



## Sustainability Report 2023

Somboon Advance Technology Public Company Limited

Drive Business  
toward a **Sustainable**  
**Future**



SMART PEOPLE



BUSINESS TRUST



GROWTH SOCIETY



|   |           |   |            |  |
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## About the Report

Companies in Somboon Advance Technology developed this Sustainability Report 2023 to present sustainability development in its 10th 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 company's operation, according to the Somboon Triple Bottom Line philosophy: Smart People, Business Trust, and Growth Society from 1st January 2023 to 31<sup>st</sup> December 2023.

## Approach to Reporting

This 2023 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 toward 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 company's performance. The scope includes information for both the automotive industry and agricultural machinery industry and the subsidiary of Somboon Group, including:

1. Somboon Advance Technology PCL (SAT)
2. Somboon Malleable Iron Industrial Co., Ltd. (SBM)
3. International Casting Product Co., Ltd. (ICP)
4. Somboon Forging Technology Co., Ltd. (SFT)
5. Bangkok Spring Industrial Co., Ltd (BSK)

In 2023, increased coverage of some of the businesses with direct and indirect investment proportions-namely, companies

1. SOMBOON ADVANCE AGRICULTURE CO., LTD.
2. SOMBOON SIASUN TECH CO., LTD.
3. Somboon Tron Energy CO., LTD.

## For more information, please contact

Corporate Strategy and Sustainability Department

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Bang Phli District, Samut Prakan 10540

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## Message to Our Stakeholders

In 2023, the global economy remains in a state of slowdown due to various risk factors, including the Russia-Ukraine war and the Israel-Palestine war. These factors have slowed the economic recovery from the COVID-19 pandemic. Additionally, rising production costs and the high level of household debt in Thailand, along with the technological transition in the automotive industry from internal combustion engines to electric vehicles, have led to a decrease of more than 3% in domestic vehicle production compared to 2022. These factors have directly impacted Somboon Advance Technology Public Company Limited. However, with over 60 years of experience, the Company has made every effort to maintain sales by seeking new orders and managing costs efficiently through technological improvements and an emphasis on using renewable energy. As a result, the Company was able to maintain its sales and profit effectively, with a total revenue of 9,201 million baht and a net profit of 978 million baht in 2023, representing increases of 1% and 4% respectively from the previous year.

| Year 2023                              |
|--|
| Total revenue<br>9,201<br>million baht |
| Increases<br>1%                        |
| Net profit<br>979<br>million baht      |
| Increases<br>4%                        |

Despite the economic and industrial slowdown, the Company continues to pursue sustainability, considering a balance in all dimensions, including environmental, social, and governance (ESG) aspects, and adhering to the United Nations Sustainable Development Goals (UN SDGs). Under the business philosophy of "Somboon Triple Bottom Line" based on the philosophy of Sufficiency Economy, the Company achieved its sustainability goals in 2023 according to the ESG guidelines: 1) Environmental: Reduced greenhouse gas emissions from the production process by 30.5%, exceeding the target reduction of 11% compared to the baseline year of 2018. 2) Social: Created social value equal to 1.0% of net profit, surpassing the target of 0.5% of net profit. 3) Governance: Complied 100% with legal requirements. These achievements led to the Company receiving the Sustainability Awards of Honor for the 6th consecutive year from the Stock Exchange of Thailand.

Nevertheless, the Company continues to face national and global challenges, particularly in the ESG aspects, which pose both risks and opportunities that we must seriously prepare for.

The COP28 conference emphasized important environmental goals, including limiting global temperature increases to no more than 1.5 degrees Celsius, and reducing greenhouse gas emissions by 43% by 2030 and 60% by 2035. To respond to these targets, the Company needs to accelerate the study and planning of projects to efficiently reduce energy use and greenhouse gas emissions. Additionally, we continue to emphasize social and governance aspects by responding to customer needs, creating added value for society through production processes or employee potential, and enhancing supply chain management to promote sustainable growth and social and environmental responsibility.

On behalf of the Board of Directors, I would like to thank our shareholders, partners, customers, and business stakeholders, as well as our executives, employees, and all staff, for their continuous support of the Company's operations. Rest assured that amidst various risk factors, the Company will operate with caution according to corporate strategies, adhering to good governance principles and being responsible to society and the environment for the sustainable growth of the organization.

Ms. Napatsorn Kitaphanich  
President



## 2. Company General Information

- 2.1 The Company's Business
- 2.2 Operational Sustainability Framework
- 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 The Road to Sustainable Development
- 2.9 Awards and Appreciations 2021

### 2.1 The Company's Business

The company is in the midst of a business transition under the strategy

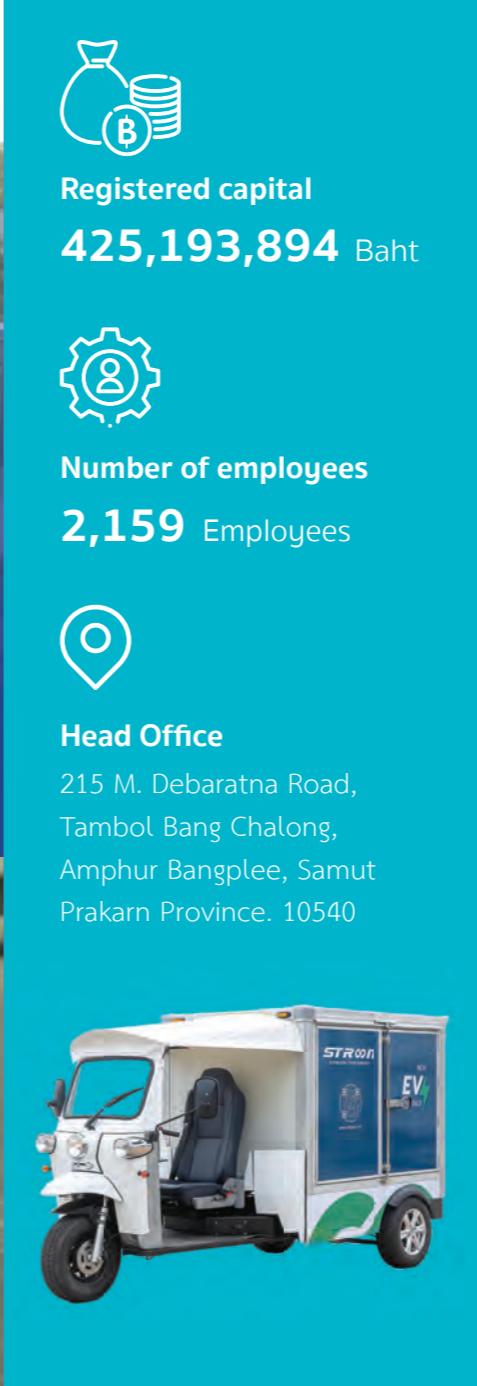
#### Drive Business toward a Sustainable Future

aiming to foster sustainable growth through four business groups



- 1 Automotive and Agricultural Machinery Parts Business Group  
Focusing on maintaining the business value of current core components and developing new parts to ensure continuity in xEV technology.
- 2 Electric Vehicle and Battery Assembly Business Group  
Operating in the modern electric vehicle sector through Somboon Tron Energy Co., Ltd. (STRON), developing and manufacturing electric three-wheeled vehicles and assembling batteries.
- 3 Robotics and Automation Systems Business Group  
Conducting business through Somboon Siasun Tech Co., Ltd. (SST) to develop the automation system business in the industrial sector and Smart Warehouse.
- 4 Agricultural Machinery Business Development Group  
Established Somboon Advance Agriculture Co., Ltd. to develop products that enhance the efficiency of agricultural processes through collaboration with partners.





**Location of the business unit**

Headquarter - Samutprakarn

**SOMBOON FORGING  
TECHNOLOGY CO.,LTD.**

**INTERNATIONAL CASTING  
PRODUCTS CO., LTD.**

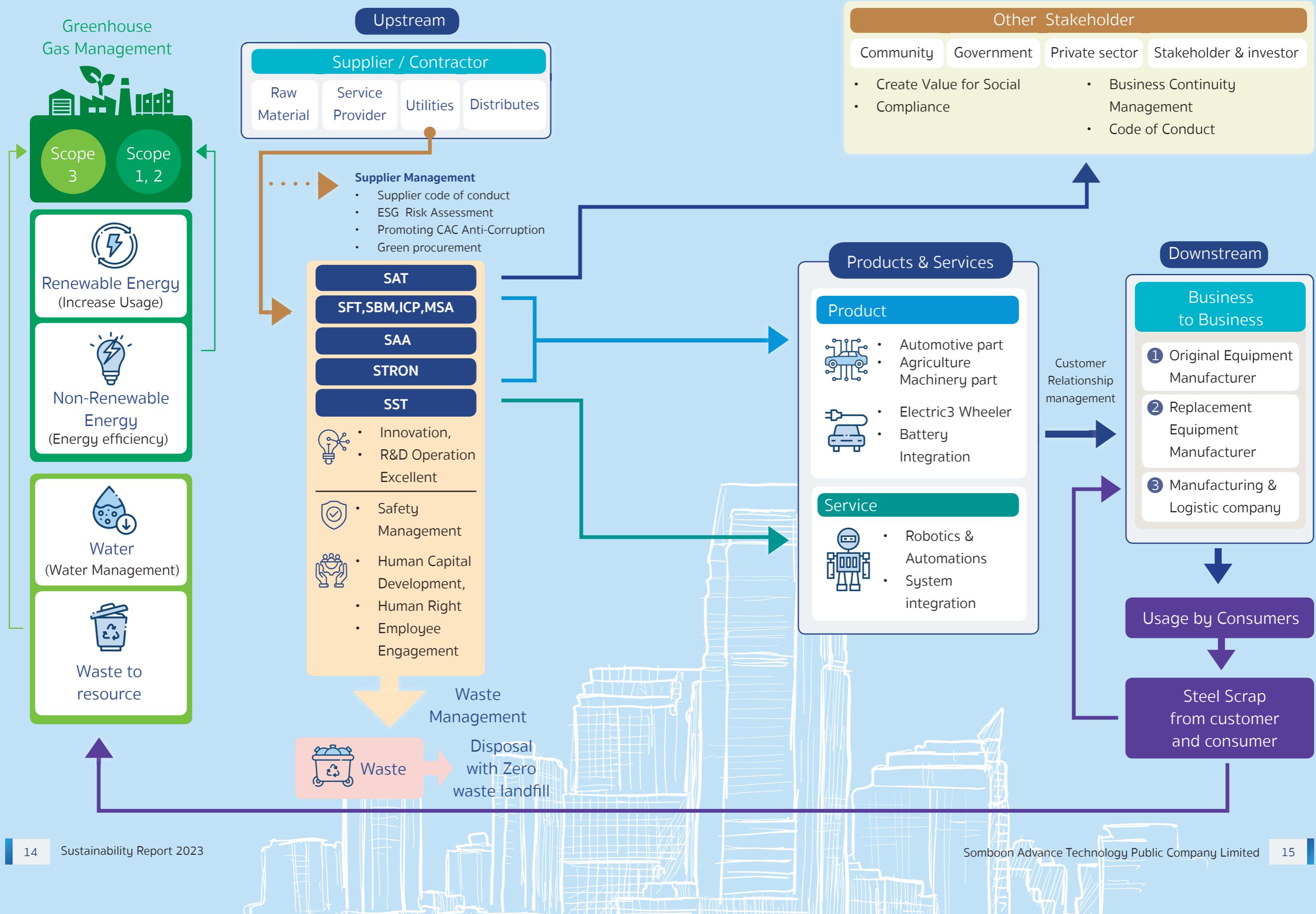
**SOMBOON MALLEABLE  
IRON INDUSTRIAL CO., LTD.**

**SOMBOON ADVANCE AGRICULTURE CO., LTD.**

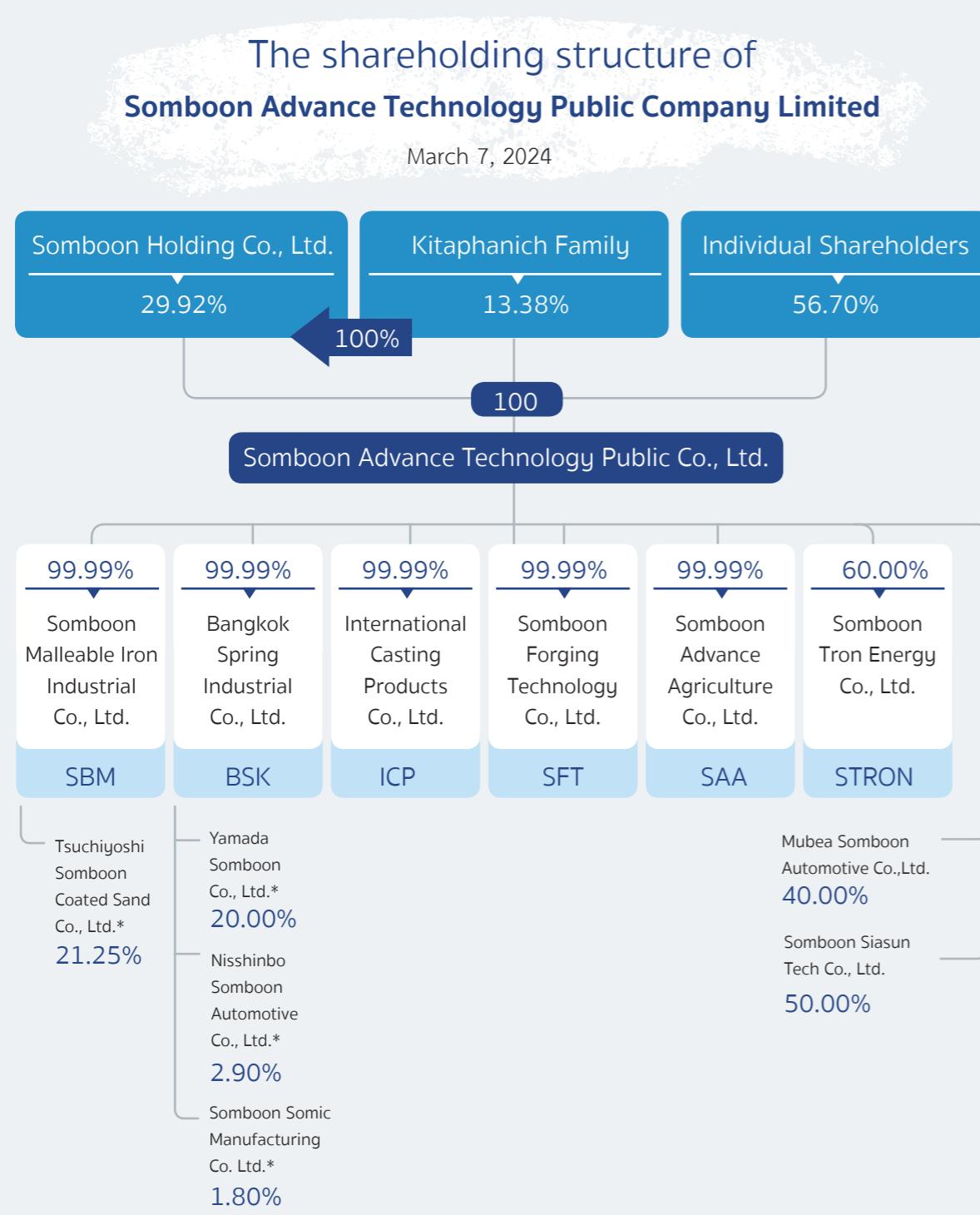
## 2.2 Operational Sustainability Framework



## 2.3 Business Value Chain



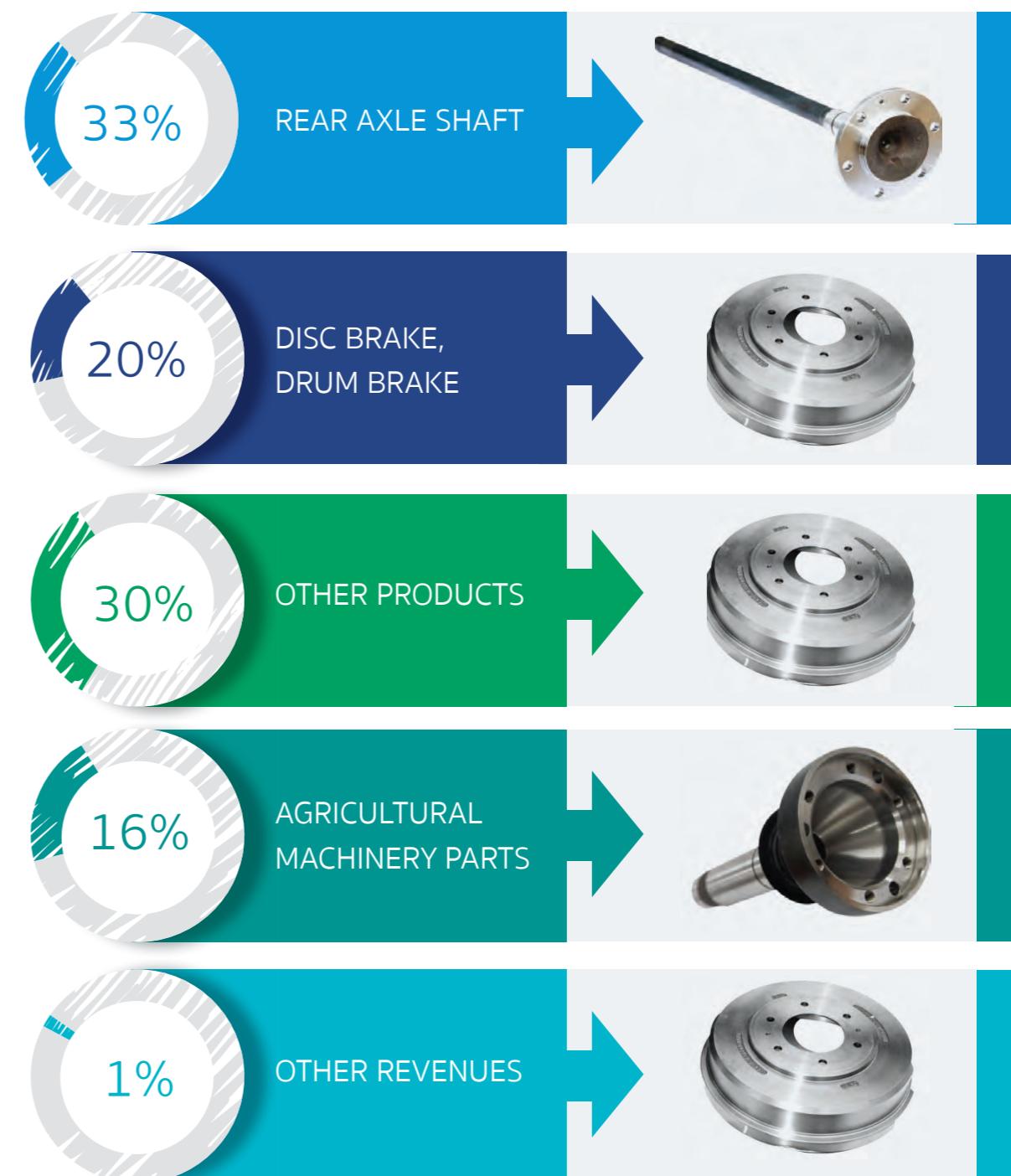
## 2.4 Shareholding Structure



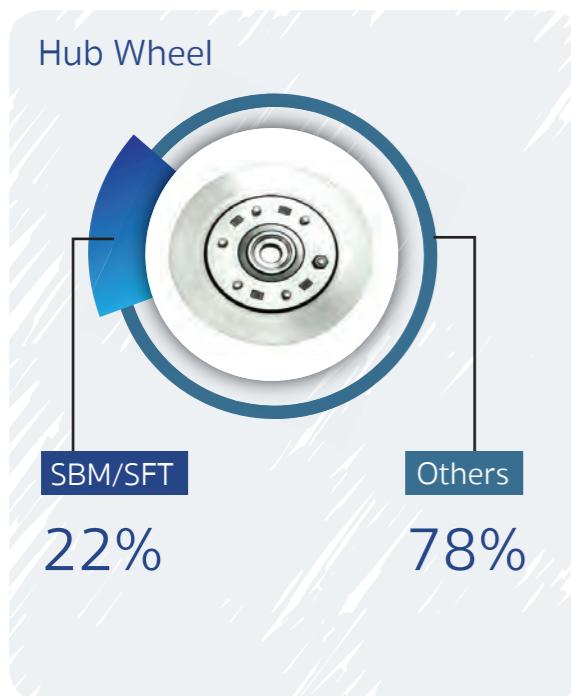
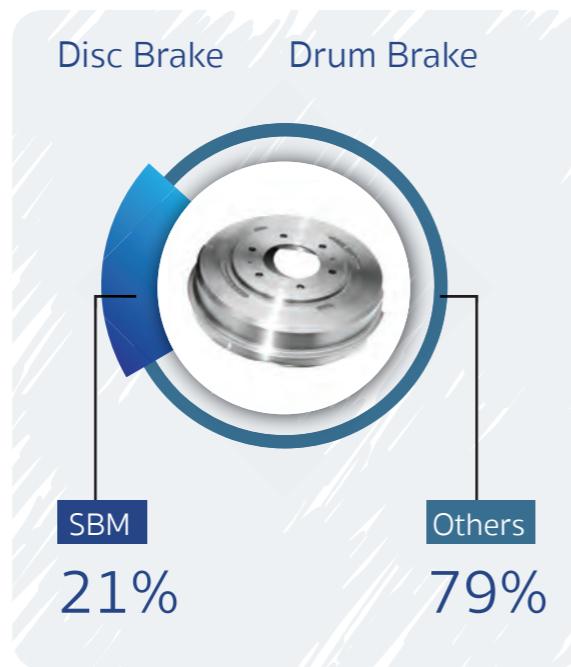
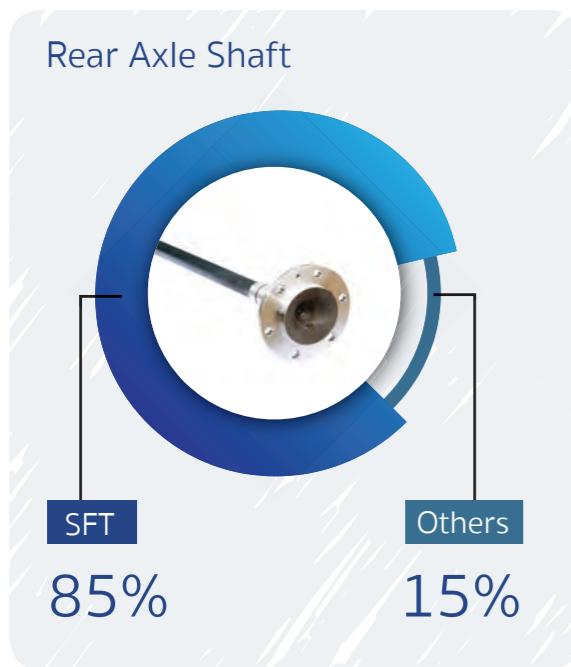
Remark : 1. \*No persons who may have conflict of interest are holding shares in the related companies exceeding 10%.  
2. Somboon Advance Agriculture Co., Ltd. ("SAA") has been registered as a juristic person on April 7, 2023

## 2.5 Main Products and Proportion of Revenues

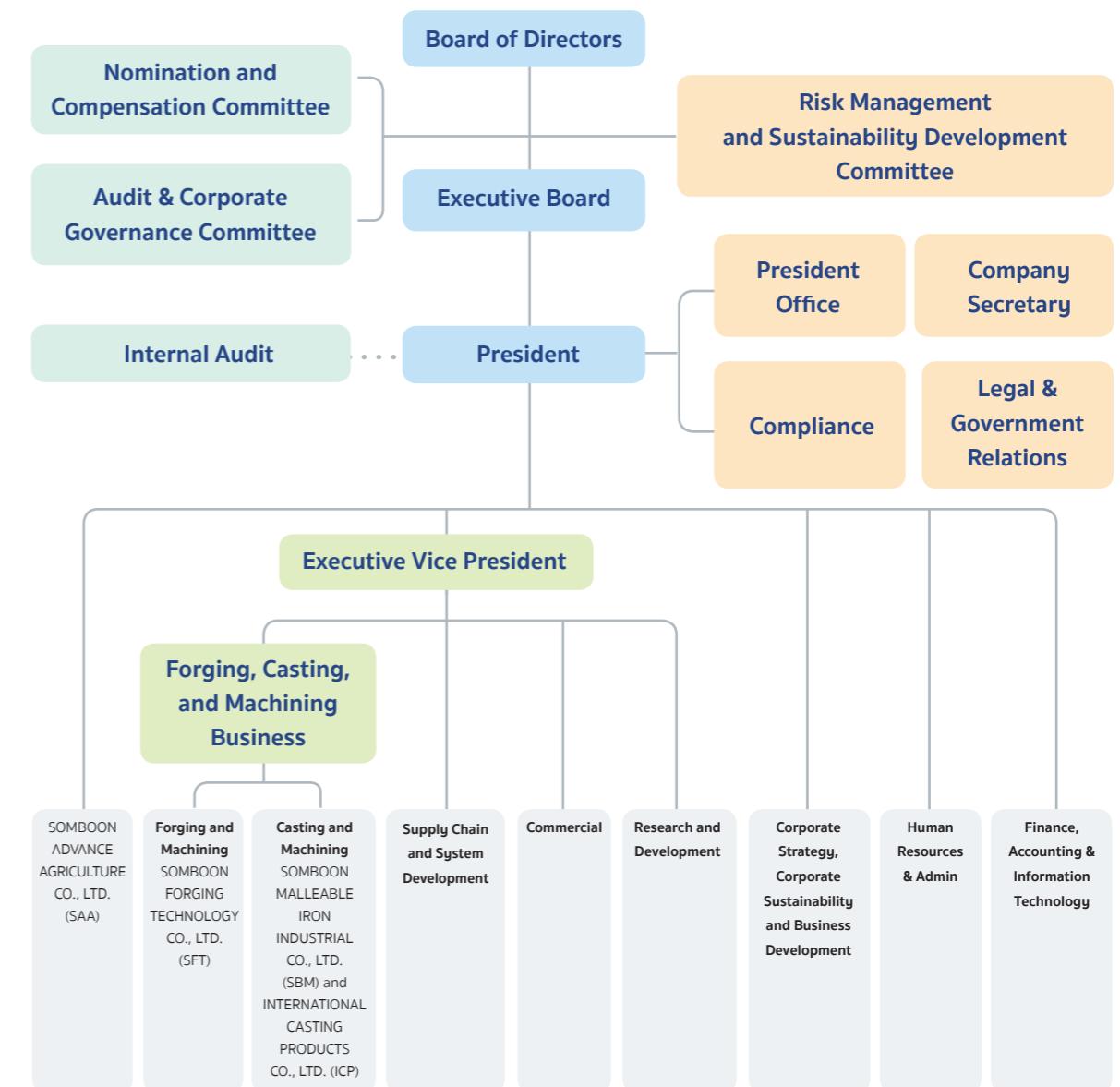
### AUTOMOTIVE PARTS



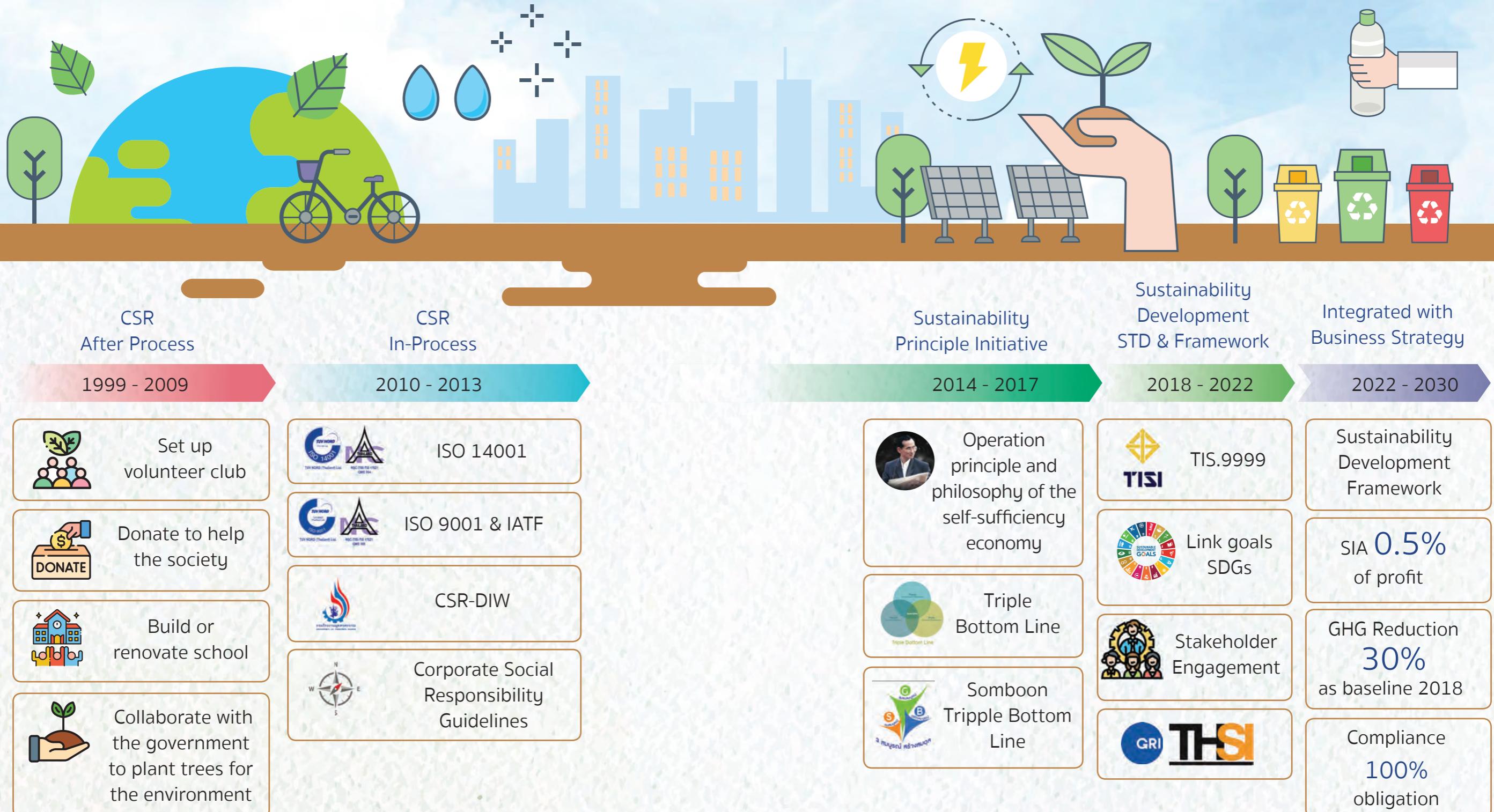
## 2.6 Market Share of Main Products



## 2.7 Organization Structure



## 2.8 The Road to Sustainable Development



## 2.9 Awards and Appreciations 2021

SAT received an award from the Stock Exchange of Thailand in collaboration with Money & Banking Magazine



selected for inclusion in the SET ESG Ratings



Environmental Awards

SFT, SBM, ICP

ICP received Amata Best waste management Award 2023 from Amata City Rayong, Industrial Estate

ICP, SBM

Carbon Footprint Certification for Organizations by the Thailand Greenhouse Gas Management Organization (Public Organization)



Social Awards

SAT

The company has been awarded the "Private Sector Moral Health Learning Center" plaque, being one of the 23 organizations nationwide selected as a learning source for moral health in the private sector. This initiative is organized by the Moral Promotion Center (Public Organization) and the Thai Health Promotion Foundation (ThaiHealth) under the collaboration project to promote mechanisms for fostering private sector moral health organizations.

SFT,SBM,ICP

The highest honor award for outstanding establishments in labor relations and welfare at the national level for the year 2023, marking the 6<sup>th</sup> year at the national level

SBM

Golden Award, Thailand Quality Prize Award 2023: Technology Promotion Association Thailand - Japan

ICP

Bronze Award, Thailand Kaizen Award: Technology Promotion Association Thailand - Japan

SFT, SBM

SAT1, SAT2, and SBM received the 2021 CSR-DIW Continuous Award

SFT

SFT received the 2021 National Outstanding Prototype Enterprise for Safety, Occupational Health and Work Environment (Gold Level) for the third consecutive year



Good Governance Awards

SAT

Corporate Governance Report of Thai Listed Companies 2021 (CGR): Excellent Level (Excellent CG Scoring)

SAT

CAC Change Agent Award 4<sup>th</sup> from the Thai Private Sector Collective Action Against Corruption (CAC)



## 3. Stakeholder Engagement and Materiality

### 3.1 Stakeholder Engagement

#### 3.2 Identifying Materiality

### 3.1 Stakeholder Engagement

The company prioritizes the engagement of all stakeholder groups, operating in accordance with the AA1000SES stakeholder engagement standard to define a management plan for stakeholders' expectations and respond to key expectation issues. The process is as follows:



 Identify Stakeholders  
Relevant units must identify stakeholders based on significant relevance, such as responsibility, influence, relationships, etc.

 Prioritizing  
Prioritize relationships by considering the influence of stakeholders on the business operations and the impacts from the company's operations to those stakeholders.

 Defining Action Plans and Responsibilities  
Define action plans in the form of a master plan for sustainability development according to the priority, and carry out actions through appropriate channels and frequency.

 Monitoring Results for Reporting and Reviewing Plan  
Monitor the progress through the SD Roadmap and report the results to the Sustainability Development Committee at executive level and to the company's board.

