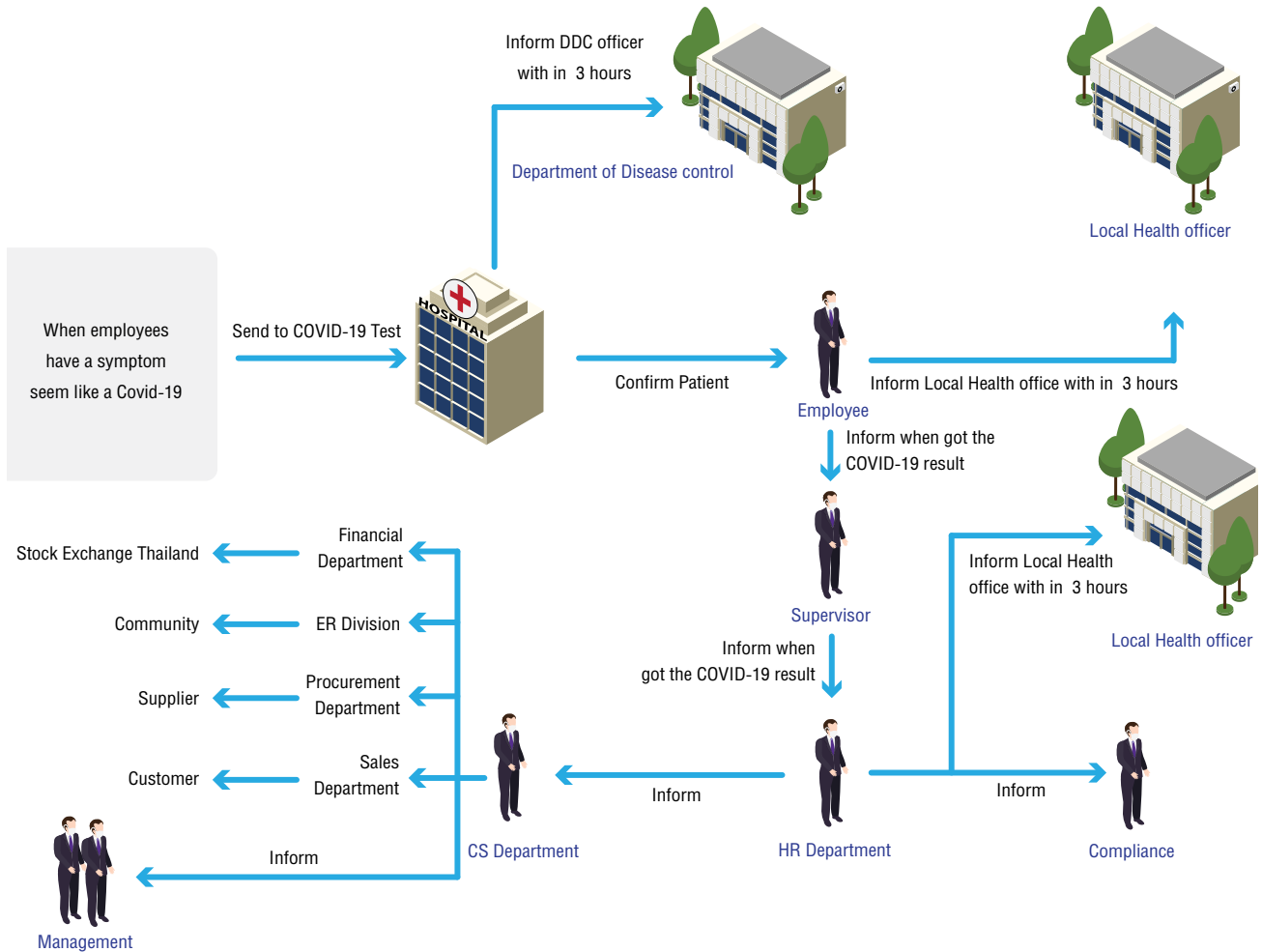


Check the temperature before work.

2. Preventive measures

The company has provided a business continuity interruption prevention plan (BCP). By providing a plan for handling emergencies when an infected person is found in the workplace. To ensure that when an emergency event occurs, the company is ready in terms of procedure to handle such citation with ready equipment such as chemical protective clothing, disinfectant spraying equipment, Isolation rooms for those at risk (Isolation rooms), including establishing a means of coordination and communication channels with regulators. The spread of virus COVID-19 both inside and outside organizations such as nearby hospitals and provincial public health.

Diagram of risk management and communication in case of infection with the Company



3. Rehabilitation measures

The company has set up a business rehabilitation plan in case an infected person is found in the workplace to ensure stakeholders that the Company is ready for business rehabilitation e.g. methods of investigation and closure of areas at risk of infected person, methods investigating of close contact with infected people to find a group of people at risk and conducting self-quarantine. Also, the big cleaning to disinfect the area to be able to resume production quickly so that the business can resume operations with minimal impact.

8.6 Customer Relationship Management

The company pays attention to creating value through developing a partnership and grow with customers. This would eventually build trust with customers, which would lead to the success of the company. The company focuses on treating customers with sincerity, humbleness and professionalism, and seeking ways to meet customers' needs more efficiently with policies and practices set as follows:

The policy on Customer Relationship Management

1. Produce, design, and deliver products that are assured of their quality, and standardized according to the agreement at a fair price, while avoids trade with undue profit.
2. Provide accurate, adequate, and up-to-date information and advice to customers to understand of products, services
3. Strictly comply with the conditions agreed by customers. In the case that the company cannot comply to any condition, the company must immediately notify customers in order to jointly find solution.
4. Treat customers with courtesy to be trusted by customers.
5. Store customer information systematically, and safely. Do not pass on information without the consent of the customer and do not use customer information for their own benefit and/or the person involved in the wrongdoing.
6. Product warranty under the terms of the period specified in the commercial contract terms following Consumer Protection Act
7. To have a system/process managing customers complain on quality, quantity, safety of products and services with speed of response and delivery. The complaints shall be executed with urgency to enable customers to receive responses quickly and efficiently.
8. To initiate and support the implementation of corporate social responsibility with customers.
9. Focus on development for product productivity and good packaging practice and transport the products considering environmental impacts.
10. Create a channel for information about products and product development for customers' confidence.

The company cooperates with customers in participating in various activities such as development of work improvement activities with innovation to be adopted in the workplace continuously

The company also supports and joins activities to promote social responsibility with customers.

Corporate Social Responsibility Activities

TCC & THCC 3rd Run for Health

Somboon has joined the Toyota Cooperation Club (TCC) and Thai-Hino Cooperation Club (THCC) organized a walk-running activity, in order to keep company employees in the club healthy and foster good relations between Toyota, Hino, and TCC & THCC club members.



MCC CSR to the sea of Thailand, EP2

Somboon has joined the activities with the Cooperation Association of Mitsubishi Motors Thailand (MCC) as part of the conservation of the Thai sea by participating in the preparation of artificial coral and fish release to promote good ecosystems for the sea in Sattahip, Chonburi Province.



