

# 5

## Governance and Sustainability

- 5.1 Good Corporate Governance
- 5.2 Business Ethics
- 5.3 Anti-Corruption
- 5.4 Information Technology and Cybersecurity Policy
- 5.5 Risk Management
- 5.6 Business Continuity Management

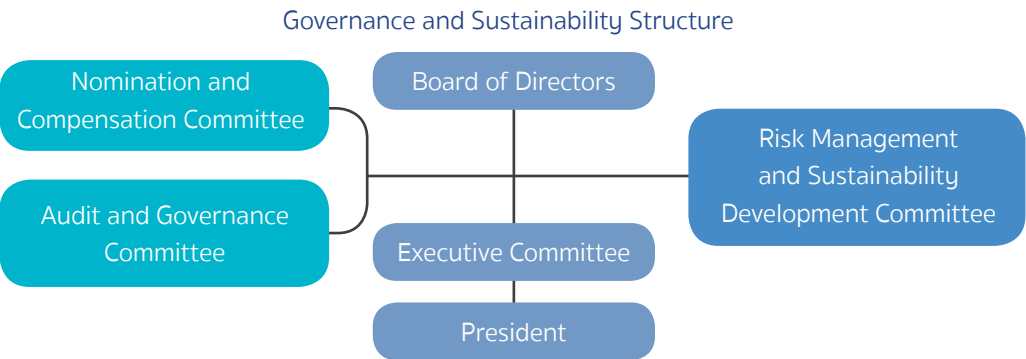


## 5.1 Good Corporate Governance

The Company is committed to fostering sustainable growth based on transparency, good corporate governance, and accountability to all stakeholders and society. A strong emphasis is placed on developing personnel to be competent, ethical, and have a good conscience, while promoting a culture of continuous learning and enhancing the work environment.

The Company strictly adheres to its Corporate Governance Policy, Business Ethics Manual, and Code of Conduct, which apply to the Board of Directors, executives, and employees at all levels. In addition, the Company prepares its Sustainability Report in accordance with international standards, reflecting its commitment to sustainability and corporate governance practices.

Furthermore, the Company has extended the scope of corporate governance practices to its subsidiaries and business partners by establishing guidelines and evaluation criteria to ensure that the supply chain upholds ethical standards and social responsibility in alignment with the Company’s principles of good governance.



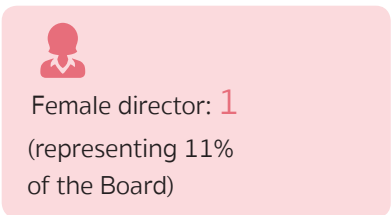
### Management Approach

In 2024, the Board of Directors comprises a total of 10 members, of whom 6 are independent directors (including the Chairman of the Board). The Company has established four sub-committees, namely, the Audit and Corporate Governance Committee, the Nomination and Compensation Committee, the Risk Management and Sustainability Development Committee and the Executive Board. All sub-committees are chaired by independent directors, supporting the Board’s functions in line with good corporate governance practices. These sub-committees report on their activities and performance to the Board of Directors on a quarterly basis.

In 2024, the Company’s Board of Directors consisted of 10 members, including 6 independent directors, with one serving as the Chairman of the Board. Additionally, the Company established four sub-committees as follows:

- The Audit and Corporate Governance Committee
- The Nomination and Compensation Committee
- The Risk Management and Sustainability Development Committee
- The Executive Board

The four sub-committee chairs are all independent directors, providing essential support to the ten-member Board of Directors. (Six out of ten (60%) of the total directors are independent).  
Executive director: 1



The Company prioritizes the structure and qualifications of its Board of Directors, selecting members based on their knowledge, capabilities, professional experience, skills, and specialized expertise. Furthermore, the Company considers suitability in alignment with its current situation and strategic objectives, ensuring all candidates meet legal requirements and are not disqualified by the Securities and Exchange Commission (SEC) criteria.