## 1. Stakeholders and Materiality Prioritization

The stakeholders of the company include individuals who are positively or negatively impacted by the company's operations or those who may influence the business operations. Stakeholders are categorized into six main groups: employees, shareholders and investors, customers, partners, the community, private development agencies, governmental and regulatory bodies. Prioritization of stakeholder groups is conducted to ensure appropriate engagement strategies with stakeholders as follows:



## 2. Stakeholder needs or expectations, as well as the actions taken in response

### Employee

#### Needs or expectations

- Development of potential for stability and advancement in work
- Fair compensation and benefits
- Workplace safety and a pleasant working atmosphere
- Equal treatment of employees
- Data privacy protection

#### Actions in Response

- Conduct individual competency development programs
- Establish a welfare committee
- Create a policy and an EHS Committee comprised of employer and employee representatives
- Form a business continuity management committee to be responsible for issuing policies and guidelines for employees, during the COVID-19 outbreak
- Develop SAT culture to lead everyone in the same direction
- Implement a policy to ensure adherence to the PDPA principles

#### Communication and engagement channels

- Direct communication from senior management to employees through a quarterly panel discussion
- Quarterly communication through the forum that allows Executive Management to communicate to the management level
- Employee Committee, Welfare Committee and Safety Committee meetings
- Annual two-way performance appraisal
- Social Media Communication platforms including Line Chat (SAT Group, Somboon Group) and Facebook page (Somboon Group page)
- Biannual employee engagement surveys - We Care
- Internal and external websites of the Company
- Complaint channels <https://www.satpcl.co.th/en/corporate-governance/whistleblowing-no tice/whistlebowing-notice-policy>

| <b>Shareholders and investors</b>   |  |
|---|--|
| <b>Needs or expectations</b>  | <b>Actions in Response</b>   |
| <ul style="list-style-type: none"> <li>• Decent returns</li> <li>• Business Growth</li> <li>• Responsibilities on environmental, social and governance (ESG), including risk management</li> </ul>  | <ul style="list-style-type: none"> <li>• Appropriate dividend payment to shareholders</li> <li>• Developing business opportunities for growth</li> <li>• Implement good corporate governance principles in business operations by incorporating risk management and business continuity management</li> <li>• Management and development of the organization for sustainable growth by integrating ESG development principles into the corporate strategy</li> </ul> |
| <b>Communication and engagement channels</b>  |  |
| <ul style="list-style-type: none"> <li>• Annual General Meeting for shareholders</li> <li>• Opportunity Day via the Stock Exchange of Thailand</li> <li>• Company visit</li> <li>• Annual report</li> <li>• Sustainability report</li> <li>• Company website</li> <li>• Complaint channels</li> </ul> |  |

| <b>Customers</b>  |  |
|---|--|
| <b>Needs or expectations</b>  | <b>Actions in Response</b>   |
| <ul style="list-style-type: none"> <li>• Efficient, quality and on time production and delivery</li> <li>• Managing the production line and implementing risk prevention measures against business interruptions</li> <li>• Reduce the environmental impact while providing social value to customers</li> <li>• Compliance with guidelines and value chain requirements</li> <li>• Data security and privacy</li> <li>• Collaboration to solve problems with customers</li> </ul>  | <ul style="list-style-type: none"> <li>• Continuously developing raw materials and production processes to enhance cost competitiveness</li> <li>• Implementation of Safety Shop Floor Management with regular meetings to report and monitor key performance indicators in the production line</li> <li>• Planning to ensure business continuity (BCP Plan)</li> <li>• Research and develop products to meet expectations in environmentally friendly automotive technology, including requesting carbon footprint certification for products from relevant agencies to confirm the accuracy of the data</li> <li>• Social activities with customers</li> <li>• PDPA compliance policy</li> </ul> |
| <b>Communication and engagement channels</b>  |  |
| <ul style="list-style-type: none"> <li>• Collaborative activities in product development to meet the needs of consumers, society, and the environment.</li> <li>• Collaboration in the development process for resource efficiency</li> <li>• Annual customer satisfaction survey</li> <li>• Annual customer policy acknowledgment meeting</li> <li>• Joint social responsibility management</li> <li>• Participation in customer-community activities</li> <li>• Sustainability report</li> <li>• Company website</li> <li>• Complaint channels</li> </ul> |  |

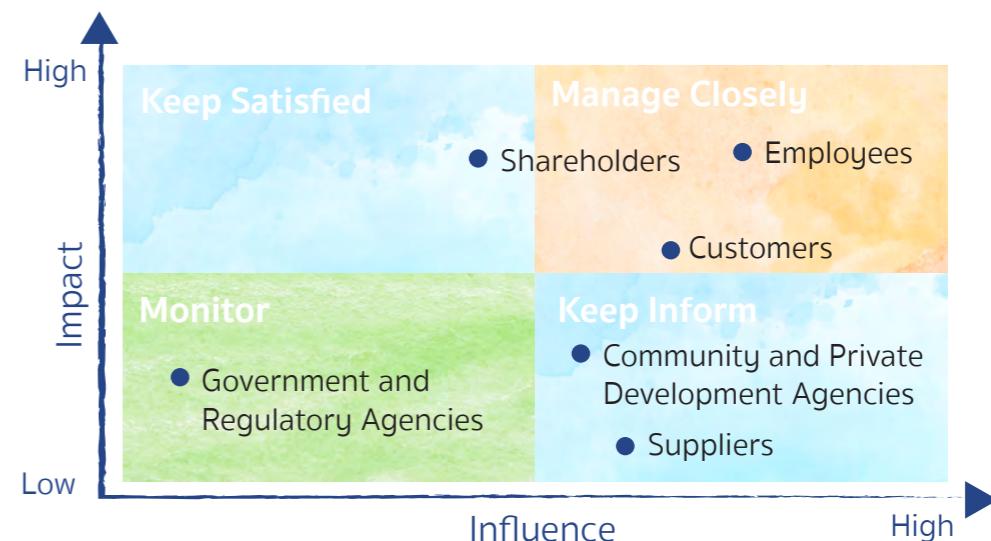
| Suppliers   |   |
|---|---|
| Needs or expectations   | Actions in Response   |
| <ul style="list-style-type: none"> <li>Co-develop potential and business growth</li> <li>Supplier Code of Conduct, Transparency and Equalityfair competition</li> </ul>   | <ul style="list-style-type: none"> <li>Development of Supplier Code of Conduct and standardization of procurement policies</li> <li>Projects for training and development of suppliers</li> <li>Fair treatment for all supplier, as stated in the Business Code of Conduct</li> </ul> |
| Communication and engagement channels   |   |
| <ul style="list-style-type: none"> <li>Annual supplier meeting</li> <li>Joint effort in the development of efficient use of resources in the production process</li> <li>Supplier site visit</li> <li>Sustainability report</li> <li>Company website</li> <li>Complaint channels</li> </ul> |   |

| Government and Regulatory Agencies   |  |
|--|--|
| Needs or expectations  | Actions in Response  |
| <ul style="list-style-type: none"> <li>Compliance with regulations, statutes, and state laws</li> <li>Collaboration on various projects with governmental agencies and the public sector</li> <li>Social and environmental responsibility</li> </ul> | <ul style="list-style-type: none"> <li>Strict adherence to regulations, statutes, and laws, implementing the ISO14001 environmental management system framework</li> <li>Cooperation in state public sector activities, consistently supporting social activities with the government, such as CSR-DIW activities</li> </ul> |
| Communication and engagement channels  |  |
| <ul style="list-style-type: none"> <li>Monitoring public policies through various channels</li> <li>Joint meetings with governmental agencies for collaboration and alignment</li> <li>Sustainability Report</li> <li>Company website</li> </ul>     |  |

| Community and Private Development Agencies  |  |
|---|--|
| Needs or expectations   | Actions in Response  |
| <ul style="list-style-type: none"> <li>Promotion of job creation and education to strengthen the community sustainably</li> <li>Proper environmental care without impacting the community</li> <li>Assistance during the COVID-19 situation</li> </ul>                          | <ul style="list-style-type: none"> <li>Implementing projects to create jobs and educational opportunities for the community, such as employing disabled individuals and opening schools for the elderly</li> <li>Educational promotion projects such as , offering scholarships and dual vocational training programs for students to intern</li> <li>Compliance with EIA measures and promoting CSR-DIW activities</li> <li>Community assistance projects during the COVID-19 situation</li> <li>Donations to the underprivileged</li> <li>Prototype projects for affordable electric wheelchairs for disabled individuals</li> </ul> |
| Communication and engagement channels   |  |
| <ul style="list-style-type: none"> <li>Initiating dialogues and meetings with the community following EIA and CSR-DIW principles</li> <li>Field visits to assess community needs</li> <li>Participation in project meetings driven by the company for sustainability</li> </ul> |  |

**Summary of Key Operational Results**  
The assessment of activities aimed at meeting stakeholder expectations and engagement through various channels revealed that the level of impact and influence on the organization by stakeholders varies among groups. This assessment has been utilized to define approaches and stakeholder management processes differently according to the matrix below:



Furthermore, from the analysis of the environmental condition, the direction of related industry development, the organization's strategic plan, and stakeholder opinion surveys, it was found that the most critical issues for stakeholders are 5 key strategic areas:

- 1) Development of strategies for growth and competition
- 2) Development of new business opportunities for growth
- 3) Management and development of employees for the future
- 4) Development of corporate governance and risk management
- 5) Development of technology and innovation

As per the assessment table below:



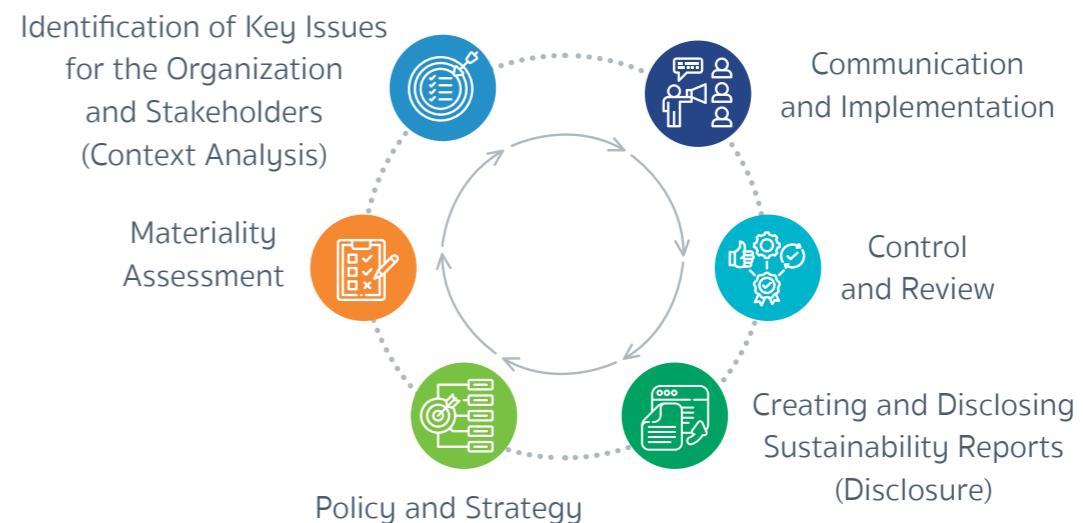
Important Environmental Factors:

1. Changes in the automotive industry
2. Diversity of employees within the organization
3. Technological development, such as Digitalization
4. Emerging risks and volatility of the economy and industry

## 3.2 Identifying Materiality

The company conducts a review of material sustainability topics by considering issues from both internal and external contexts of the organization. This involves listening to the changing needs or expectations of stakeholders over the course of the year and internal organizational factors that change to align with the organization's vision and mission. This information is then used to assess the impact in the short, medium, and long term for the organization, in order to effectively define policies and strategies for sustainability, action plans, and responsible persons as follows:

### Steps in Determining Key Business Issues:



#### 1. Identification of Key Issues for the Organization and Stakeholders (Context Analysis)

The company compiles sustainability topics following the ESG (Environmental, Social, and Governance) guidelines, considering external factors that affect the company's business operations through a critical tool, the STEEP Analysis. This analysis evaluates trends and directions in sustainability, economic situations, government policies, industry trends, and internal organizational factors including the organization's vision, mission, and long-term goals. The strategic direction of the organization's business operations is also considered, along with the identification of key stakeholders to listen and review their needs and expectations.

#### 2. Materiality Assessment

The Corporate Strategy and Sustainability Development units collaboratively gather information from both internal and external factors to assess significant issues or opportunities. Managers from each department are responsible for evaluating the level of importance by scoring and assessing the issues or opportunities that have the highest or most significant impact on the organization and its stakeholders.



The information is then presented to the Executive Sustainability Development Committee to summarize the assessment of key business issues before being presented to the Risk Management and Sustainable Sustainability Development Committee for consideration of approval for disclosure and action, and to develop strategies to address these key issues.

### 3. Policy and Strategy Formulation

Once key issues have been identified and prioritized, the Sustainability Development unit coordinates with relevant departments to define long-term sustainability goals and activities collaboratively. This leads to the definition and review of sustainability policies, followed by the presentation of strategies and objectives to the Executive Sustainability Development Committee for approval.

### 4. Communication and Implementation

After sustainability policies and objectives have been established, the company communicates these policies for implementation to ensure that every employee understands and follows the policies responsibly. The methods of communication and policy implementation include:

- Top Management Communication Activity: Engaging in communication and fostering understanding about policies and plans at the highest level of the organization.
- Communicating with Employees at All Levels: Ensuring that employees at all levels are informed through various communication channels such as meetings, emails, or the use of an internal website to facilitate quick access to information, including the use of social media.

### 5. Control and Review

Once the policies and plans are in operation, monitoring, controlling, and reviewing the objectives are crucial steps that ensure operations align with the set goals as follows:

- Monitoring and Data Collection: The company actively monitors and gathers information regarding its policies and goals on a quarterly basis. During this process, significant data is collected while the plan is being executed. This ensures that all relevant information regarding the progress towards achieving the set objectives is accurately captured.
- Presenting Monitoring Results: The results from the monitoring activities are presented to the Executive Sustainability Development Committee every quarter. This presentation aims to evaluate the performance against the predetermined objectives and make decisions regarding any necessary modifications to the plan or actions to ensure the achievement of future goals.

### 6. Creating and Disclosing Sustainability Reports (Disclosure)

To ensure transparency of information, once the data is presented to the executive team and approval for disclosure is received, the Sustainability Development unit will disclose information in accordance with the Global Reporting Initiative (GRI) standards. This includes arranging for audits to certify significant operational outcomes, such as the calculation of greenhouse gas emissions in Scope 1, 2, and 3, among others.

## Assessment Results of Key Business Issues



## Importance to SAT in Economic , Environmental and Social impact



The company has assessed key business issues in three areas: 1) Environmental, 2) Social, and 3) Good Governance 16 issues that may impact business operations regarding opportunities and risks were evaluated. The assessment results are as follows:

### Environmental Aspect Key Issues

#### 1 Energy Management

##### Impacts

- Changes in laws or policies related to energy may pose risks to business operations.
- Enhancing credibility with stakeholders through the use of clean and sustainable energy boosts the business image.
- Creates new opportunities for business development and new products that meet the demands of the evolving energy market.



##### Operations

- Promote the use of renewable energy.
- Efficient use of energy in production processes.
- Encourage the use of electricity from environmentally friendly sources.
- Verification of greenhouse gas emissions.

#### 2 Climate Change Management

##### Impacts

- Creates new opportunities for developing and offering environmentally-related products or services.
- Provides opportunities for businesses to participate in projects promoting environmental conservation or energy efficiency, potentially reducing long-term operational costs.
- Adapts to develop new products or services that respond to the changing behavior of consumers who are increasingly concerned about environmental impacts.



##### Operations

- Promote the use of renewable energy.
- Efficient use of energy in production processes.
- Encourage the use of electricity from environmentally friendly sources.
- Verification of greenhouse gas emissions.

#### 3 Waste Management

##### Impacts

- Effective waste management can help reduce costs associated with waste handling and improve production systems.
- Waste management can be costly due to the need for investment in complex technologies for efficient waste handling.



##### Operations

- Reducing waste volume by applying the principles of 3R (Reduce, Reuse, Recycle).
- Creating value from waste.

#### 4 Raw Material Management

##### Impacts

- The scarcity of raw materials or fluctuations in their prices can affect the continuity of business operations.
- Efficient raw material management helps reduce production costs and enhance competitiveness by minimizing waste in the production process and improving resource utilization.



##### Operations

- Sourcing or changing additional raw material sources.
- Collaborating with partners and customers to test the quality of products made from new raw materials.

#### 5 Pollution Management

##### Impacts

- Enhancing work efficiency: A good work environment leads to healthier, happier employees who work more effectively.
- Non-compliance with regulations can result in business disruptions or additional costs to rectify issues and compensate for impacts on the community.



##### Operations

- Regular air quality monitoring.
- Promoting efficient resource use.

## 6 Human Capital Development

### Impacts

- Developing employee skills helps build a proficient team, increasing work efficiency and reducing errors in the work process, leading to higher productivity and business efficiency.

### Operations

- Implementing individual development plans.
- Providing training and development, along with supporting lifelong learning.
- Organizing QCC Kaizen activities and competitions within the organization and participating in customer activities to promote analytical thinking that can enhance work efficiency.

## 7 Occupational Health and Safety

### Impacts

- The occurrence of accidents and injuries in the workplace can directly impact employees or disrupt business operations.

### Operations

- Implementing safety measures in the workplace to help reduce risks.
- Conducting training on safety standards and guidelines.
- Assessing risks related to occupational health and safety.
- Creating a suitable working environment.



## 8 Human Rights

### Impacts

- Non-compliance with laws and human rights violations pose legal risks and potential legal damages for the business.
- Respecting human rights and complying with laws build credibility with stakeholders.



### Operations

- Establishing clear and standardized policies and processes to prevent human rights violations.
- Supporting diversity and equality within the organization.
- Providing channels for human rights complaints.

## 9 Employee Engagement

### Impacts

- Increasing job security for employees, leading to higher engagement with the organization.



### Operations

- Creating a positive working environment.
- Offering benefits comparable to those in the same industry.
- Providing opportunities for employees to develop new skills and knowledge.

## 10 Creating Social Value

### Impacts

- Enhances the business's positive image, making the community see the business as sustainable and supporting social sustainability alongside business operations.



### Operations

- Research projects that increase social value through business processes or employee potential.
- Support educational and training programs that enhance skills and knowledge for youth, the elderly, and the underprivileged.
- Provide essential tools and resources to people with disabilities.

## Good Corporate Governance Key Issues

### 11 Regulatory Compliance and Anti-Corruption

#### Impacts

- Builds credibility with stakeholders, resulting in increased trust in business operations.
- Reduces legal risks by minimizing the chance of incurring fines for regulatory violations.



#### Operations

- Implement policies on good corporate governance and business ethics as guidelines for employees.
- Promote and support transparency by extending anti-corruption networks to partners.

### 12 Innovation and Product Development

#### Impacts

- Enhances the value and quality of products, increasing revenue.
- Improves the business's competitiveness.
- Financial and human resource investments increase the cost of developing and testing products.



#### Operations

- Research and analyze new products and business opportunities.
- Collaborate with customers during product development stages.
- Experiment with and test new products for continuous improvement and efficiency.
- Launch programs that encourage employee creativity.

### 13 Business Continuity Management

#### Impacts

- Inadequate continuity management can result in loss of customers, affecting revenue and business confidence.



#### Operations

- Establish business continuity management policies.
- Organize training courses and conduct business continuity management drills.

### 14 ESG Development in the Value Chain

#### Impacts

- Enables sustainable management of environmental, social, and governance risks.
- Improves supply chain efficiency by enhancing processes with supplier.



#### Operations

- Implement procurement policies.
- Establish a Supplier Code of Conduct.
- Conduct ESG risk assessments with supplier.
- Develop or upgrade supplier programs.

### 15 Customer Relationship Management

#### Impacts

- Increases customer satisfaction, leading to long-term relationships.
- Enables the delivery of products or services that meet customer needs, boosting sales and revenue.



#### Operations

- Reduce production costs.
- Collaborate with customers in product development stages.
- Conduct annual customer satisfaction surveys.
- Engage in customer activities.

### 16 Improving Production Efficiency

#### Impacts

- Enhances competitiveness, allowing the business to produce high-quality products or services at competitive prices.
- Reduces production costs in terms of materials, energy, and time, leading to lower production costs and increased revenue.



#### Operations

- Implement new technologies such as automation and robotics.
- Lean Manufacturing
- Quality Management Systems



## 4. Sustainable Development

### 4.1 Management for Sustainability

#### 4.2 Supporting Sustainable Development Goals (SDGs)

### 4.1 Management for Sustainability

The company propels sustainable development with the philosophy of “Somboon Triple Bottom Line.”

The company adheres to the operational philosophy of “Somboon Triple Bottom Line,” comprising Smart People, Business Trust, and Growth Society, to drive sustainable development in line with ESG (Environmental, Social, and Governance) principles and the framework for sustainability operations.

The company has integrated practices according to the sufficiency economy philosophy, criteria, and international standards for sustainability and social responsibility, aligned with its vision, mission, and business strategies. This operational framework includes:

Adherence to the United Nations Global Compact (UNGCG)



Sustainable Development Goals (SDGs)

Requirements and expectations of stakeholders

#### Review of Sustainability Policy

The company examines and monitors trends and changes in the economy, society, and environment worldwide, especially in the automotive industry, affecting the organization's sustainable operations. In 2023, the company reviewed the sustainability policy for 2023 - 2026 to address key business issues and improve efficiency in achieving goals, in line with the current and future business context of the company.

#### Integration of SDGs Goals into the Company's Sustainability Development

The company integrates 7 SDGs directly related to its business into its operational strategy across the business value chain to increase positive impacts and reduce negative impacts from its operations.

#### Management Approach

In 2023, the company announced the establishment of a Risk Management and Sustainability Development Committee, including President as one of the members. Main responsibilities of this committee are as follows:

- Define the direction of policies and management approaches for risk and sustainability development of the company.
- Monitor the performance in risk and sustainability areas.
- Consider sustainability materiality topics and review the annual sustainability development report.
- Propose risk management and sustainability management strategies to the company's board of directors.

This committee is set to meet regularly four times a year to monitor the company's sustainability performance, review reports and suggestions on risks and sustainability, and report to the company's board.

|   |  |  |
|---|--|--|
|    | Risk Management and Sustainability Development Committee             | Sets the direction and policy for risk management and sustainability development                               |
|    | Sustainability Development Committee (Executive Level)               | Sets strategies, plans, and operations in line with the direction and policies for sustainability              |
|   | Corporate Strategy and Sustainability Development Department         | Drives, supports operations, monitors, and reports results to the company's board                              |
|  | Representatives from various operational lines in each business unit | Responsible for implementing sustainability projects and participating in the assessment of key business issue |

### Sustainability Development Operations

The company is committed to continually developing its sustainable operations, following these main guidelines:

#### 1. Set clear sustainability development goals and policies

The company establishes clear, tangible sustainability development policies and goals, conducting a materiality assessment to analyze and prioritize issues that are important to stakeholders and the organization. This forms the basis for strategy, objective setting, and operational guidelines, as well as the organization's decision-making process.

#### 2. Develop strategies and plans to achieve goals

The company develops clear strategies and plans to achieve sustainability development goals, outlining operational approaches, timelines, resources, and responsibilities.

#### 3. Allocate necessary resources

The company allocates necessary resources, including financial, personnel, technology, and knowledge, to support sustainable operations. This includes considering the application of new technologies in operations.

#### 4. Define personnel responsibilities

The company assigns responsibilities to departments and all levels of personnel to drive sustainability operations. Every employee has a crucial role in achieving the organization's sustainability goals.

### 5. Personnel Training

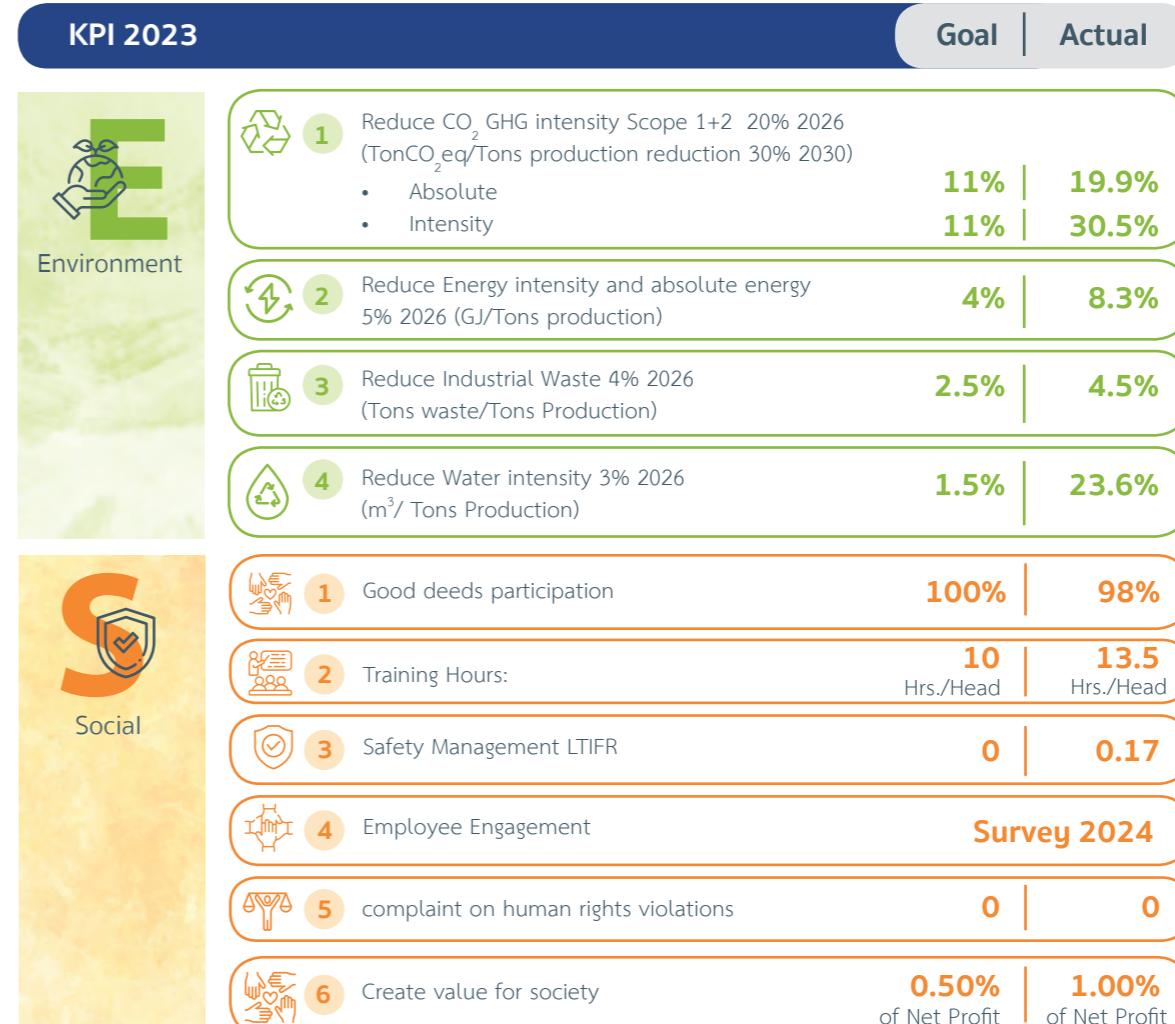
The company provides training on sustainability development to new employees and integrates sustainability topics into courses and various activities to enhance knowledge, understanding, and the necessary skills for sustainability development operations.

### 6. Communicate with Stakeholders

The company regularly communicates with stakeholders about goals, policies, strategies, and the results of sustainability development operations. Effective communication helps build understanding, cooperation, and support from stakeholders.

### Monitoring and Operational Results

The company has an efficient system for monitoring the results of its sustainability operations, using Key Performance Indicators (KPIs) that align with its sustainability goals and policies. These are analyzed and regularly reported to the Sustainability Committee to monitor progress, documenting operational outcomes.





|   |  |              |             |
|---|--|--------------|-------------|
| 1 | Customer satisfaction  | 100%         | 96.5%       |
| 2 | BCP 100% Mock Drill  | 100%         | 100%        |
| 3 | CyberSecurity Level  | 80%          | 92%         |
| 4 | QCC/Kaizen Participation   | 100%         | 100%        |
| 5 | Anti-corruption Supplier Commitment with SAT (New Supplier)                                    | 100%         | 100%        |
| 6 | Anti-corruption Supplier Commitment with CAC (Focus Group)                                     | 100%         | 100%        |
| 7 | ESG Supplier Risk assessment (Focus Group)   | 100%         | 100%        |
| 8 | Employee code of conduct<br>• MGR Level (Training & Pass Test)<br>• Operation Level (Training) | 100%<br>100% | 100%<br>89% |
| 9 | Compliance   | 100%         | 100%        |



The company is committed to driving sustainable economic growth inclusively across society, through various projects, including skill-enhancement training and career guidance, to help personnel develop potential and readiness for work. It also promotes workplace safety, resulting in a reduction in work-related accidents.

- The Lost Time Injury frequency rate (LTIFR): 0.17 (per 1,000,000 working hours)
- Employment of disabled individuals within the nearby community: 24 individuals



The company contributes to making urban communities inclusive, safe, resilient, and adaptable to change by increasing green spaces within the company, helping reduce air pollution, and conducting environmental conservation activities that raise employee awareness, such as beach cleanups, straw mulching, etc. Additionally, the company has participated in preserving local culture and traditions by supporting and participating in local activities, such as establishing and driving the Elderly Learning Center in Bangchalong for the 4<sup>th</sup> generation, continuous employment of disabled individuals in the community for the 7<sup>th</sup> year, and donating electric wheelchairs for the disabled.

- Representative of a strong private sector entity following the philosophy of the Sufficiency Economy in Bangchalong, Bang Phli, Samut Prakan province
- Reduction in greenhouse gas emissions from beach cleanups: 429 kgCO<sub>2</sub>eq
- Elderly individuals participating in the Elderly Learning Center project: 47 individuals
- Wheelchairs donated to disabled individuals, students, employees, employee families, and patients: 89 individuals

## 4.2 Supporting Sustainable Development Goals

The company plays a role in driving sustainable development in accordance with the United Nations Sustainable Development Goals (SDGs), serving as a global framework for achieving sustainable development that covers 7 goals related to social, economic, and environmental issues.

The outcomes of operations that support and align with the United Nations Sustainable Development Goals for the year 2023.



The company has recognized the importance of equal quality education, including the development of internal personnel through the courses at Somboon Learning Academy, and closely collaborates with the public sector and the community to promote prioritized education and support learning opportunities without discrimination in local communities.

- The average training hours per employee is 13.5 hours.
- Supported youth and elderly in education: 216 individuals



The company has clear policies and goals for sustainable production and environmental responsibility, aiming to reduce energy consumption, water use, waste per unit of production, and enhance resource efficiency in production through renewable energy use, production process improvements, water management, and efficient waste management.

- Energy consumption reduction: 8.3%
- Water consumption reduction: 23.6%
- Waste reduction: 4.5%
- Waste recycled: 49,597 tons
- Community impact complaints: 0 cases



The company conducts its business considering climate change risks and is committed to achieving a 30% reduction in greenhouse gas emissions by 2030 through efficient resource management and sustainable practices according to Circular Economy principles, utilizing resources repeatedly, minimizing waste and pollution. Additionally, renewable energy is utilized.



The company is committed to fostering an inclusive society by establishing policies and guidelines to conduct activities responsibly, justly, and with respect for everyone's rights through Good Corporate Governance Policy and Code of Conduct, focusing on transparent management, governance, and stakeholder consideration. Additionally, the company extends its anti-corruption network throughout the supply chain.

- Greenhouse gas emission reduction: 30.5%
- Number of products certified for Carbon Footprint for Products in Circular Economy: 2 products, alongside promoting participation from stakeholders.

- Employees trained and tested on ethics and sustainability: 2,081 individuals
- Certified as a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC), with 13 suppliers declaring their intention with CAC



The company drives sustainable business and recognizes the importance of cooperation, both internally and externally, to achieve sustainable development goals. This includes the public sector, private sector, and local communities in various projects related to business, innovation, and society, where cooperation is a key force in promoting sustainable development. The company is committed to continuously building a cooperative network.

Member organizations



**TAIA** THAI AUTOMOTIVE INDUSTRY ASSOCIATION



Deutsche-Holzindustrie  
Gesellschaft e.V.



ASSOCIATION FOR SUSTAINABLE  
DEVELOPMENT OF THAILAND



THAI INSTITUTE  
FOR MANAGEMENT  
OF SUSTAINABILITY



WE SUPPORT  
UN GLOBAL COMPACT

carbon neutral network

UN GLOBAL COMPACT

- Collaborations with private entities such as the Equitable Education Fund (EEF), the Social Innovation Foundation, and the Thailand Association of the Disabled
- Local community collaborations, e.g., Bangchalong Subdistrict Administrative Organization, Ban Chang Municipality, Mab yangporn Subdistrict Administrative Organization, Khao Mai Kaeo Subdistrict Administrative Organization
- Educational institution collaborations, e.g., King Mongkut's University of Technology North Bangkok, Suranaree University of Technology, Ban Kha Technical College, Phra Mahathai Technology College



## 5. Governance and Sustainability

5.1 Good Corporate Governance

5.2 Business Ethics

5.3 Anti-Corruption

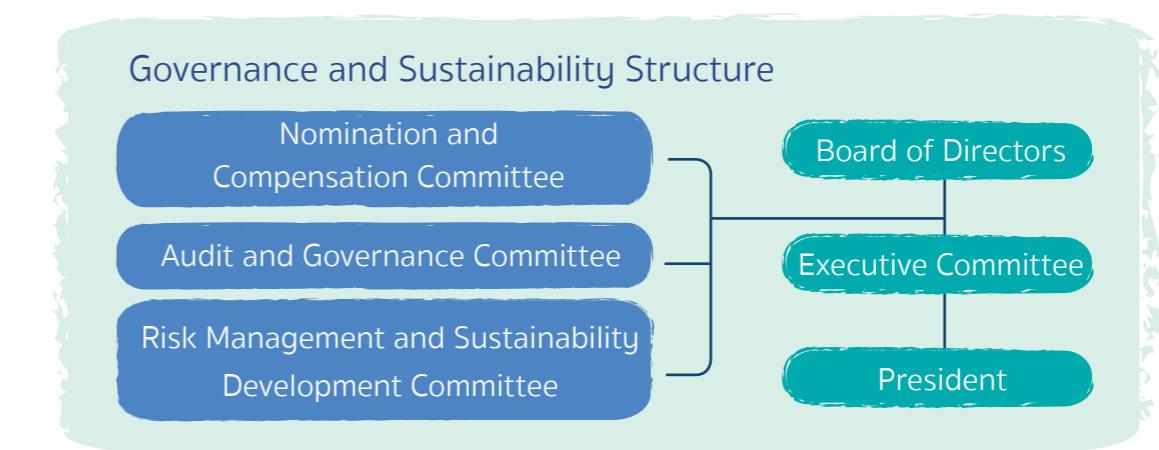
5.4 Information System Security and Cybersecurity

5.5 Risk Management

5.6 Business Continuity Management

### 5.1 Good Corporate Governance

The company is committed to developing an organization that grows sustainably, characterized by transparency, good governance, accountability, and preserving the interests of stakeholders and society. This commitment includes fostering personnel development to be ethical, competent, and virtuous, as well as promoting knowledge alongside environmental development and social responsibility. The company compiles sustainability development reports in accordance with international standards, involving the Board of Directors, executives, and employees at all levels, who adhere to corporate governance policies, business ethics manuals, and operational guidelines. Additionally, the scope of good corporate governance extends to affiliated companies and business partners.



#### Management Approach

In 2023, the company appointed the Board of Directors consisting of 10 members in total, including 6 independent directors (including the chairman), and established 4 subsidiary committees to support operations of the Board of Directors. The company emphasizes the structure and qualifications of the Board of Directors to maximize benefits for the organization and stakeholders. All chairs of the sub-committees are independent directors. The selection of company's directors is based on capability, professional experience, and knowledge, according to legal qualifications and criteria set by the Securities and Exchange Commission. The company implemented a Board Skill Matrix framework to define the qualifications needed for recruitment, ensuring alignment with the company's business strategy without discrimination or limitation on differences in gender, age, race, or religion in duty performance.