THCC CSR Activity: Rice Distribution

Somboon has joined Thai-Hino Cooperation Club (THCC) in distributing rice to the members of the club to reduce the burden of cooking expenses to employees during the COVID-19 crisis that occurred.



Performance, Customer Relationship Management

Customer

Awards 2020



The Best Quality Award : Gold Award (Truck Business) – SAT
 The Best Quality Award : Gold Award (Truck Business) – SAT
 The Best Operation Award : Gold Award (Truck Business) – SBM
 Overall Award : Silver Award – SAT
 THCC Safety Activity : Rank A – SFT

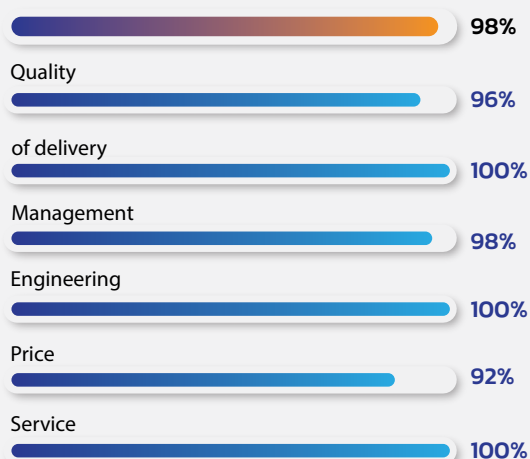


QCD Awards : Silver Award – SAT

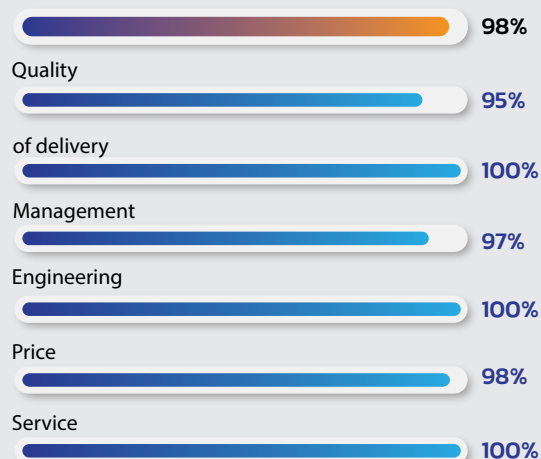
Note: Customers are sorted alphabetically.

Satisfaction assessment results

Satisfaction with overall average year 2563



Satisfaction with overall average year 2562




8.7 Suppliers Management

Business operations required cooperation from its partners. The company is focusing on managing our supply chain to control the risks that could impact the business continuity. Additionally, the company develops suppliers to operate their businesses sustainably according to the supply chain management policies and guidelines throughout. In the year 2020, the company has prepared “(SBG) Supplier code of conduct” covers Human rights policy, Environment, and safety health policy for suppliers 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.

1. Supplier code of conduct

The company has given the importance to the continuous development of supplier to ensure that critical supplier such as those suppliers with high trading value or suppliers with high risks, such as suppliers who lack management in terms of safety, health and environment good practices, etc. This would require suppliers to apply the guidelines to be adapted to each organization appropriately. All of these suppliers must sign their declaration of compliance, in which we expect 100% compliance in 2022. After that, ESG-based suppliers risk assessments will be used so that they have been developed correctly and appropriately.

The company expects the year 2020 Supplier to sign a document acknowledging the Supplier Code Of Conduct of



9 companies, representing
100% of the plan





2. Measures to expand the Anti-Corruption network

The Company continues to strive to expand the Anti-Corruption Coalition as a mentor to trade partners in improving the work processes to be transparent in every step and to recommend the preparation of documents for system certification from CAC.

- In 2020, the Company's suppliers have declared their intentions against corruption with the Company, in a total of 775 customers.
- The Company's partners have declared their intentions with CAC, a total of 90 (counting from the year 2016)
- 15 suppliers of the company have been certified by CAC (counting from 2016)

3. Environmental, Occupational Health, and Safety Policy for Supplier

3.1 SBG Green purchasing policy

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

3.2 Prohibited substances in raw materials.

The company controls the quality of raw materials from its partners by obtaining product certificates from partners, as well as sampling 11 Substance of Concerns (SOCs) that are classified as hazardous to health and affecting the environment, and life in the ecosystem according to customer specifications such as lead (Pb), cadmium (Cd), mercury (Hg), chromium (Cr6 +), asbestos (Asbestos), etc.

3.3 Preventing and reducing global warming

The company has the policy to encourage trade partners to carry out conservation activities especially energy to reduce global warming, such as the reduction of foam-free factory projects, stop using foam as packaging. Including promoting of energy conservation program in partnering factories to help reduce greenhouse gas directly, and indirectly, etc.

3.4 Raw materials are free from radioactive contamination

The company has a selection policy purchasing and procuring raw materials from steel manufacturers and distributors without radioactive contamination. This is to ensure that throughout the process and products the company is genuinely safe from radioactive substances. This is with the aim of ensuring that our employees, business partners, customers, and consumers are confident that, the company has cared about the safety and occupational health throughout the business chain.

4. Human rights policy for suppliers

Conflict minerals policy is another important policy supporting the human right movement. The company has this policy for its purchase of raw materials to be 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.

Supplier development

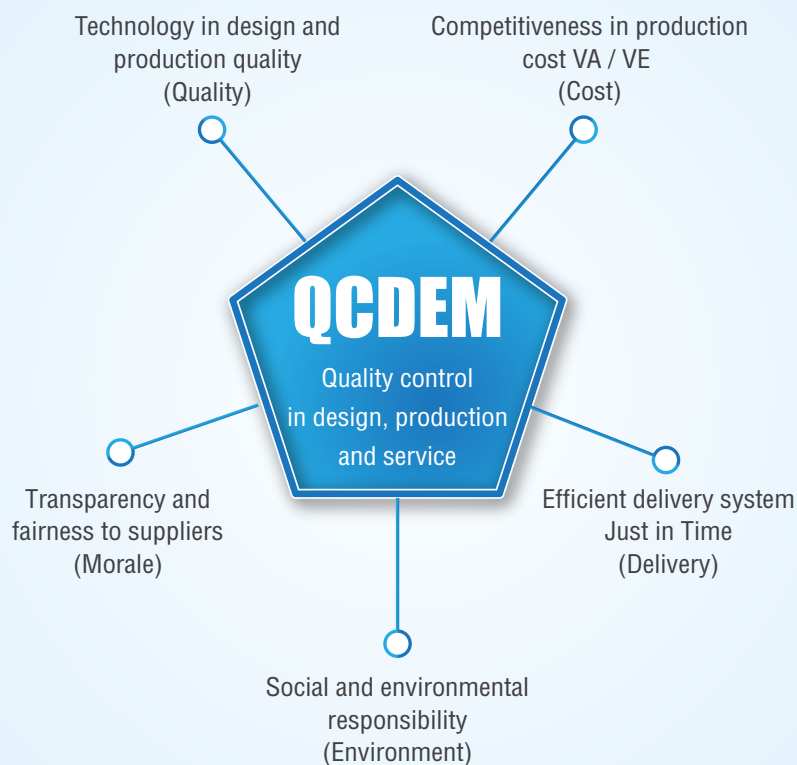
The situation of COVID-19 in 2020 impact on many businesses causes a lack of financial liquidity. The Company realizes the importance of helping and alleviating liquidity problems for trading partners. Therefore joined the FTI Faster PAYMENT project of the Federation of Thai Industries to accelerate liquidity to partners by measures to make debt to partners within 30 days, from October 1, 2020, until December 31, 2020.