To ensure effective and transparent governance, the Company has developed a Board Skills Matrix. This matrix defines the necessary qualifications for director appointments, aligning them with business strategies. The Company is committed to non-discrimination, ensuring no restrictions or limitations based on gender, age, race, or religion are imposed on directors in the performance of their duties.



Knowledge/Experience/Expertise Unit: Persons

|  |  |   |
|--|--|---|
| <b>Management and Business Administration</b><br> <b>A</b> 9 Persons<br><b>B</b> 1 Person | <b>Factory Management/Engineering/Automotive</b><br> <b>A</b> 2 Persons<br><b>B</b> 4 Persons | <b>Strategic Planning</b><br> <b>A</b> 8 Persons<br><b>B</b> 2 Persons   |
| <b>Legal and Regulatory Compliance</b><br> <b>A</b> 2 Persons<br><b>B</b> 5 Persons       | <b>Human Resource Management</b><br> <b>A</b> 3 Persons<br><b>B</b> 7 Persons                 | <b>Sales and Marketing</b><br> <b>A</b> 2 Persons<br><b>B</b> 6 Persons  |
| <b>Accounting and Auditing</b><br> <b>A</b> 3 Persons<br><b>B</b> 4 Persons               | <b>Finance and Capital Management</b><br> <b>A</b> 5 Persons<br><b>B</b> 2 Persons            | <b>Social Enterprise, Community, Natural Resources, Environmental, and Sustainability Development</b><br> <b>A</b> 3 Persons<br><b>B</b> 5 Persons |
| <b>Digital Technology</b><br> <b>B</b> 5 Persons  | <b>Agricultural Machinery</b><br> <b>A</b> 1 Person<br><b>B</b> 6 Persons                   | <b>Joint Ventures, Mergers &amp; Acquisitions, International Trade</b><br> <b>A</b> 5 Persons<br><b>B</b> 2 Persons                              |

Note: **A** master to expert **B** practice but not yet master



Board Meetings

In 2024, the Board held a total of 10 meetings, both in-person (Physical Meeting) and via electronic media (E-Meeting), to support the Board in oversight and consideration of various matters, with key agendas summarized as follows:

- 1. Review, consider, and follow up on corporate strategic work.
- 2. Consideration of recruitment and appointment of directors.
- 3. Consideration of changes and appointments of subsidiary committees.
- 4. Review of investment projects.
- 5. Executive Leadership Change
- 6. Monitoring the automotive Industry Overview for 2024 and Outlook for 2025
- 7. Monitoring the Operations of Subsidiaries and Joint Ventures
- 8. Acknowledgement of the Performance Reports of Subcommittees

Board training and development

In 2024, the company’s board members participated in various training courses and seminars to enhance their knowledge and skills as follows:



| Training Courses/Seminars/Activities                             | Number of Participants |
|--|------------------------|
| Chairman Forum 2024  | 1 Person               |
| CAC Certification Ceremony 2024                                  | 1 Person               |
| National Director Conference 2024                                | 1 Person               |
| Independent Director Forum 2024                                  | 1 Person               |
| Strategic Board Master Class (SBM) 14/2024                       | 1 Person               |
| ESG in the Boardroom: The Practical Guide for Board Class 6/2024 | 1 Person               |
| The Automotive Industry: 2024 Review and 2025 Outlook            | 10 Persons             |

### Performance Evaluation of the Board of Directors

The Board of Directors conducts an annual self-assessment to ensure that corporate governance is carried out thoroughly and effectively. The results of the assessment are used as a guideline for the continuous improvement and development of corporate governance practices.

The company has developed its evaluation form based on the self-assessment example provided by the Stock Exchange of Thailand, adapted to fit the characteristics of the Board of Directors. The results of the evaluation are communicated to the Board of Directors for acknowledgment.