Furthermore, in 2023, the company established Risk Management and Sustainability Development Committee, composed of 3 independent directors, one executive director, and one advisor, with an independent director as the chairman. This committee clearly defines the direction and policy for risk management and sustainability development, aligning with business strategies and goals under the ESG (Environmental, Social, Governance) framework, aiming to balance stakeholder requirements for sustainable value creation. Quarterly meetings are scheduled.

established Risk Management and Sustainability Development Committee



Independent Directors **3** persons



Executive Director **1** person



Advisor **1** person

### Board Meetings

In 2023, the Board held a total of 12 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. Monitoring the performance of subsidiaries and joint ventures.
6. Monitoring Risk Management and Sustainable Development.



### Knowledge Development for Board of director

In 2023, 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 |
|---|------------------------|
| Strategy Workshop   | 9 Persons              |
| Engaging Board in ESG: The Path to Effective Sustainability   | 1 Person               |
| National Director Conference 2023: Delivering Net Zero Together   | 1 Person               |
| CAC National Conference 2023: Public-Private Collaboration: A Strong Collective Action Against Corruption | 1 Person               |
| Corporate Strategy, Risk Management, and Sustainability Development                                       | 1 Person               |

## Performance Evaluation of the Board of Directors

The Board of Directors conducts an annual self-assessment to review the comprehensiveness of their oversight on various operations and to utilize the evaluation data for improving and developing more effective corporate governance. 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 entire Board of Directors

Average Score 2.87 

Individual Directors

Average Score 2.86 

#### 2. The Sub-Committees

The Executive Committees

Average Score 2.84 

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 2.86 

The full score of evaluation criteria: 3 

### The Company has joined the evaluations regarding the Corporate Governance as follows

The project of the Corporate Governance Report of Thai Listed Companies (CGR) created by the Thai Institute of Directors Association (IOD). The objective of the project is to monitor and evaluate the corporate governance practices in Thailand, compared with the criteria of international standard. The Company's evaluation results are "excellent" in all categories.



These evaluation results from the project indicate that the company emphasizes and develops good corporate governance continuously. The company recognizes the importance of good governance, leading the Board of Directors to ensure a systematic balance of organizational power, including transparency that allows for scrutiny. There has been a review of various authority level to ensure they are tight and appropriate, aligning with the business's characteristics and past company structural improvements. This helps build confidence and assurance among shareholders, investors, and stakeholders in conducting good business practices and promoting sustainable business growth.

## 5.2 Code of Conduct

Adhering to the principles of sustainable business operations under the "Sufficiency Economy" philosophy, the Company has adopted the "Somboon Triple Bottom Line" approach to promote business sustainability while protecting interests of stakeholders and society. The approach opens an opportunity for stakeholders to express their opinions regarding business operations, serving as a mechanism and process to ensure proper business practices, leading to an organization with good corporate governance.

The Company has created the Good Corporate Governance Policy, Business Ethics and Code of Conduct to use as best practices in conducting business based on the fundamental principles of Good Corporate Governance, transparency, and accountability. Employees shall adhere to these practices and guidelines for appropriate operations. Additionally, communication is facilitated to ensure that employees have knowledge and understanding of these policies, allowing them to utilize effectively in their work. This creates sustained value for stakeholders through various processes as follows.

#### 1) Knowledge sharing and test regarding business ethics, good governance and sustainability of organization

To create a shared understanding of guidelines on the Company's policies regarding ethics, good governance and sustainability among executives and employees, the Company has provided the Business Ethics Manual and Code of Conduct. Communication and knowledge are disseminated to employees through many channels such as new employee and executive orientation sessions, self-directed learning for executives, and annual employee training using online platforms, emails, and company activities. Furthermore, the Company has required annual business ethics tests for executives and employees to assess the level of knowledge and understanding of organizational ethics through online and other channels. This is conducted to ensure that executives and employees are adequately aware of the ethics regularly. The operation results are listed below.



Orientation for new employees and executives totaling 108 individuals; all employees achieved a good level of knowledge and understanding of organizational ethics.



All 115 executives engaging in self-directed learning about organizational ethics achieved a good level of knowledge and understanding. Average score of 94.8%



Knowledge training programs of all employees within the Somboon Group (>2,000 individuals) have contributed to increased knowledge and understanding of organizational ethics.

The Company has provided reviews of the Business Ethics Manual regularly to be updated with current risks and circumstances, and to be in accordance with the project of Thai Private Sector Collective Action Against Corruption (CAC) principles. Moreover, the Company has complied with relevant standards, for example, the principles of Organization for Economic Co-operation and Development (OECD), and the Corporate Governance Code (CG Code) for listed companies according to the Securities and Exchange Act, the Securities and Exchange



Link :Code of Conduct  
(satpcl.co.th)

## 2) Complaint handling and whistleblowing

The Company offers opportunities to employees and stakeholders of all groups to have complaint channels, expressing opinions and whistleblowing for illegal conduct through following channels.



**Website**



link : Complaint Channel | Somboon Advance Technology (SAT) (satpcl.co.th)



**E-mail**



Send directly to independent directors or the Company Secretary or Compliance Department

nopamas.p@somboon.co.th

**Telephone**



Directly contact the Company Secretary or Compliance Department

02-080-8271

**Letter**



Deliver directly to the Company Secretary at The Company Secretary, Tower 2, Somboon Advance Technology Plc., No. 215, Moo 2, Debaratna Road, Bang Chalong Subdistrict, Bang Phli District, Samut Prakan 10540

In addition, the Company has revised the complaint and whistleblowing management manual for improved systematic operation. Executives and employees are informed about the process of complaint and whistleblowing management. Clear communication has been created to ascertain that all individuals understand and adhere to the process thoroughly and properly when handling complaints and whistleblowing as follows:

- (1) The person receiving a complaint collects facts related to violations or ethical misconduct.
- (2) The person receiving a complaint reports the collected facts to the independent director responsible for investigating the truth. The director then considers the complaint and categorizes issues related to management, knowledge development, investigation, etc.
- (3) Implementation measures: The person receiving a complaint proposes to the independent director to investigate and specify implementation measures to prevent any violations or non-compliance with the law.
- (4) Reporting results: The person receiving a complaint is responsible for informing the complainant of the results. If the complainant reveals his/her identity, in significant cases, results shall be reported to the Chairman, Directors and/or the Board of Directors.

## 3) Monitoring Code of Conduct practices

Compliance with the Company's Code of Conduct and ethical principles is crucial. And it is specified to be the duty and responsibility of the directors, executives, and all employees to adhere strictly to the policies stated in the Business Ethics Manual and Code of Conduct. The Company has guidelines to prevent ethical violations within the organization as follows.

- (1) Notifying all employees about their responsibility to adhere to the organizational ethics.
- (2) Establishing penalties in cases of non-compliance with organizational ethics.
- (3) Arranging orientation for new employees and executives.
- (4) Communicating and training employees and executives annually through online channels and company activities.
- (5) Creating and communicating channels for submitting complaints and whistleblowing, outlining the Company's investigation process by an ad hoc committee, and considering corrective and preventive measures to avoid recurrence of specific complaints.
- (6) Reporting operational performance results in accordance with Good Corporate Governance principles regularly to the Audit and Corporate Governance Committee for acknowledgment during scheduled meetings.
- (7) Revising the procurement manual to ensure that the procurement management system is effective, transparent, and auditable.

In 2023, the Company did not find any issues or errors that were important matters to anti-competition, discredit, monopoly, discrimination events, corruption events, and business ethics violations.

## 5.3 Anti-Corruption

The Company is committed to conducting business with integrity, fairness and combating corruption, aiming to be a truly transparent organization. Since 2010, long-term and continuous plans have been implemented to promote and instill organizational ethics. This initiative is designed to nurture honest, and fair employees with consciousness, discipline, knowledge, and morality. The Company is one of the initial 27 organizations declaring a commitment against corruption and one of the first 9 organizations certified by the Thai Private Sector Collective Action Against Corruption (CAC) Committee on July 29, 2013.

In early 2023, the Company received its third consecutive certification as a CAC member, indicating the Company's strength and determination to participate in and promote transparent business operations while uniting against corruption in all forms.



The Company has specified plans and goals to combat corruption and support its trading partners by continuously providing benefits to those participating in the CAC SME project. In accordance with the established plans and goals, the Company could successfully encourage trading partners and was thus honored with the "Change Agent Award 2021" from the Thai Private Sector Collective Action Against Corruption (CAC). The recognition was credited to the commitment to expanding the CAC network during the circumstances of the COVID-19 pandemic. This indicates the Company's strength and determination to participate in and promote transparent business operations, while simultaneously advancing its efforts to expand the network and encourage trading partners to join the collective fight against corruption which will contribute to the reduction of corruption challenges in the future.

The Company rejects all forms of corruption, be it direct or indirect. It has formulated policies and guidelines to combat corruption in the Business Ethics Manual and Code of Conduct as follows:

### Terms and Conditions

1. Directors, executives, and employees of the Somboon Group are strictly prohibited from engaging in or accepting any form of corruption, both directly and indirectly. This includes providing and receiving goods, gifts, receptions, collection of money, donations, and any other benefits from individuals conducting business with companies within the Somboon Group.
2. Disseminate this anti-corruption policy to provide knowledge and understanding, covering employees, trading partners, customers, and stakeholders both domestically and internationally. Moreover, conduct regular reviews of work practices in accordance with the anti-corruption policy at least once a year, along with periodically reviewing operation guidelines and regulations to ensure compliance with changes in business, regulations, rules, and legal requirements.
3. The Board of Directors holds the duty and responsibility to formulate and supervise policies to ensure that the Company has an effective and adequate anti-corruption support system, including emphasizing the importance of combating corruption for the Somboon Group.
4. The Audit Committee holds the duty and responsibility of reviewing the financial accounting and reporting system, internal control system, internal audit system, while also receiving whistleblowing reports. This includes investigating allegations, monitoring compliance with policies, and reporting significant matters to the Board of Directors.
5. The Board of Directors, management team, and executives hold the duty and responsibility to comprehensively implement, determine, and support the necessary systems for combating corruption. Efficient communications are ensured to disseminate to employees and relevant parties, including reviewing the appropriateness of various systems to conform to changes in business, regulations, rules, and laws.
6. The Internal Audit Department is responsible for conducting reviews on assessments of the organization's vulnerability to corruption risks. This involves reviews to ensure that the Company has appropriate and sufficient control systems for managing such risks, and that various departments adhere to policies, guidelines, and relevant laws annually. Furthermore, recommendations are provided on preventive measures against corruption risks, and review results are regularly reported to the Audit Committee. In cases of significant issues, prompt reports are submitted to senior executives and the Board of Directors.

### Guidelines

1. Directors, executives, and employees of the Somboon Group shall adhere to the anti-corruption policy, the Business Ethics, and Code of Conduct. They are required to refrain from involvement in any form of corruption, whether directly or indirectly.
2. Employees of the Somboon Group shall not neglect or ignore any observed actions that fall under the scope of corruption associated with the Company and its subsidiaries. It is mandatory to report to their supervisors or persons in charge and cooperate in investigating any suspicions. For inquiries or consultations, employees shall seek advice from their supervisors or the people in charge of monitoring the compliance with ethical business matters through the given channels.
3. The Company shall provide fairness and protection to employees who refuse, or report corruption related to the Company and its subsidiaries. Protective measures, as defined in the Company's Whistleblowing Notice Policy, will be implemented for complainants or individuals collaborating in reporting corruption.
4. Individuals engaged in corruption, will be deemed a violation of the Company's ethical standards, shall be subject to disciplinary action as specified in the Company's regulations and legal penalties if the actions are unlawful.

5. The Company and its subsidiaries recognize the importance of disseminating knowledge and promoting understanding among individuals with responsibilities related to both the Company and its subsidiaries, including stakeholders, to conduct operations in accordance with the mentioned anti-corruption policy.
6. The Company is committed to developing and shaping individuals into the “Smart People” with a strong ethical conscience, acting as a good citizen of society and the country, and collaborating to create a culture that rejects all forms of corruption.

#### **Principles and processes for assessing corruption risks**

The Company stipulates a separate assessment of corruption risks apart from the enterprise risk assessment. This is conducted collaboratively by the Risk Management Department and Compliance Department, in conjunction with other departments to identify corruption risks related to all aspects of business operations. The process involves gathering and categorizing the stated risks, examining preventive measures, and effectively reviewing corruption risk areas. The company has established guidelines for monitoring and evaluating compliance with the anti-corruption policy as follows:

Moreover, the Internal Audit Department shall conduct reviews of the risk control processes for each activity of the Company to analyze potential pathways and opportunities that may lead to corruption, together with assessing corresponding probability and impact (based on the risk assessment and impact scoring criteria specified in the Enterprise Risk Management Manual). The assessment results with identified risks contribute to the establishment of an annual audit plan and review.

The Company defines procedures for monitoring the assessment of compliance with the anti-corruption policy as follows:

1. Conduct a survey of the “conflict of interests” of directors and the top 4 level executives, as required by law. And extend the examination to all levels of executives possessing decision-making authority, encompassing employees with interests, to prevent conflicts of interest leading to corruption.
2. Identify whistleblowing channels and protective measures for whistleblowers on the Company’s Website. And communicate to ensure that employees at all levels can submit complaints and whistleblowing reports. This is considered a disciplinary action and responsibility of employees.
3. Specify that the Compliance Department is responsible for reviewing corruption risks and creating review plans to be in line with the annual internal audit plan.
4. Individuals involved in acts of corruption are deemed to violate the Company’s ethical standards and shall be subject to disciplinary action as required in the Company’s regulations, and legal penalties if their actions are unlawful.
5. Promote knowledge through the course “Ethics for Organizational Sustainability” for new employees to foster understanding of Business Ethics, Code of Conduct, the anti-corruption policy, and guidelines for receiving or providing goods or any other benefits of the Company within the Somboon Group.
6. Provide knowledge and understanding assessments on Business Ethics, Code of Conduct, and anti-corruption through the Company’s Intranet system. Evaluate the results to review and develop the Business Ethics and Code of Conduct, raising awareness in opposing all forms of corruption.

#### **Guidelines for receiving goods or other benefits**

- (1) Executives and employees are strictly prohibited from receiving or collecting gifts, receptions, services, financial support, or any prize money from clients, creditors, or stakeholders who engage in business with the Company.
- (2) Requests for financial support or goods can only be made officially between organizations, with approval permitted and signed by the authorized signing directors.
- (3) Except on occasions or customary festivals widely practiced by the general public, any goods or other benefits must have a price or value not exceeding 2,000 Baht and/or be necessary to maintain good relationships between individuals or organizations.
- (4) Senior executives are designated as organizational representatives for receiving goods or any other benefits and are required to submit to Directors through the Company Secretary’s Office within 5 working days from the date of receiving such goods or benefits.
- (5) Except for customary festival gifts, employees can receive gifts with a value not exceeding 500 Baht, such as keychains, calendars, and notebooks with identified organizational logo. Senior executives are designated as representatives to receive and report such gifts in writing to Directors through the Company Secretary’s Office.
- (6) To prevent conflicts of interest, the Company does not allow employees to represent the organization when receiving goods or benefits unless under exceptional circumstances. In such cases, executives below the senior management level (whether from their own department or another) are permitted to act as recipients and must promptly report to senior executives.

#### **Guidelines for providing goods or other benefits**

- (1) The provision of goods is mandatory for occasions of customary festivals widely practiced by the general public. In providing goods or any other benefits, the Company acts as the operator to procure them by setting a price or value not exceeding 2,000 Baht. Additionally, an examination/verification of appropriateness is conducted beforehand to prevent any involvement in corruption.
- (2) Senior executives are designated as organizational representatives for the act of providing goods or other benefits.

#### **Operations for the Year 2023**

1. The company has established a strategy to enhance governance, risk management, stakeholder responsibility, and social responsibility based on knowledge and virtue. This strategy is one of the six main missions of the organizational strategy to ensure sustainable business growth according to the Sufficiency Economy Philosophy, providing good immunity in business operations. It also promotes that employees at all levels throughout the organization possess knowledge, understanding, and awareness in performing their duties with responsibility, caution, honesty, and integrity.
2. The company’s Board of Directors has a policy to promote the growth of partners and stakeholders alongside Somboon Group by establishing a strategy to enhance business value. This begins with the Thai Private Sector Collective Action Against Corruption (CAC) project to combat corruption within the company. To ensure transparency in supply chain management processes, the company has expanded its declaration network to suppliers by promoting knowledge and understanding, as well as recognizing the importance of anti-corruption efforts. This initiative aims to continuously expand the anti-corruption network within the Thai private sector.

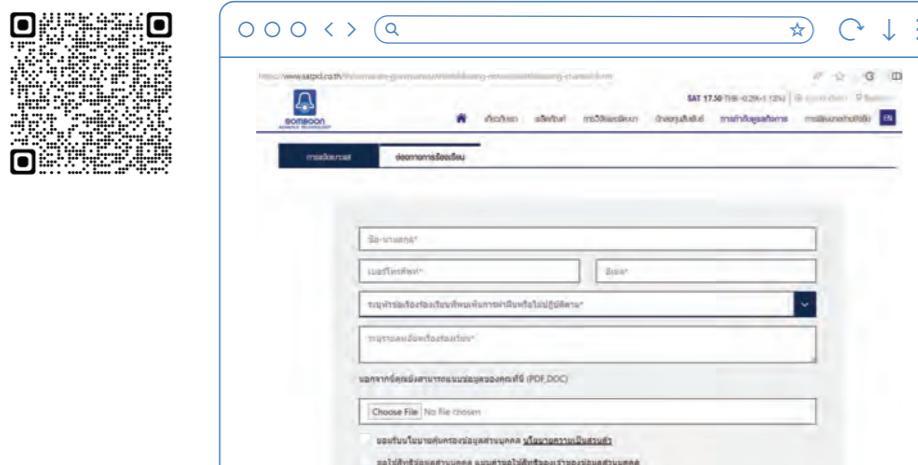
3. Report plans and activities on anti-corruption and adherence to good governance principles to the Board of Directors through the Audit and Corporate Governance Committee on a quarterly basis.
4. The Board of Directors has established channels for complaints and suggestions (Whistle Blower), providing employees and all stakeholder groups the opportunity to express their opinions freely and report any illegal actions or corruption. The objectives are (1) to have a clear channel for complaints and suggestions (Whistle Blower), (2) to correct/improve management practices, and (3) to investigate the facts. The Company Secretary and the Compliance and Audit Department are assigned to handle complaints related to corporate governance and business ethics.
5. The company promotes knowledge through training/seminars, workshops, and various activities to foster a new corporate culture under the corporate ethics promotion and instillation plan as follows:
  - 5.1 The company has established the course “Ethics for Organizational Sustainability,” focusing on company policies, ethics, work consciousness, integrity, honesty, and a commitment to personal and others’ responsibilities, as well as anti-corruption awareness. This course is aimed at new employees at all levels to ensure they understand the principles of good corporate governance and business ethics. It aims to lead the organization toward becoming a “transparent organization” with quality that can be verified in every process. In 2023, training was provided to 108 new employees and 115 management personnel received annual training.
  - 5.2 To continuously review and ensure compliance with the anti-corruption policy by executives, the company requires all executives to take a test and review their knowledge of anti-corruption through the Corporate Governance (CG) knowledge test on the company’s intranet system. All executives must achieve a score of at least 80%, which has shown that all executives have a good understanding of the company’s anti-corruption policies.

In 2023, the Company did not receive any complaints of corruption and ethical violations in business operations.

### Complaints and Suggestions Channels

#### Channel: Company Website

link : Complaint Channel | Somboon Advance Technology (SAT) (satpcl.co.th)



#### Channel: Email. Directly email to independent directors, the Company Secretary, or Compliance Department

|                              |  |
|------------------------------|--|
| 1. Mr. Sansern Wongcha-um    | Email : sansern.w@somboon.co.th or                     |
| 2. Mr. Paitoon Taveebhol     | Email : ptaveebhol@somboon.co.th or                    |
| 3. Dr. Suthad Setboonsang    | Email : suthad.set@somboon.co.th or                    |
| 4. Mr. Prayong Hirunyawanich | Email : prayongh@somboon.co.th or                      |
| 5. Mr. Sobson Ketsuwan       | Email : sobson.k@somboon.co.th or                      |
| 6. Dr. Somchai Harnhirun     | Email : somchai.har@somboon.co.th or                   |
| 7. The Company Secretary     | Email : Nopamas.p@somboon.co.th or Call 02-080-8271    |
| 8. The Compliance Department | Email : Wasumeth.kul@somboon.co.th or Call 02-080-8143 |

Or send by post to the Company Secretary at The Company Secretary, Tower 2, Somboon Advance Technology Plc., No. 129, Moo 2, Debaratna Road, KM. 15, Bang Chalong Subdistrict, Bang Phli District, Samut Prakan 10540

Moreover, the Company has revised the manual for complaint and whistleblowing management to enhance improved systematic operations.

The Company has announced the “No Gift Policy” to refrain from accepting or providing any gifts or other benefits in all forms. This is designed to mitigate the risks associated with giving and receiving gifts. Simultaneously, it seeks to establish a strong ethical norm within the workplace, without any expectation of other benefits, and to prevent continuous corruption. This policy is enforced annually.

The operations to expand the anti-corruption network with the Thai Private Sector Collective Action Against Corruption (CAC) within the Somboon Group of companies.

The Company has required every trading partner within the Somboon Group to sign a declaration of intention expressing commitment to anti-corruption efforts. In 2023, the Company has established plans and objectives for anti-corruption, requiring trading partners with a minimum purchase volume of 10 million Baht to participate in the declaration of intention with the Thai Private Sector Collective Action Against Corruption (CAC).

### Results of the Declaration of Intent with Suppliers and the CAC



On December 7, 2023, the Thai Private Sector Collective Action Against Corruption (CAC) presented the “Change Agent Award 2023” to the Company, recognizing its significant role in expanding the transparency network within the CAC.



## 5.4 Cybersecurity and Information Technology Policy

The company prioritizes and recognizes the importance of managing risks and maintaining cybersecurity and information technology systems to prevent risk levels and prepare for threats. The Risk Management and Monitoring Committee and a technical issue consideration team have been appointed. The company assesses its Cybersecurity Maturity based on the National Institute of Standards and Technology (NIST) framework to ensure confidence and security for customers and stakeholders comprehensively. Actions are driven to align with the cybersecurity and information technology policy, which must be strictly complied.



### Guidelines for managing risks to data security and information systems

The company has established guidelines for managing and administering the security of data and information systems that are in line with international standards such as ISO 27001 and the NIST Cybersecurity Framework. These guidelines offer principles and practices for risk management to enhance security and enable the company to plan, prevent, detect, and respond to threats swiftly, systematically, and effectively. The approaches are as follows:



### Governance of Information Technology Security and Safety

In 2023, the company announced a policy on technology security and safety, taking into consideration significant legal requirements and stakeholder needs to define direction, principles, and a framework for operations. A committee was established, consisting of senior management and a working group on technology security and safety, to support resources, consider critical issues, and clearly assign responsibilities. The Information Technology department acts as the main unit, and the document can be downloaded at [website link].

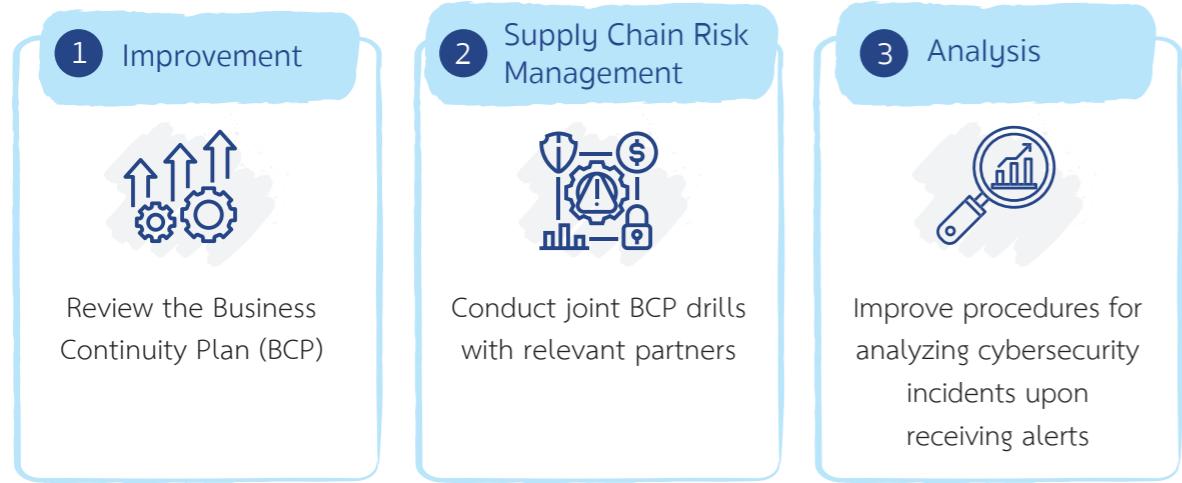
<https://www.satpcl.co.th/storage/content/sd/disclosure-documents/20230328-sat-policy-cybersecurity-and-it-systems-th.pdf>

### Self-understanding through the assessment of capabilities in managing information technology security and safety

The company participated in the Thai Stock Exchange's (Cyber Resilience Survey 2023) for listed company groups in 2023, conducting assessments for major clients using the NIST Cybersecurity Framework Version 1 and Version 2. This allowed the company to understand its capabilities in managing information technology security and safety, enabling policy adjustments, planning, and continuous improvements to remain a leader among peers in the same industry, under appropriate resource investment.

### Planning and improving information technology security policies

The company plans to control and oversee the information technology system, along with improving processes related to information technology security and data protection. This includes data analysis enhancement and extending the scope to cover all companies in the group, including subsidiaries, to ensure that the systems meet the appropriate standards. The preventive plans are as follows:



#### Promoting awareness of the information technology security policy

The company organizes training sessions on cyber security and IT Policy for new employees and regular staff to foster awareness of data access and caution in data usage. Understanding is tested through self-learning systems and informational materials for employees at all levels.

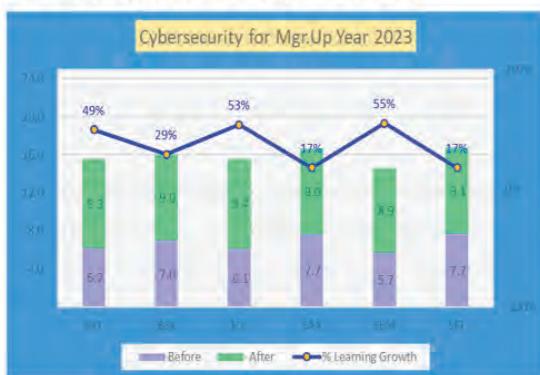


#### Level Manager up

Average Score Pre-test = 6.5

**Average Score Post-test = 9.2**

**% Learning Growth = 43%**



#### Level Chief down

Average Score Pre-test = 5.7

**Average Score Post-test = 8.9**

**% Learning Growth = 54%**



Common types of phishing scams during the holiday season

News & Activity

CALENDAR

Cyber Security & IT Policy

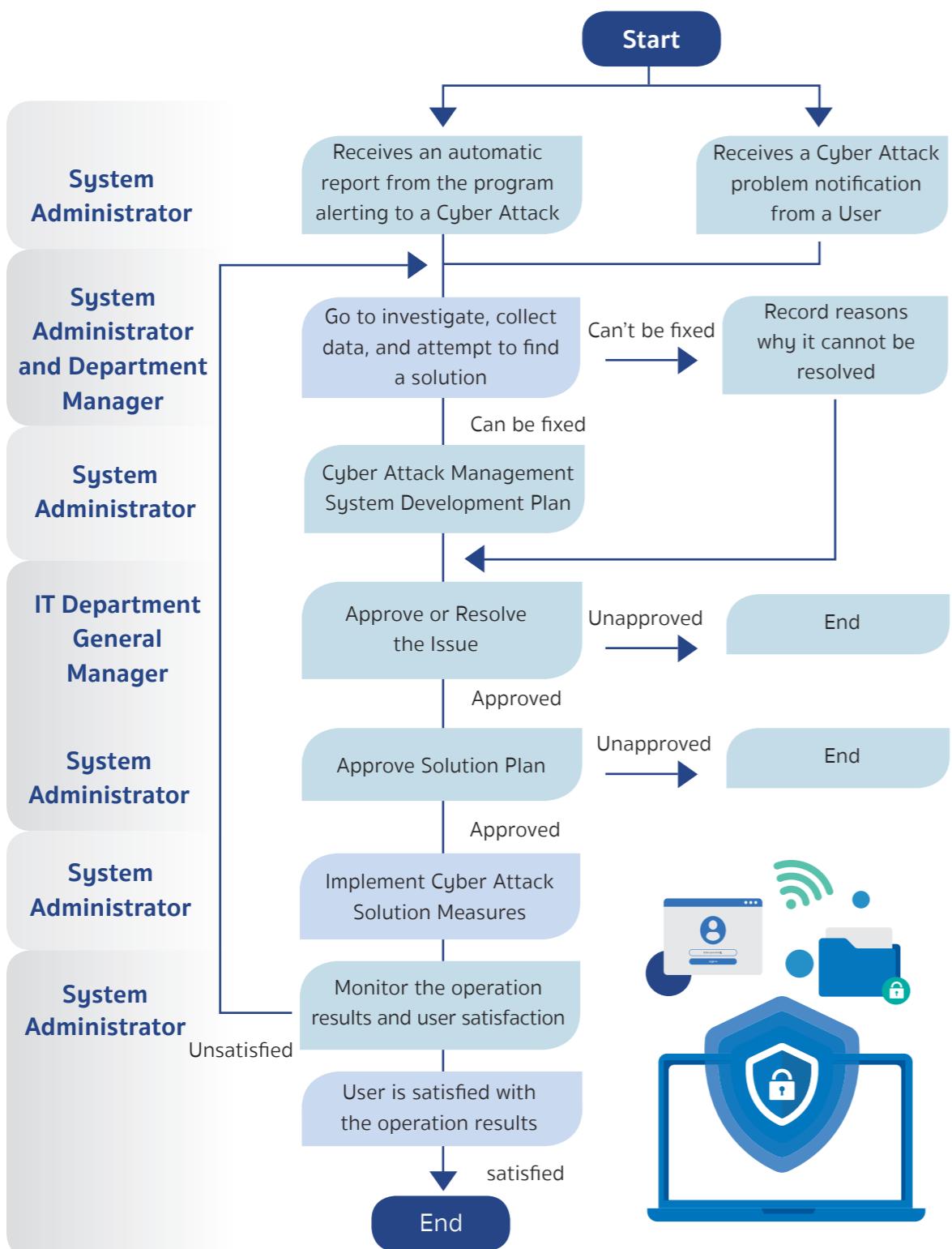


#### Continuous monitoring and risk assessment

Currently, the Information Technology department has conducted risk assessments with key risk indicators for evaluation, reporting to the organization-level risk committee monthly. This ensures effective risk management and minimizes potential impacts on the organization and business opportunities.

#### Handling Complaints and Responding to Cybersecurity and Information Technology Incidents

The company has established a system for managing complaints regarding information technology security, accessible through a web application, email, and telephone. Employees can contact the complaint recipient around the clock via telephone or email through the Helpdesk system, an internal company web application, or at [cybersecurity@somboon.co.th](mailto:cybersecurity@somboon.co.th). The key steps include:



## Performance Result of IT and Data Security in 2023

The Organization's Preventive Computer Virus Capability for 2023



| Month        | No of Attacks | No of Preventions | No of Successful Incidents |
|--------------|---------------|-------------------|----------------------------|
| January      | 544           | 544               | 0                          |
| February     | 502           | 502               | 0                          |
| March        | 567           | 567               | 0                          |
| April        | 592           | 592               | 0                          |
| May          | 568           | 568               | 0                          |
| June         | 584           | 584               | 0                          |
| July         | 643           | 643               | 0                          |
| August       | 578           | 578               | 0                          |
| September    | 604           | 604               | 0                          |
| October      | 591           | 591               | 0                          |
| November     | 611           | 611               | 0                          |
| December     | 710           | 710               | 0                          |
| <b>Total</b> | <b>7,094</b>  | <b>7,094</b>      | <b>0</b>                   |

## Performance 2023

1. Prevented 100% of attacks from computer viruses
2. None of interrupted business continuity incidents arising from cybersecurity risk
3. The SAP-ERP system vulnerability test has been validated by an independent audit company
4. Provided 100% of cybersecurity and information system trainings to new employees using computers
5. Provided the SAP-ERP training to persons involved 100%

## 5.5 Risk Management

The company is aware of various risk factors in its operations amid the rapidly changing business environment, which may impact the company's business objectives.

Systematic risk management that is integrated with strategic planning and business plan, is a critical ongoing process undertaken by the company to control and mitigate risks as well as potential impacts on the organization.

### Risk Management Policy and Plan

The company employs a risk management framework in accordance with the international standard of The Committee of Sponsoring Organizations of the Treadway Commission (COSO), which aligns with the principles of good corporate governance and supports the integration of risk management into the organizational culture.

### Risk Management Structure

The company is well aware of the uncertainties that may arise from both internal and external business factors, including risks related to environmental, social, and governance (ESG) issues. Therefore, the Board of Directors has appointed a "Risk Management and Sustainability Development Committee."

The Risk Management and Sustainability Development Committee is responsible for setting the direction, policies for risk management, and sustainability development of the company to align with its strategies and business objectives. It aims to adequately and appropriately meet the expectations of all stakeholders, driving the organization to create value and achieve sustainable growth.

The structure of risk management is as follows:



Remark: Risk Management Unit is operating under Department of Corporate Strategy and Sustainability Development.

1. The Board of Directors (BOD) oversees the company's operations according to its risk management policies and strategies and has the authority to approve the organization's Risk Appetite.
2. The Risk Management and Sustainability Development Committee (Risk & SD) reviews the organization's risk management policies and acceptable risk appetite, presenting them to the Board of Directors for approval. The committee establishes an organization-wide risk management structure, has the power to appoint the Enterprise Risk Management and Sustainability Development Committee (ERM & SDC) at the executive level, and provides guidance and monitors the performance of this committee to strengthen the organization's risk management system.
3. The Enterprise Risk Management and Sustainability Development Committee (ERM & SDC) is tasked with setting corporate-level risk management strategies and acceptable risks for consideration by the Risk Management and Sustainability Development Committee. They outline processes and measures for managing corporate-level risks, oversee risk reviews and reporting to the Audit Committee, and have the authority to appoint the Functional Risk Management working team (FRM) as appropriate.
4. The Functional Risk Management working team (FRM) are responsible for identifying, assessing risks, and developing functional-level risk management plans. They also designate responsible individuals and monitor and report on operational risk management performance to ensure compliance with company policies.
5. The Audit Committee supervises and evaluates the effectiveness of the organization's risk management operations. It reviews risk management practices and offers recommendations to the Board of Directors and the Risk Management and Sustainability Development Committee for improvements in the organization's overall risk management.