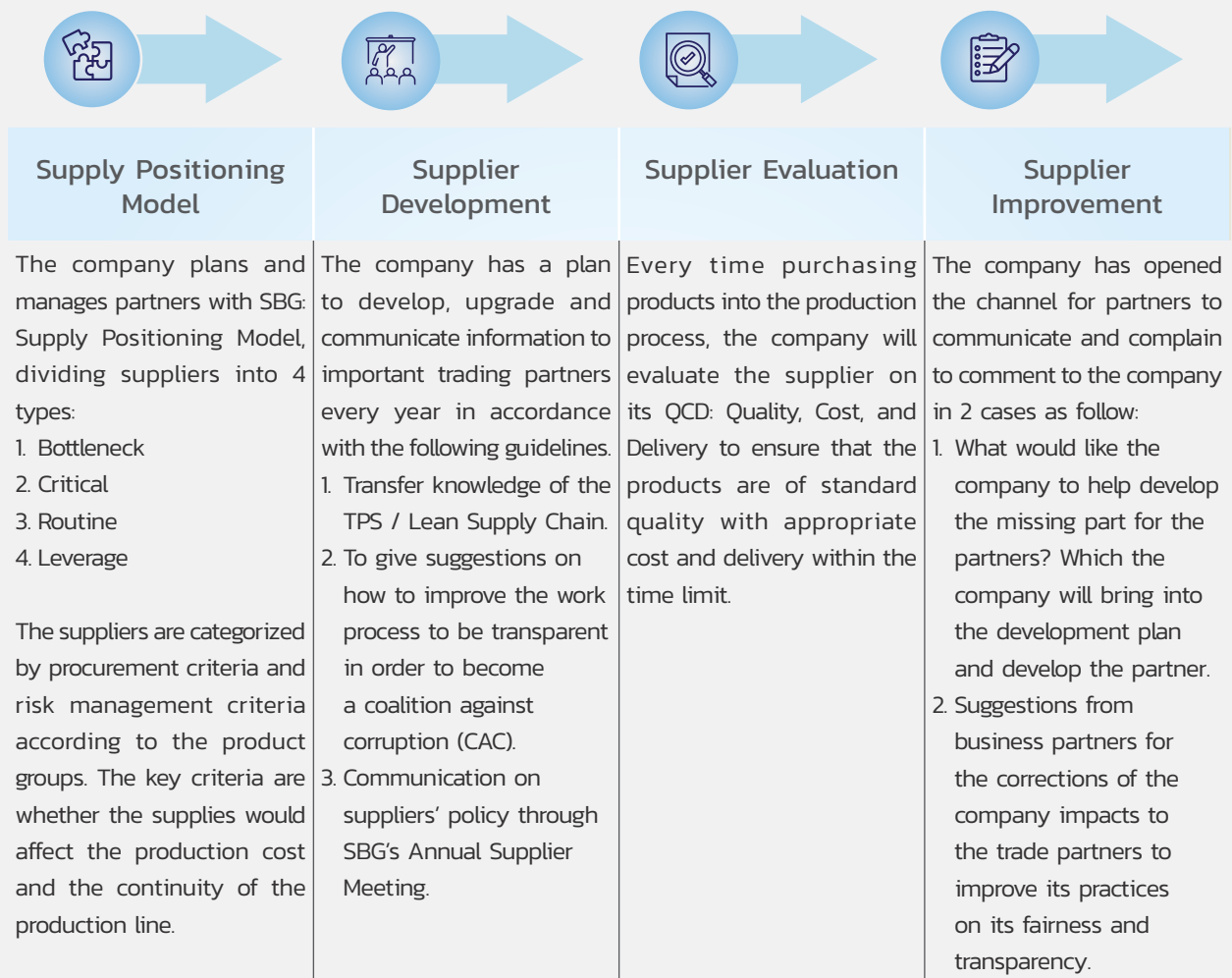
A good partner to make business relationships and the growth of the business is moving rapidly. Because of expertise and reaching different types of customers will have different products, Increasing the opportunity for partners to offer the best to their customers will benefit both being up-to-date, technology, and transparency, as well as increasing cost reduction channels.

Management guidelines

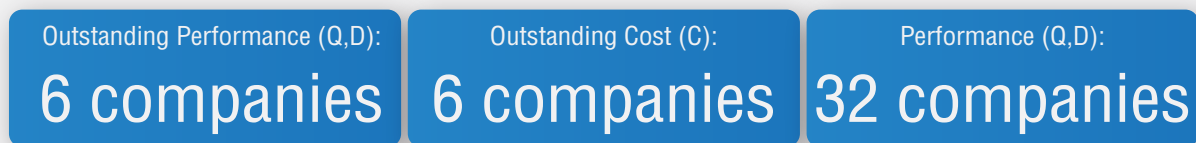
The company has organized priority and managing risk in the supply chain, by engaging partners to play a role in the development and upgrading of standards known as QCDEM, such as quality and cost, the partners who have been assessed through the specified criteria will be honored. The guidelines are as follows:

Supply Chain Management Strategy and Criteria





QCD Awards 2020 For Supplier



8.8 Environmental management and energy conservation

Somboon Group is an auto parts and agricultural machinery part manufacturer committed to conducting business with great emphasis on resource utilization and environmental impact. In 2020 The company has a policy, target, and goal set as a guideline for management and employees to be aware of the importance of efficient use of resources, while reducing the environmental impact from the production process, as well as driving the development of the entire value chain for sustainable management. The company has internal management to comply with the law, customer Policy, and confirm through systematic checking against environmental audits following the ISO14001 certification standard. The key areas of management are energy management and global warming. Sustainable management of water resources, Waste management, and internal environmental management in the factory with indicators as follows:

Indicators according to environmental policy 2016–2021	Target for year 2021	Results 2020	Results 2019	Results 2018
1. The greenhouse gases generated from the production process /activities related. Continued production* Decreased from 2017 (2.17 tons CO ₂ eq per total production*)	decreased 10% 1.95 tons CO ₂ eq per total production	decreased 139% 2.14 tons CO ₂ eq per total production	decreased 4.72% 2.02 Tons of CO ₂ eq per total production	down 3.69% 2.15 tons of CO ₂ eq per total production
2. Water consumption Continued production* Decreased from 2014 (6.19 cubic meters per total production*)	decreased 10% 5.57 cubic meters per total production	decreased 9.72% per total production of 5.65 cubic meters	decreased 13.57% 5.12 cubic meters per total production, a	decrease of 18.06% 5.06 cubic meters per total production
3. The number of industrial waste disposed of per production volume* decreased from 2015 (0.0288 tons per total production*)	Decrease 4% (< 0.0259)	Decrease 16.67% (0.024)	Decrease 24.17% (0.0233)	Decrease 32.01% (0.0195)
4. Environmental Project Completion	100%	100%	100%	100%

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

The company understand of environmental impacts throughout the supply chain including the design, transportation, manufacture, delivery, and use of products for customers, consumers, and waste disposal. The transportation of material and products play a vital role in the impact to the environment. With this, in the year 2020, the company has merged the production of casting and machining from Samut Prakan to Rayong Province. This would result in significant improvement in production due from the proximity to the customers, while enable a reduction of greenhouse gases released by transport management. In 2021 we will conduct an environmental impact assessment throughout the product life cycle to understand the impact on the greenhouse gas for the improvement for years to come.

