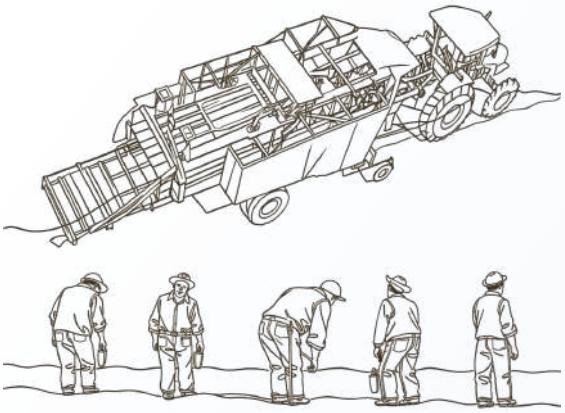
7.8 Innovation in Business Processes for Sustainability



The Company is steadfastly committed to continuous innovation, guided by its organizational vision and mission. This development focuses not only on creating products and production processes that meet customer needs and expectations, but also on fostering sustainable economic growth for the Company.

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This sustainable innovation includes using materials with low environmental impact and improving production processes to reduce energy consumption and emissions. Additionally, the Company is dedicated to developing products that support sustainable lifestyles for consumers, such as energy-saving products.

Management Approach

The Company's approach to managing innovation for social and environmental benefit involves actively engaging diverse internal departments and external stakeholders. This is a crucial strategy for creating sustainable innovation, facilitating the exchange of diverse ideas, knowledge, and experiences, which are key drivers for effective innovation.

- Support from the Board of Directors and Executive Management: The Company establishes business directions and strategies that promote sustainable innovation, embedding a culture of creativity and innovation at all organizational levels.
- Encouragement of Innovation in Production or Work Processes: The Company encourages the development of innovative approaches within production and work processes. Employees are empowered to propose and implement new ideas aimed at improving efficiency, reducing waste, shortening lead times, and enhancing overall quality. Continuous Improvement (CI) is actively promoted through various mechanisms.
- Training and Development: The Company offers training and development programs to help employees learn about sustainable innovation. These include initiatives that foster creativity, such as QCC (Quality Control Circle) and Kaizen.
- Collaboration with Research Institutions and Universities: The Company fosters partnerships with research organizations and universities to jointly develop innovative solutions. These collaborations enhance the Company's innovation capabilities by leveraging research-based development and promoting fresh perspectives through student-led creativity and ideas.
- Engagement with Local Authorities: Collaborating with local communities and authorities helps us better understand societal needs and expectations. This allows the Company to develop innovations that are more aligned with these requirements.

Engaging all internal and external stakeholders is a strategy that strengthens the robustness and flexibility of the Company's social and environmental innovation development. This leads to the creation of innovations that can achieve sustainable impact.

1. Innovation Creating Value for the Agricultural Sector

In 2025, Somboon Advance Agriculture Co., Ltd. (SAA) remains committed to expanding and developing agricultural machinery products to meet the growing and diverse demands of the agricultural industry, while introducing innovations that help reduce production costs and streamline work processes to be faster and more efficient. This aligns with the Company's commitment to economic, social, and environmental sustainability by developing products that reduce water and energy consumption and lower greenhouse gas emissions, thereby contributing to a sustainable agricultural system.

Rotary Blade

Somboon Advance Agriculture Co., Ltd. (SAA) is currently a manufacturer of rotary blades used in rotary tillers. SAA has introduced a new rotary blade design to customers that significantly reduces the amount of steel raw material required for production and decreases tractor fuel consumption, while maintaining the same soil tilling performance as conventional rotary blades.

In 2025, the Company expanded upon this project by continuing to focus on providing quality equipment while enhancing real-world usage monitoring among farmers to collect data on product lifespan, blade performance, and user satisfaction.

The Company also utilized this opportunity to gather feedback and suggestions from farmers to further improve and develop products that better address usage requirements across varying terrain conditions, such as hard soil, sandy soil, and areas with mixed rock fragments.

This initiative not only helped strengthen the positive relationship between the Company and farmers, but also reinforced the Company's image as a manufacturer that genuinely cares about its users and is committed to continuous product development.

Looking ahead, the Company plans to build upon this project, potentially expanding into organizing product demonstration activities, providing maintenance knowledge, and developing new products that comprehensively address the needs of farmers.

Product Development Process

- **Customer Requirement Analysis:** The process begins with a thorough understanding of customer needs and requirements to ensure the product perfectly aligns with their expectations.
- **Design:** The design phase starts with concept development, followed by 3D modeling and computer-based simulation. This approach emphasizes creating a product that meets customer needs in terms of functionality, performance, and lifespan.
- **Prototype Creation:** Before finalizing the actual production process, prototypes are created for testing. This allows for necessary modifications and adjustments, ensuring design flexibility to accommodate product variations and prevent errors before full-scale manufacturing.
- **Testing:** Prototypes undergo comprehensive testing in both laboratory settings and real-world environments, in close collaboration with customers. This evaluates quality, performance, durability, environmental impact, and other aspects of customer interest.
- **Drawing & Engineering Standards:** This is developed to ensure a standardized production process, guaranteeing that the final products meet all initial quality specifications.