### Risk Management Culture

The company's encourages the development of a risk management culture across all levels of the organization, instilling a consciousness among executives and employees alike about the significance of risk management. This culture pervades the entire organization and is sustained over time, ensuring that risk management practices are carried out effectively and efficiently. The company's risk management policy is communicated across the company through our internal website, accessible to all employees.

The company lays the foundation for systematic risk management by adhering to international standards, in order to apply risk management systems effectively and efficiently to business operations. Through the efforts of various committees, the company can promptly identify business risks or opportunities as they arise and devise practical risk management strategies. The framework for risk management is as follows:



|   |   |
|---|---|
| <p><b>1 Plan and design of management framework</b></p> <ul style="list-style-type: none"> <li>• Goal and objectives and Key KPIs</li> <li>• Risk Appetite</li> <li>• Policies</li> <li>• Business Units/ Committee/ Reporting</li> <li>• Roles and responsibilities</li> <li>• Skills / Staff</li> </ul> | <p><b>2 Implementing risk management</b></p> <ul style="list-style-type: none"> <li>• Identify an incident</li> <li>• Evaluate risks</li> <li>• Operating the risk management plans</li> </ul>                                  |
| <p><b>3 Monitoring and review of risk management</b></p> <ul style="list-style-type: none"> <li>• Monitor the risk management operations</li> <li>• Report the findings</li> <li>• Communicate and develop skills for staff</li> </ul>  | <p><b>4 Continual improvement of risk management</b></p> <ul style="list-style-type: none"> <li>• Evaluate the findings based on the systematic framework</li> <li>• Review the plans</li> <li>• Improve the systems</li> </ul> |

- Review the risk management policy and the acceptable level of risk (Risk Appetite) annually, and communicate this to executives, employees at all levels, and all units across the organization. This is to ensure that both management and employees are aware of the potential risks, the impacts arising from those risks, the importance of risk management, and their shared responsibility towards risk. Additionally, integrate the risk management policy into daily operations, using it as a guideline for decision-making and planning.
- Mandate the consideration of integrated risk assessment alongside strategic planning, performance results, and the overall Risk Profile of the organization. Promote understanding of Risk Appetite among relevant departments or units for use in evaluation, planning, and management actions.
- Apply the result of Maturity Assessment for organizational risk management to ensure ongoing and efficient implementation.

- Promote the integration of operational lines by following the Three Lines of Defense approach to mitigate risks, reduce operational errors, and to support the organization's strategic objectives and enhancing stakeholder confidence.
- Define guidelines to develop Risk Champions for each operational line, representing their units in coordinating and monitoring the implementation of risk management plans.
- Advocate for policies that foster the development of skills, knowledge, and understanding of risk management, emphasizing the importance of related certifications to ensure competent and effective advice is provided to the management and staff.
- Continuously improves and refines its risk information database, providing a robust platform for the collection, monitoring, analysis, and reporting of data, ultimately facilitating effective risk management decisions.

## Risk Factors Affecting the Company's Business Operations

### Risks to the Company or Group's Business Operations

The company conducts a comprehensive analysis and assessment of the environment, considering both internal and external factors, the organization's goals, and strategies, as well as economic trends, industry dynamics, technological advancements, competitors, and other global, regional, and national trends. This thorough planning process aims to identify and evaluate significant risks that could impact operations and the achievement of the organization's objectives. Subsequently, the company formulates a risk management plan to mitigate the potential impacts of these risks, grounded in a well-defined risk management framework that is consistent with commitment to sustainable business development. In the year 2023, the company has evaluated and established critical risk management plans as follows:

#### • Strategic risks

##### (1) Risk from competition in the industry

The automotive industry faces increasing competitive pressure, significantly influenced by competition with component manufacturers in low-cost countries. These manufacturers benefit from lower raw material costs due to local steel resources and labor advantages, enabling them to offer more competitive pricing.

#### Risk Management

The company is prepared and actively manages risks to minimize impacts by sourcing and developing raw materials in collaboration with partners. The company also ensures product quality by integrating technology and automation to reduce waste and enhance production efficiency, thus maintaining cost competitiveness. Furthermore, the company is committed to managing and fostering trustful relationships with customers at all levels, maintaining enduring associations with all customer groups. Continuous monitoring of customer needs and seeking business opportunities for new product expansion are critical to our strategy. These measures are in place to mitigate the aforementioned risks and to ensure business performance aligns with ongoing business plans.

## (2) Risk from investment expansion

The company has expanded investments into the automotive components and electric vehicle system platforms, as well as into the development, production, and distribution of mechanical machinery and agricultural equipment, aligning with the set goals and strategic directions. This move represents a significant pathway to fostering new business development and growth. The investments and operations of the associated joint ventures and subsidiaries have underlying risks, as they are in the early stages of project or business development. There are various uncertainties and challenges that the company must manage, including equipment procurement, partner management, capital management, investment costs, assigning suitable project managers, and knowledgeable and skilled workers. Other factors include the impact of climate change on testing in the agricultural machinery sector. These risk factors could potentially impact the performance of new business development projects, deviating from the objectives and targets.

### Risk Management

The company has measures to manage these potential risks by recruiting knowledgeable, capable, and experienced individuals and appointing company representatives to serve as directors in joint ventures. This ensures close monitoring and review of operations and regular meetings between the company's senior management and the business partners. Additionally, there is a focus on developing expertise in engineering and modern technology to enhance the company's capabilities.

Furthermore, the company conducts thorough feasibility studies and evaluates the investment value while considering all internal and external factors comprehensively. This is to define the structure and policies for the joint ventures and subsidiaries, considering potential opportunities and risks. There is an ongoing development of tools to monitor the status of investments and to provide progress reports to the board of directors continuously. The company also establishes high control standards to ensure that investments and operations are efficient and achieve the set goals.

#### • Operational risks

##### (1) Risk from Declining Production in the Pickup Truck and Agricultural Machinery Sectors Due to Economic Factors

The country's economic situation is experiencing a slowdown, with household debt remaining at consistently high levels. Additionally, a significant number of vehicles, particularly pick-up trucks, are being repossessed due to owners' inability to make payments. These factors have prompted banks to tighten credit issuance, especially for auto loans, affecting the public's purchasing power and consequently decreasing domestic automotive production volumes.

### Risk Management

The company is aware of the potential impacts of such risks and has adjusted its production to align with changing demands. It seeks new sales channels by increasing export opportunities,

expanding the product range in current markets, and entering new countries. These strategies aim to mitigate potential operational impacts arising from these risks.

## (2) Risk related to Succession Planning for Critical Positions

The company recognizes the importance of managing risks associated with developing successors for key positions. It has developed a succession plan to ensure business continuity should key personnel retire, transfer, resign, become incapacitated, or pass away. Without prior planning, the interruption of operations, decision-making, and subsequent business performance may occur.

### Risk Management

The company manages this risk by structuring the organization to support efficient operations and by considering manpower planning. The key process is the establishment of a Succession Planning for Management and Critical Positions. The company conducts a Competency Gap Analysis to develop the identified successors through an Individual Development Plan (IDP), both short-term and long-term, to bridge the competency gaps identified in the assessment. This ensures seamless and smooth business operations.

## (3) Cyber Security Risks

The ease and speed of technological advancements in accessing information pose risks to the security of the company's information systems. Without adequate protective measures, the company could face damage to its image, reputation, and stakeholder confidence.

### Risk Management

The company prioritizes data security, including all stakeholders' information within the value chain. It has implemented a cybersecurity policy and information technology system, conducting risk assessments based on main customer assessments. There are emergency plans for IT systems and measures for managing, monitoring, and assessing risks, such as conducting Cyber Security Maturity Risk assessments using the NIST Framework. The importance of Cyber Security is communicated through the official "Somboon" Line account, and personnel are assigned to assess and monitor risks with Key Risk Indicators evaluated monthly. These findings are presented at the organizational risk committee meetings for evaluation and consideration.

#### • Financial risk

##### (1) Raw Material Price Volatility

The volatility of raw material prices, especially the price of steel which is a principal component in the manufacturing process, poses a risk that affects the uncertainty in selling prices and the overall profitability.

### Risk Management

The company has established a strategy to manage the risk associated with the volatility of raw material prices. This includes considering provisions for product price adjustments in sales contracts in line with changing costs and conforming to industry standards. The company

engages in ongoing negotiations with customers for the contractual periodic adjustment of selling prices. Additionally, efforts are made to source and develop new raw material supplies to mitigate the impact of price volatility.

#### • **Compliance Risks**

##### **(1) Risk related to Changing Standards and Regulations**

The business is subject to continually evolving standards, regulations, and measures, such as the new financial reporting standard TFRS 17 on insurance contracts, which will come into effect on January 1, 2025, or the preparation for the implementation of the sustainability disclosure standards IFRS S1 and S2. These represent challenges that the company must be prepared to comply with in a manner that the related disclosure and reports are verifiable, comparable, comprehensive, and consistent.

#### **Risk Management**

The company has measures in place to manage these risks by regularly reviewing and studying all relevant business regulations. This includes training employees on these changes and developing policies to accommodate various new standards, appointing responsible individuals, and establishing working groups as necessary. Additionally, for sustainability data, the company is enhancing its database capabilities by implementing an ESG Data Platform to improve the efficiency of data retrieval, access, and compilation for the company's ESG information management.

#### • **Environmental, Social, and Governance (ESG) Risks**

The company has adopted sustainable business practices, especially in the area of ESG, which encompasses environmental management, social responsibility, and good governance as strategic risk management tools to ensure stakeholder confidence. The company has identified the following risk factors and actions:

##### **(1) Risk from Climate Change**

The global recognition and the perceived impacts of climate change have been underscored at international meetings such as the 28th Conference of the Parties to the UN Framework Convention on Climate Change (COP28) held in Dubai, United Arab Emirates, in late 2023. The focus on climate change and the agreement on transitioning away from fossil fuels were key outcomes. In Thailand, the El Niño phenomenon in 2023 led to higher temperatures, along with a reduction in water storage compared to previous years and erratic rainfall patterns, impacting agricultural yields and potentially altering the production volumes in the agricultural machinery sector.

#### **Risk Management**

The company acknowledges the significance of this risk and aims to be part of the solution to climate change issues, with the goal of reducing greenhouse gas emissions, taken actions to combat global warming, and continuously managed energy, such as using clean energy sources

like solar cells, improving the use and maintenance of existing machinery, and applying digital technology to enhance energy efficiency. These initiatives are part of the mechanism to reduce greenhouse gas emissions.

In terms of agricultural tractor components production, the company has adjusted its production processes to be more flexible, including planning for raw material preparation, production planning, and inventory management, to promptly and efficiently adapt to changing situations.

##### **(2) Human Rights Risk**

The company is committed to equitable and fair treatment of its workforce, adhering to international labor standards, the Thai Labor Protection Act, and Thai labor standards, as well as other relevant laws and regulations. With the company's diverse workforce and multiple regional offices, it manages information dissemination and creates an environment that promotes cooperation and mutual understanding.

#### **Risk Management**

The company and the group acknowledge and respect human rights in all aspects of every individual, as well as society and communities, according to the laws of the country and international agreements to which each country is bound. The company evaluates and acts in accordance with the law, continuously applying international human rights principles, such as the Thai Labour Standard TLS 8001-2020, the United Nations Guiding Principles on Business and Human Rights (UNGPs), and the Guide to Human Rights Impact Assessment and Management (HRIAM). It reviews and enforces human rights policies and has various channels for receiving complaints, such as suggestion boxes and company whistleblower systems. To date, no issues have been identified.

##### **(3) Supplier Risk**

With the business philosophy of "Somboon Triple Bottom Line" which includes "Smart People, Business Trust, and Growth Society", the company promotes and develops suppliers to follow the company's sustainable business practices. Despite these efforts, leading suppliers to declare their intent to follow the Thai private sector's collective action against corruption (CAC) remains a challenge in implementing tangible business practices. Moreover, the company assesses supplier risks through the Functional Risk Management (FRM) process of the procurement unit.

#### **Risk Management**

The company prioritizes efficient supply chain management and integrates sustainable development practices throughout the supply chain. It has continuously provided knowledge and communicated ethics to suppliers participating in collective action against corruption (CAC). The company also has a plan to promote this by implementing with target suppliers for declaration. Additionally, the company conducts initial environmental, social, and good governance risk assessments and communicates with suppliers according to the code of conduct and guidelines for suppliers. The company also prepares training and economic risk assessments for suppliers through its annual supplier conference, which aims to elevate suppliers to grow sustainably together.

- **Emerging Risk**

- (1) Supply Chain Risk**

The ongoing geopolitical conflicts, such as the war between Russia and Ukraine, and tensions between Israel and Hamas, impact the company's strategies and operations. For instance, there can be shifts in energy and fuel prices, increased transportation costs, and delays in shipping that may exceed deadlines. Trade measures between the U.S. and China directly affect the automotive industry's supply chain and, consequently, the automotive component manufacturers in Thailand. An analysis of the impact of such events on critical suppliers, particularly steel used in production, can be concluded that there was no impact from these incidents that would cause disruption to relevant transportation route in supply chain.

#### **Risk Management**

The company closely monitors and keeps abreast of news related to these risk factors. Comprehensive impact analyses, both internal and external, are conducted, including the management of measures to mitigate potential impacts. For example, with longer transit time due to shipping lines rerouting to avoid the Red Sea, the company has adjusted its policy by appropriately increasing overseas inventory levels to meet customer demands and diversifying transportation routes to ensure timely response to customer needs.

#### **Investment Risks for Security Holders**

The risk of uncertainty in the expected returns to investors is contingent upon the company's performance and its long-term growth, which could be influenced by various factors such as:

- The production volumes of automobiles in Thailand
- The production volumes of agricultural machinery in Thailand
- Changes in policies, laws, regulations, or conditions affecting the automotive and agricultural machinery industries
- Increases in production costs due to rising raw material and energy prices
- Economic conditions, crises, and unusual situations, such as the slowdown of the Thai economy impacting domestic demand and automobile production, and the Red Sea crisis directly affecting the export of automotive components abroad.

#### **These factors may impact the company's operations and stock price**

Risk that dividend payments may not meet investors' expectations

The ability to pay dividend depends on several factors, such as maintaining sufficient reserves for business operations, regular investment budgets, and reserves for business expansion. These factors could affect the level of cash available for dividend payments to shareholders. However, the company has a policy to pay dividends of no less than 30% of net profits after deducting various types of reserves as required by law and company regulations.

#### **Risks of Investing in Foreign Securities (In cases where the issuer is a foreign company)**

-None-

## **5.6 Business Continuity Management**

Currently, businesses are rapidly changing and unpredictable. The ability to manage risks in crisis situations is crucial, ensuring that the company can continue operating. Business Continuity Management (BCM) aims to provide confidence that the company can manage its operations effectively, build customer trust, protect its reputation and image, and maintain core production activities during crises. This ensures stakeholders that the company is prepared and can continue operations regardless of the circumstances.



#### **Business Continuity Management Policy**

The company has established a Business Continuity Management Committee (BCM Committee) responsible for overseeing business continuity management and reporting to the Enterprise Risk Management Committee at the executive level.

This policy focuses on developing a business continuity system according to international standards, requiring each business unit to create its own operational-level business continuity plans, including crisis management, crisis communication, and business continuity plans at both the unit and organizational levels.

These plans must be interconnected in practice, tested, and continuously updated to ensure completeness, accuracy, relevance, and readiness in case of a crisis. Additionally, it promotes that management and employees in all units adhere to the business continuity management system by practicing, drilling, and continually updating plans as part of the organizational culture, known as SMART Culture, specifically the 'A' for Agility, which involves embracing new things, planning adaptability, and preparing for rapid changes to ensure continuous business operations in a volatile economic environment.

## Management Approaches

The company has adopted the ISO 22301 Business Continuity Management standard as a framework to develop a 10-step business continuity plan that fits the organizational context. The Deming Cycle, or PDCA (Plan-Do-Check-Act) Cycle, a continuous quality management system, is used as a guideline for operational processes.

In 2023, the company continues to implement, drill, and review the established plans according to the following process:



The company's Business Continuity Plan (BCP) has been formulated according to the specified processes in the Quality Procedure manual and the document has been registered accordingly.



## Objectives and Results of Operations

The Business Continuity Plan (BCP) Organization Chart includes the Business Continuity Management Committee at the organizational level, which is the same committee responsible for managing risk at the organizational level. This committee oversees the overall business continuity management, focusing on developing the system according to international standards. The committee is tasked with promoting compliance among executives and all employees with the business continuity management system, ensuring regular drills and continuous plan updates to embed these practices into the organizational culture. This aligns with the Agility component of the SMART Culture, preparing the organization for rapid changes and supporting the business continuity work groups at the business unit level. These groups are responsible for creating, testing, and updating the Business Continuity Plan (BCP) to ensure completeness, accuracy, currency, and readiness for crisis scenarios. The plan is reviewed at least annually or upon significant changes to ensure the effectiveness and efficiency of the established business continuity management system, and to maintain control and preservation of the unit's business continuity plan.



Workshop on developing a Business Continuity Plan for the working team.

Based on the proportion of the company's sub-business units (2 BUs) which include 6 factories, policies have been established, teams appointed, and comprehensive Business Continuity Plans (BCP) have been developed.

Business Continuity Plan  
(BCP Scenario Mock Drill)  
15 August 2023



employees participating

48 persons



Goals for 2023

100%



Performance 2023

100%



## 6. Smart People

- 6.1 Smart People Strategy
- 6.2 Smart People Development
- 6.3 Good People Development

### Performance 2023



Employee participation  
in social contribution  
activities  
**98 %** People /year



Average training provided  
**13.52**  
Hour/People /year



Course personnel  
Development  
**98** Programs



Budget for  
employee capability  
development  
**7** Million Baht

### 6.1 The Smart People Strategy



“Create Value for Oneself,  
the Organization and Society”

The current global situation is changing rapidly, driven by continuous technological advancements and innovation development, affecting economic systems, society, and the environment. This necessitates an adjustment to strategy in resource management and organizational culture to ensure the company and its employees are prepared to adapt swiftly to these changes. Furthermore, it's crucial to maintain a business philosophy grounded in good governance, social responsibility, and environmental stewardship for the sustainable development of the business, society, and the environment together.



#### The Smart People Policy

The company is committed to creating a positive work experience for employees and aims to become an organization that embodies learning about environmental sustainability, societal change, and good governance. It focuses on developing future skills and fostering a culture of goodness and volunteerism. This approach is designed to enhance the potential of every employee, who are central to driving sustainable development of their own, of the organization, and of society, enabling the transfer of the organization's values to the external community.

## Management Approach

### 1. Developing Competent People

- Reskilling: Developing new skills in employees to adapt to technological changes.
- Upskilling: Enhancing the existing skills of employees to increase their expertise.
- On-the-job Learning: Learning through actual work, focusing on practical training.
- Coaching & Mentoring: Learning from experienced individuals, transferring knowledge and skills.

### 2. Developing Good People

- Instilling Ethics: Adhering to principles of good governance, transparency, and accountability.
- Promoting Social Responsibility: Contributing to societal value.
- Fostering a Supportive Organizational Culture: Encouraging teamwork and mutual respect.

### 3. Creating a Learning Organization - Developing an understanding of changes around that affect personal and family sustainability, the organization, and society

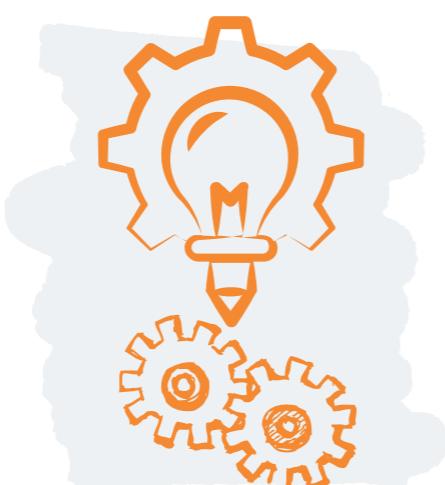
- Supporting Lifelong Learning: Encouraging employees to learn new things.
- Developing Learning Systems: Organizing training, seminars, and learning resources.
- Promoting Knowledge Exchange: Sharing knowledge and experiences from both outside and within the organization.
- Creating a Learning Environment: Encouraging employees to think innovatively, take action, and learn from mistakes.

### 4. Driven by Technology

- Utilizing Technology for Learning: Using e-Learning for efficient learning.
- Managing People with Technology: Developing and improving systems for human resource management and work processes to enhance the company's growth potential.
- Creating Efficient Communication Systems: Using communication technology to allow employees fast and easy access to information and news.

## 6.2 Smart People Development

The company places great importance on developing the potential of employees at all levels by enhancing the competency of Smart People to meet the company's expected standards. This involves providing them with the necessary knowledge, skills, abilities, and attitudes, all aligned with the company's SMART Culture. The aim is to shape employees into well-rounded individuals. The key outcome is an increase in employee competency, leading to professional growth, which is crucial for the sustainable growth of the organization in accordance with the business philosophy of "Somboon Triple Bottom Line"



## Employee Development Policy

To develop the capabilities of employees to drive strategy, foster growth, and achieve sustainability, the company has a policy to enhance organizational behavior by fostering a Participation Culture. This includes improving competencies to develop skills, abilities, and leadership qualities. The development is divided as follows:

- Talent Group: To develop management skills and future growth potentials.
- Engineering Group: To develop knowledge and skills in engineering and technology, including future skills.
- Production Support Staff Group: Focused on supporting capable individuals, emphasizing the development of teamwork skills (Soft Skills) and necessary job skills (Hard Skills).
- Production Staff Group: Must achieve job competencies according to professional standards established and developed through internal processes, utilizing an Individual Development Plan (IDP).

For each role, the capability of each position is divided into 3 levels (LCM), leading to the establishment of the following employee development policies:

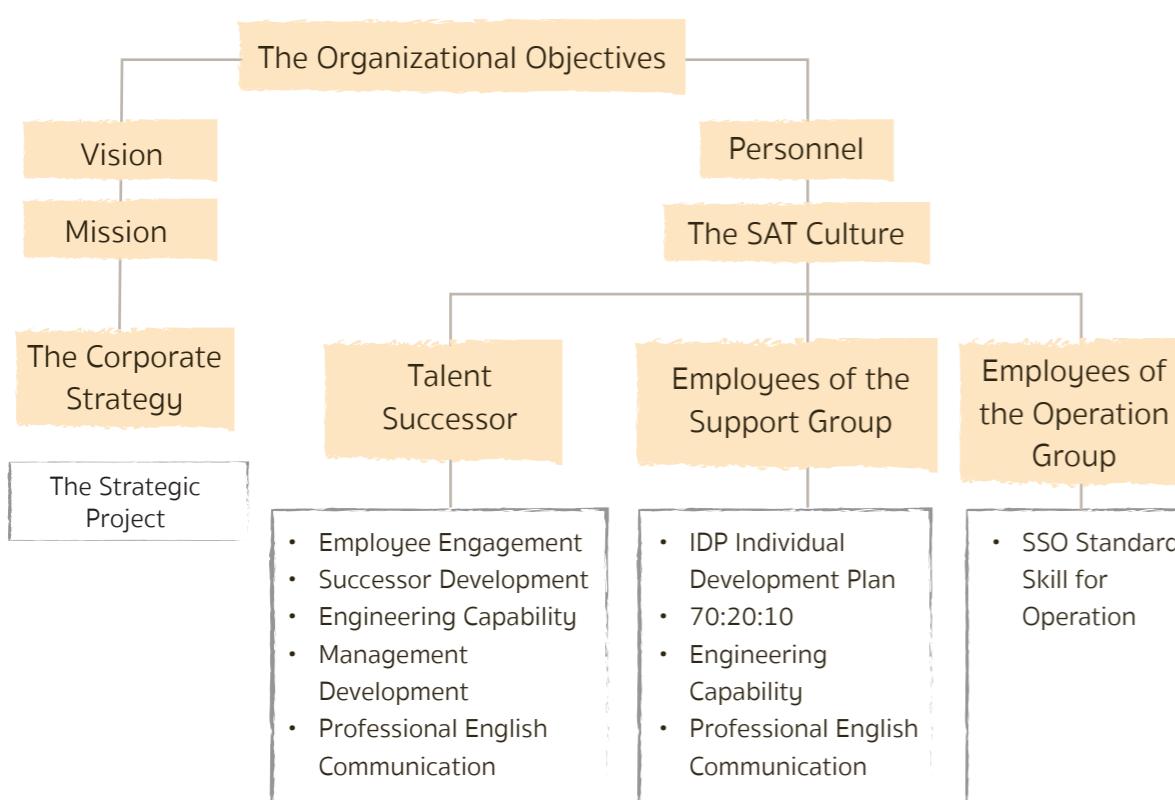
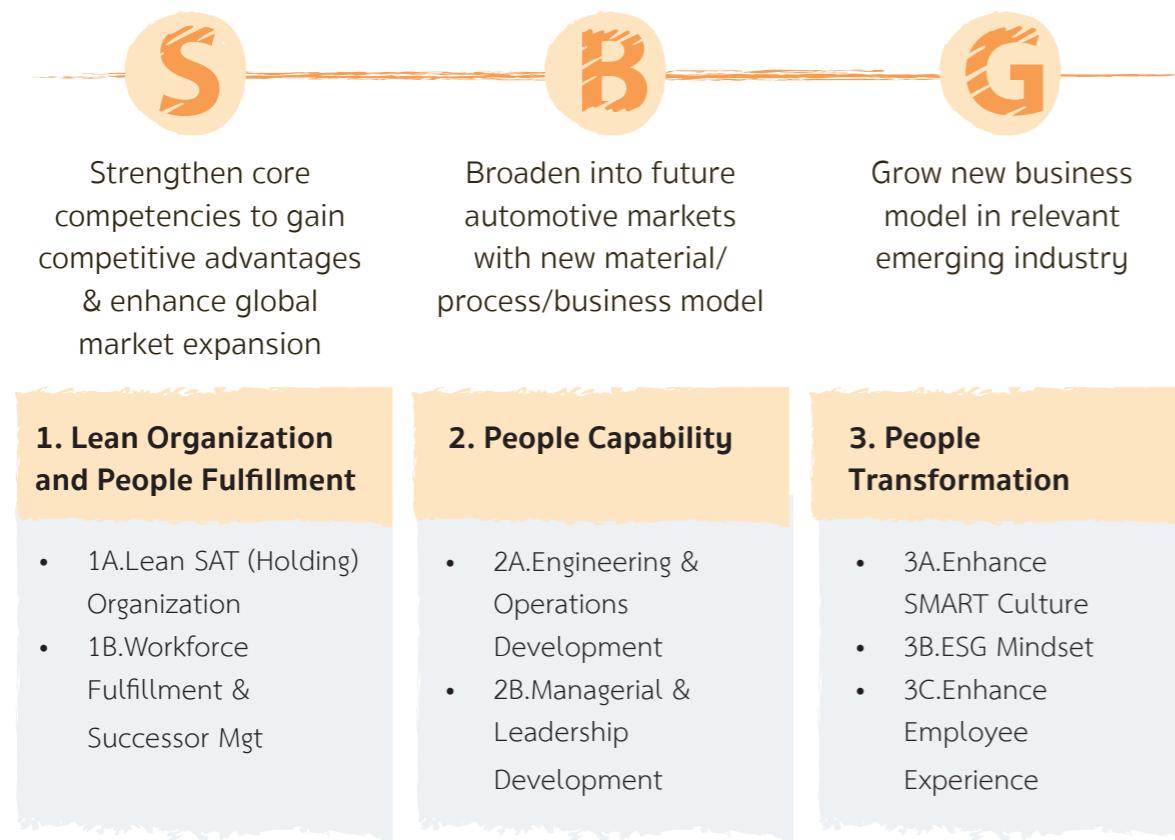


Personnel in the initial phase of their role, whose abilities are below expectations, necessitating development in knowledge, skills, and experience to fulfill their assigned duties.

Personnel who can fulfill their roles as expected, with overall abilities at the level defined by the position, yet still requiring support to enhance their performance.

Personnel with the requisite knowledge and skills for their roles, who can serve as examples to others in similar positions/levels. They are able to work independently with performance above the expected level of their position and are ready for promotion.

## Strategy S B G



## Management Approach

The company drives its human resource development strategy in alignment with its business strategy by implementing a knowledge management system and internal training programs. These programs cover a range from core courses, specialty courses by professional field, engineering capability courses, and promoting management skills development for talents. The key programs include:

- Core course: Establishes a strong knowledge foundation for all employees within the organization, focusing on developing essential skills and basic knowledge required for working in a business environment. This includes communication skills, foreign languages, teamwork, safety practices, and the integration of technology into work processes.
- Specialty course: Enhances the expertise and specific skills of employees in their respective fields. It focuses on developing in-depth knowledge and essential operational skills needed for their roles, such as project analysis and evaluation, risk management, and business continuity management.
- Engineering Capability course: Develops and enhances technical skills and specialized capabilities in engineering. This course emphasizes providing practical knowledge and real-world experience through project work, laboratory training, and the use of new tools and technologies for solving engineering problems.
- Management Skill Development course for talents: As a crucial part of the company's strategy, this course focuses on preparing high-potential employees to become future leaders. It aims to equip them with necessary management skills and leadership qualities.

## Key Performance Indicator

Average Training Hours per Employee



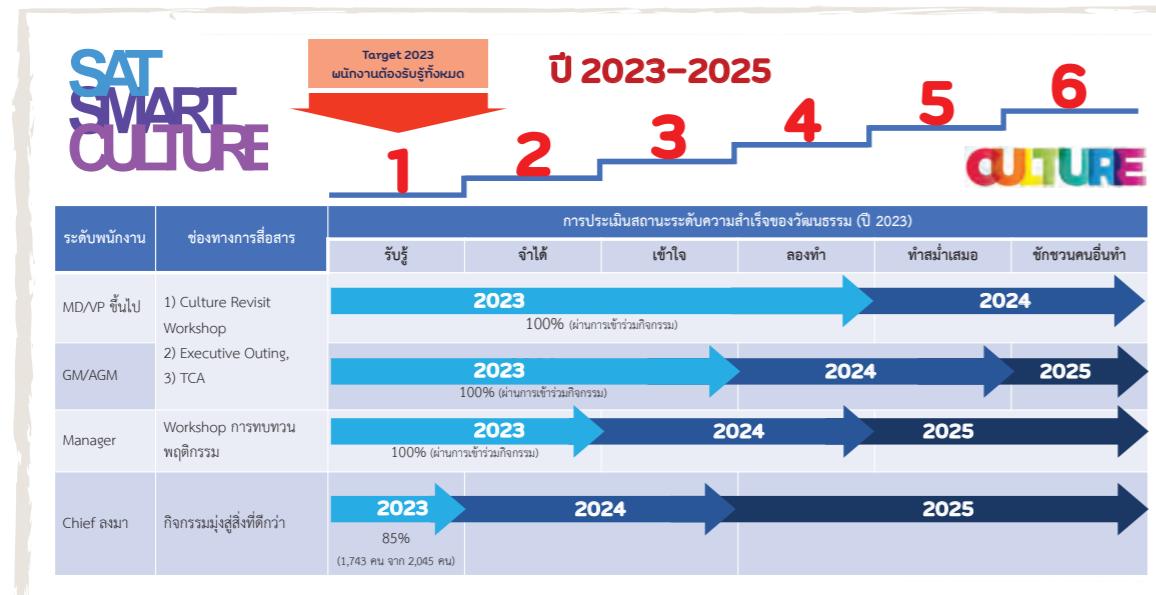
In 2023, in addition to employee development through training, the company also focused on other areas of personnel development to build comprehensive capabilities and enhance the organization's competitiveness, as follows:

### 1. Aligning organizational culture with business direction

In 2022, the company revised its vision and mission to be more challenging in order to achieve long-term organizational objectives and enhance competitiveness. Therefore, there was a transformation towards a stronger organizational culture, shifting from a focus on QCD to behaviors that align with the organization's direction.

Hence, to facilitate the "SMART" organizational culture transformation concretely, the Company has indicated 5 main behaviors and planned on the organizational culture operations through various following processes systematically

- Employee Recruitment
- Employee Orientation
- Employee Potential Development
- Connecting to various company activities
- Performance Evaluation



#### Measurement and Evaluation

Awareness Activities and Surveys: The conclusion from awareness activities and surveys on organizational culture awareness is 91.48%.



#### Employee Outcomes

- Employees can recognize, remember, understand, and implement actions, making it possible to work in alignment with the organization's vision.
- The expression of behaviors impacts the annual salary adjustment appraisal.

#### Organizational Outcomes

- The organization has employees with good behaviors, working in a unified direction, affecting the success according to the company's vision.
- It helps the organization adapt to external environmental changes at any time.

## 2. The Individual Development Plan (IDP) and Professional Standards

### 2.1 Individual Development Plan (IDP)

The company has implemented an Individual Development Plan (IDP) to guide employees in achieving their goals. The primary objective is to address gaps and build strengths in their current positions. Additionally, it prepares employees with the qualifications and potential for higher positions in the future, or along the career path defined by the organization. This plan is a crucial tool for aligning individual employee needs with organizational needs, thereby

helping to achieve the company's goals. Continuous monitoring and evaluation of employee learning are conducted to enhance the IDP and develop an effective annual training plan for employees.

#### Results of IDP Development for Managers



#### Employee Outcomes

Increased potential development, percentage of compensation evaluation, and career growth opportunities.

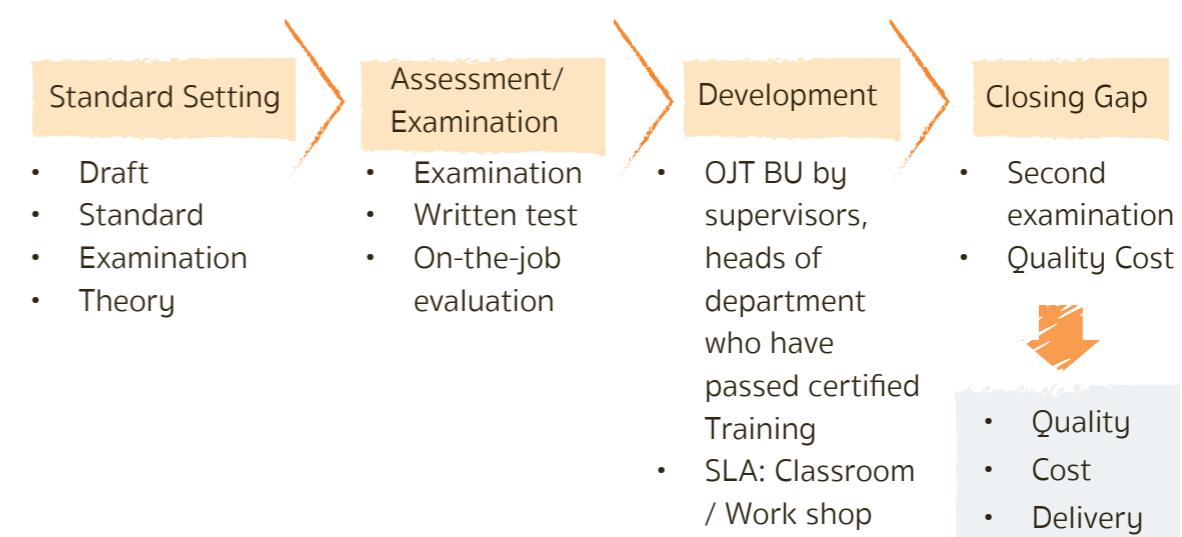
#### Organizational Outcomes

The organization achieves its goals according to the mission, with executives continuously managing the organization's strategy.