1.Conserving energy and reducing global warming

At present, Climate change is a risk and challenge in solving global problems This is because the world has a problem with the number of greenhouse gases in the atmosphere that is excessively large. The main cause of this is human activity, which had significant impacts, So the company strives to make the establishment of a low-carbon society with policies, guidelines and targets for formulating measures to reduce greenhouse gas emissions. This would eventually meet targets proposed in the contribution agreement in Paris (COP21)



In 2020, The company is working on projects to reduce greenhouse gas emissions with several projects in the field of energy conservation, including the installation of solar cell systems at SAT1 and ICP 2 plants, with an installed capacity of 1,443KW, and also have plans to expand the solar rooftop installation area to the SAT2 plant in 2021. Greenhouse gas volume can be further reduced by 1238.82 TonsCo₂eq from the energy conservation program and accounted for the release of carbon dioxide per product. The details are as follows

Energy Conservation Project in 2020	Reduced energy (kWh per year)	Reduced CO ₂ ^{2eq} (Tons CO ₂ equivalent)
1. Reduce transformer loss with control of Power Factor (SAT2)	78,819.84	39.05
2. Reduce air leakage in production line (SAT2)	44,382.24	21.99
3. Use Timer to control high-bay lights on-off in production lines (SAT2)	15,760.80	7.81
4. Control the closing time, turn on the room air conditioner MT (SAT2)	35,380.80	17.53
5. Change the HR area air conditioner to Inverter (SAT2)	15,350.40	7.60
6. Reduce the unload of motor GO2 (FG5) (SAT2)	13,728.00	6.80
7. Improved efficiency of Air compressor and Main piping system (ICP1)	709,585.14	351.53
8. Improved air compressor efficiency and installed Inverter (SBM3)	386,034.95	191.24
9. Install Solar Rooftop Factory (ICP2)	714,307.86	353.21
10. Energy Conservation Project Continuously from 25 to 2020 (Solar Rooftop, Air Compressor)	488,629.00	242.06
Total	2,500,654.03	1,238.82



Installing a Solar Rooftop at the factory (ICP2)



Improving efficiency of Air compressor and Main piping system (ICP1)



2. Sustainable Water Resource Management

The impact of global climate change is a main causes of draught and changes of season causing the scarcity of water supply in both agricultural and industrial sectors. Somboon group has continually monitor this problem and have its long term plan for the cost-effective use of water resources by issuing policies and guidelines and setting goals for the cost-effective use of water. This has been supported by number of projects to reduce water consumption in the production process including risk assessment and preparation with emergency measures against drought in Chonburi and Rayong areas. The major projects carried out are as follows.

- Control and reduce water consumption in the production process. to keep the water consumption within the quotas received from the industrial estate.
- Investigate water leaks within the company and fixes make it possible to reduce the water loss by 1%.
- Install the Brine water piping system for use in the bathroom area, clean the floor, water the plants
- Set campaign for communication water-saving awareness and put signs to remind employees of water-saving awareness at the use points, and use water resources cost-effectively

3. Waste management

Somboon Group Commitment to waste management by using the most cost-effective process for its reduction, and recycling wastes. The goal is to reduce production of waste by using the 3 R principle, which is to reduce the amount of waste by reducing the usage, reusing the wastes, and Recycling as a framework to implement through various projects as follows:

Waste management projects according to the 3Rs principles, significant	Costs that can be reduced (baht per year)		
	Changes	2020	2019
1. Reuse Brine water from the RO water production system to be used for cleaning floor And used in toilet bowls (ICP1)	Increase 36.81%	166,131	121,430
2. Removed scrap and lathe chips. To melt the raw material (Internal Recycle) (SBM3)	Increase 62.76%	4,433,770	2,724,034
3. Reused coolant to recycled again in another process (Internal Recycle) SBM3	Increase 39.47%	435,326	312,125
4. Reduce waste quantity by landfill method by to be used as a mixed fuel RDF (Zero Waste to Landfill) (SBM3, ICP1, SAT1)	Increase 2.08%	103,357	101,250
Total		5,138,584	3,258,839

3.1 Commitment and success in waste management in 2020

The companies in the Somboon Group have joined activities with external agencies to promote and create systematic participation in waste management and the company in the Somboon group has got awards as follows

- Industrial Waste and Solid Waste Management Project for Amata Nakorn Chonburi Industrial Estate and Amata City Rayong Industrial Estate 2020 Platinum Level (ICP1, ICP2, SBM3, SFT)
- Plant survey to upgrade to an annual Eco-Excellence level eco-industrial city. 2020 (for Amata City Rayong Industrial Estate) (ICP1, ICP2, SBM3)



4. Management of the factory environment

Company promotes the improvement of a good working environment and increases the green area inside the factory to create an atmosphere that is shady employees with enough rest corners for employees. This result in the employees' satisfaction and working more happily.

Especially during the COVID-19 situation, many businesses were affected. The same is true with the Somboon Group. Some production lines had to be interrupted. With this, executives need to adjust employee management. And, this is a good opportunity for employees to join and participate in the following environmental improvement programs.

1. Improving the environment inside the factory to reduce the environmental impact.

- Improving the area in the furnace section ICP1, ICP2: The material is used to block the smoke area from spreading to other working areas along with improving the smoke and dust extraction system to be able to suck disposal and reduce environmental impact effectively.
- Improving the area in the steel pouring area ICP1: By bringing materials to block the smoke area from spreading to other working areas, this reduces the environmental impact especially to the internal community.
- Improving the wastewater system by using the artificial pond treatment system. The company focuses on natural processes combined with the cultivation of plants that are similar to wetlands as a wastewater treatment. This system is effective in the treatment of high organic matter, suspended solids, nitrogen, phosphorus, heavy metals, with low cost installation (SBM3).
- Establish the involvement of employees. The company reduces the environmental impact by using the black sand leftover from the production process by utilizing it as an ingredient in making bricks to be used for paving the sidewalk in front of the factory. This has reduced the cost of industrial waste disposal and the cost of purchasing a brick block (ICP1, ICP2).