Positive ESG Impacts

Environmental	Social	Economic / Governance
Reduction in CO_2 emissions from fuel savings by 0.08 liters per rai (5.8%) results in a reduction of CO_2 emissions by 0.21 kilograms per rai.	Reduced farmer working time per rai by 3.4%.	Reduced raw material costs for the Company in production by approximately 6% per piece.
	Reduced exposure risks to pollutants: Shortened field-testing durations, such as exhaust fumes and PM2.5 particles, which are known health hazards.	Environmental policy compliance: Reduced fuel consumption and pollutant emissions enable the organization to better comply with environmental regulations and standards.
	Reduced operating costs: The 5.8% reduction in fuel consumption per rai and the extended lifespan of the blades contribute to lower operating costs for farmers, increasing their income and improving quality of life.	

Sugarcane Leaf Baler

In 2025, the Company continued to advance the sugarcane leaf baler development project, building upon the research and testing results from previous years. The focus was on improving machine efficiency and conducting continuous real-world operational testing, to enable more effective management of agricultural waste generated from sugarcane harvesting.

Based on the previous year's testing results, the Company incorporated machine performance data, operational issues, and user feedback to further refine and improve the prototype, enhancing its baling capacity, operational continuity, and ease of maintenance. This year, the focus was placed on field testing to evaluate the machine's performance under actual operating conditions in sugarcane fields.

Product Development Process

- **Customer requirements analysis:** The process begins with a thorough understanding of customer needs and specifications to ensure the product effectively addresses their demands.
- **Design:** The design phase begins with a concept design, moving into 3D modeling, and then computer simulation. The focus is on creating products that meet customer expectations for functionality, performance, lifespan, and production cost.
- **Prototype creation:** Since the sugarcane leaf baler is a large machine, the Company creates prototypes that strictly adhere to the design specifications. These prototypes undergo detailed inspection and testing to minimize errors before full-scale production.
- **Final pre-launch testing:** The prototype is tested both in laboratory settings and real operating conditions in collaboration with customers. These tests assess product quality, operational efficiency, durability, lifespan, and environmental impact.
- **Drawing & Engineering Standards:** This is established to ensure product quality, support efficient manufacturing, and enable effective cost control, laying the foundation for sustainable business growth.

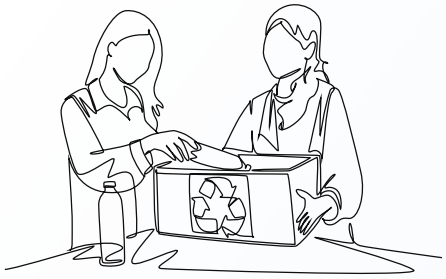
Positive ESG Impacts

Environmental	Social	Economic / Governance
Reducing open-field burning of sugarcane leaves helps lower CO_2 emissions and other toxic gases (approximately 1.6 tons of CO_2 per ton of sugarcane leaves burned).	Reducing air pollution, thereby benefiting the health of surrounding communities.	Compliance with environmental policies: Reduced fuel usage and emissions support alignment with regulatory standards and environmental legislation.
Resource conservation by utilizing compressed sugarcane leaves as a raw material.	generate employment opportunities within local communities, such as in the production and sale of sugarcane-based products.	Lower marketing and testing costs through a stringent process for selecting prototype manufacturers and building trust with new customer segments by demonstrating credible business operations.
Reduce the volume of agricultural waste.	Reduce the need for land dedicated to waste disposal and provide farmers with more sustainable waste management alternatives.	

2. นวัตกรรมจากกระบวนการผลิต

The Company is dedicated to the continuous development and improvement of its production processes to achieve maximum efficiency in terms of quality, output, resource utilization, and environmental impact reduction, by integrating innovation and creativity into every stage of production.

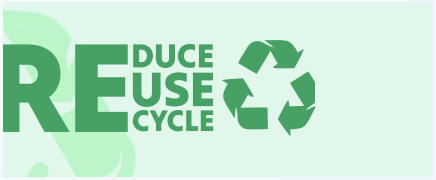
The development approach for innovation in the Company's production processes is centered on the principle of sustainable development, with the following key objectives:



·Minimizing waste
·Reducing energy and natural resource consumption
·Enhancing production efficiency and reducing operational costs
·Improving product quality to better meet customer expectations
·Creating positive environmental and social impacts at large

Project: Producing Paving Bricks from Waste Black Sand Dust

In 2025, the Company continues to adhere to the 3Rs waste management approach as its core principle: Reduce (minimizing waste generated in the production process), Reuse (reintroducing auxiliary production materials back into the cycle), and Recycle (converting certified non-hazardous black sand waste into paving bricks).