### 2.2 Developing the Operational Employees with the Professional Standards

The operational employees or Production Department will be developed using skill mapping to identify skill gaps and accurately analyze improvements, along with empirical evaluations of the development according to the professional standards the Company implemented in line with the organization's main key processes, recognized for the personnel potential by the customers.

#### Development Process



### Results of the development of operational staff according to professional

| Establishing standards according to professional standards |                    | 2021     | 2022                | 2023    |
|--|--------------------|----------|---------------------|---------|
| SFT  | Plan               | Standard | Develop and enhance | C = 40% |
| Forging Process  | Action             | 100%     | 100%                | C = 77% |
| Machining Process  |                    | 100%     | 100%                | C = 53% |
|  | Plan               | Standard | Develop and enhance |         |
| SBM  | Machining Process  | Action   | 100%                | 100%    |
|  | Plan               | Standard | Develop and enhance |         |
| ICP  | Melting Process    | Action   | 100%                | 100%    |
|  | Molding Process    |          | 100%                | 100%    |
|  | Finishing Process  |          | 100%                | 100%    |
|  | Shell Core Process |          | 100%                | 100%    |
| <b>Total 22.45%</b>  |                    |          |                     |         |

Note: Pilot development to raise standards according to professional standards under SFT

Establish standards --> Develop knowledge enhancement--> Conduct level C knowledge assessment

### The Results Achieved

#### Organizational Outcomes

There are established work standards in place, allowing new employees to start working more quickly, deliver tasks on time, and reduce production defects.

#### Outcomes for Employees

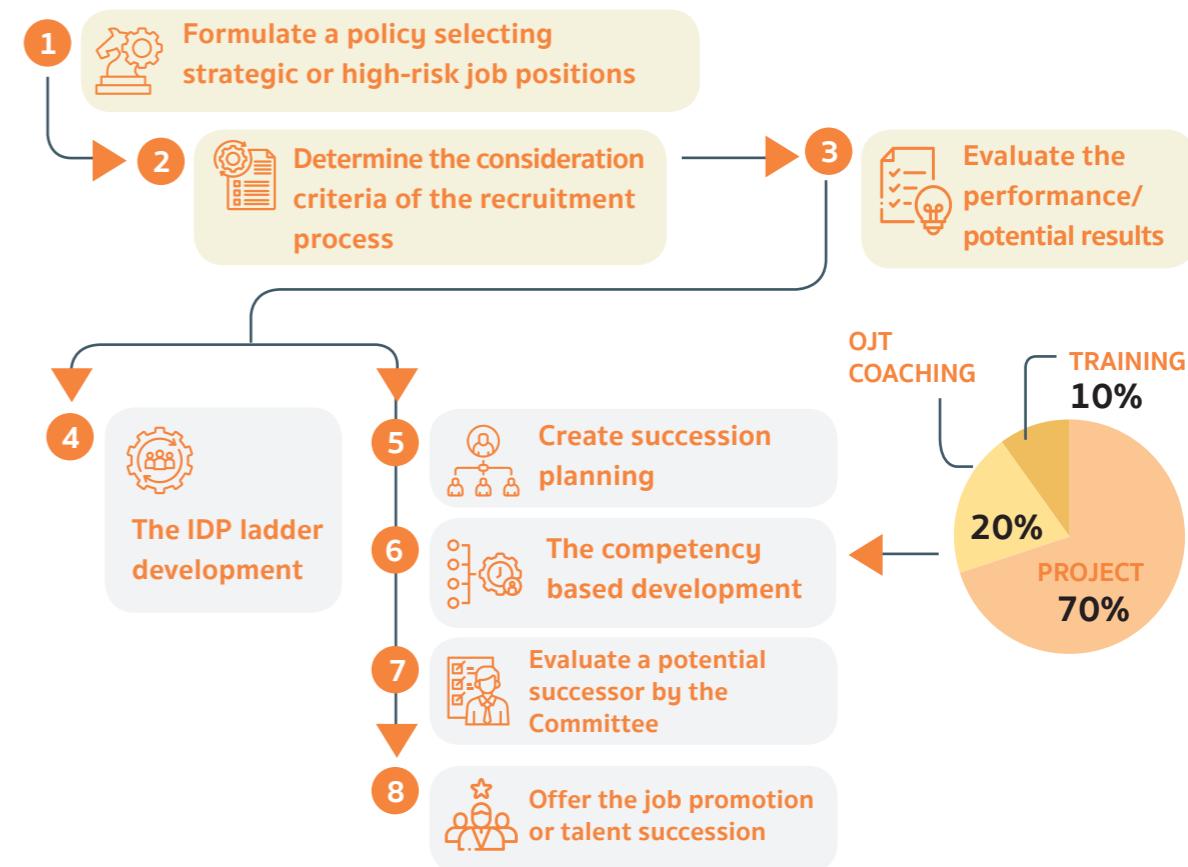
1. For new employees: New employees will have the necessary knowledge and skills before starting their work, increasing their confidence and enabling them to learn new and evolving technologies.
2. Skill enhancement through job rotation: Employees will gain additional skills through job rotation.
3. Rewards and career advancement: Employees will receive rewards based on their competency levels and have opportunities for career advancement.

#### Benefits for the Organization

1. Systematic work standards: The company has systematic work standards that help prevent errors.
2. Building customer confidence: Ensures that customers have confidence in the employees' competencies in their roles.
3. Reduction in production defects and timely production: Reduces defects in the production process and ensures timely production to meet customer demand.

### 3. Talent Successor

The company has policies and places importance on preparing leaders to drive the business sustainably. The process involves identifying and developing high-potential employees through specifically designed development programs, emphasizing real-world learning experiences through the 70:20:10 model of learning and development, which includes planning learning activities, monitoring progress, and measuring actual outcomes.



From the Talent Successor process, the development framework follows the 70:20:10 model as outlined below:

| The framework development of high potential employees in accordance with the 70:20:10 model |  |   |  |  |
|---|--|---|--|--|
| Plan Actual   | Self Learning (10 %)   | Learning Through Other (20 %)   | Learning By Doing (70 %)   | Evaluation Guideline & Results   |
| Plan  | Self-learning for training courses                                     | <ul style="list-style-type: none"> <li>Coaching by internal and external coaches</li> <li>Job shadowing with the superior directly</li> </ul> | <ul style="list-style-type: none"> <li>Execute Performance/ projects in compliance with the organizational strategy</li> </ul> | Guidelines: Developing the empirical based evaluation guidelines according to competencies with the superior under the HRD supervision |
| Actual  | Learning topics are set according to development required competencies | The evaluation results of coaching and job shadowing processes  | The achievement results of performance and gained knowledge  | Results: The project outcomes reflect the required competencies which majorly based on the learning and development process            |

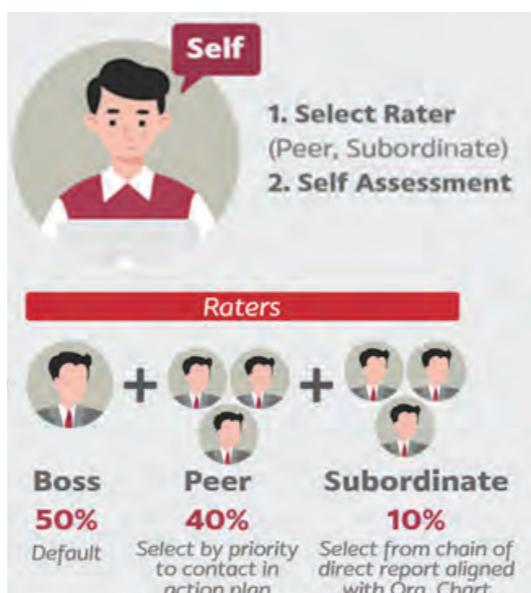
Remark: The development goal is set, and the actual evaluation is conducted.

#### Organizational Outcomes

The organization successfully identified successors for 10 key positions for continuous business operations, including 3 additional positions for other businesses within the group.

#### Employee Outcomes

- Employees continuously developed their potential and skills through direct knowledge transfer from their supervisors.
- Employees had opportunities for career growth, faced challenging work, and fully utilized their abilities in their tasks and management roles.
- The quality of life for employees and their families improved due to enhanced benefits associated with their positions.



#### 4. Engineering Capability

Given the company's vision and the competitive landscape regarding technology, production costs, work quality, and environmental concerns, the engineering group plays a vital role in driving organizational development. This group is divided into engineers in current business operations and future business ventures, with development processes following the 10:20:70 model as outlined below:



|   |  |  |
|---|--|--|
| Conducted 13 courses, averaging 19 hours per person | <ul style="list-style-type: none"> <li>On-the-job training (OJT) at the workplace</li> <li>Mentoring in Continuous Improvement projects for each engineering group step</li> </ul> | <ul style="list-style-type: none"> <li>Successfully implemented 154 Continuous Improvement projects according to the plan</li> </ul> |
|---|--|--|

| Results   | Results  | Results   |
|---|--|---|
| <ul style="list-style-type: none"> <li>Passed the training according to the plan</li> </ul> | <ul style="list-style-type: none"> <li>Passed the competency level assessment</li> </ul> | <ul style="list-style-type: none"> <li>Achieved a cost reduction of 11.68%</li> </ul> |

|   |                                    |   |
|---|------------------------------------|---|
| A project that sends employees for practical training in Japan for one year | Training conducted by Japanese TAs | Practical work experience in Japanese industrial plants |
|---|------------------------------------|---|

|   |  |  |
|---|--|--|
| <ul style="list-style-type: none"> <li>focusing on production and work improvement</li> <li>including Japanese language training</li> </ul> | Employees passed assessments and acquired Japanese language skills | <p><b>Organizational Outcomes :</b><br/>Employees initiated 10 projects upon return, focusing on cost reduction and process efficiency improvement</p> |
|---|--|--|

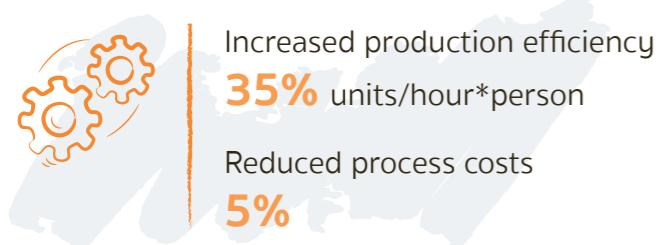
|  |
|--|
| <p><b>Employee Outcomes :</b><br/>Developed work skills and competencies, with 2 employees promoted and the rest considered for the Talent group with potential future career growth opportunities</p> |
|--|

## 5. Kaizen & QCC

The organization is committed to fostering a culture of learning and continuous development. It arranges platforms for employees to showcase their work improvements through Kaizen, Quality Control Circle (QCC), and various Improvement Projects via the Kaizen & QCC Award and Innovation Day, as follows:

### Internal

- Kaizen & QCC Award: A competition platform for Kaizen and QCC projects by employees, judged by a panel of senior executives



- Innovation Day: A venue for presenting various Improvement Projects by employees, focusing on promoting creativity in work improvement

### External

Outstanding performance by employees has also led the company to gain recognition and awards from external organizations, reflecting the quality and innovation developed within the company. Receiving these awards is not only a mark of success but also an inspiration for all employees in the organization to continue creating and developing their work

- Golden Award, Thailand Quality Prize Award 2023: Technology Promotion Association (Thailand-Japan) (SBM)
- Bronze Award, Thailand Kaizen Award: Technology Promotion Association (Thailand-Japan) (ICP)
- 3<sup>rd</sup> Place Award at the Kubota Kaizen World Cup 2024 in Osaka, Japan.



## 6.3 Good People Development

The company is committed to promoting sustainability through creating value for society and the environment, based on the founder “Khun Somboon Kitaphanich” principles of “Morality” and “Gratitude” as its foundation. This approach aims to generate societal and environmental value alongside business development, and to encourage employee participation in social activities. This not only reinforces social and environmental responsibility but also fosters the development of employee personalities and teamwork skills.

The company continues to drive its sustainability strategy by encouraging employee involvement in social and environmental activities, supporting them in using their knowledge, skills, capabilities, and expertise to create value for the community.

### Management Approach

In 2023, the company reviewed its strategy and management approach for social activities, focusing on intensifying employee participation by shifting from a system of logging good deed hours to an effective outcome measurement system of employee involvement in social activities.

The goal for social activity participation is



The result of social activity participation is



The company's social activities are derived from surveys of societal and community needs. The company's approach to social activities is divided into 3 main directions, with the following results in 2023:



Volunteering activities



Knowledge sharing



Blood donations

## 1. Community Service Activities

### • Community service activities

One of the company's key personnel development policies, besides developing skilled individuals, focuses on creating "good people" who utilize their potential for self-benefit, organizational benefit, and societal benefit. Hence, community service activities are crucial mechanisms for instilling "awareness" and "participation" among employees.

#### Objectives:

- To develop employees into good citizens of society and the country.
- To strengthen relationships among colleagues through joint activities.
- To foster positive relationships between employees and the community.

| Company | Location                    | Activity  |
|---------|-----------------------------|---|
| SFT1,2  | Ban Raweng School, Chonburi | <p>Landscape improvement around the school</p> <ul style="list-style-type: none"> <li>• Renovating buildings</li> <li>• Repairing educational equipment</li> <li>• Painting fences and walls</li> <li>• Futsal field</li> </ul> |
| SBM     | Yang Phon School, Rayong    | <p>Knowledge activity base</p> <ul style="list-style-type: none"> <li>• Using fire extinguishers</li> <li>• Waste separation</li> <li>• Vegetable gardening</li> </ul>  |
| ICP1,2  |                             | <p>Landscape improvement around the school</p> <ul style="list-style-type: none"> <li>• Laying sand dust blocks</li> </ul>  |





### • Environmental Benefaction Activities

The company is committed to creating a sustainable organization that cares for the environment and encourages employee participation in maintaining the natural balance. This policy focuses on supporting employees to partake in environmental activities, hoping to inspire them to contribute to environmental preservation and create a sustainable future.

| Company           | Location  | Activity  |
|-------------------|---|---|
| SAT,SAA           | Mangrove Forest, Air and Coastal Defense Command, Sattahip District, Chonburi | <ul style="list-style-type: none"> <li>• Mangrove planting activity</li> </ul>  |
|                   | Public Garden and Sri Nakhon Khuean Khan Botanical Park, Samut Prakan         | <ul style="list-style-type: none"> <li>• Straw mulching activity</li> </ul>   |
| SFT3              | Bang Pu Nature Education Center, Royal Thai Army, Samut Prakan                | <ul style="list-style-type: none"> <li>• Mangrove sapling cultivation</li> <li>• Trash collection and weed removal</li> </ul>   |
| SBM, ICP1, 2, SAA | Phayun Beach, Rayong  | <ul style="list-style-type: none"> <li>• Beach landscape improvement</li> <li>• Trash collection and weed removal</li> <li>• Leaf collection raft construction</li> </ul> |



## 2. Knowledge Sharing with Stakeholders

The company is committed to encouraging employees to share their knowledge with stakeholders such as customers, partners, and the community. This reflects the company's dedication to sustainability and creating added value for society. Sharing knowledge not only helps stakeholders gain more information and understanding about the business and its social and environmental impacts but also helps build a positive relationship between the company and society.

This initiative may include organizing training sessions, seminars, or meetings where employees share their experiences and information about best business practices, sustainability innovations, or techniques to minimize environmental impact. Furthermore, the company supports employees' involvement in volunteer projects or social activities to raise awareness and address social issues on a broader scale.

Through promoting this policy, the company aims to enhance its social responsibility and the sustainability of its business in the long term, as well as increase its competitiveness through leadership in innovation and social responsibility.



## Description of the ESG Implementation at Isuzu's Supplier Meeting



## Description of Bilateral Management

### 3. Blood Donation

The company supports its employees in engaging in social activities through blood donations, creating significant value and aiding fellow humans in society. In collaboration with the Thai Red Cross, the company organizes blood donation events for its employees regularly every year, a tradition that has continued for 24 years. In 2023, employees, executives, and partners of the company collectively participated in the blood donation, totaling 203 individuals. This resulted in a total of 141,050 cc of blood collected, reflecting the company's commitment to supporting good deeds and sharing with the community.



## 7. Business Trust

## 7.1 Business Trust Strategy

## 7.2 Human Rights

## 7.3 Employee Care and Employee Engagement

## 7.4 Occupational Health and Safety Management

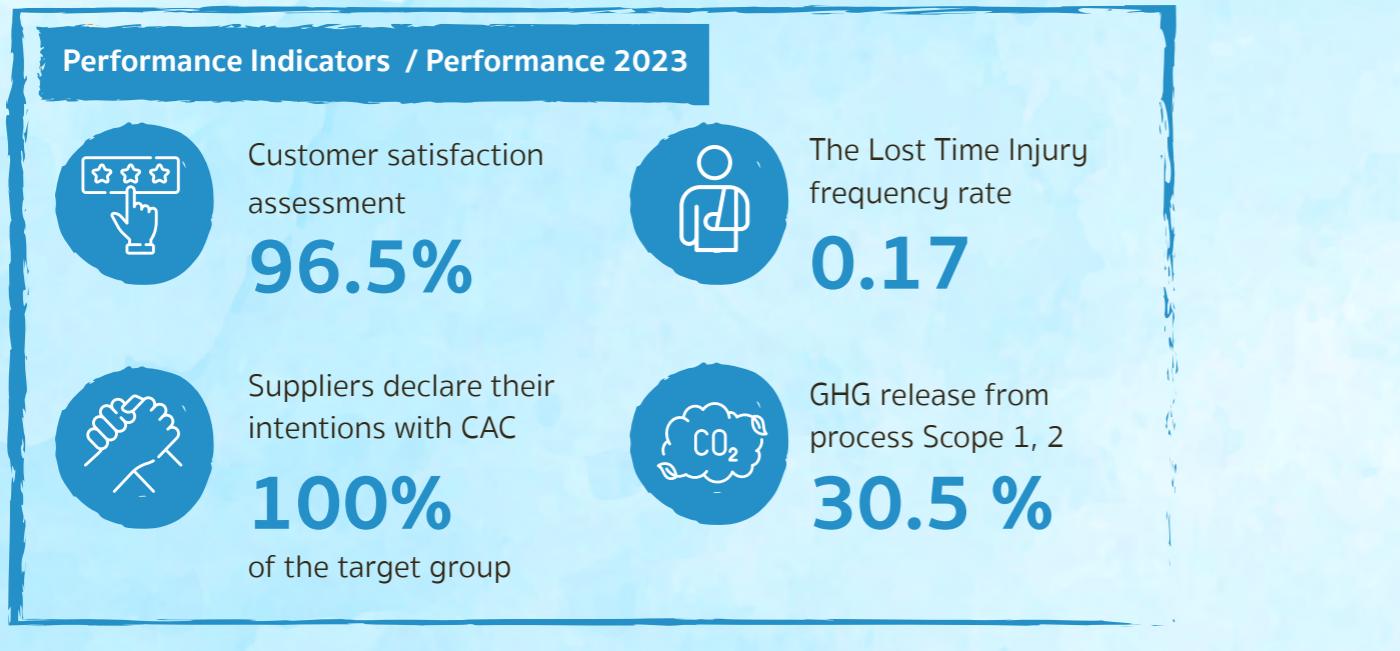
## 7.5 Customer Relationship Management

## 7.6 Suppliers and supply chain management

## 7.7 Environmental Management

## 7.8 Business process innovations for sustainability

## 7.9 Tax practices



## 7.1 Business Trust Strategy



“Create Value for Stakeholders”

The company has developed a comprehensive business strategy following the “Somboon Triple Bottom Line” philosophy, which includes complete individuals, businesses, and communities. The focus is on “creating value to address stakeholders,” taking into account the economy, society, environment, and corporate governance. In 2023, the company enhanced its sustainability strategy to align with the Sustainable Development Goals (SDGs), amidst an increasingly challenging global sustainability context. This involved developing the supply chain, reducing risks from climate change, pushing business innovations, and developing employees’ creativity. It also promoted the involvement of all parties to drive the goals to success.

### Management Approach

The company focuses on continuously conducting business by creating value for stakeholders, following an organizational sustainability strategy that aligns with the global sustainability context, as follows:

#### 1. Creating Value for Stakeholders:

- Conduct business with fundamental principles and rights of labor organizations.
- Adhere to human rights, equality, and human dignity.

- Responsible for safety according to the company’s standards.
- Create motivation and organizational commitment.
- Develop products and services that meet customer needs.
- Promote responsibility towards society and the environment.

#### 2. Supply Chain Management:

- Elevate suppliers to be socially and environmentally responsible.

#### 3. Efficient Resource Use:

- Reduce resource usage per ton of production and responsibly minimize the business’s impact on the environment.

#### 4. Innovation Creation:

- Develop technology and innovations to add value to the business alongside increasing positive impacts on society and the environment.

#### 5. Tax Management:

- Plan financial and tax strategies systematically.
- Prepare and disclose tax policies according to the law.

Operations in the “Business Trust” aspect involve creating value and responding to stakeholders in environmental, social, and governance dimensions as follows:

| Stakeholders / Key Issues                           | Employees | Shareholders/ Investors | Customers | Suppliers | Community | Government/ Regulatory bodies |
|---|-----------|-------------------------|-----------|-----------|-----------|-------------------------------|
| Human rights  | S         |                         | S         | S         | S         |                               |
| Employee engagement and care                        | S         |                         |           |           |           |                               |
| Occupational health and safety management           | S         |                         |           |           |           | S                             |
| Customer relationship management                    |           | G                       | G         |           |           |                               |
| Supplier management                                 |           | G                       | G         |           |           |                               |
| Environmental management and energy conservation    | E         | E                       | E         | E         | E         | E                             |
| Innovation in business processes for sustainability | G         | G                       | G         |           |           | G                             |
| Tax operations                                      | G         |                         |           |           |           | G                             |

## 7.2 Human Rights

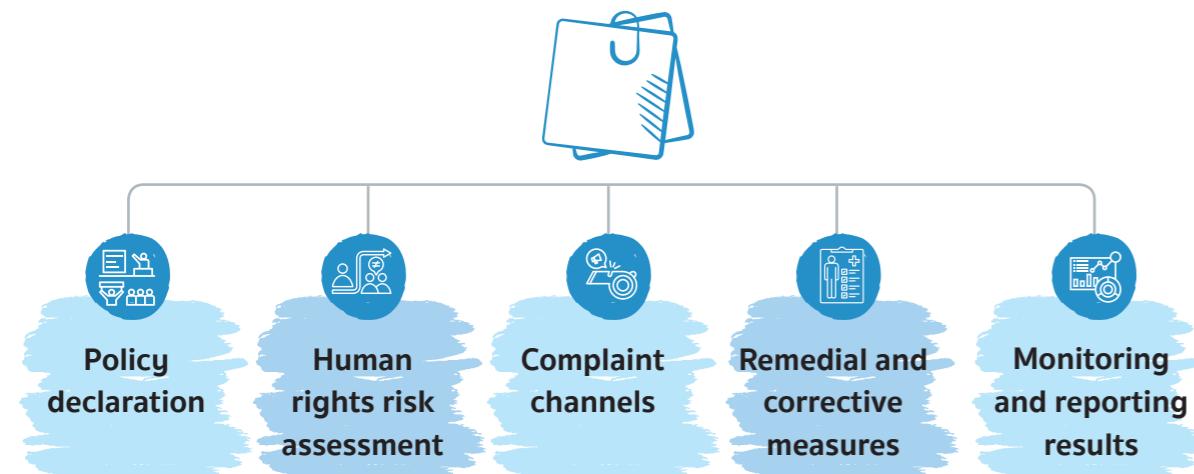
The company is committed to protecting and promoting human rights in all aspects of its business operations. Human rights are fundamental rights that everyone should have from birth. Equality is a fundamental principle in creating a society and work environment that is favorable. Promoting collaboration with all parties involved in managing diverse issues helps reduce the risk of human rights violations. Creating a safe working environment, treating suppliers equitably, or controlling pollution that may impact the community are emphasized by the company, focusing on ethical operations and respecting everyone's rights to create a better world for all stakeholders.



### Policy

The company places great importance on adhering to human rights principles, firmly upholding key standards such as the United Nations Guiding Principles on Business and Human Rights (UNGPs), Human Rights Impact Assessment and Management (HRIAM), and recommendations from the Stock Exchange of Thailand. The company has adapted these key standards to develop a comprehensive human rights due diligence process through the establishment of a human rights policy and inclusion in the Code of Ethics and Business Conduct. This defines clear operational guidelines and communicates these policies to employees and stakeholders, ensuring all operations in the supply chain move in the same direction.

In 2023, the company reviewed and updated its human rights policy to adequately respond to current needs and situations, reflecting its dedication to protecting and promoting human rights. This includes a comprehensive human rights due diligence process (HRDD) as follows:



### 1. Human Rights Policy Announcement and Employee Education

In 2023, the company reviewed and updated its human rights policy, considering human rights issues related to stakeholders comprehensively. This assessment included four areas: 1) Employees and subcontractors, 2) Customers, 3) Suppliers, and 4) Communities and society, by teams from HR, procurement, factory representatives, and sales, to demonstrate the will to respect and not violate human rights towards all stakeholders. The company also assessed human rights risks through risk assessment processes at the departmental and organizational levels as follows:

- Treat everyone equally according to human rights principles without discrimination.
- Not use forced labor within the company's supply chain, including child labor, foreign labor, or forced overtime.
- Treat the organization's stakeholders equally, whether they are customers or suppliers.
- Respect customer rights without violating customer privacy.
- Respect suppliers rights, treat suppliers fairly, and encourage them to adhere to human rights principles.
- Respect community rights, listen to feedback, and support community participation without obstructing access to natural resources and the environment.

The company is in the process of developing a human rights manual and training plans for employees to enhance understanding and manage human rights within the organization. However, the company already has basic human rights management practices as part of each related process, such as not using child labor and not employing illegal foreign workers.

### 2. Working Group and Human Rights Risk Assessment

In 2023, the human rights risk assessment working group was the same as the corporate risk assessment team. Human rights risk assessment was considered under the overall corporate risk management framework. However, the company plans to establish a separate working group in 2024 to specifically address human rights risks more effectively. This working group will include executives and employees from relevant departments to provide a comprehensive and expert perspective on human rights issues to manage human rights concerns in operations. This working group is responsible for assessing human rights risks arising from the company's value chain, planning, and taking action to mitigate and prevent risks by considering the work environment, treatment of suppliers and customers, environmental management, and other factors that may impact human rights. Additionally, the working group will monitor and evaluate the effectiveness of measures in place to prevent and mitigate human rights risks and adjust operational plans as necessary due to changing situations or new requirements.

Human rights risk assessment is a process the company uses to identify, assess, and manage risks that may impact human rights in its operations. It's crucial in promoting the company's social responsibility and preventing human rights violations, including:

- Risk identification: Identifying human rights risk issues from the company's value chain, including an overview of human rights situations in areas or locations where the company operates and identifying significant risks that may affect stakeholders such as employees, local communities, customers, and shareholders.

- Risk assessment: After identifying human rights risk issues, the company assesses the likelihood of those risks occurring and the impact if those risks materialize.
- Human rights risk management: This process involves analyzing and creating a plan to prevent problems and human rights risks that may arise, including contingency plans.
- Monitoring and reporting: The company monitors the effectiveness of risk management measures and adjusts processes as necessary, reporting to management and the board of directors.

### 3. Managing Human Rights Risk Issues

The company has established measures to prevent human rights issues, especially for high and very high-risk levels, focusing on minimizing negative impacts and enhancing potential positive impacts. Once measures are implemented, the company continuously reviews operational plans, with high-risk issues being reassessed to understand residual impacts better, helping the company more effectively manage risks and impacts.

### 4. Handling Complaints and Remediation of Human Rights Violations

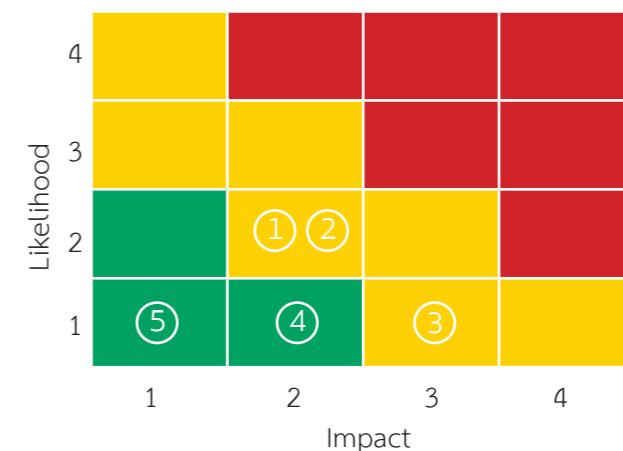
The company encourages employees and stakeholders to participate in expressing opinions, reflecting problems, and reporting incidents or actions that violate human rights or ethical standards. Complaints can be made through the company's website, where the company will manage the complaints appropriately, fairly, and protect individuals reporting human rights violations related to internal individuals, using serious measures to protect whistleblowers. In cases of proven human rights violations by internal individuals, the company will determine fair compensation and remediation measures for affected individuals, which may include medical services and other appropriate remediation methods.

### 5. Monitoring and Reporting Results

The company monitors and reports on human rights results, collecting data related to impact assessments, operational measures, and outcomes, including reviewing and revising operational plans. The reporting process adheres to transparency and accountability principles, ensuring the information is accurate, comprehensive, and reflects the true situation. The human rights working group will report these monitoring results to the company's board of directors, ensuring that complaints are considered and are part of the company's assessment and decision-making process.



### 2023 Human Rights Issues



| Human Rights Risk Issues                       | Stakeholders   | Preventative Measures   |
|--|--|---|
| 1. Occupational health and safety of employees | <ul style="list-style-type: none"> <li>Employees</li> <li>Suppliers</li> </ul>                                       | <ul style="list-style-type: none"> <li>Improvement of the working environment</li> <li>Safety training for employees</li> <li>Use of personal protective equipment</li> <li>Creation of safe work procedures</li> </ul>   |
| 2. Non-discrimination and fair employment      | <ul style="list-style-type: none"> <li>Employees</li> <li>Customers</li> <li>Suppliers</li> <li>Community</li> </ul> | <ul style="list-style-type: none"> <li>Clear non-discrimination policy</li> <li>Clear employment policy adhering to equality and fairness</li> <li>Complaint processes that allow stakeholders to report discrimination incidents</li> </ul>                        |
| 3. Protection of customer privacy and data     | <ul style="list-style-type: none"> <li>Customers</li> </ul>  | <ul style="list-style-type: none"> <li>Personal data protection policy</li> <li>Compliance with laws and standards related to personal data protection</li> <li>Restricted access to customer personal data to only necessary individuals or departments</li> </ul> |
| 4. Child labor and forced labor                | <ul style="list-style-type: none"> <li>Employees</li> <li>Suppliers</li> </ul>                                       | <ul style="list-style-type: none"> <li>Clear company policy regarding the non-acceptance of child and forced labor</li> </ul>   |
| 5. Waste and hazardous materials management    | <ul style="list-style-type: none"> <li>Employees</li> <li>Suppliers</li> <li>Community</li> </ul>                    | <ul style="list-style-type: none"> <li>Internal policies and regulations on waste and hazardous materials management</li> <li>Waste and hazardous material management using appropriate methods such as recycling, destruction, or controlled disposal</li> </ul>   |

## 7.3 Employee Care and Employee Engagement

The company believes that human resources are a key factor in driving the success of the organization. Additionally, the level of employee engagement is significantly related to operational efficiency. Therefore, the company has established policies to foster engagement and take care of employees, while encouraging their participation to grow alongside the organization and prepare for future changes.

The company's employee engagement policy focuses on building and maintaining good relationships between employees and the organization to enhance job satisfaction and performance, thereby reducing employee turnover rates.

### Management Approach

#### 1. Employee Development for Growth

The company supports the development of employees' skills and career advancement through continuous training, seminars, and on-the-job learning opportunities. This development includes providing appropriate training, creating opportunities for learning, and developing new skills, as well as supporting employee participation in projects or activities that promote creativity. Additionally, there is an employee performance evaluation system that supports continuous development and growth, allowing both employees and supervisors to track progress, assess performance, and set new goals clearly and effectively. The evaluation emphasizes two-way communication, offering employees the opportunity to express their opinions and discuss their expectations. It also includes the development of individual growth plans, all to ensure that employees can adapt and grow amid industry and company changes.

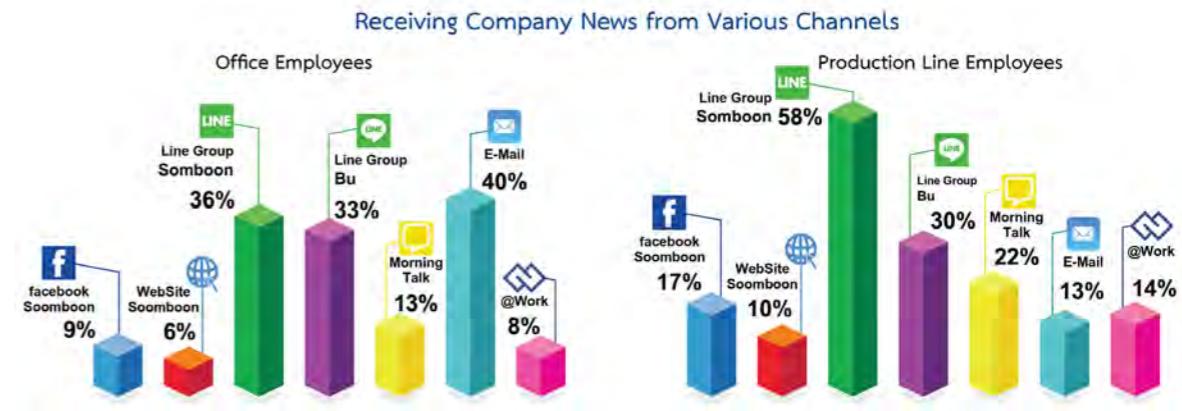


#### 2. Effective Communication

The company promotes open and creative communication through various channels, allowing employees to receive necessary information and have the opportunity to express their opinions. In 2023, internal communication was enhanced through Top Management Communication Activities focusing on inviting external speakers to exchange views on human resource management with the management group. These were organized in the form of Leadership Forums to promote understanding of various changes occurring, their impacts on the organization, and to enhance leadership skills in driving change to operational level employees.