2. Improving the environment to increase green areas and rest areas for employees

- Increase green space to create a better working environment (ICP1, ICP2, SBM3)
- Increase rest areas for employees (ICP1, ICP2, SBM)
- Employees work together to build a Seedling House for planting seedlings to will be use in the factory (ICP2)



Monitoring of environmental quality

The company has implemented reports on the results of the implementation of the environmental impact prevention and correction measures and the environmental impact monitoring measures. According to the specified period 2 times/year, the results of various environmental quality measurements passed the legal standards. Additionally, the company arranges the inspection of the area inside the factory including visiting communities surrounding the factory with government agencies/community leaders to survey opinions and listen to suggestions for continual improvement.

8.9 Innovation in Businesses for Sustainability

The company promotes and supports product and process development with innovation. Through the Research and Development Department, the company has continually developed its expertise in the design, testing, and development of raw materials and products. This leads to various product innovations to create value for all stakeholders and respond to changing directions in the automotive and agricultural machinery industries.

Management guidelines

The company has set up a research and development department supporting the main business units of the company responsible for analyzing the added value of the business opportunities to develop a project, work plan, and request for budget approval according to the strategic planning process every year.

Research and Development Division



Product and Material Development Department



Product Testing and Evaluation Department

The company focuses on innovation at two levels: development of innovation in products and innovation in business processes. Focus on creating innovation in products, the company has developed partnership with various through business alliances especially customers, suppliers, specialists in the areas. The company continues its product development in response to consumer demand, while reducing the environmental impact throughout the product life cycle. In particular, the axle shaft and brake disc are the company's main products to meet customer needs. The development of both products has resulted in reduction in the impact on the environment in both production processes and usage.

In addition to the current product development, the company also studies new product developments for opportunities to expand in high-value-added businesses. In 2020, the company researches and studies the development of robots for farm use. In response to increased efficiency and accuracy in farming future The company expects research and development to be put into practice and sold within the next 3 years

There are operational guidelines and processes to promote innovation in business processes at all levels of the organization. This helps organizations improve, develop business processes and create value, especially cost development, while reducing impact on society and the environment. This finally increases business competitiveness by taking into account the benefits to stakeholders in all aspects.

In 2020, the company has focused on studying the use of vision inspection technology to be used in the production and inspection processes of the organization. The company expects such development to enhance long-term capabilities in its quality and mitigate risks on the compliances to the requirement from the customers.

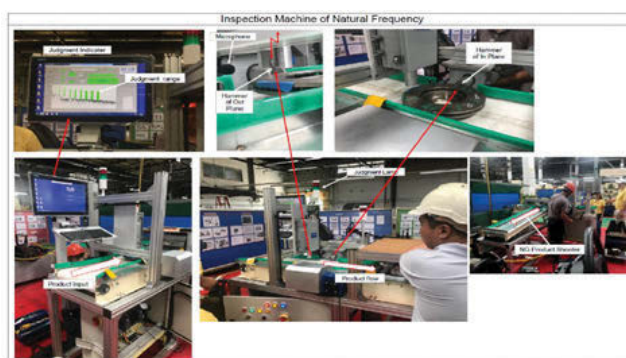
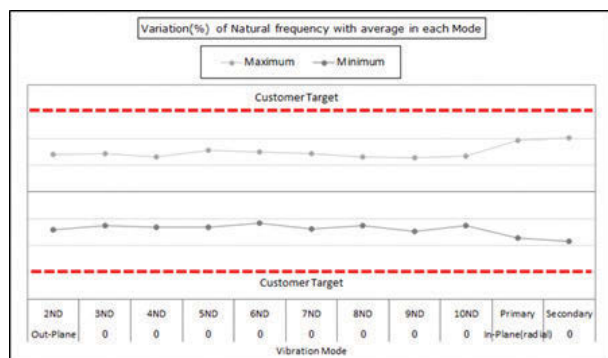
Innovation Project Performance in 2020

No.	Project Name	Objectives	Value / Benefits / Positive Impact
1	Lightweight axle shaft (2018–2020)	<ul style="list-style-type: none"> To reduce product weight according to customer demand Increase driving performance and reduce energy consumption. 	<ul style="list-style-type: none"> Meet the needs Both in terms of quality and price It helps the car to be lightweight and energy efficient. Reduce pollution emissions.
2	Develop Brake Disc to reduce noise pollution. (2019–present)	<ul style="list-style-type: none"> To improve the performance of parts in terms of vibration and sound Increase the precision in the production process. 	<ul style="list-style-type: none"> Meet OEM and consumer noise requirements. Increase production capacity

No.	Project Name	Objectives	Value / Benefits / Positive Impact
3	Farming Robotic (2020–present)	<ul style="list-style-type: none"> To develop knowledge in the development and application of robots to be used in the agricultural sector in Thailand. To develop new business opportunities for the organization 	<ul style="list-style-type: none"> Responding to farmers to increase the efficiency of their agriculture Increase opportunities to expand existing businesses into new businesses with high returns and sustainability
4	Vision Inspection (2020–present)	<ul style="list-style-type: none"> To meet precise production and inspection needs To improve the use of technology and innovation in the production and inspection processes of the organization. 	<ul style="list-style-type: none"> Reduce the risk of product inspection errors, improve cost and production efficiency, and audit.

Examples of corporate innovation projects

Innovation and Technology	Goals	Strategies	Performance
As OEMs now focus on controlling the quality of their vehicles in order to prevent customer complaints on the noise, vibration and unwanted noise (Noise Vibration and Harshness (NVH) problems). As a result, OEMs require manufacturers of brake discs and drum brakes to control natural frequency. The company therefore develops brake disc and brake drum through research and development methods for the production process to control and check of its compliance to the customers' needs.	Able to develop production knowledge to be able to control the natural frequency fluctuation of brake discs and drum brakes produced in the customer-specified Spec as well as develop the testing to be able to measure every work piece to comply to the specification required from the customer	1) Supporting the trial budget Research and development 2) Send the specialists in the production process and research and development team to co-invent methods supporting requirements from customers 3) Create an ecosystem that is conducive to the development of innovation and technology	1) Able to produce controllable brake discs fluctuation of natural frequency values Within the criteria specified by the customer, while maintaining the cost in a competitive basis 2) Able to develop a method to automatically measure the natural frequency value of all workpieces and ensure that no-good work will not be sent out to customers.