The Company invested in a brick manufacturing machine in 2023 to support black sand recycling, significantly improving the quality, strength, consistency, and standardization of the bricks, making them suitable for use in public areas or community activities. This initiative not only mitigates environmental impact but also creates economic value and social benefits through the utilization of these bricks in community spaces.

Product Development Process

- Problem Analysis: The ICP2 factory generated black sand that no longer met the required mesh size standards (exceeding the standard) for reuse in production. This necessitated external disposal, leading to a significant accumulation of 96 tons of waste annually.
- Feasibility Study for Reuse: The team evaluated the properties of the non-compliant sand and assessed its suitability for repurposing as a raw material for construction materials such as interlocking blocks.
- Mix Design and Production Process Development: A new mixing formula was developed to produce interlocking blocks using the unusable black sand. The optimal ratio was identified as cement: black sand: fine sand: water = 0.5: 2.2: 0.5: 1. The block forming process was also designed to align with the material characteristics and ensure production performance.
- Product Testing: Comprehensive tests were conducted to assess the strength, load-bearing capacity, and durability of the interlocking blocks under real environmental conditions. This also included assessing the feasibility of actual production and practical use.
- On-Site Implementation: The blocks produced through this process are now used in the construction of internal factory structures, such as storage areas and sheds. Their performance is comparable to conventional blocks.
- Extending Value to the Community: In 2025, the Company utilized 5,000 paving bricks to pave the playground area at Ban Hua Thanon School, Nong Mu Sub-district, Wiham Daeng District, Saraburi Province, to promote the use of local circular resources and improve the quality of life of the community.

Positive ESG Impacts

environmental	Social	Economic / Governance
Reduced waste from black sand by 50 tons/year (previously from 175 tons to 125 tons)	Lowered construction material costs for community projects by approximately 93,500 baht/year.	Reduced disposal costs of black sand dust by 65,280 baht per year.
Decreased the need for new sand by approximately 30 tons/year.	Created opportunities for employee and community engagement in at least 2 local development projects per year.	Increased resource utilization value and created future business opportunities.
Reduced landfill space usage by approximately 70 square meters/year (based on flat fill calculation).	Beneficiaries include approximately 250 individuals annually, such as teachers and students.	Supported the Company's commitment to the Zero Waste to Landfill operational policy.
Indirectly reduced CO_2 emissions from waste transportation by approximately 5 tons CO_2e/year.		

3. CSR Innovation Activities for Society and Community in 2025

Agricultural and Local Community Promotion Activities — Somboon Advance Agriculture Co., Ltd.

On December 24, 2025, Somboon Advance Agriculture Co., Ltd. conducted a CSR activity led by Mr. Thanat Rueenee, the Company's Managing Director, by donating Rotary Blades to local farmers for real-world field testing, while monitoring performance, durability, and user feedback, along with providing agricultural safety equipment to volunteer farmers at Ban Nong Bon Daeng, Tambon Nong Bon Daeng, Ban Bung District, Chonburi Province.

In addition, the Company organized a CSR activity "Essential Donations — Ban Khru Bun Chu" comprising the following key activities:

1. Donating essential consumer goods and necessities.
2. Providing educational scholarships to support youth learning opportunities.
3. Sharing knowledge on daily life safety for children and community members.

These activities were conducted under the Company's sustainability development policy on "Creating Value for Society" and "Promoting Employee Participation in CSR Activities", by providing opportunities for volunteer employees to contribute to community benefits, strengthen the relationship between the organization and society, and collectively drive long-term sustainable development.

Landscape and Playground Improvement Activity — Creating Value from Production Waste

The Company promoted the participation of teachers, students, and volunteer employees in developing the environmental landscape of Ban Hua Thanon School, Nong Mu Sub-district, Wiham Daeng District, Saraburi Province, by improving the landscape and playground area to be more suitable and safe, in support of promoting physical development and outdoor learning activities.

The Company improved the area using interlocking bricks produced from black sand dust, a by-product of the production process, through the development of new processes, design, and employee collaboration within the organization, emphasizing environmental awareness in accordance with the 3Rs principle (Reduce, Reuse, and Recycle), to maximize resource sharing and utilization, reduce production waste, and promote the Circular Economy concept to enhance sustainability for the community.

This project not only helps create a better environment and provides equal access to quality education, but also serves as a model for sustainable development that integrates education, innovation, and the environment together, in alignment with sustainable development principles and environmentally friendly industry.

Number of participating employees	Students benefited	Number of bricks (pieces)
33 persons	49 persons	5,000 persons

Remark: * Brick retail price of 13 baht per piece, estimated activity support value of 65,000 baht.