Nevertheless, the company continues to communicate important organizational information to employees regarding company performance and movements within the automotive industry, through various activities. It also surveys employees' awareness through different channels to ensure that they are adequately and comprehensively informed about organizational news.



#### 3. Welfare and Compensation

Providing employee benefits is an important aspect that the company cares about and supports for the well-being of its employees. In addition to increasing job satisfaction and organizational commitment, it is also an investment in the comprehensive care for the health and happiness of employees.

- Health benefits, such as employee and family health insurance, annual health check-ups, health promotion programs, etc.
- Financial benefits, Lunch allowance, provident fund contributions, cooperative savings, employee savings plans, etc.
- Work and life benefits, such as special holidays, Car purchase discount from customer, etc.
- Other benefits, such as employee uniforms, employee shuttle services, etc.

Offering a variety of benefits that meet employees' needs can help bolster their confidence in personal life management planning while enhancing their work performance. Additionally, it helps create a positive image in attracting and retaining quality personnel.

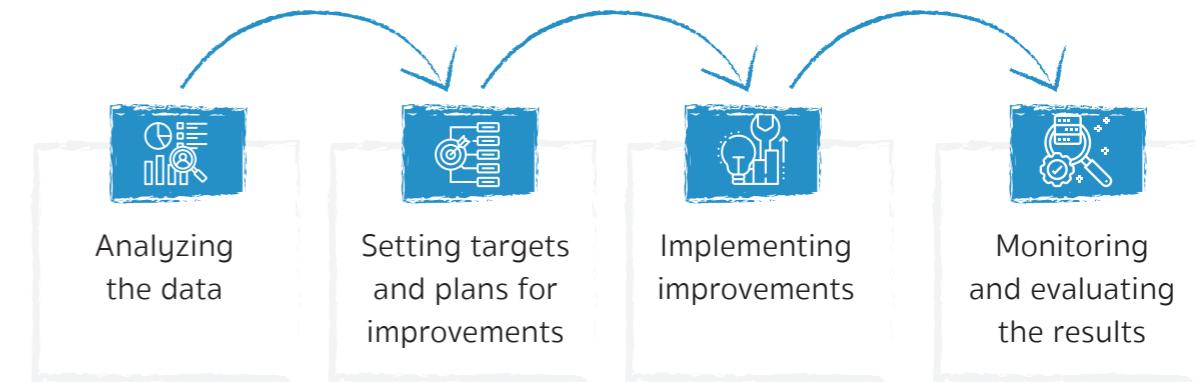
#### 4. Participation in Expressing Opinions

Employee participation in expressing opinions is a crucial part of creating a transparent and open organization. Encouraging employees to share their thoughts not only makes them feel valued and a part of the company but also opens opportunities for the company to hear suggestions that could lead to improvements and changes in employee management. The company has channels for employees to express their opinions, including:

- Weekly and monthly meetings for employees to share their opinions and suggestions, which are part of the internal communication process that helps teams track progress and plan work efficiently. These meetings play a significant role in building mutual understanding within the team and opening opportunities for the exchange of ideas and suggestions.
- The Welfare Committee acts as a representative group of employees, playing a vital role in defining and managing various benefits. The main objective of this committee is to ensure that benefits allocation is appropriate and comprehensive, responding to employees' needs and promoting their well-being. The committee consists of representatives from both management and employees to ensure that employees' views and needs are considered and included in decisions regarding benefits. Additionally, the committee is responsible for monitoring and evaluating the use of benefits to continuously improve and develop more effective and suitable benefits.
- Channels for suggestions and complaints allow the company to systematically, transparently, and fairly manage employee complaints. Confidentiality is maintained, and human rights principles are respected, focusing on correct understanding among employees and between employees and the organization. Representatives from the company's Human Resources department participate as committee members. Employees can formally complain through internal departments such as Compliance and Audit, Corporate Secretary, and Human Resources Management, via various channels such as telephone, email, and suggestion boxes.

**Employee Engagement Survey:** The company conducts satisfaction surveys regularly every 2 years by an external agency. The survey affects employee engagement and development, such as job security, rewards and benefits, support and promotion opportunities, work environment and atmosphere, and communication within departments and the organization. The company has set a goal for employee engagement at 85% by 2026

In 2023, the company undertook the task of using the results of the 2022 (78%) employee satisfaction survey as a foundational database for formulating plans to improve work processes and the organizational environment. This involved:



#### Enabling Infrastructure

- Upgrading the work environment, including work areas and shared spaces, such as cooling systems, exercise areas, office buildings, and restrooms.
- Enhancing or adjusting benefits, such as family health insurance and lunch allowances.

#### Senior Leadership

- Training and development for executives on communication, providing feedback to subordinates, and conflict management.
- Elevating internal communication through Top Management Communication Activities in a Leadership Forum format.

#### Reward and Recognition

- Kaizen & QCC Award: A platform for presenting Kaizen and QCC project outcomes by employees.
- Innovation Day: A venue for presenting various improvement projects by employees.
- Awarding and recognizing employees with outstanding performance.

## 5. Promoting Diversity

The workforce of the company is diverse, encompassing differences in race, nationality, gender, age, physical abilities, attitudes, and experiences. This diversity is a true practice of respecting human rights, creating an equal society, and respecting the differences between individuals.



Number of foreign employees:

**9** persons



Number of employees with disabilities

**24** persons  
(Minimum requirement level for complying with law is 21 people)



Increase in the number of female employees

**3.57 %**



## Good Health and Well-being

In 2023, the company placed increased importance on employee health, recognizing that good quality of life directly impacts work performance, including physical health, mental state, workplace relationships, and the surrounding environment. All these factors contribute to higher work efficiency. Employees in good physical and mental health work better, are happier, less stressed, creating a caring and supportive work community, benefiting the organization as a whole. The company initiated activities under the Good Health and Well-being program to promote awareness and knowledge about taking care of the four aspects of employees' health, which include:

**1. Physical Well-being** The company focuses on promoting good physical health to prevent diseases. It emphasizes educating and raising awareness among employees about non-communicable diseases (NCDs), such as hypertension, diabetes, high cholesterol, obesity, and office syndrome. Additionally, it supports physical activity by providing sports equipment and organizing health-related events, such as cycling activities towards better goals and sports days to enhance physical fitness.



**2. Mental Well-being** The company promotes awareness of stress management that affects mental health, enabling living a happy life with a positive outlook, emotional control, and mindfulness. Inspirational speakers are invited to share ideas and perspectives under the theme "Change your thoughts, change your life," providing employees with new insights and ways to manage their finances, especially for those preparing for retirement.



**3. Social Well-being** Happy coexistence in the workplace and warm family life with ethics, non-exploitation, generosity, and kindness form a good foundation for teamwork, listening to opinions, and pushing towards organizational goals. This extends to the community or society outside through activities like traditional Thai festivals, such as Songkran, and regular blood donations, four times a year in collaboration with the Thai Red Cross, collecting over 78,000 cc of blood



**4. Environmental Well-being** Creating an environment conducive to health where the workplace does not pollute the health of workers and the surrounding community. It also involves employee participation in pushing organizational environmental goals to success, such as reducing energy use, resource consumption, increasing green areas inside and outside the organization, supporting carbon dioxide and other greenhouse gases reduction. Activities include afforestation in various areas to increase green spaces, mulching to maintain moisture for newly planted saplings, and organizing employee-led trash collection in public tourist spots near the company.



## 7.4 Occupational Health and Safety Management

The company implements occupational health and safety management to control risks to employee health, safety, and the work environment. The goal is to create a safe workplace and promote good health among employees as follows:



### Occupational health and safety policy

Develop and improve production processes to excel in safety, to reduce the risk of accidents and serious incidents, in response to customer and government safety policies and legal compliance. It includes training and developing personnel and cultivating a culture and behavior of safety to foster skills, knowledge, and awareness of safety and the working environment conditions.

### Promoting Occupational Health and Safety Activities

In 2023, the company acted according to the occupational health and safety plan, improving the work environment and the good health of employees, including promoting employee participation in activities or projects with the government, such as:

- A project to compete for the national exemplary safety enterprise award, activities to campaign for reducing work accident statistics to zero, and participating in safety inspection clubs with customers and suppliers.
- Executive-level walkabout inspections to check for hazardous points in the work area, aiming to correct and improve to ensure a safe work environment, with the goal of inspecting safety across all areas.



- The Completely Check Completely Find out (CCCF) activity, enabling employees to identify hazards from their tasks and propose solutions, aiming for 100% participation in the activity.
- Work Safety Week, aimed at raising safety awareness among employees



- Training and development activities, providing general safety knowledge to foster safety awareness and specialized knowledge, such as working at heights, working in confined spaces, and advanced fire drill practices.



- Other safety activities, such as safe driving activities, inspections of employee transport safety, and the safety of employees' cars and motorcycles.



### Risk Assessment in Work Areas of Employee and Contractor

Risk assessment regarding safety for employees and suppliers in the work areas is a critical process to ensure that all involved parties are safe and can perform effectively in each area or work scenario that involves various risks. The steps include:

#### 1. Risk Identification

- Inspecting work areas, understanding the environment and activities within the area to identify locations and processes that may pose safety risks.
- Analyzing activities to identify potential risks arising from work involvement.

#### 2. Risk Assessment

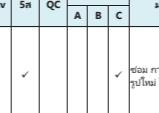
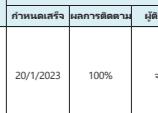
- Assessing the risk after identifying them, the company evaluates the likelihood of these risks occurring and the potential impacts, including analyzing the frequency and severity of possible incidents.

### 3. Risk Management

- Establishing control measures to reduce or prevent identified risks, such as using personal protective equipment, upgrading machinery, or modifying work processes.
- Training and communicating about safety measures and work-related risks to employees and suppliers.

### 4. Monitoring and Review

- Regularly inspecting control measures to ensure they are effectively and adequately executed in a changing environment.

| ลำดับ | พื้นที่/บริเวณที่ตรวจ | อุบัติเหตุ/ช่องทาง                        | ความเสี่ยง | STOP | Env | Sx | QC | Rank |   |   | มาตรการแก้ไข  | กิจกรรมแก้ไข   | หน่วยงานที่ใช้ | ผู้รับผิดชอบ | ผลการดำเนินการ |                |              |
|-------|-----------------------|---|------------|------|-----|----|----|------|---|---|---|--|----------------|--------------|----------------|----------------|--------------|
|       |                       |   |            |      |     |    |    | A    | B | C |   |  |                |              | การดำเนินการ   | ผลการดำเนินการ | ผู้รับผิดชอบ |
| 1     | บริเวณ G1/FG2         | การเดินทางด้วยรถยนต์                      |            |      |     | ✓  |    |      |   |   | ✓ งดม. การเดินทางด้วยรถยนต์ในเดือนกรกฎาคม   | <br> | K. ศรีวิช FG   | 20/1/2023    | 100%           | งบ.            |              |
| 2     | บริเวณ G8/FG2         | พนักงานเดินทางด้วยรถยนต์ เบรนเดอร์จังหวัด |            | A    |     |    |    |      |   |   | งดม. OPL ลูกค้าเดินทางด้วยรถยนต์ การเดินทางด้วยรถตู้ หรือรถโดยสารสาธารณะที่มีสิ่งของมีอันตราย | <br> | K. ศรีวิช FG   | 20/1/2023    | 100%           | งบ.            |              |
| 3     | G13/FG2               | ก่อจดจ่อเดินทางด้วยรถจักรยานยนต์          |            | E    |     |    | ✓  |      |   |   | งดม. ก่อจดจ่อเดินทางด้วยรถจักรยานยนต์ MT/PM กรณี  | <br> | MT-ชุมชน       | 25/10/2023   | 100%           | งบ.            |              |
| 4     | ชั่วโมง FG2           | พนักงานเดินทาง                            |            |      |     | ✓  |    |      |   |   | งดม. ก่อจดจ่อเดินทางด้วยรถจักรยานยนต์ รถจักรยานยนต์ที่มีอันตราย                               | <br> | K. ศรีวิช FG   | 23/06/2023   | 100.00%        | งบ.            |              |
| 5     | G9/FG2                | พนักงานเดินทาง                            |            | E    |     |    |    |      |   |   | งดม. ก่อจดจ่อเดินทางด้วยรถจักรยานยนต์   | <br> | K. ศรีวิช FG   | 26/05/2023   | 100.00%        | งบ.            |              |

Example of a Safety Risk Assessment Form for Employee and Partner Operations

### Employee and Partner Safety Issues and Measures for 2023

| Risk Issues  | Management Measures  |
|--|--|
| <ul style="list-style-type: none"> <li>Accidents due to unsafe work environments caused by employees' actions, such as failure to wear protective equipment.</li> <li>Unsafe work areas, such as confined spaces, high temperatures, and loud noises.</li> </ul> | <ul style="list-style-type: none"> <li>Foster a safety culture through training, communication, monitoring, and reporting results.</li> <li>Establish clear safety policies regarding the use of protective equipment, including penalties for non-compliance.</li> <li>Reduce risks by installing safety systems such as guardrails, ventilation systems, and noise protection equipment.</li> <li>Improve the work environment, e.g., controlling temperature and lighting.</li> <li>Regularly inspect the work environment.</li> <li>Check if employees adhere to safety measures.</li> </ul> |

## Occupational Health and safety operation results

|   | Outcome 2023 | Outcome 2022 |
|---|--------------|--------------|
| Work-Stoppage Accidents (cases)                   | 1            | 4            |
| Non-Work-Stoppage Accidents (cases)               | 7            | 11           |
| Frequency Rate of Work-Stoppage Injuries          | 0.17         | 0.67         |
| Number of lost-time injuries of suppliers (cases) | 0            | 0            |
| Lost-time injury frequency rate of suppliers      | 0            | 0            |
| Severe Fire Incidents (occurrences)               | 0            | 0            |

## Safety Awards

In 2023, the Company participated in the model safety organization competition and won the following awards:



SFT (Safety and Health at Work) Award of Excellence for outstanding performance in safety, occupational health, and environmental conditions at the workplace, achieving a national Gold level status.



“SFT Award of Excellence Level 1 for the First Year  
Activity: Campaign to Reduce Work-Related Accidents to Zero”

## 7.5 Customer Relationship Management

Managing customer relationships is a crucial strategy in business operations, especially in the current context of industry volatility and uncertainty, including changing customer behaviors that increasingly emphasize ESG (Environment, Social, Governance). The company is committed to improving product quality, production efficiency, maintaining and cultivating positive relationships with customers continuously, and driving the organization with new innovations. There is also environmental management and business continuity planning to meet the current customer needs and expand to new customer bases, increasing the company's future revenue opportunities. A policy related to customer relationship management is defined in the Business Ethics Manual in 2023 to ensure strict compliance by employees as follows:

### Customer Relationship Management Policy

1. Produce and deliver products that meet quality certifications and standards at a fair price, without overcharging.
2. Provide accurate, sufficient, and timely information and advice to customers about products and services.
3. Strictly adhere to the terms and conditions with customers. If unable to meet any conditions, promptly inform customers to consider solutions together.
4. Treat customers with courtesy and earn their trust.
5. Securely store customer data, with measures to maintain customer confidentiality. Do not share data without customer consent and do not misuse customer data for personal and/or related parties' benefits improperly.
6. Guarantee products under the terms/conditions and duration specified in the commercial contract and comply with the Consumer Protection Act.
7. Establish systems/processes for customer complaints regarding products and services, including prompt response to problem-solving and thorough action to ensure customer satisfaction.
8. Initiate and support social responsibility activities with customers, covering the scope of ESG operations.
9. Focus on developing products, packaging, and environmentally friendly transportation methods.
10. Create channels for providing continuous information on product development to customers.

### Management Approaches

#### • Continuous technology integration in production and development

- The study and implementation of appropriate technologies in operations, especially in production processes, to maximize efficiency and extend into digital technology services that meet customer needs. This enhances performance and competitive capability, ensuring adaptability to future business trends.

- Participation in ESG development within the supply chain

- Engaging in ESG development with customers throughout the supply chain broadens sustainability from upstream to downstream. This approach reduces impacts and adds value environmentally and socially for both the company and its customers. In 2023, the company participated in ESG development within the supply chain as follows:
- Serving as an ESG operation model for other suppliers of the Isuzu company by presenting case studies and experiences at the annual Isuzu supplier meeting, encouraging others to follow these practices.
- Collaborating in ESG assessments with three customers: companies in the Isuzu, Mitsubishi, and GKN groups, demonstrating commitment to sustainability and strengthening trust and relationships with customers.

- Customer satisfaction surveys

- The company conducts customer satisfaction surveys, listening to feedback and suggestions for improvement according to customer expectations. Customer comments are communicated to related departments for consideration and action, forming a basis for ongoing product development and service improvement. Feedback ensures that product and service adjustments meet customer needs effectively and timely. The company conducts these surveys annually, covering five areas: Q (Quality), C (Cost), D (Delivery), E (Environment), and M (Management), aiming for 100% customer satisfaction.

| Satisfaction survey results |     | 2021  | 2022  | 2023 |
|-----------------------------|-----|-------|-------|------|
| Quality                     | 94% | 98%   | 96.5% |      |
| Delivery                    | 96% | 97.5% | 98%   |      |
| Management                  | 97% | 100%  | 95%   |      |
| Engineering                 | 97% | 98%   | 98.5% |      |
| Management                  | 95% | 99%   | 95.5% |      |
| Management                  | 87% | 91.5% | 91.5% |      |

- After evaluating customer satisfaction, the company has a process for maintaining and improving the quality of products or services, and sustaining relationships with customers. Analyzing the customer satisfaction results and related improvement actions requires collaboration between different departments, including production lines, using tools and processes such as Turtle Diagrams for process analysis, and Risk Management. The company has improvement approaches in each area as follows:
  - Quality Aspect: Identify and analyze the defects in products or services reported by customers, and develop or improve quality control processes, such as more stringent inspections.

- Delivery Aspect: Review and analyze the current delivery process to identify weaknesses, improve production planning and tracking systems to enhance the ability to deliver on time.
- Management Aspect: Engage in meetings or discussions to understand customer expectations, and develop internal communication channels to improve responsiveness to customer needs.
- Engineering Aspect: Use customer feedback and suggestions to develop or improve products, and conduct continuous product testing to identify and rectify problems before delivery to customers.
- Pricing Aspect: Consider pricing that aligns with the quality and customer expectations by reducing production costs, to be able to compete on price effectively.

- Complaints Management Process

The Company has offered multiple channels for customers to submit complaints, including telephone, email, and website. Complaint management follows a clear and standardized procedure outlined as follows.



- Participation in Social Activities with Customers

In addition to delivering quality products, the company has strengthened its relationships with customers by participating in activities organized by customers.





- **Awards from customers in 2023**

- THCC QCC 34<sup>th</sup> Activity 2023 : HMMT (SFT)
- THCC S-SFM 2023 : HMMT (SFT)
- THCC QA Improvement 18<sup>th</sup> Activity 2023 : HMMT (SFT)
- Certificate ISLP 5th Place, Isuzu Supplier Lean Production (ISLP): ISUZU (SBM)
- First Place Award THCC QA Improvement G.5: HINO (SBM)
- Fourth Place Award THCC QCC G.B: HINO (SBM)
- Bronze Award, Kaizen Community 2023: KUBOTA (SBM)

## 7.6 Supplier and Supply Chain Management

The company is committed to achieving sustainable business growth through competitive abilities, production costs, and growth alongside suppliers through transparent and fair procurement processes under the company's procurement management framework.

### Supplier Management Policy

The company manages its suppliers and supply chain by developing suppliers to grow sustainably together with the company. This involves creating business partnerships to promote transparency, enhance quality competitiveness, delivery capabilities, safety considerations, anti-corruption measures, and sustainable business practices, covering environmental, social, and governance (ESG) dimensions.



### Supplier Management

The company's procurement policy aligns with sustainable development principles, considering long-term impacts on the environment, society, governance, and the economy, with key aspects including:

1. The company conducts procurement with consideration for quality (Q), cost (C), delivery (D), speed of service, and responsiveness to various company policies, emphasizing both efficiency and effectiveness.
2. The company carries out procurement in a transparent, fair, and verifiable manner.
3. The company strictly complies with all relevant procurement laws.
4. The company treats all suppliers fairly, without exploitation, providing complete, accurate, and clear information, and ensures equality without discrimination. It also listens to the opinions and suggestions of suppliers for continuous improvement.
5. The company selects suppliers who prioritize reducing environmental impact, share social responsibility, and ensure participation in good corporate governance practices.

In 2023, the company reviewed and announced a revised procurement manual on December 1st to enhance procurement efficiency and effectiveness, meeting buyers' needs while maintaining transparency and adhering to sustainable development principles.

Furthermore, the company prioritizes and manages risks in the supply chain by involving suppliers in development and standard elevation, known as QCDEM, which includes Quality, Cost, Delivery, Environment, and Morale. Suppliers meeting the criteria are recognized for their contributions, with approaches as follows:

Quality design and manufacturing technology (Quality)



Competitive production cost capabilities through VA/VE (Cost)



Efficient Just-in-Time delivery system (Delivery)



Transparency and fairness towards suppliers (Morale)



Responsibility towards society and environment (Environment)



## Supply Chain Management Strategies and Criteria



Our company plans and manages suppliers with the SBG Supply Positioning Model, which categorizes suppliers into four groups:

1. Bottleneck

2. Critical

3. Routine

4. Leverage

We procure and manage risks according to the categorized product group, ensuring that production costs are not affected and that we have sufficient raw materials for our production line.

Our company has an annual plan to continuously develop, upgrade, and communicate information to our key suppliers based on the following guidelines:

1. Transfer knowledge on TPS/Lean Supply Chain system.

2. Provide advice on how to improve work processes to promote transparency and form alliances in the Anti-Corruption Alliance (CAC).

3. Organize an SBG's Annual Supplier Meeting.

Prior to each procurement of products for our production process, the Company conducts a comprehensive assessment of the product's quality

using the QCD system. This system evaluates the product's quality, cost, and delivery to ensure that all

products meet our company's standards for quality, are cost-effective, and are delivered within the specified time frame.

The company has opened channels for suppliers to clarify or express their opinions to the company in two cases:

1. Areas where suppliers wish the company to help develop or improve, which the company will incorporate into the annual development and upgrade plan for suppliers.
2. Suggestions from suppliers for the company to make corrections or improvements in areas where the company has impacted suppliers, aiming for the highest level of fairness and transparency towards suppliers.

## Operation results



**5%**

cost reduction, aligned with the 2023 target



**100%**

of products have been delivered, aligned with the 2023 target



**100%**

of new suppliers have declared their commitment to anti-corruption with SAT

**13**

target suppliers with a purchase amount of 10 million baht or more have declared their commitment with CAC



The company has set a payment term for suppliers within 60 days. In 2024, the company's average payment period was 30-60 days, which is within the policy guidelines.



## Managing ESG Risks in the Supply Chain

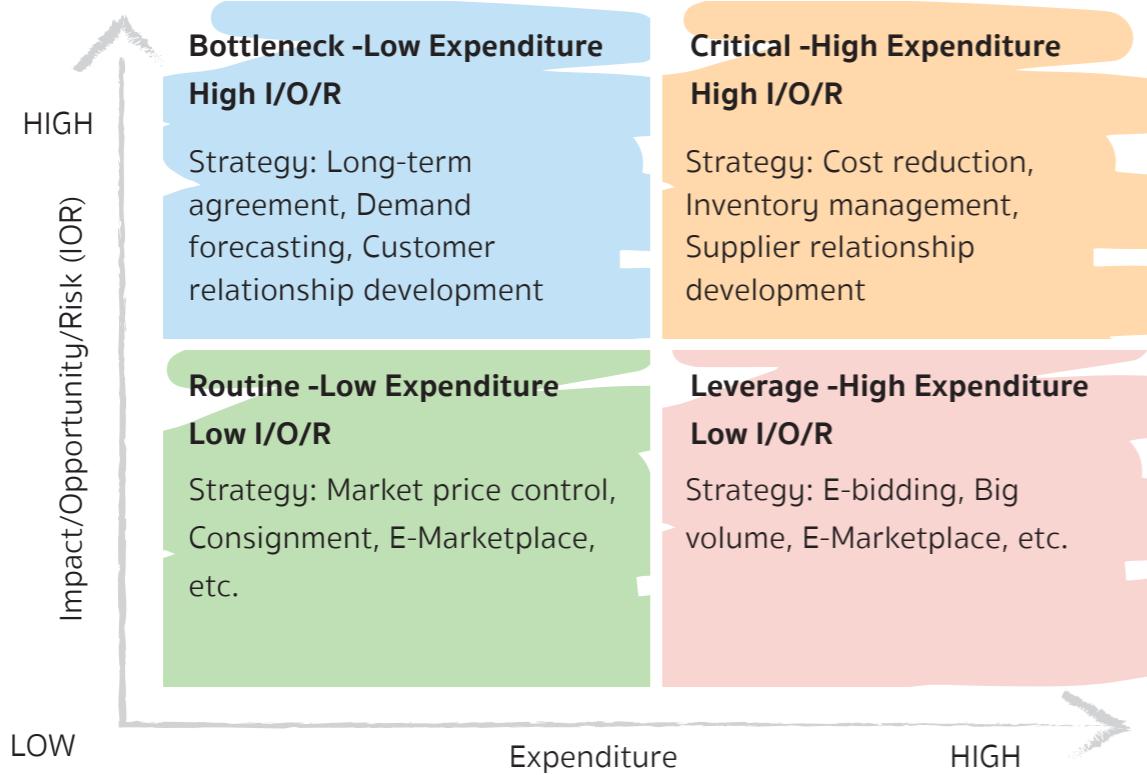
Managing ESG (Environmental, Social, and Governance) risks in the supply chain is a critical process that serves as a tool for addressing potential risks from environmental, social, and governance factors. These factors affect the operations and sustainability of the company. By reducing the risk of facing future challenges, this process enhances competitiveness and long-term sustainability.

### 1. Supply Chain Analysis

The company has conducted an analysis of suppliers using the Supplier Performance Management (SPM) system, categorizing them into four groups: Bottleneck, Critical, Routine, and Leverage. Key suppliers are those with a high profit potential (annual procurement value exceeds 10 million THB), high technical and procurement risks, and are classified within each group of the SPM model. Suppliers with high or very high risk are categorized as high-risk level 1 suppliers. Furthermore, the company also distinguishes critical suppliers into two levels: level 1 suppliers who directly manufacture products for the company, and level 2 suppliers who provide direct or indirect products and services to the company.

1. Bottleneck: High risk, only one supplier available, and producing specific parts = 157 suppliers
2. Critical: High risk, more than one supplier are available, and impacts if unable to deliver = 87 suppliers
3. Routine: Low risk, more than one supplier are available, easily substitutable = 225 suppliers
4. Leverage: Low risk, more than one supplier are available, can influence pricing mechanisms

## Group positioning



Within the Critical group, further division into two sub-groups ensures clarity in approach:

- 1) Critical tier 1: Group purchasing from manufacturers and reselling to the company = 8 suppliers
- 2) Critical non-tier 1: Direct manufacturers selling to the Critical tier 1 group = 71 suppliers

## 2. Supply Chain Risk Assessment

The assessment of supplier risks is a pivotal process for the sustainability of the business. The company manages and assesses supplier risks to prevent and minimize environmental, social, and governance (ESG) risks through a five-step process:

- New Vendor Pre-Qualification: Screening and evaluating new traders by grouping and business type.
- Financial Analysis and Supply Risk Assessment using the Supply Positioning Model.
- Supplier Sustainability Risk Assessment, detailed as follows:
  - 1) Sustainability (Environment, Social, and Governance – ESG)
    - Environmental Aspect: Non-compliance with environmental laws.
    - Social Aspect: Safety hazards in employee and supplier operations.
    - Governance Aspect: Non-compliance, lack of transparency in operations.
  - 2) Economic Aspect: Risks in supply/delivery or failure to meet product and service requirements due to business conditions or market uncertainties. Evaluation criteria include the company's experience with products/services, delivery efficiency, geographical factors, irreplaceable suppliers, and market conditions, accounting for 50% of total risk.
    - Integration of Sustainability in Procurement and Contract Management.
    - Supplier Risk Management, addressing sector-specific risks and commodity-specific risks.

Each supplier group is assessed by a multidisciplinary team led by the Supply Chain team, including safety evaluations with site visits every three years. If any high-risk issues are identified, the suppliers must develop a plan and corrective actions to mitigate the risks and potential severity. There must also be an inspection plan to ensure adherence to the company's guidelines, ensuring that risks are managed to a level that does not impact business operations, the community, or the environment.

### 3. Supplier Selection Criteria for ESG Self-Assessment and ESG On-Site Audit

The company selects suppliers through a self-assessment survey on ESG practices to facilitate the development of plans for projects that promote growth and supplier development in the future.

- Environmental Sustainability: Assesses whether suppliers operate in an environmentally friendly manner, comply with environmental regulations, and manage resources efficiently.
- Labor and Human Rights: Checks compliance with labor standards, workplace safety, and the avoidance of child or forced labor.
- Business Management: Evaluates risk management, quality management, and the effectiveness of management systems.
- Business Ethics and Anti-Corruption: Assesses transparency and adherence to the company's ethical standards.
- Innovation and Development: Evaluates the supplier's capability to present innovations and develop products or services.

| Topics                   | Item | Question  | Score |   |   |   |   | Evidence / Finding |
|--------------------------|------|---|-------|---|---|---|---|--------------------|
|                          |      |   | 0     | 1 | 2 | 3 | 4 |                    |
| ENVIRONMENT              | 1    | ได้รับการรับรอง หรือการจัดการสอดคล้องตามระบบ ISO14001 หรือ Green Industry (G1:Green Commitment, G2:Green Activity, G3:Green System, G4:Green Culture, G5:Green Network) อย่างไร |       |   |   |   |   |                    |
|                          | 2    | มีการจัดทำนโยบายสิ่งแวดล้อม รวมถึงการกำหนดแผนงาน และผู้รับผิดชอบ ดำเนินการอย่างไร   |       |   |   |   |   |                    |
|                          | 3    | มีการติดตามผลดำเนินงาน และประเมินประสิทธิผลของแผนงานด้านสิ่งแวดล้อม อย่างไร   |       |   |   |   |   |                    |
| SOCIAL                   | 4    | มีการดำเนินการตามเป้าหมาย Carbon Neutrality/ Net Zero/ ระยะสั้น กลาง ยาว ได้รับรอง CFO/ CFP อย่างเป็นระบบอย่างไร  |       |   |   |   |   |                    |
|                          | 5    | มีการจัดทำนโยบายการรักษาสิ่งแวดล้อมในงานยุทธศาสตร์หรือในแผนงาน รวมถึงการกำหนดแผนงาน และผู้รับผิดชอบดำเนินการอย่างไร   |       |   |   |   |   |                    |
|                          | 6    | มีการจัดทำนโยบายการดำเนินการเพื่อรักษาสิ่งแวดล้อมในงานยุทธศาสตร์หรือในแผนงาน  |       |   |   |   |   |                    |
|                          | 7    | มีการดำเนินการและประเมินนโยบายการดำเนินการเพื่อรักษาสิ่งแวดล้อมในงานยุทธศาสตร์หรือในแผนงานที่รับผิดชอบที่เข้าสู่เดือน   |       |   |   |   |   |                    |
|                          | 8    | ได้รับการรับรอง หรือการจัดการสอดคล้องตามระบบ ISO 45001 หรือมาตรฐานอื่นที่ เทียบเท่า อย่างไร   |       |   |   |   |   |                    |
|                          | 9    | มีการจัดทำนโยบายความปลอดภัย อาชีวอนามัย และสภาพแวดล้อมในการทำงาน รวมถึงการกำหนดแผนงาน และผู้รับผิดชอบดำเนินการอย่างไร   |       |   |   |   |   |                    |
|                          | 10   | มีการติดตามผลดำเนินงาน และประเมินประสิทธิผลของแผนงานด้านความปลอดภัย และอาชีวอนามัยในการทำงานอย่างไร   |       |   |   |   |   |                    |
| GOOD GOVERNANCE          | 11   | มีการจัดทำนโยบายการดำเนินการเพื่อรักษาสิ่งแวดล้อม ที่มีลักษณะ เทียบเท่าอย่างไร  |       |   |   |   |   |                    |
|                          | 12   | มีการจัดทำนโยบายการดำเนินการเพื่อรักษาสิ่งแวดล้อม ที่มีลักษณะ เทียบเท่าอย่างไร  |       |   |   |   |   |                    |
|                          | 13   | มีการติดตามผลดำเนินงาน และประเมินประสิทธิผลของแผนงานการรักษาสิ่งแวดล้อม ที่มีลักษณะ เทียบเท่าอย่างไร  |       |   |   |   |   |                    |
|                          | 14   | มีการดำเนินการเพื่อรักษาสิ่งแวดล้อม ที่มีลักษณะ เทียบเท่าอย่างไร  |       |   |   |   |   |                    |
| Business Continuity Plan | 15   | มีการจัดทำนโยบายการดำเนินการที่รับผิดชอบต่อสังคม รวมถึงการกำหนดแผนงาน และผู้รับผิดชอบดำเนินการอย่างไร   |       |   |   |   |   |                    |
|                          | 16   | มีการกำหนดช่องทางการแจ้งเตือนและการดำเนินการอย่างไร   |       |   |   |   |   |                    |
|                          | 17   | มีการติดตามผลดำเนินงาน และประเมินประสิทธิผลของแผนงานการต่อสังคม ที่รับผิดชอบให้เชิงลึก อย่างไร  |       |   |   |   |   |                    |
|                          | 18   | มีการจัดทำแผนความต่อเนื่องทางธุรกิจ หรือการกำหนดแผนทางปฎิบัติงาน ISO 22301 อย่างไร  |       |   |   |   |   |                    |
| Human Right              | 19   | มีการจัดทำนโยบาย BCP รวมถึงการกำหนดแผนงาน และการติดตามประเมินผล แผนการดำเนินการอย่างไร  |       |   |   |   |   |                    |
|                          | 20   | มีการจัดทำนโยบายด้านสิทธิมนุษยชน มีการติดตามประเมินผล แผนงาน และการดำเนินการอย่างไร   |       |   |   |   |   |                    |
|                          | 21   | การกำหนดแผนงานด้านสิทธิมนุษยชน และผู้รับผิดชอบดำเนินการอย่างไร  |       |   |   |   |   |                    |

Total Score = (จำนวนคะแนนที่ได้)(100) / (จำนวนคะแนนเต็ม)

0.00%

| หมายเหตุ : | เกณฑ์การให้คะแนน   | เกณฑ์การประเมินผล  |
|------------|--|--|
| 5          | มีการดำเนินการที่สอดคล้องตามมาตรฐานหรือกฎหมาย และได้รับการรับรอง       | ≥90% ผ่านเกณฑ์ประเมิน  |
| 4          | มีการดำเนินการที่สอดคล้องตามมาตรฐานหรือกฎหมาย แต่ยังไม่ได้รับการรับรอง | ≥80% ผ่านเกณฑ์ประเมิน ต้องกำหนดแผนงาน ติดตามผลดำเนินงานการตรวจสอบครั้งถัดไป                          |
| 3          | มีการดำเนินการบางส่วนที่สอดคล้องตามมาตรฐานหรือกฎหมาย                   |  |
| 2          | มีการดำเนินการ แต่ยังไม่สอดคล้องตามมาตรฐานหรือกฎหมาย                   | ≥60% ผ่านเกณฑ์ประเมิน ต้องกำหนดแผนงาน ติดตามผลดำเนินงาน และรายงานผลการดำเนินงาน และตรวจสอบประเมินซ้ำ |
| 1          | มีการดำเนินการเป็นลักษณะอย่างไม่สอดคล้องตามมาตรฐานหรือกฎหมาย           |  |
| 0          | ไม่มีการดำเนินการ  | <60% ไม่ผ่านเกณฑ์ประเมิน ดำเนินการก农 และตรวจสอบประเมินซ้ำ  |

After the suppliers have completed the ESG self-assessment, the company will use the assessment results to select suppliers for further ESG on-site audits.