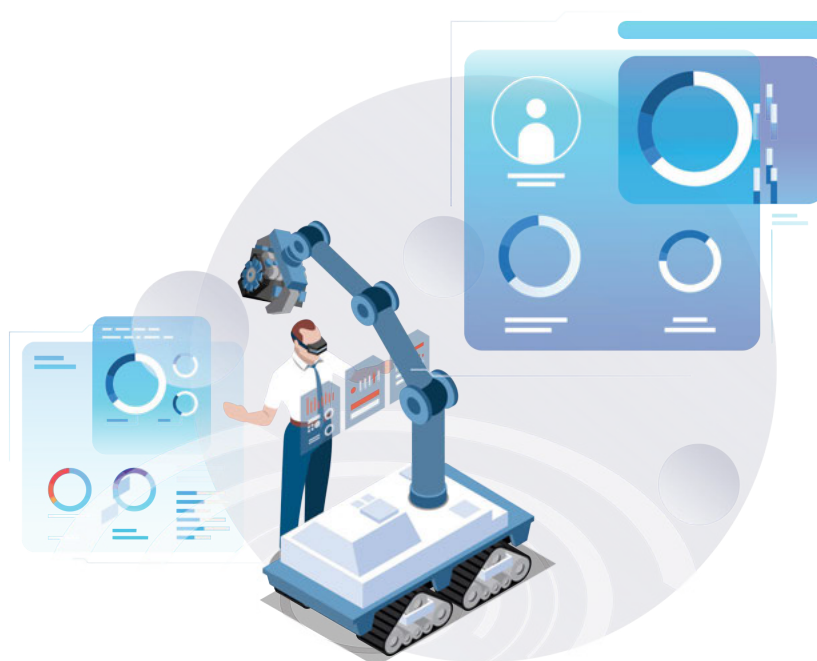
Innovation promotion activities in the organization through Quality Control Circle (QCC)

The company continued the Quality Control Circle (QCC) project to develop an environmental friendly and efficient production process by allowing employees to participate in the development and improvement to improve quality and increase efficiency to the stakeholders of the company. The company has used brainstorming methods to promote a systematic problem-solving process, reducing waste of time, and cost. The highest expectation of this activity is to ensure quality products and services which results in the satisfaction and safety for customers and consumers. The result for year 2020, the employees participated in the year 2020, total of 131 group. This has significantly reduce the production cost amounting to 1.9 million baht/year.

8.10 Tax Action

The company is committed to its responsibility to all stakeholders including tax management. To create added value for society, the company adheres to the accuracy and verifiable according to the tax policy. In the year 2020, the company has a total income of 6,026.795 million baht and paid taxes to the government in the amount of 40.236 million baht

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 is a new type of transaction 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.





Growth Society

- 9.1 Growth Society
- 9.2 Developing Community Relationship
- 9.3 Creating Educational Opportunities
- 9.4 Making of Good Deeds for Society by Employees of Somboon Group
- 9.5 Social Sharing

9.1 Growth Society



“Create Opportunities for Strong Society”

The company is committed to “create opportunities for strong society” to promote sustainable development and support social needs of the community. The company has established strategic social investment for the community to be consistent with business strategy, corporate budget, and the needs of the community. Additionally, the company has set an important policy guideline to encourage employees to be good people, while keeping the good deeds hours throughout the organization so that all employees volunteer to benefit the public. Also, the company has a Somboon Volunteer Group, and various projects related to the development of the community, and society. This would support the promotion of good deeds in all employees of the organization. The company focuses on building a network of educational institutions to benefit the operations of the organization and the benefits of educational agencies. In particular, the company has developed professional standards in skills and competencies specific to the automotive industry, which would sustain the knowledge and skills in the automotive industry. Additionally, the company has number of development programs for students to work in the automotive industry to meet the needs of key personnel and skills to support development towards the Sustainable Development Goals (SDG) in creating equal education and innovation development in the Thai industry.

Management Guidelines

The company intends to create sustainability through development of social value. Therefore, the operating guidelines have been revised regularly to reflect the changes in needs of stakeholders. In 2020, the company established operational guidelines for the Covid-19 crisis by emphasizing the company’s health and safety measures. To help prevent the spread of Covid-19 and continue to campaign on this issue.

The company continues to apply the sufficiency economy philosophy supporting the community on various issues according to the needs of the community. Moreover, the company also engages its stakeholders and build partnerships with educational sectors and institutions to develop cooperation in youth development. This includes scholarship, learning of new skills by providing places for a factory school to continue to contribute to sustainability together. Also, the company has planned and monitored the social and community through the roadmap on growth society. Finally, there is a review process through the Sustainability Development Committee (SDC) to drive and develop the practices to ensure the creation of value for society.



Note: The impact of the COVID-19 situation causes the company to adjust the management in all aspects to ensure its continuity. As a result, the budget for community development has decreased from the past year.

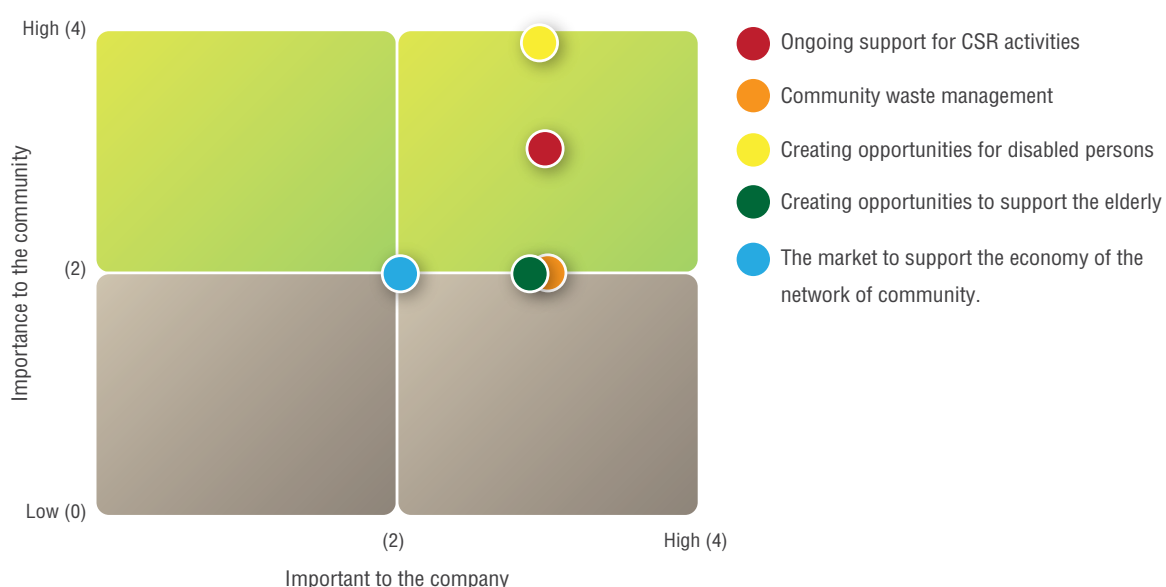
9.2 Developing Community Relationship

The company has adopted the Social Responsibility Standard (CSR-DIW) system of the Department of Industrial Works for the 12th year consecutively. This program has resulted in the awards and certificates for the CSR-DIW. In 2020, the company has introduced 3 factories to join the project by cooperating with the communities around the business area. To clarify the operating procedures, the company organizes close discussions on projects to meet the needs of each community focusing on the causes of community problems to be solved according to the needs. This would eventually lead to a better standard and quality of life of community, while building confidence and trust from the community. This success is the key to prevent any problems of coexistence between the factory and the community.

In 2020, the company has conducted a dialogue with the Bang Chalong Subdistrict Administrative Organization, together with various community leaders to inquire about real problems and needs of the community to improve the operating guidelines to enable companies and communities to live together sustainably.



Performance of community dialogue



9.3 Creating Educational Opportunities

The company places great emphasis on creating educational opportunities. With determination to develop good citizens 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 20 consecutive years. This project focuses on learning from work experience (Work-based learning), which requires knowledge and skills that meet the disciplines of students.