#### Self-Assessment Results:



#### 1. The Board of Directors The Executive Committees

|                               |                          |
|-------------------------------|--------------------------|
| The entire Board of Directors | Average Score 2.88 ★★★★★ |
| Individual Directors          | Average Score 2.88 ★★★★★ |

#### 2. The Sub-Committees

|  |                          |
|--|--------------------------|
| The Sub-Committees   | Average Score 2.86 ★★★★★ |
| The Audit and Corporate Governance Committee:                | Average Score 2.98 ★★★★★ |
| The Nomination and Remuneration Committee                    | Average Score 2.73 ★★★★★ |
| The Risk Management and Sustainability Development Committee | Average Score 2.91 ★★★★★ |

**Note:** The full score of evaluation criteria: 3 ★★★★★

The Company participated in the following corporate governance assessments:

1. Corporate Governance Report (CGR), conducted by the Thai Institute of Directors Association (IOD). This initiative aims to monitor and evaluate corporate governance practices in Thailand against international standards. The Company received an overall rating of **“Excellent”** in all assessment categories.

#### Corporate Governance Report: CGR

The Corporate Governance Report (CGR) survey, conducted by the Thai Institute of Directors Association (IOD). This survey’s objective is to monitor and evaluate the corporate governance practices of listed companies in Thailand against international standards. The Company achieved an **“Excellent”** rating across all evaluated categories.



#### Goals for

2024 Excellent

#### Performance Results

2567 Excellent

2566 Excellent

2565 Excellent

The assessment results demonstrate the Company’s ongoing commitment to and development of good corporate governance. The Board of Directors emphasizes the importance of a systematic balance of power within the organization, along with fostering transparency and accountability.

The Company has reviewed and refined its operational authorities to ensure they are robust and appropriate, aligning with its business model and recent structural adjustments. This approach aims to reinforce confidence among shareholders, investors, and stakeholders, while also supporting sustainable business growth.

## Enhancing Corporate Governance Systems

The Company has elevated its training program by mandating employees at all levels to complete an online corporate governance course and examination for the first time this year. This initiative aims to enhance awareness and understanding of corporate governance principles throughout the organization. In addition, the Company developed short film-based learning materials to ensure accessibility for all employees. The curriculum covers foundational knowledge of good corporate governance principles and business ethics, supplemented by relevant case studies from everyday situations to enable practical application in their work.

As a result, **98%** of employees across the Somboon Group completed the training and examination, with a **96%** pass rate.



**SOMBOON ACADEMY**

เสริมสร้างการเรียนรู้ที่ไม่สิ้นสุดอย่างสนุกสนาน ด้วย 2 คอร์ส ผ่านคลิปวิดีโอสั้น กับนักแสดงรับเชิญหน้าตาคุ้นเคย

**1. หลักสูตรความรู้เบื้องต้นเกี่ยวกับสิทธิมนุษยชน**

ช่องทาง การเข้าเรียน และสอบ

**2. หลักสูตรความรู้เกี่ยวกับการกำกับดูแลกิจการที่ดี (GOOD CORPORATE GOVERNANCE)**

Case Study 1 : การปฏิบัติตามกฎระเบียบภายในบริษัท  
Case Study 2 : การรักษาข้อมูลความลับของบริษัทหรือลูกค้า  
Case Study 3 : ความขัดแย้งทางผลประโยชน์  
Case Study 4 : นโยบายต่อต้านการทุจริตและนโยบายการแจ้งเบาะแสการกระทำผิด

Scan Me

- For executives and employees at the managerial level and above, including those involved in procurement activities.

The Company mandates an annual Conflict of Interest Report to proactively prevent potential conflicts of interest. New employees must submit their initial report upon joining the Company, and all employees are required to report any subsequent changes to their relevant information.

- Insider List and Blackout Period Policy

The Company maintains a defined Insider List and enforces a Blackout Period during which individuals with access to material non-public information are prohibited from trading Company securities until at least one day after the relevant information has been publicly disclosed. The Company collects and reports this data quarterly to both the Audit and Corporate Governance Committee and the Board of Directors.

## Legal and Regulatory Compliance

The Company has implemented a governance framework to ensure strict adherence to all applicable laws and regulations. The Compliance Department continuously reviews and updates the legal register, and provides regular quarterly reports to the management, as well as to the Audit and Corporate Governance Committee.

In 2024, the Company recorded no significant instances of non-compliance with laws or regulations, nor were there any associated fines or other penalties.