#### Evaluation Criteria

≥90% Meets the evaluation criteria

≥80% Meets the evaluation criteria, but requires a plan for the follow-up assessment and progress tracking

≥60% Meets the evaluation criteria, necessitating a plan for operation follow-up, progress reporting, and re-evaluation.

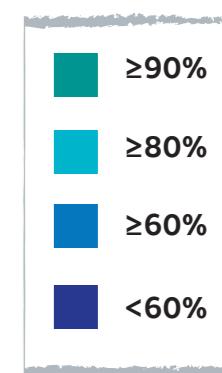
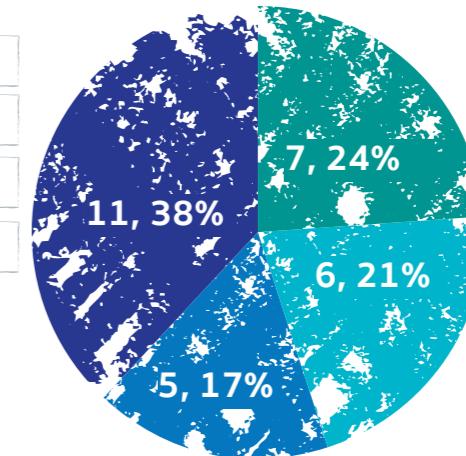
<60% Does not meet the evaluation criteria, necessitating corrective actions and re-evaluation.

| Details   | Score |   |   |   |    |    |
|---|-------|---|---|---|----|----|
|   | 0     | 1 | 2 | 3 | 4  | 5  |
| How does the organization manage greenhouse gases (GHG) and energy conservation?  | 14    | 0 | 3 | 0 | 5  | 9  |
| How does the organization manage environmental aspects?   | 9     | 0 | 0 | 6 | 5  | 11 |
| How does the organization manage safety and occupational health in the workplace?   | 9     | 0 | 0 | 1 | 14 | 7  |
| How does the organization demonstrate its commitment to social responsibility?  | 7     | 0 | 0 | 2 | 13 | 9  |
| ① How does the organization manage human rights issues, such as prohibiting child labor, preventing discrimination, ensuring appropriate working hours, legally supporting foreign workers, addressing sexual harassment prevention, and providing channels for complaints? | 2     | 0 | 0 | 7 | 14 | 8  |
| How does the organization develop a business continuity plan policy?  | 7     | 0 | 0 | 1 | 8  | 15 |
| How does the organization participate in combating corruption?  | 4     | 0 | 1 | 3 | 0  | 23 |

#### Results of the ESG Self-Assessment Evaluation: 2023, Total of 29 Companies

##### ESG Evaluation of 29 Suppliers

|                        |
|------------------------|
| Bottleneck 5 Suppliers |
| Critical 11 Suppliers  |
| Leverage 5 Suppliers   |
| Routine 8 Suppliers    |



Criteria for selecting suppliers for the On-site audit (ESG 2024) are divided into 3 groups:

1. Bottleneck, the top 5 highest transaction value
2. Critical, the top 5 highest transaction value
3. The group that scored lower than 60% in the 2023 assessment

#### 4. Sustainable Supplier Development Project

|  |  |  |
|--|--|--|
| Expansion of the anti-corruption network through the declaration of intent with the Collective Action Coalition against Corruption (CAC)   | Supplier Quality System Improvement Project  | Enhancement of Supplier's Environmental Management System  |
| <b>Objectives</b> <ul style="list-style-type: none"> <li>To promote transparent business operations among suppliers, free from bribery.</li> <li>To support suppliers in having mechanisms to prevent and combat corruption.</li> <li>To build a transparent business network.</li> <li>To assist suppliers in elevating their operations through transparent business practices, thereby enhancing their credibility with stakeholders and reducing the risk of corruption within the supplier's organization and other potential adverse consequences that may arise if corruption occurs within the company.</li> </ul> | <b>Objectives</b> <ul style="list-style-type: none"> <li>To enhance the systematic capabilities of suppliers.</li> <li>To comply with the quality system requirements of IATF16949, stipulating that suppliers must at least be certified to ISO 9001:2015.</li> <li>To encourage suppliers to competitively develop within their field of operation.</li> <li>Systematic management and development in terms of Quality and Delivery (QD).</li> <li>Suppliers can develop systems according to international standards, which help improve the efficiency of their business operations and enhance their credibility with other customers. This may also create additional business opportunities.</li> </ul> | <b>Objectives</b> <ul style="list-style-type: none"> <li>To make suppliers aware of participating in systematic environmental management.</li> <li>To encourage suppliers to use resources efficiently and reduce environmental impacts.</li> <li>To ensure suppliers comply with industrial waste management laws.</li> <li>To help suppliers reduce the risk of environmental legislation and decrease costs by using resources more efficiently.</li> </ul> |
| Total participating suppliers accumulated to 13 companies  | Number of developed suppliers: 1 company   | Number of developed suppliers: 1 company   |

## 7.7 Environmental Management

The company prioritizes climate change issues, focusing on reducing greenhouse gas emissions from production processes, controlling energy use, and promoting the use of alternative energy to increase the use of clean energy and reduce the demand for other energies within the organization. Additionally, the company focuses on efficient resource use for future sustainability, waste reduction from production processes, and recycling waste for maximum benefit.

In 2023, the company was able to achieve its environmental goals as follows:

| Indicators  | Goals 2023  | Performance 2023 |
|---|-------------|------------------|
| 1.1 GHG emissions per production <sup>1</sup> (TonCO <sub>2</sub> eq / Ton of Production and total GHG emissions) has been reduced from 2018 Scope 1+2 <sup>2</sup> | <b>11%</b>  | <b>30.5%</b>     |
| 1.2 GHG emissions per production <sup>1</sup> (TonCO <sub>2</sub> eq/ Ton of Production and total GHG emissions) has been reduced from 2018 Scope 1+2 <sup>2</sup>  | <b>11%</b>  | <b>19.9%</b>     |
| 2. Amount of energy consumption per production <sup>1</sup> (GJ/ Ton of Production)* has been reduced from 2018   | <b>4%</b>   | <b>8.3%</b>      |
| 3. Water consumption per production <sup>1</sup> (m <sup>3</sup> /Ton of Production)* has been reduced from 2018  | <b>1.5%</b> | <b>23.6 %</b>    |
| 4. Amount of industrial waste disposed per production <sup>1</sup> (ton of waste/ton of production)* has been reduced from 2018                                     | <b>2.5%</b> | <b>4.5%</b>      |

Notes :

1. A change involves comparing the book weight of production volume to the current indicator data with that of the 2018 base year, as opposed to the unit of weight and the unit of work in the past
2. GHG data collection and comparison only in Scope 1 and 2 of the Company
3. Corporate-level number aggregation was caused by the merger of various forging and casting businesses of varying intensity, resulting in significant overall savings. However, the company had adjusted the numbers to accurately reflect its business challenges.

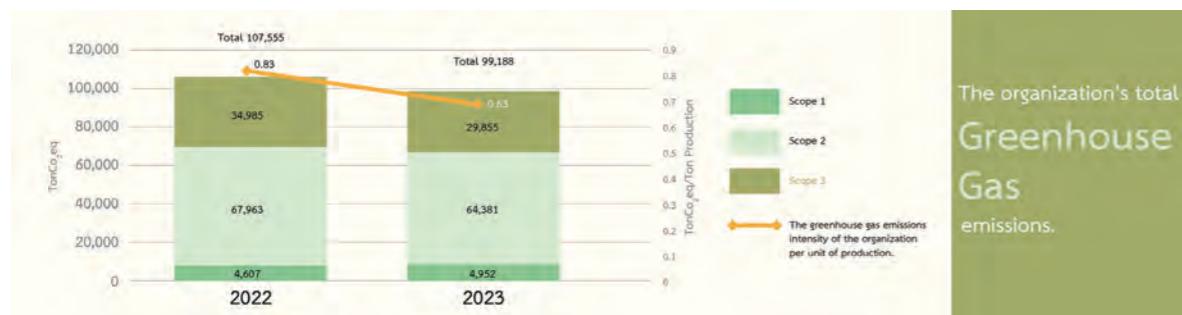
### 1. Climate change and energy management

Given the current global challenge of global warming, the company places significant importance on environmental and energy management to confront and promote long-term sustainability.

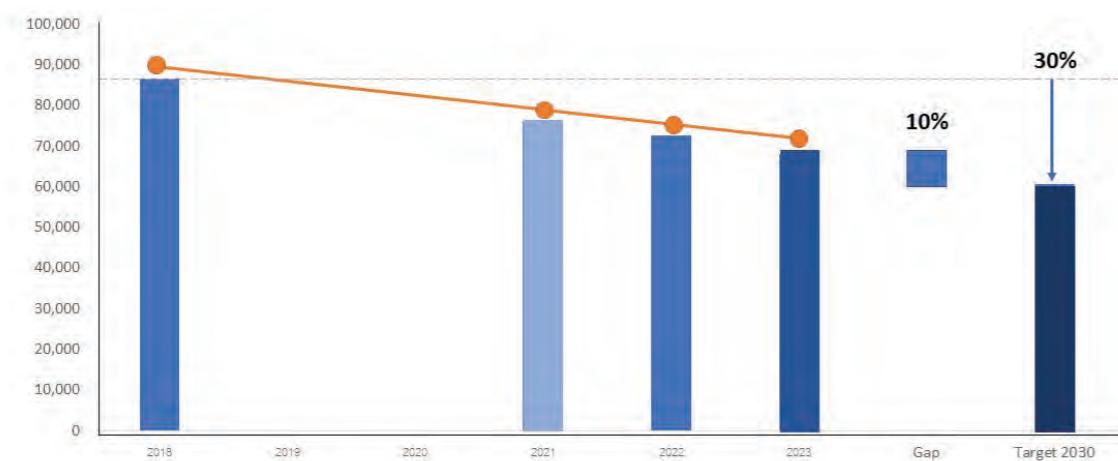
Due to energy scarcity and the dependence on foreign resources, which causes domestic energy prices to surge and impacts production costs, the company aims to reduce greenhouse gas emissions by 30% by 2030 (from the baseline year of 2018).

The company evaluates and reviews its carbon footprint of organization annually, a practice that has been ongoing since 2021, to identify critical points of greenhouse gas emissions within the organization. This allows for the development of projects that significantly reduce greenhouse gas emissions and achieve the set targets.

## Greenhouse Gas Emissions for Scope 1, 2, and 3 in 2023 Compared to 2022



## Greenhouse Gas Emission (Absolute) Reduction Pathway (Scope 1 and 2)



## 1) Renewable Energy Usage

Currently, the company's renewable energy usage accounts for 5% of total electricity consumption for the year 2023, with a target to increase this to 10% by the year 2030. In 2023, the company utilized renewable energy generated from solar cells across all its subsidiaries, equivalent to 21,474 GJ or 5,965 MWh. This resulted in a cost saving of 9.18 million baht and a reduction of 3,155 TonCO<sub>2</sub>eq in greenhouse gas emissions. By the year 2024, the company plans to implement an additional renewable energy project: the installation of solar cells at SFT-2 with a capacity of 540 MWp. This project is expected to reduce greenhouse gas emissions by 407 TonCO<sub>2</sub>eq and save 0.28 million baht in costs.

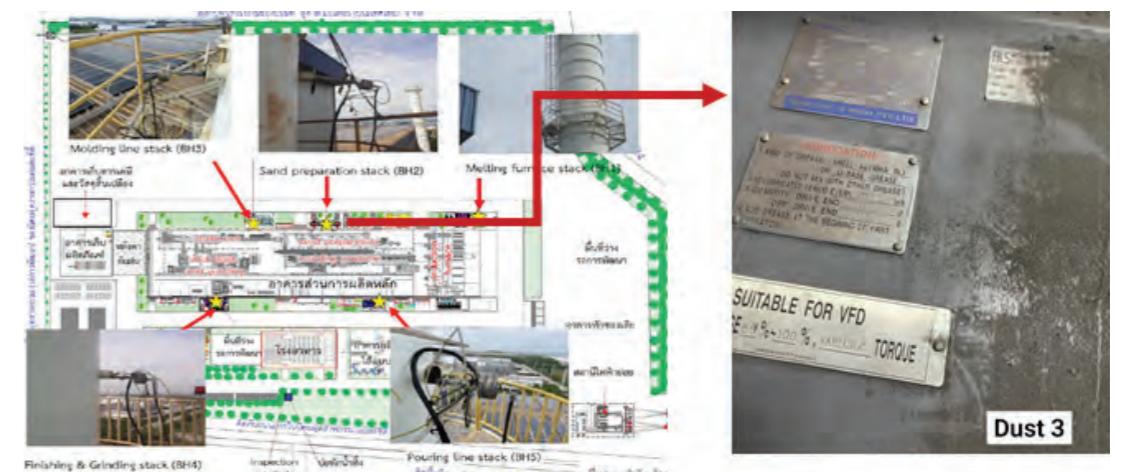
## 2) Efficient use of energy in the production process

The company has installed high-efficiency equipment to reduce electricity usage, replacing devices that operate below 80% efficiency and consume high amounts of electricity. For instance, the installation of high-efficiency motors (Dust Collector system) at ICP-2 with a capacity of 200kW, the installation of VSD pumps for the Cooling Tower system at ICP-2, and the installation of VSD compressors at SFT. Overall, these measures have led to a reduction of 343 MWh in energy usage, equivalent to a decrease of 692.1 TonCO<sub>2</sub>eq in greenhouse gas emissions and saving 1.45 million baht in costs. Additionally, these initiatives foster awareness and participation in energy conservation among the company's employees, encouraging them to propose new projects aimed at reducing electricity consumption.

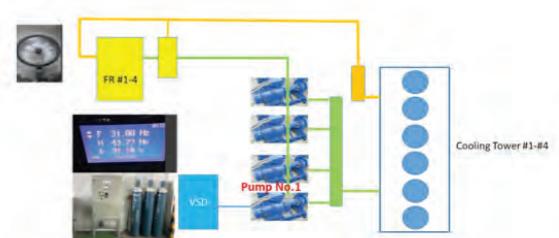
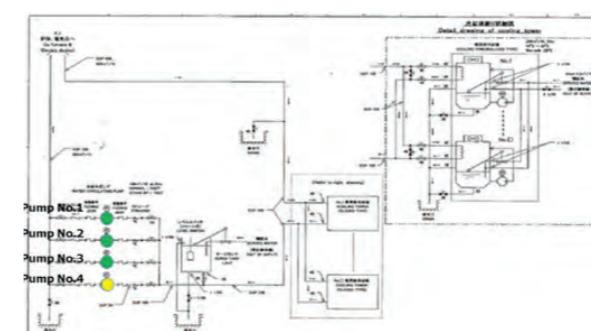
GHG Reduction  
**692** TonCO<sub>2</sub>eq/year

Energy Reduction  
**343** MWh/Year

Cost Reduction  
**1.45** MB/Year



High-Efficiency Motor Replacement Project



Installation of VSD (Variable Speed Drive) to control water pump motors for the cooling tower and furnace project

### 3) Promoting the Use of Renewable Energy

Currently, the company has expanded the use of electricity from private power plants that produce energy from natural gas. By connecting to the Green Grid mix power transmission system, in 2023, the company was able to reduce greenhouse gas emissions by 14,517 tons of CO<sub>2</sub> equivalent. The cumulative reduction in greenhouse gas emissions is 22,651 tons of CO<sub>2</sub> equivalent.

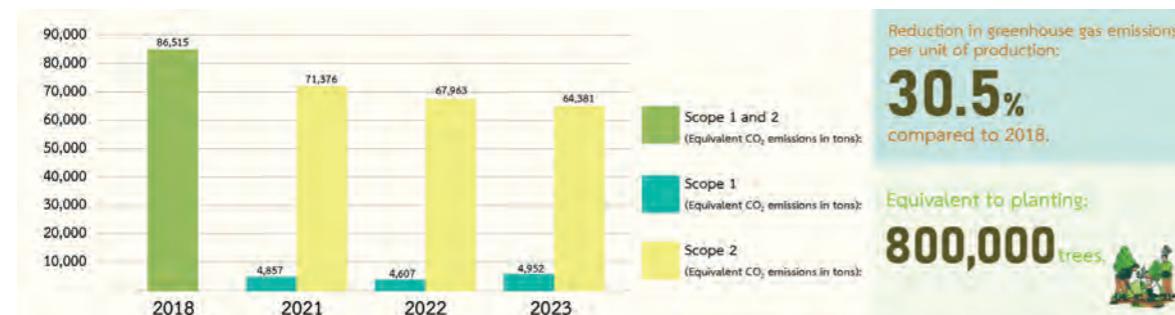
### 4) Encouraging Suppliers to Use More Recycled Materials

To use resources efficiently, the company incorporates recycled materials as raw materials in its processes. In the casting business group, 100% recycled materials, specifically iron, are used. The efficient melting operations enable the use of a high volume of recycled materials, and quality control processes ensure production meets standards. In the forging business group, steel bars are used in the process. Therefore, the company encourages suppliers to increase the proportion of recycled materials while maintaining the quality and specifications required by customers. Currently, the proportion of recycled content used by suppliers is around 10%. Promoting and collaborating on development with suppliers is a key mission that the company will continue to pursue in the future.

### 5) Review and Disclosure of Information (Data Assurance)

The company has started allowing external organizations certified by the Greenhouse Gas Management Organization to review the accuracy of data before public disclosure. In 2023, the company underwent a review by ECEE Limited as a consultant and prepared for a second review from an independent external agency registered with the Greenhouse Gas Management Organization to register the company's carbon footprint in the next sequence.

The review results showed greenhouse gas emissions of 4,952 tons in Scope 1, 64,381 tons in Scope 2 and 29,855 tons in Scope 3, all carbon dioxide equivalent, marking a 19.9% reduction in scope 1 and 2 compared to the base year of 2018 emissions.

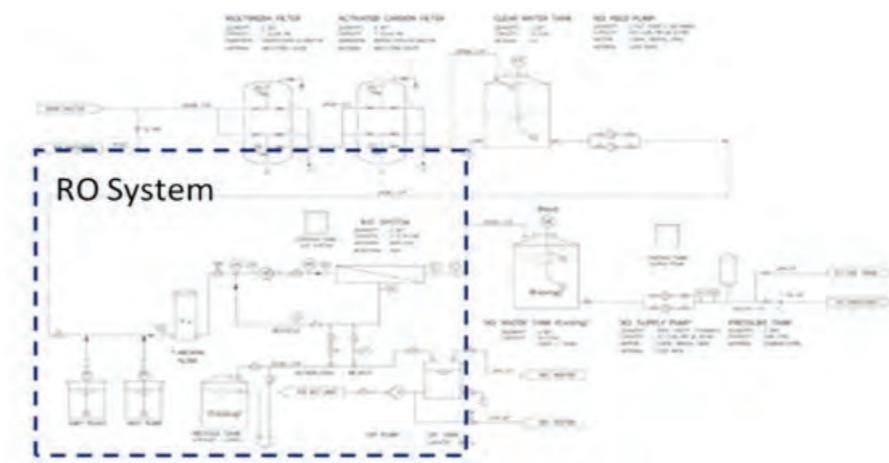


## 2. Sustainable Water Management

The company prioritizes the efficient use of water resources and has set goals to reduce water usage within the organization, including fostering employee participation in continuously reducing water use in production processes.

### Water Management Approaches

The company focuses on reducing water usage in its production processes to ensure efficiency and suitability across both the casting and forging business groups. Particularly in processes with significant water usage, the company aims to develop and implement improvements to reduce water consumption. For example, soft water is used instead of RO (Reverse Osmosis) water in the sand preparation process, with strict quality control standards for the water. Additionally, the company has strategies for water reuse to reduce municipal water usage, conserve resources, and mitigate environmental impact. This includes using RO process wastewater for irrigation and improving mold washing processes to decrease water consumption. These initiatives reflect the company's commitment to sustainable water resource management.



### Performance

The company achieved a reduction in water usage in 2023, amounting to 21,663 cubic meters, which represents a 27% decrease in water consumption per unit of production compared to the baseline year of 2018.

### 3. Waste Management and the Promotion Circular Economy

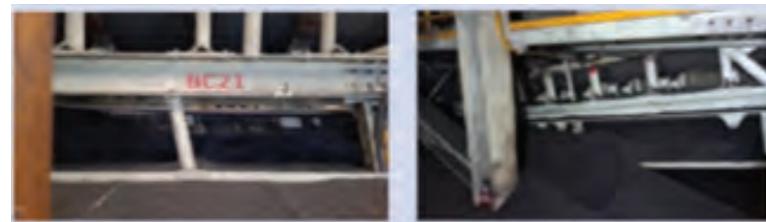
The company is committed to efficiently utilizing available resources to maximize benefits by managing waste generation for beneficial use. It has set targets to reduce waste from production processes, adhering to the 3R principles (Reduce, Reuse, Recycle). Furthermore, the company promotes the use of scrap steel from its production processes as raw material in the smelting process, fostering a circular economy within the country. This approach also helps to reduce waste generation, cut costs, minimize energy use, and decrease greenhouse gas emissions.

## Management Approach

The company manages waste following the 3Rs principle. It reduces waste from production by reusing steel scrap in the smelting process, reclaiming used resin sand (Sand Reclaim) for new applications, recycling black sand that has been analyzed as non-hazardous waste for making block bricks for internal use (with a recycling quantity of 193 tons/year), and enhancing the efficiency of in-house oily water treatment to reduce external disposal (280 tons/year). For industrial waste or waste that cannot be reused, the company ensures proper disposal by licensed operators according to legal requirements. Additionally, the company aims to achieve Zero to Landfill in the future by eliminating waste disposal through burial and instead utilizing alternative disposal methods.

## Performance

- Recycled steel scrap used in production: 49,597 tons/year, accounting for 54% of the total steel raw material used across all plants.
- Reduced the amount of waste sent for external disposal by 473 tons/year, saving 487,560 bath/year in waste management costs.
- Achieved a 9% reduction in industrial waste per ton of production compared to the baseline year of 2018.



## 5. Environmental Engagement Programs

### Nature Conservation Program

The company is committed to raising awareness and promoting understanding among employees about the importance of conserving natural resources and the environment. The goal is to help reduce CO<sub>2</sub> levels in the air and restore damaged environmental areas. Before initiating activities, the company provides education on the significance and methods of conserving natural resources and the environment. In 2023, activities such as reforestation, mulching with straw, and coastal cleanup were conducted.



### Waste Sorting Promotion Program

Sorting waste is crucial for promoting sustainability and minimizing environmental impact. By emphasizing systematic waste management, such as installing segregated waste bins and informing employees, the program aims to reduce the amount of waste sent to disposal sites and enhance recycling efficiency by forwarding recyclable materials to appropriate facilities.

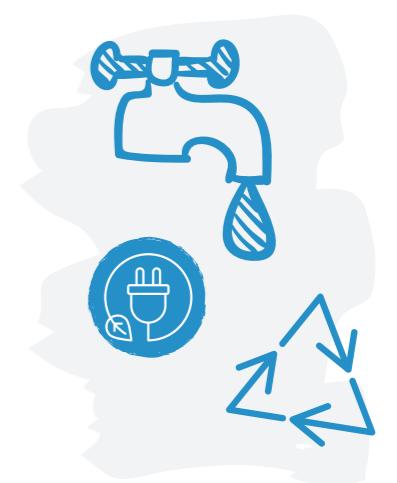


### Resource Efficiency Promotion Program

Efficient use of resources is essential for sustainable business operations. It not only reduces operational costs but also decreases environmental impact, creating a better working environment for employees. Practices include turning off lights and air conditioning when not in use, installing water usage control sensors, utilizing digital systems to reduce paper use, and conducting online meetings to minimize travel. These methods help the organization keep pace with current global demands for socially and environmentally responsible operations while maximizing resource efficiency.

### Increasing Green Area within the Company

The company focuses on improving workplace environments by encouraging employees to participate in beautifying the surrounding areas of offices and factories. Besides enhancing air quality and reducing stress for employees, these activities increase job satisfaction. Examples include creating small gardens or relaxation areas and starting kitchen garden projects.



## 7.8 Business process innovations for sustainability

The company is committed to continuous innovation development, guided by the organization's vision and mission. This development focuses not only on creating products or production processes that meet and exceed customer expectations but also on creating products that promote the company's sustainable economic growth.

This sustainable innovation includes using environmentally friendly materials and improving production processes to reduce energy use and emissions. Furthermore, the company focuses on developing products that support a sustainable lifestyle for consumers, such as energy-saving products.

### Management Approach

The company manages innovation for social and environmental benefits through engaging various internal and external stakeholders, a key strategy for creating effective and sustainable innovations. This encourages a wide exchange of ideas, knowledge, and experiences, crucial for driving efficient innovation.

- Support from the board and senior management by setting business directions and strategies that support sustainable innovation, fostering a culture conducive to creativity and innovation at all organizational levels.
- Training and development offer training courses and development programs to support employees in learning about sustainable innovation development, including projects that promote creative thinking, such as QCC Kaizen.
- Collaboration with research organizations and universities to co-develop innovations, allowing the company to expand its potential in developing innovations based on research and fostering new ideas through student creativity.
- Engagement with local authorities and communities helps understand societal needs and expectations better, developing innovations that align with these needs.

Participation from all parties, both within and outside the organization, strengthens and adds flexibility to the development of innovations for society and the environment, leading to the creation of innovations that can have a sustainable impact.

### Operations

In 2023, the corporate group established a new entity named Somboon Advance Agriculture Co., Ltd. (SAA). The primary objective for this establishment is to innovate and develop agricultural machinery products to cater to the growing and diverse needs of the current agricultural sector. It aims to introduce innovations that could help in reducing production costs, improving operational processes for convenience and speed, enhancing the efficiency of agricultural production, and reflecting the dedication to offering solutions that meet customer needs, economic, societal, and environmental considerations. This involves participating in supporting and promoting sustainable agriculture by developing products that minimize the



utilization of water and energy resources, reduce greenhouse gas emissions, and lead towards a sustainable agricultural system.

### Rotary Blade

Currently, Somboon Advance Agriculture Co., Ltd. manufactures rotary blades for use in rotary tillers. SAA introduces a new version of the rotary blade to its customers, which can reduce the amount of steel used in production and decrease the fuel consumption rate of tractors while maintaining soil tilling efficiency comparable to the existing rotary blades.

- Product Development Process
  - Understanding and Analyzing Customer Needs: The process begins with comprehending customer requirements and specifications to ensure the product adequately meets their demands.
  - Design Process: Starts with Concept Design – 3D modeling – Simulation, focusing on creating a product that meets customer needs in functionality, performance, and durability.
  - Prototype Production: Designs a flexible manufacturing process for the prototype to accommodate product diversity, ensuring rapid product development.
  - Testing: Involves close collaboration with customers for prototype testing in labs and real-world environments to assess quality, performance efficiency, durability, environmental impact, and other customer interests.
  - Engineering Drawings and Standards: Establishes engineering drawings and standards for standard production, aiming to maintain quality as defined from the outset.

### Positive ESG Impact

| Environmental Impact   | Social Impact  | Economic/Governance Impact  |
|--|--|---|
| Reduces CO <sub>2</sub> emissions by decreasing fuel consumption by 0.08 liters per rai (5.8%), leading to a CO <sub>2</sub> reduction of 0.21 kilograms per rai | Decreases the working time for farmers per rai by 3.4%   | Reduces raw material costs by approximately 6% per unit for the company   |
| Reduces exposure risks to various pollutants from shorter field testing durations, such as exhaust fumes and PM2.5 particles, which pose health hazards          | Ensures better compliance with environmental policies and regulations through reduced oil usage and emissions, allowing the organization to meet environmental standards and laws more effectively | Lowers operational costs due to a 5.8% reduction in fuel use per rai and increased product longevity, enhancing farmers' income and quality of life |

## Sugarcane Leaf Compactor

SAA is currently researching the development of a sugarcane leaf compactor to efficiently manage the waste material from sugarcane harvesting. In the 2022/2023 growing season, Thailand had approximately 11 million rai of sugarcane cultivation area, accounting for 7% of the agricultural land, with a sugarcane production of 94 million tons, valued economically at over 100 billion baht, according to the Sugarcane and Sugar Report 2022-2023 by the Office of the Cane and Sugar Board. A significant issue following sugarcane harvesting is the management of leftover sugarcane leaves, currently estimated at 15-17 million tons per year, with only 1-2 million tons effectively collected for various uses. A large quantity of sugarcane leaves is discarded and burned to prepare the field for the next planting season, causing several adverse effects, such as air pollution, particularly with PM2.5 particles, affecting the health of nearby communities and the environment directly (referencing information from the Energy Research and Development Institute, Department of Alternative Energy Development and Conservation).

The sugarcane leaf baler is designed to assist farmers in addressing this issue by collecting and compressing the leftover sugarcane leaves into blocks or bales, which can be stored or transported more efficiently, reducing transportation and storage costs. Additionally, these blocks or bales can be utilized for other purposes, such as biomass energy production, construction materials, or soil improvement materials.

### Product Development Process

- Analyze customer needs: Initiating by understanding customer needs and requirements to ensure the product meets customer expectations appropriately.
- Design: The design process starts with Concept Design – 3D modeling – Simulation, focusing on creating products that meet customer needs in terms of functionality, performance, durability, and production cost for sustainable business growth.
- Prototype development: Design the production process for prototypes that align with the defined requirements during the design phase to accelerate product development.
- Testing: Test the prototypes in the laboratory and real-world environments in close collaboration with customers to evaluate quality, performance efficiency, durability, environmental impact, and other customer interests.
- Documentation and Engineering Standards: To ensure product quality, facilitate efficient production, and maintain appropriate production costs for business sustainability.

## Positive ESG Impacts

| Environmental   | Social  | Economic/Governance  |
|---|---|--|
| Reducing open burning of sugarcane leaves helps decrease CO <sub>2</sub> emissions and others resulting from burning (approximately 1.6 tons of CO <sub>2</sub> per ton of burned sugarcane leaves) | Reduces air pollution, benefiting the health of nearby communities  | Compliance with environmental policies: Reducing fuel consumption and emissions helps organizations better comply with environmental standards and regulations |
| Reduces resource usage by reusing compressed sugarcane leaves   | The recycling process and utilization of the sugarcane leaf baler can create jobs in the community, such as production and sale of products derived from sugarcane leaves |  |
| Decreases waste volume  | Reduces the need for land to dispose of waste and supports farmers in choosing sustainable waste management options   |  |

## 7.9 Tax practices

The company emphasizes continuous management in the tax area, adhering to principles of correctness, transparency, and auditability. In 2023, the company generated a total revenue of 9,201 million baht and paid taxes to the government amounting to 167.16 million baht.

The company has clearly defined its tax management policy as follows:

1. To comply with all relevant tax laws and regulations accurately and completely, including utilizing any available tax privileges for the benefit of both shareholders and government agencies.
2. To ensure that taxes are paid within the legally designated time period, and to effectively manage any tax payments or refunds (if applicable) to maximize the Company's cash flow
3. To regularly study and evaluate the tax implications of newly announced tax laws or policies, as well as the Company's new transactions, with the goal of maximizing benefits for the Company.
4. To manage and develop tax plans through the study of relevant laws and regulations, considering potential impacts, and seeking the advice of tax experts to ensure compliance with all legal principles, methods, and conditions, without any attempts to evade the law
5. Assign responsible personnel for taxes and coordinate with government tax agencies to ensure correct operations and provide actual company operation data upon requests or audits by state agencies.
6. To publicly disclose its annual tax payments to demonstrate its commitment to accurate, complete, and transparent tax practices. Additionally, the company conducts a related risk assessment and review at least once a year
7. To provide tax education to organizational personnel to ensure related employees perform their duties correctly and completely

In 2023, the Company's profit before tax amounted to 1,133 million baht, and the corporate income tax paid was 167.16 million baht. The actual tax rate applied was 14.75%, which differed from the actual tax rate of 5.25% specified in the Act Amending the Revenue (No. 42), B.E. 2559 (2016) dated March 3, B.E. 2559, as well as the Investment Promotion Act B.E. 2520, which exempts domestic companies from corporate income tax on net profits derived from promoted business undertakings.