Result of the program:

In the year 2020, students are interns in the company. Under the cooperative education program, a total of 11 people, with students from 4 institutions, including Suranaree University of Technology King Mongkut's University of Technology Thonburi Walailak University Suan Sunandha Rajabhat University.

Automotive Parts – Personnel Development Project

From being involved in the operation of a joint committee of public and private Sectors (EGCO), Thai automotive parts manufacturers association has initiated the project “Vocational Personnel Development”, which is a collaboration of 4 institutions, namely the office of the vocational education commission. Department of skill development Federation of Thai Industries and the Thai auto parts manufacturers association to jointly organize bilateral education in the automotive and parts industry, achieving the standard of raising professional education to a higher level of Higher Vocational Certificate (Diploma), including teacher and personnel development in the automotive and parts industry in line with the demands of the labor market. By bringing the knowledge in the international theory to develop learners and students to learn and practice to develop competency in the manner of being a real worker. Additionally, they can be self-employed under the training course using the standard knowledge in the Junior Executive Development Course of the Thai Auto Parts Industry (Super Blue Collar), combined with practical skills. This is to drive the production of vocational education manpower through bilateral vocational education and teaching and learning management. The knowledge gained through training can be applied as a participative speaker submissions to teach in this project for a period of 4 years and accept students to practice in bilateral form for a period of 1 academic year. These students can be accepted to work after the graduation.

Result of the program:

In 2020, there were 8 students receiving internships in the company with students from 3 institutes, namely Khanu Woralakaburi College. Technological College Ratchaburi Trat Technical College

Scholarship program from the SBG founder

The scholarship program is a project that promotes scholarships for employees' children and students in the community. In 2020, the company granted 143 scholarships totaling 746,000 baht to promote educational opportunities. The scholarship has been granted its 22nd 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 across the country to visit and learn from real working experience total of 22 students and has the cost of hiring internship students of 4.7 hundred thousand baht as follow:

1. Cooperative education project of 11 people
2. Project Gov. Automotive and parts 8 people
3. Project Internship Students 3 people

And the company has created educational opportunities totaling 1.2 million baht.

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

The company is ready to support and create participation with all sectors to promote the improvement of the quality of life of the people in the community for the better. Various projects have been done through sustainable development policies and activities to solve problems, and create opportunities for society. This includes an upgrade in the ability of the community to be able to progress with business and self-reliance sustainably.

In 2020, the Company has continuously undertaken activities that benefit society. It is the duty of the company to support the community who are stakeholders related to the business by providing budget supporting for the implementation of CSR projects and activities every year. Moreover, the company creates awareness and participation from employees with good deed activities. Indeed, the Company encourages employees to have the opportunity to participate in the CSR activities including developing owned project promoting a feeling of ownership and jointly pushes for various social projects and activities.

In the year 2020, employees have done good deeds for society in the amount of deed total of 15,651.15 hours.



9.5 Social Sharing

From the epidemic situation, the COVID-19 virus has affected all over the world. The company cooperates with all parties to prevent the spread to the community, especially medical personnels who are the frontline for the combat in the crisis. The company has donated tools and equipments including medical and cloth masks to the hospital in the Samut Prakan and Rayong areas, which is the location of the Company's factories, valued at 104,154.56 baht, in 6 places as follows:

1. Bangplee Hospital
2. Bang Chalong Health Promoting Hospital
3. Huai subdue Health Promotion Hospital
4. Bangchalong Subdistrict Administrative Organization
5. Mabyangporn Subdistrict Administrative Organization
6. Tasit Subdistrict Administrative Organization



10



Summary of Activities under SBG

- 10.1 Smart People
- 10.2 Business Trust
- 10.3 Growth Society

Smart People

The development of Good People	2020	2019	2018	Remark
Percentage of employees engaging in good deed activity	91	98	94	
Total good deed hours from all employees (hrs)	15,651.15	20,550.00	18,634.20	
Average good deed hours per person (hrs/person)	8.0	8.9	7.8	
Blood donation with the Thai Red Cross Society (persons)	148	713	403	
Total blood donated to the Thai Red Cross Society (cc)	66,600	320,850	181,350	
The development of Smart People				
Investment (millions baht)	2.5	5.4	5.4	
Number of internal courses	52	92	116	
Percentage of employees being trained	100	100	100	
Average training hours (hours/person/year)	7.47	12.0	18.2	
Number of promoted	32	36	76	
Number of suggestions and kaizen projects	1,628	1,487	2,557	
Number of QCC projects	131	373	205	
Cost saving from QCC projects (million baht)	1.9	38	7.9	

Business Trust

Economic aspect	2020	2019	2018	Remark
Economic value creation (financial statement as at 31st December)				
Ordinary share information				
Par value per share (Baht)	1	1	1	
Book value per share (Baht)	16.68	15.6	15.3	
Earnings per share (Baht)	0.88	2.11	2.15	
Results of operation (Thousand Baht)				
Sale income	5,882,559	8,005,588	8,193,797	
Total income	6,026,795	8,198,588	8,307,933	
Net profit	374,763	898,666	915,597	
Financial statement information (Thousand Baht)				
Current assets	4,406,626	4,580,744	4,224,378	
Total assets	8,955,308	9,311,490	9,064,761	
Current liabilities	1,500,761	1,635,510	1,723,592	
Total liabilities	1,864,565	2,108,202	2,178,121	
Issued and paid up capital	425,194	425,194	425,194	
Shareholders' equity	7,042,274	7,203,288	6,886,640	
Financial ratios				
Return on equity Ratio (%)	5.28%	12.80%	13.76%	
Return on fixed Assets (%)	29.09%	41.68%	39.89%	
Return on Assets (%)	4.10%	9.78%	9.83%	
Gross profit (%)	15.15%	18.66%	18.43%	
Ratio of current assets to current liabilities (Time)	2.94	2.8	2.45	
Ratio of liabilities (Time)	2.36	2.28	2.01	
The ratio of liabilities to equity (Time)	0.26	0.29	0.32	
Taxes and Tax Incentives (Thousand Baht)				
Tax Paid to Government	40.2	99.7	91.8	
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	2020	2019	2018	Remark
Human resource	1,981	2,309	2,389	
• Male	1,664	1,960	2,389	
• Female	317	349	351	
Number of employees divided by workplace (Persons)				
• Samutprakarn	408	675	856	
• Rayong	1,573	1,634	1,533	
New employees (persons)	177	216	320	
Resigning employees (persons)	193	257	187	
Resigning employees younger than 30 years	105	142	97	
Resigning employees older than 30 years	88	115	90	
Resignation rate (% of all employees)	9.20%	11.13%	8%	
Maternity leaves(persons)				
Employees on maternity leave	3	9	17	
Employees returning to work after childbirth	3	9	17	
Rate of Employees returning to work after childbirth (%)	100%	100%	100%	
Products and Services				
Overall customer satisfaction index	98%	98%	88%	
Supply Chain management				
Number of partners who have received the knowledge of Toyota Production System (TPS)	0	6	3	
Safety				
Serious accident causing absence (employees)	2	3	4	
Accident not causing absence (employees)	13	6	9	
Frequency of injury (decreasing% per year)	0.50	0.62	0.86	
Intense fire accident (times)	0	0	0	

Environment and Material Use	Unit	2020	2019	2018	Remark
1. Amount of raw materials used in production					
1.1 All main raw materials (steel sheet, steel bar etc.)	Ton	24,855.84	32,398.03	62,992.68	
1.2 All recyclable raw materials	Ton	18,316.27	26,687.45	34,626.17	
	% comparing to all raw materials	73.69	83.00%	55.00%	
1.2.1 Recycle materials from external sources	Ton	15,866.61	18,724.63	3,575.21	
(Such as iron briquette plant assembly etc.).	% comparing to all raw materials	63.83	58.00%	5.68%	
1.2.2 Recycle main raw materials within the group company	Ton	2,449.66	7,962.82	31,050.96	
	% comparing to all raw materials	9.86	25.00%	49.29%	
1.3 All raw materials in category of chemical mixtur	Ton	2,373.59	2,908.67	705.68	
2. Consumption of electricity and fuel					
2.1 The use of all kinds of energy	Giga joule	450,231.79	740,027.11	984,037.48	
2.2 The energy from the use of all kind of fuel	Giga joule	24,964	177,900	435,437	
	% comparing to all kinds of energy	5.54	24.00%	44.25%	
Energy from fuel oil of all kinds	Giga joule	0	139,206	208,370	
Energy from LPG	Giga joule	25,100	38,127	34,734	
Energy from Natural gas	Giga joule	468	567	192,332	
2.3 Use of purchased electricity	Giga joule	422,191.68	561,095.06	548,506.31	
	% comparing to all kinds of energy	93.77	76.00%	55.74%	
2.4 Use of renewable energy	Giga joule	2,472.26	1032.21	94.59	
	% comparing to all kinds of energy	0.55	0.14%	0.01%	
2.5 Energy used per product unit	Giga joules per number of product unit (Thousand)	14.78	17.62	18.24	
	Giga joules per number of product unit (Ton)	3.25	7.14	7.97	
2.6 Amount of greenhouse gases from production	Tons of carbon dioxide equivalent	68,296.88	89,726.88	106,662.42	
2.7 Greenhouse gases per product unit	Tons of carbon dioxide equivalentPer number of pieces of product (thousand pieces)	2.41	2.02	2.15	
3. Industrial Waste Management					
3.1 All industrial waste	Ton	20,213.50	28,213.46	33,309.70	
3.2 Non-hazardous industrial waste disposed	Ton	17,027.18	24,658.57	18,873.35	
Landfills	Ton	12,176.81	16,020.03	332.65	
- Black sand dust	Ton	9,605.56	15,462.67	-	
- scale	Ton	2,344.81	387.49	-	
- Sand particles	Ton	-	33.55	-	
- Iron dust	Ton	119.33			
- Others	Ton	-	135.53	-	
Incineration	Ton	-	-	-	
Reuse	Ton	-	-	-	
Recycle	Ton	2,971.49	7,817.46	17,018.78	
Recovery	Ton	-	8.13		
Other method	Ton	1,878.88	812.95	1,521.92	
3.3 Hazardous industrial waste disposed	Ton	3,186.42	3,554.89	14,436.35	
Landfills	Ton	160.35	473.93	839.13	
Incineration	Ton	-	-	-	
Reuse	Ton	-	36.28		
Recycle	Ton	2,207.65	1,676.11	13,017.81	
Recovery	Ton	200.43	712.18	-	
Blened Fuel	Ton	615.32	656.39	-	
Other method	Ton	2.57	-	-	

Environment and Material Use	Unit	Standard	2020	2019	2018	Remark
4. Air quality						
4.1 Air quality from factory chimney						
Carbon Monoxide: CO	ppm	< 690	19.34	16.67	122	
Oxide of Nitrogen: NO)	ppm	< 200	14.49	14.18	N/A	
Sulfur Dioxide: SO2	ppm	< 60	1.87	1	< 100	
Total Suspended Particulates: TSP	mg/Nm3	< 400	15.16	10.42	7.85	
4.2 Air pollution in communities around the plant						
Carbon Monoxide: CO	mg/Nm3	< 34.20	2.18	0.87	1.31	
Nitrogen dioxide: NO2	ppm	< 0.17	0.05	0.01	0.06	
Sulfur Dioxide: SO2	mg/Nm3	< 0.30	0.01	0.00	0.03	
Total Suspended Particulates: TSP	mg/Nm3	< 0.33	0.26	0.07	0.11	
5. Water						
5.1 Water used	m3	-	277,984.78	191,514.29	216,958.05	
Quantity of water used in production process (water supply)	m3	-	277,162.18	170,696.16	163,658.86	
	% comparing to total quantity of water used	-	99.70%	89.00%	75.43%	
Renewable water (water from treated water system)	m3	-	0.00	20,818.13	53,299.19	
	% comparing to total quantity of water used	-	0	11.00%	24.57%	
5.2 Quantity of water treated before discharge	m3	-	146,102.84	153,211.43	95,940.62	
5.3 Quality of water treated before discharge						
pH at disposal point	-	5.5-9.0	7.92	7.9	7.37	
Temperature at disposal point	Celsius degree	< 40	20.4	30.06	30.13	
Biochemical oxygen demand (BOD5)	mg/l	< 500	59.81	55	4.82	
Chemical oxygen\ demand (COD)	mg/l	< 750	153.94	167.75	26.49	
Oil and grease from treated water (Grease and Oil)	mg/l	< 5	1.6	4.78	2.33	
Heavy metal and zinc in wastewater (Zn)	mg/l	< 5	0.29	0.22	1.66	
6. Noise level						
6.1 Inside the factory						
Average noise level during 8 working hours in working area	dB(A)	< 90.0	82.46	83.68	83.2	
Maximum noise level in working area	dB(A)	< 140	102.28	111.77	98.7	
6.2 Around the factory			0			
Average noise level in 24 hours around the factory	dB(A)	< 70	60.8	56.75	52.1	
Maximum noise level around the factory	dB(A)	< 115	92.13	95.47	80.7	
7. Oil and chemical leakage						
Number of occurrence of oil and chemical leakage	Occurrence	-	0	0	0	
8. Compliance with environment laws						
Indemnity caused by failure to comply with environment laws	Bath	-	0	0	0	
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	

Growth Society

Education opportunities for youth	2020	2019	2018	Remark
Value from education opportunities for youth (M Thb)	1.2	2.4	2.8	
Education grant for young (Thb)	746,000	727,500	952,000	
Intern students (persons)	22	80	176	
Bilateral student project (persons)	-	5	2	
Cooperative students project (persons)	11	42	44	
Development of quality of life for society				
Value from social impact (M Thb)	2.5	6	2.5	
Total good deed hours from all employees (hrs)	15,651.15	20,550	18,634.20	
Community improvement projects	3	4	3	
Elderly persons involved from communities (persons)	-	50	114	
Disabled people supporting projects (persons)	25	25	26	
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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