In 2023, the company received tax benefits as follows:

Tax Benefit Items 2023



Training fee (promote the development of employee skills) of Royal Decree no. 437

The acquisition of machine of Royal Decree no. 690,695



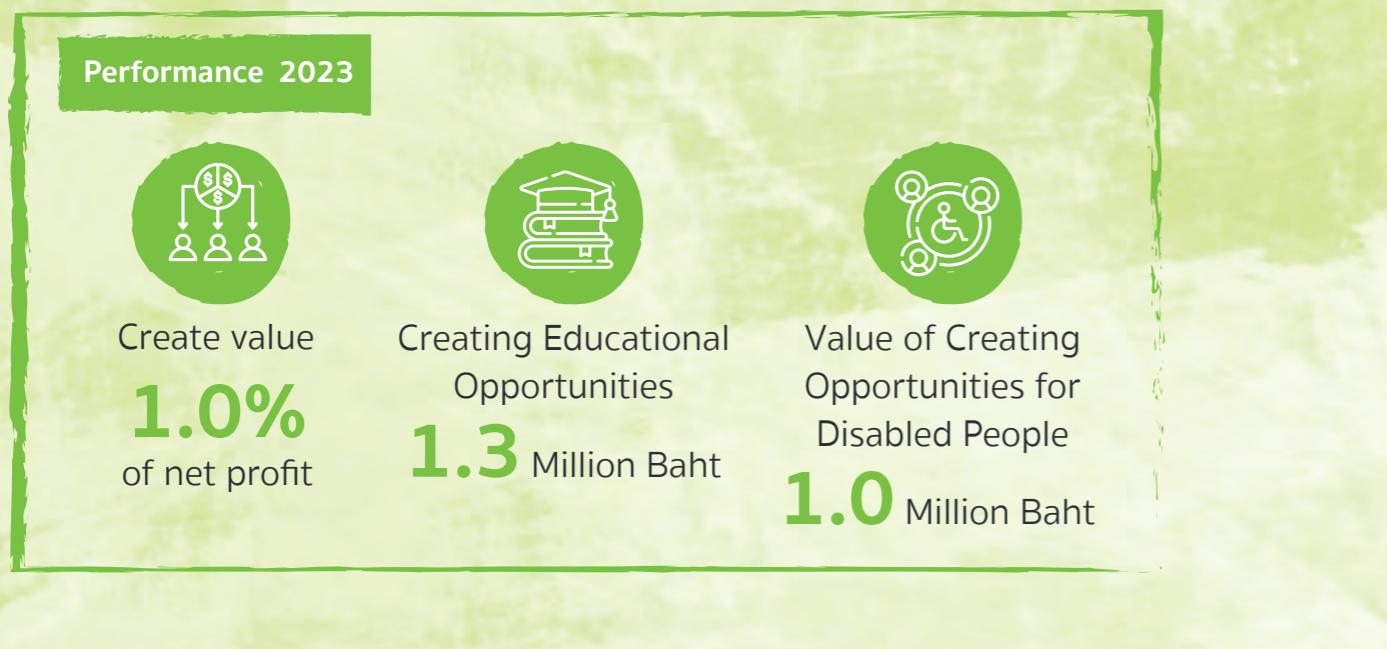
## 8. Growth Society

8.1 Growth Society Strategy

8.2 Creating Educational Opportunities

8.3 Participation in the Development of the Nearby Community

8.4 Improving the Quality of Life for People with Disabilities



## 8.1 Growth Society Strategy



### “Creating Opportunities for a Stronger Society”

The company is committed to “Creating Opportunities for A Strong Society” through its business philosophy of a “Growth Society.” This approach focuses on meeting the needs of the community, promoting sustainable development, and fostering positive relationships with the society, especially communities located near the company. These communities are considered significant stakeholders in the business, as the company believes that a strong community is a crucial driver for business growth and the creation of a sustainable society.

#### Management Approach

The company aims to create sustainable social value and therefore continuously adjusts its operational approach to be more appropriate. In 2023, the company categorized its social projects into three groups: projects for education, projects for the community, and projects for society. This classification is intended to focus on building a strong and sustainable society and achieving the Sustainable Development Goals (SDGs), particularly Goal 4, which ensures inclusive and equitable quality education and promotes lifelong learning opportunities for all.

|  |   |  |
|--|---|--|
| <b>1. Project for Education</b>  | <b>2. Project for the Neighboring Community</b>   | <b>3. Project for Society</b>  |
| <ul style="list-style-type: none"> <li>Support equal education opportunities.</li> <li>Develop innovations in the industrial sector.</li> <li>Build networks with educational institutions.</li> </ul> | <ul style="list-style-type: none"> <li>Meet the needs of the community.</li> <li>Solve community problems.</li> <li>Build good relationships with the community.</li> </ul> | <ul style="list-style-type: none"> <li>Support the Sustainable Development Goals (SDGs).</li> <li>Promote social responsibility.</li> <li>Support activities beneficial to society.</li> </ul> |

## 8.2 Creating Educational Opportunities

The company believes that education is a fundamental right and a crucial factor in leading to social opportunities and creating sustainable careers. Children and youth are seen as a vital driving force for efficiently advancing the development of the country. However, a significant number of children and youth lack access to quality education. Therefore, the company has initiatives to support educational opportunities for children and youth to promote access to knowledge and the development of essential skills for career advancement through various educational programs. This goal is not only an investment in the future of these children and youth but also an investment in the future of society and the country.

#### • Scholarship Programs

These are initiatives to support scholarships for employees, their children, and students in the community. In 2023, the company provided educational scholarships for the 24th consecutive year to enhance educational opportunities continuously.

|   |                        |                  |
|---|------------------------|------------------|
|  | <b>2023</b>            | <b>1999-2023</b> |
| <b>119</b>  | <b>2,304</b>           |                  |
| Scholarships  | Scholarships           |                  |
| <b>596,500</b> Baht   | <b>14,565,000</b> Baht |                  |





#### • Equitable Education Fund

This program aims to promote equal access to quality education for everyone, especially underprivileged youth, focusing on reducing educational disparities and creating a learning environment that opens opportunities for all, regardless of economic or social status.

The program is unique in its dual education management, an educational model that combines classroom learning with real-world work practice in the industry. Students get the chance to learn both theory and practical skills in high-demand job markets such as industrial robotics, modern automotive, robotics, and medical equipment, part of the S-Curve and First Curve curricula that focus on developing skills and knowledge essential for future industries. In 2023, the company welcomed 2 interns, summarizing the operation process as follows:



In addition, the company also held discussions about projects aimed at addressing the issues faced by underprivileged or disadvantaged children and youth, with the goal of planning future collaborative actions.



#### • Internship Program

The Internship Program is designed to support and provide opportunities for students from various fields such as engineering, science, business administration, marketing, management, finance and accounting, human resources management, and other related disciplines, to undertake practical work. The aim is to offer students real and varied experiences in a work environment beyond classroom learning, promoting the development of their skills and potential and preparing them for future labor market entry.

#### Performance 2023

In 2023, the company allocated a total budget of 503,673.74 baht to implement the Internship Program. This program provided opportunities for 61 young individuals to learn, observe, and gain practical work experience. The program was divided into several projects as follows:

- General Internship: 12 participants, providing opportunities for students from various academic backgrounds to intern in areas of interest, without the necessity of direct relevance to the company's operational field.
- Education Equity Fund (EEF) Project: 2 participants, part of the educational support initiative aimed at assisting financially disadvantaged or underprivileged students to gain practical work experience.
- Cooperative Education Program: 35 participants, a program that allows students to work in real company or organizational settings for one academic term or more, integrated as part of their university curriculum.
- Vocational Education Quality Improvement Project (VEQIP): 12 participants, aimed at enhancing the quality of vocational education and training in Thailand to meet labor market and industry demands.

Thus, the company's Internship Program not only facilitates learning and adaptation to the actual work environment for students but also opens doors to opportunities and the development of professional skills crucial for the modern job market competition in the future.



## 8.3 Participation in the Development of the Nearby Community

In 2023, the company has continuously undertaken activities beneficial to the community, recognizing its obligation to contribute to the community, which is a key stakeholder in its business operations. This commitment involves consistently providing financial support for the implementation of various projects and activities annually. Moreover, it fosters a sense of awareness and participation among employees.

### Management Approach

The company adopts the CSR-DIW standard from the Department of Industrial Works as a guideline for project execution and community engagement. This approach aims to address community issues effectively, improving standards and quality of life, fostering acceptance, trust, and confidence from the community, and clearly resolving coexistence issues between industrial factories and the community.



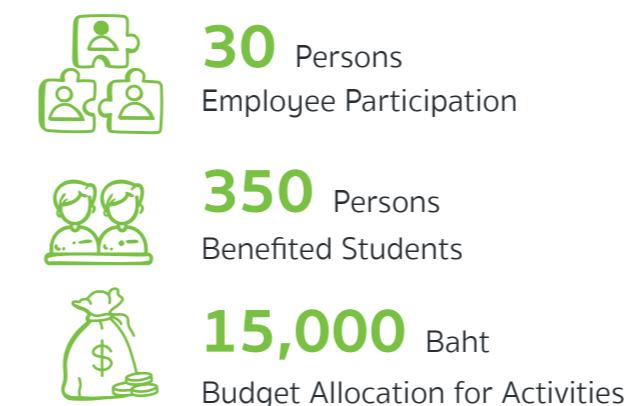
In 2023, the company acted as a representative of the private sector, signing a memorandum of understanding to drive the agenda of "Strong Sub-districts according to the Philosophy of Sufficiency Economy" in Bang Chalong Sub-district, Bang Phli District, Samut Prakan Province. This collaboration involved Bang Phli District, the Bang Chalong Sub-district Administrative Organization, and network partners, aiming to jointly promote the development of Bang Chalong into a strong sub-district following the principles of the Sufficiency Economy Philosophy. The goal is to enhance administrative management capabilities, encourage public participation in line with democratic principles, ensure security and safety of life and property, adopt the Sufficiency Economy Philosophy into practice as a way of life, conserve natural resources and the environment, and stabilize the grassroots economy. This integrated cooperation among all sectors aims to strengthen the sub-district in three dimensions: security, prosperity, and sustainability.



### 1. Creating Value from Waste in the Production Process

The company manages waste within the factory following the 3Rs principle, aiming to reduce waste from the production process and enhance the capability to utilize industrial waste beneficially. The 3Rs stand for Reduce, Reuse, and Recycle, aiming for efficient resource circulation and shared usage. Therefore, the company has innovated the "Transformation of Industrial Waste into New Products" by using black sand from the production process to make interlocking bricks.

After surveying community needs, it was found that Map Yang Phon School in Rayong province wanted to improve the condition of its internal walkways. The company thus proceeded to use bricks made from black sand dust to enhance the walkways. This initiative not only promotes employee participation in sustainable development and community engagement but also utilizes production process waste, turning what is considered waste or leftover material into something new. Using bricks made from black sand dust not only mitigates environmental impact but also provides students with safer and more comfortable walking areas.



## 2. Development Project for Community Schools in the Factory Area

The school development project is an integral part of community development activities since education and the well-being of youth are the main forces for future national development. The focus is on improving and developing schools, which act as a second home for children and youth, creating a true learning environment.

The company has conducted surveys of community schools around the factory to inquire about their main needs. This helps understand the specific and real needs of the schools and the community in the area, leading to planning a process that results in efficient project development and execution. The main needs of the schools include improving the school and classroom environments, providing educational equipment, developing students' skills, and creating educational opportunities for youth.

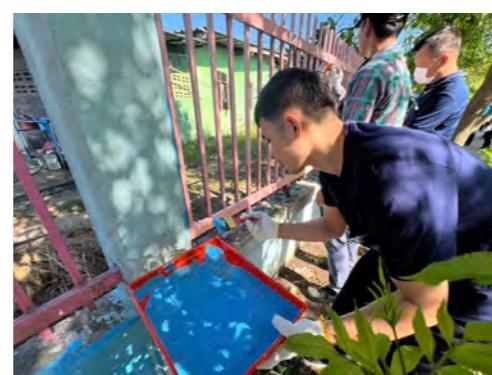
In 2023, the company developed community schools around the factory, including:

- Surao Bangkasi School, Samut Prakan province
- Mab Yang Phon School, Rayong province
- Ban Raweng School, Chonburi province

The school development followed the “3 Waters” principle: drinking water, utility water, and toilets, to ensure hygienic conditions by installing water pumps, water filters, cleaning and improving drinking fountains, repairing and improving restroom facilities, and enhancing the landscape and educational equipment to promote better quality of life in schools.

Furthermore, the company encourages employees to contribute their skills or knowledge from their work to add value to society by organizing knowledge-sharing activities for students on safety, hygiene, and waste segregation, among other topics.

|   |                                  |
|---|----------------------------------|
|  | <b>475</b> Persons               |
|   | Employee Participation           |
|  | <b>870</b> Persons               |
|   | Student Benefits                 |
|  | <b>120,000</b> Baht              |
|   | Budget Allocation for Activities |



## 3. Environmental Projects

The current climate changes pose new challenges to both the public and private sectors. The company, therefore, considers its business operations and plans various activities with an emphasis on activities that reduce environmental impact and support sustainable development.

The company promotes employee participation in environmental activities such as afforestation, mulching, and coastal cleanup as part of operations that not only foster environmental responsibility but also enhance unity and employee engagement in teamwork. This approach allows the company to expand such participation.

### • Afforestation Activities

This activity aids in the restoration, conservation, and expansion of forest areas, mitigating the effects of climate change, promoting biodiversity, and increasing green spaces for communities

- Coastal Aviation and Coast Guard Command, Sattahip District, Chonburi Province
- Army Nature Education Center, Bang Pu, Samut Prakan Province



 **270** trees  
Number of trees planted



 **2.4** Ton/year  
CO<sub>2</sub> absorption



### • Straw Mulching Activity

This activity aids in protecting and maintaining the fertility of the soil. It can help reduce soil loss, soil erosion, and improve water retention efficiency. It reduces water evaporation from the soil, allowing the soil to maintain moisture for a longer period, decreases the frequency of watering, and supports better plant growth in dry conditions.

- Public parks and Sri Nakhon Khuean Khan Botanical Garden, Samut Prakan Province.



- **Beach Cleanup Activity**

This initiative aids in preserving marine ecosystems by reducing the amount of trash that can enter the sea. It protects marine life and animals, helps conserve marine tourist spots, and also supports tourism and local economies.

- Phayun Beach, Rayong Province

Conducting these activities not only positively impacts the environment and the community but also represents an investment in the well-being of employees and cultivates a corporate culture of social and environmental responsibility.



**1,706** Persons

Number of participating employees



**429** kgCO<sub>2</sub>eq

Reduction in greenhouse gas emissions



**395,000** Baht

Budget for supporting activities

#### 4. Elderly Learning Center Project in Bang Chalong Sub-district

In 2023, our company promoted and supported the government's policy aimed at creating a society that accommodates the elderly, addressing the growing trend of an aging society every year and meeting the needs of the community. By linking the company's policy aimed at creating "Somboon Triple Bottom Line" especially in the Complete Community category, which focuses on creating opportunities and improving the quality of life for society, aligning with the Sustainable Development Goals (SDGs) Goal 11 which emphasizes making cities and communities sustainable, safe, prosperous, and inclusive for everyone. This is another significant goal of the SDGs, supporting lifelong learning for the elderly, promoting age-unlimited learning, and providing opportunities for everyone to develop themselves and participate in society valuably.

The management of teaching for the elderly in 2023 continued for the 4th cohort, with 47 students. This initiative, under the collaboration with the Bang Chalong Sub-district Administrative Organization and the Elderly Club of Bang Phli District, Samut Prakan Province, aims to provide the elderly with learning opportunities, develop their potential, and live independently without being a burden to their children. Learning at this stage of life not only enhances the life value of the elderly themselves but also helps strengthen the community's society. Our company is a primary private sector supporter in regards of the project's budget continuously.

The curriculum of the Elderly Learning Center focuses on creating value for learners, enhancing understanding, skills, and new abilities that can help the elderly live a quality and happier life. Additionally, it increases the feeling of participation and being a valuable member of society.

| Health Curriculum   | Life Skills Curriculum   | Brain and Mind Enhancement Curriculum  | Community Participation Curriculum   |
|---|--|--|--|
| <ul style="list-style-type: none"> <li>• Yoga for the Elderly</li> <li>• Proper Medication Use</li> <li>• Mental Management and Relaxation</li> </ul> | <ul style="list-style-type: none"> <li>• Welfare for the Elderly</li> <li>• Will Writing</li> <li>• Basic Knowledge of Computers and the Internet</li> </ul> | <ul style="list-style-type: none"> <li>• Basic English Language</li> <li>• Vocational Training</li> <li>• Music and Dance</li> </ul> | <ul style="list-style-type: none"> <li>• Volunteering and Community Engagement</li> <li>• Experiential Learning Outside the Classroom</li> </ul> |



|   |                    |                     |
|---|--------------------|---------------------|
|    | <b>2023</b>        | Benefited Elderly   |
|   | <b>47</b> Persons  | <b>100,000</b> Baht |
|  | <b>2019-2023</b>   | Benefited Elderly   |
|   | <b>217</b> Persons | <b>400,000</b> Baht |

## 8.4 Improving the Quality of Life for People with Disabilities

The company prioritizes and acknowledges the importance of embracing diversity and differences as part of creating a more equal and fair society. This awareness not only enables employees and people with disabilities to fully develop and leverage their potential at work but also allows the organization to create added value and drive sustainable growth alongside enhancing the quality of life for people with disabilities, who are a vulnerable group in society.

In 2022, marking the 60th anniversary of the company's core business in automotive parts, it embarked on a project to improve the quality of life for people with disabilities in alignment with mobility, which aligns with the theme of the company's main business. This initiative aims to support and enhance the lives of people with disabilities by providing electric wheelchairs, facilitating their mobility, and making daily life more accessible. It also enables them to leverage these tools for livelihood opportunities or to generate income, further allowing broader access to electric wheelchair innovations for people with disabilities.

### 1. Donation of Wheelchairs to People with Disabilities, Hospitals, Employees, and Their Families

- **Electric wheelchairs were donated to the Association of Persons with Disabilities of Thailand**

The Association of Persons with Disabilities of Thailand is an organization that works to support and improve the quality of life for people with disabilities in the country. It organizes activities and projects designed to meet the needs and address the challenges faced by people with disabilities. The donation of wheelchairs enhances the resources needed for the association's operations and demonstrates the company's commitment to creating opportunities and enhancing the abilities of people with disabilities.



### • **Donation of Wheelchairs to Phra Mahathai Technology College, Chonburi Province**

Phra Mahathai Technology College offers vocational education at both the certificate and diploma levels (Certificate of Vocational Education and Diploma of Vocational Education) to people with physical or mobility disabilities. It is under the supervision of the Office of the Vocational Education Commission, Ministry of Education. The curriculum has been developed to be suitable for the vocational needs of people with disabilities and to meet the demands of workplaces, focusing on education that enables disabled students to pursue careers and support themselves. The company donated electric wheelchairs as ready-to-use and electric wheelchairs for further educational purposes, allowing students to learn technical skills in assembling and maintaining electric wheelchairs. This enhances their capabilities and career opportunities, and enables them to use this knowledge to establish a career or assist others with similar needs.



- **Donation of Wheelchairs to Klaeng Hospital, Rayong Province**

The company promotes social responsibility that positively impacts the community and public health institutions, reflecting the company's commitment to supporting health and equal access to public health services. Wheelchairs were donated to the hospital to assist patients and those in need of mobility and transportation within the hospital premises.



- **Donation of Wheelchairs to Employees with Disabilities and Their Families**

The company is committed and attentive to enhancing the value of life for employees and their families. After surveying the needs of employees and their families, the company donated wheelchairs to employees with disabilities and their families, fostering a sense of connection and pride in the company for providing support and care in all aspects of employees' lives.





**11** Persons

Number of employees who had the opportunity to learn about assembling wheelchairs



Promoting the use of technology to reduce greenhouse gas emissions



**89** Persons

Enhancing accessibility and equality for disabled individuals, disabled students, employees with disabilities, employees' families, patients



**1,004,800** Baht

budget for supporting activities

## 2. Employment of Disabled Persons in the Community

The Act to Empower and Promote the Quality of Life of Disabled Persons, B.E. 2550 (2007) and its Amendment (No. 2) B.E. 2556 (2013), mandates that establishments with 100 or more employees must employ disabled persons at a ratio of 100:1.

Currently, the company has employed a total of 24 disabled persons, exceeding the legal requirement.

The employment of disabled persons is divided into two models according to the suitability determined under Section 33, namely: Model 1) employing disabled persons to work within the company's premises, and Model 2) employing disabled persons to work for the community where the disabled persons reside or for public welfare organizations, such as working as an assistant teacher at a child development center, a community health promotion hospital, or a sub-district administrative organization, etc.

Such actions, besides fulfilling the legal obligations to employ disabled persons, are also considered a way to give back to the community by providing employment opportunities for disabled individuals. Not only does this create valuable jobs, but it also benefits society at large.



**4** Persons

Working within the company



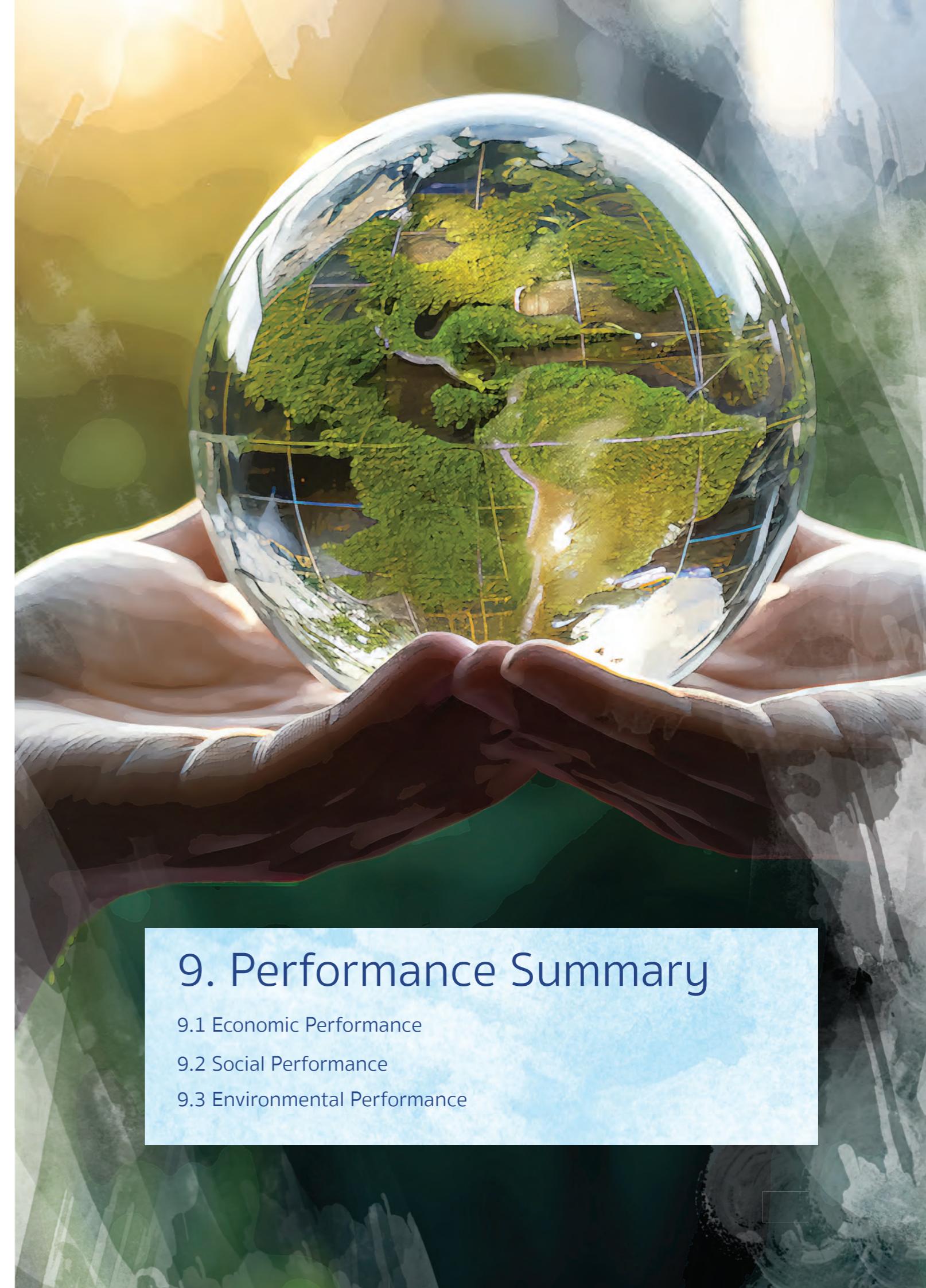
**20** Persons

Working for the community where people with disabilities live or for public benefit organizations



**2,700,000** Baht

Budget for supporting activities



## 9. Performance Summary

### 9.1 Economic Performance

### 9.2 Social Performance

### 9.3 Environmental Performance

## Economic Performance

| Indicators | Performance  | Unit          | 2021      | 2022      | 2023      |
|------------|--|---------------|-----------|-----------|-----------|
| GRI 201-1  | <a href="#">Economic Performance</a>                                     |               |           |           |           |
|            | Total revenue  | Thousand Baht | 8,727,221 | 9,093,388 | 9,201,308 |
|            | <a href="#">Anti-corruption</a>  |               |           |           |           |
|            | Confirmed incidents of corruption and actions taken                      |               |           |           |           |
|            | Total number and nature of confirmed incidents of corruption             | Case          | 0         | 0         | 0         |
|            | Total number of confirmed incidents                                      | Case          | 0         | 0         | 0         |
|            | Public legal cases regarding corruption brought against the organization | Case          | 0         | 0         | 0         |
|            | Cases that are in the process of resolving                               | Case          | 0         | 0         | 0         |
|            | <a href="#">Code of Conduct</a>  |               |           |           |           |
|            | In case of violation of business ethics received                         | Case          | 0         | 1         | 0         |
| THSI       | Cases that are in the process of resolving                               | Case          | 0         | 0         | 0         |
|            | Resolved cases   | Case          | 0         | 0         | 0         |
|            | <a href="#">Customer Satisfaction</a>                                    |               |           |           |           |
| THSI       | Customer Satisfaction Score  | %             | 94%       | 98%       | 96.5%     |

## Social Performance

| Indicators | Performance                                   | Unit    | 2021   | 2022  | 2023   |
|------------|---|---------|--------|-------|--------|
| GRI 102-8  | <a href="#">Total employee</a>                | Persons | 2,067  | 2,140 | 2,197  |
|            | Samut Prakarn                                 | Persons | 352    | 286   | 319    |
|            | Rayong  | Persons | 1,715  | 1,854 | 1,878  |
|            |   | Male    | Female | Male  | Female |
|            | Persons                                       | 1,604   | 303    | 1,691 | 305    |
|            | Persons                                       | 146     | 14     | 138   | 6      |
|            | Persons                                       | 102     | 6      |       |        |
|            | <a href="#">Diversity and equal</a>           |         |        |       |        |
|            | Employees by age                              | Male    | Female | Male  | Female |
|            | Less than 30 Years                            | Persons | 515    | 90    | 582    |
| GRI 401    | 30 - 50 years                                 | Persons | 1,168  | 210   | 1,186  |
|            | >50 years                                     | Persons | 71     | 13    | 65     |
|            |   | 11      | 101    | 12    |        |
| GRI 401-1  | <a href="#">New Employee Hires</a>            | Male    | Female | Male  | Female |
|            | <a href="#">New Employee Hires</a>            | Persons | 371    |       | 296    |
|            |   | %       | 17.95  |       |        |
|            | Less than 30 Years                            | Persons | 217    | 20    | 380    |
|            | 30 - 50 years                                 | Persons | 113    | 11    | 46     |
|            | >50 years                                     | Persons | 8      | 2     | 2      |
|            |   | 0       | 3      | 0     |        |
|            | <a href="#">Employee Turnover</a>             |         |        |       |        |
|            | <a href="#">Employee Turnover</a>             | Persons | 277    | 275   | 193    |
|            | <a href="#">% of Employee Turnover</a>        | %       | 13.40  | 12.85 | 8.78   |
| THSI       | <a href="#">Number of employee retirement</a> | Persons | 7      | 7     | 11     |
|            | <a href="#">Employee retirement rate</a>      | Male    | Female | Male  | Female |
|            | Less than 30 Years                            | Persons | 177    | 8     | 174    |
|            | 30 - 50 years                                 | Persons | 88     | 3     | 79     |
|            | 50 years                                      | Persons | 0      | 1     | 1      |
|            |   | 0       | 3      | 0     |        |

| Indicators | Performance   | Unit                                | 2021         | 2022         | 2023         |
|------------|---|-------------------------------------|--------------|--------------|--------------|
| GRI 401-3  | <b>Maternity leave</b>                                  |                                     |              |              |              |
|            | Number Employees on maternity leave                     | Persons                             | 16           | 7            | 10           |
|            | Employees returning to work after maternity leave       | Persons                             | 16           | 7            | 10           |
|            | Employees returning to work after maternity leave rate  | %                                   | 100          | 100          | 100          |
| GRI 404-1  |   | Male Female Male Female Male Female |              |              |              |
|            | Employee training hours by gender                       | Training Hours                      | 19,436 6,281 | 18,195 7,407 | 21,080 8,114 |
|            | Total Number of training hours                          | Training Hours                      | 6,281        | 25,602       | 29,194       |
|            | Number of training hours average per employee           |                                     | 12.44        | 11.96        | 13.5         |
|            | Number of training hours by Employee Level              | Training Hours                      |              |              |              |
|            | Employee  | Training Hours                      | 5,048        | 9,438        | 11,023       |
|            | Chief - Section Head                                    | Training Hours                      | 13,568       | 12,043.50    | 14,068       |
|            | Manager   | Training Hours                      | 4,852        | 2,784.50     | 2,484        |
|            | Asistant General Manager Up                             | Training Hours                      | 2,249        | 1,336        | 1,619        |
|            | Investment in employee potential development            | Million THB                         | 4.2          | 5            | 7            |
|            | Number of internal courses training                     | Number of Course                    | 52           | 65           | 98           |
|            | Percentage of employees who attended the training       | %                                   | 48           | 70           | 62           |
| THSI       | Total Corporate Citizenship/ Philanthropic Contribution | Million THB                         | 6.3          | 4.6          | 9.1          |
|            | Cash contributions                                      | Baht                                | 667,961      | 1,569,682    | 1,206,300    |

| Indicators   | Performance  | Unit          | 2021      | 2022      | 2023      |
|--|--|---------------|-----------|-----------|-----------|
|  | Rice for donation  | Baht          | 2,000,000 | 980,000   | 2,371,251 |
|  | Corporate Social Responsible Activities                      | Baht          |           | 317,662   | 491,963   |
|  | Employee participation in all social activities              | %             |           |           | 98        |
|  | Number of employees doing good deeds by donating blood       | Persons       | 125       | 197       | 203       |
|  | The amount of blood donated by employees                     | Millilitre    | 31,250    | 68,590    | 141,050   |
|  | The value of creating educational opportunities or youth     | Million Baht  | 1.20      | 1.05      | 1.3       |
|  | Scholarships for student                                     | Baht          | 551,500   | 583,500   | 596,500   |
|  | Number of general internship students                        | Persons       | 8         | 63        | 12        |
|  | Number of interns in Bilateral Program                       | Persons       | 4         | 9         | 12        |
|  | Number of interns in Cooperative Education Projec            | Persons       | 21        | 25        | 35        |
|  | Number of disadvantaged people (employees with disabilities) | Persons       | 23        | 24        | 24        |
| GRI 403  | <b>Occupational Health and Safety Management System</b>      |               |           |           |           |
|  | <b>Working Hours</b>   |               |           |           |           |
|  | Employee   | Working hours | 4,760,140 | 5,954,054 | 5,701,977 |
|  | Non-Employee worker  | Working hours | 244,192   | 441,302   | 356,000   |
| 403-9 and THSI Number and rate of deaths due to work | <b>Number of deaths due to work</b>                          |               |           |           |           |
|  | Employees  | Case          | 0         | 0         | 0         |
|  | Non-Employee worker  | Case          | 0         | 0         | 0         |

| Indicators                                       | Performance              | Unit | 2021 | 2022 | 2023 |
|--|--------------------------|------|------|------|------|
| <b>Rate of deaths due to work</b>                |                          |      |      |      |      |
| Employees  | Case per 1,000,000 Hours | 0    | 0    | 0    | 0    |
| Non-Employee worker                              | Case per 1,000,000 Hours | 0    | 0    | 0    | 0    |
| <b>Total Recordable Incident</b>                 |                          |      |      |      |      |
| Employees  | Case                     | 23   | 11   | 8    |      |
| Non-Employee worker                              | Case                     | 0    | 0    | 0    |      |
| <b>Lost Time Injuries Frequency Rate (LTIFR)</b> |                          |      |      |      |      |
| Employees  | Case per 1,000,000 Hours | 4.83 | 1.85 | 0.17 |      |
| Non-Employee worker                              | Case per 1,000,000 Hours | 0.00 | 0.00 | 0    |      |
| <b>Number of Lost time injuries Cases</b>        |                          |      |      |      |      |
| Employees  | Case                     | 2    | 4    | 1    |      |
| Non-Employee worker                              | Case                     | 0    | 0    | 0    |      |
| <b>Lost Time Injuries Frequency Rate (LTIFR)</b> |                          |      |      |      |      |
| Employees  | Case per 1,000,000 Hours | 0.42 | 0.67 | 0.17 |      |
| Non-Employee worker                              | Case per 1,000,000 Hours | 0    | 0    | 0    |      |
| <b>Number of occupational disease</b>            |                          |      |      |      |      |
| Employees  | Case                     | 0    | 0    | 0    |      |
| Non-Employee worker                              | Case                     | 0    | 0    | 0    |      |
| <b>Occupational disease rate</b>                 |                          |      |      |      |      |
| Employees  | Case per 1,000,000 Hours | 0    | 0    | 0    |      |
| Non-Employee worker                              | Case per 1,000,000 Hours | 0    | 0    | 0    |      |
| <b>THSI</b>                                      | <b>Chemical Spill</b>    | Case | 0    | 0    | 0    |
| <b>THSI</b>                                      | <b>Fire</b>              | Case | 0    | 0    | 0    |

## Environment Performance

| Indicators       | Performance  | Unit                            | 2018       | 2021       | 2022       | 2023       |
|------------------|--|---------------------------------|------------|------------|------------|------------|
| <b>301-2</b>     | <b>Material</b>  |                                 |            |            |            |            |
|                  | Total steel consumption  | Tons                            | 62,993     | 138,363.17 | 139,262.53 | 125,665.00 |
|                  | Virgin Steel   | Tons                            | 28,367     | 43,642     | 37,450     | 24,605     |
|                  | Recycle Steel  | Tons                            | 34,626     | 94,721     | 101,812    | 101,060    |
|                  | % Recycle  | %                               | 55%        | 68%        | 73%        | 80%        |
|                  | Finish Goods   | Tons                            | 136,267.93 | 165,670.04 | 161,831.41 | 157,181.58 |
| <b>GRI 302-0</b> | <b>Energy Consumption</b>                                      |                                 |            |            |            |            |
|                  | Total energy consumption within the organization               | Gigajoule                       | 984,037.48 | 627,943.13 | 637,956.72 | 617,715.09 |
|                  | Total non-renewable energy consumption within the organization | Gigajoule                       | 983,942.89 | 617,013.97 | 617,331.09 | 596,230.29 |
|                  | Fuel oil   | Gigajoule                       | 208,370.00 | -          | -          | -          |
|                  | LPG  | Gigajoule                       | 34,734.00  | 20,970.44  | 18,994.89  | 28,870.00  |
|                  | NG   | Gigajoule                       | 192,332.00 | 22,225.32  | 19,874.04  | 20,812.09  |
|                  | Diesel   | Gigajoule                       | -          | 13.26      | -          | 35.80      |
|                  | Electricity  | Gigajoule                       | 548,506.31 | 573,804.95 | 577,242.00 | 546,512.40 |
|                  | Total renewable energy consumption within the organization     | Gigajoule                       | 94.59      | 10,929.16  | 20,625.63  | 21,484.80  |
|                  | Solar Cell   | Gigajoule                       | 94.59      | 10,929.16  | 20,625.63  | 21,484.80  |
|                  | %Renewable Energy  | %                               | 0.01%      | 1.74%      | 3.23%      | 3.48%      |
|                  | Energy Intensity   | Gigajoule per ton of production | 7.22       | 3.79       | 3.94       | 3.93       |

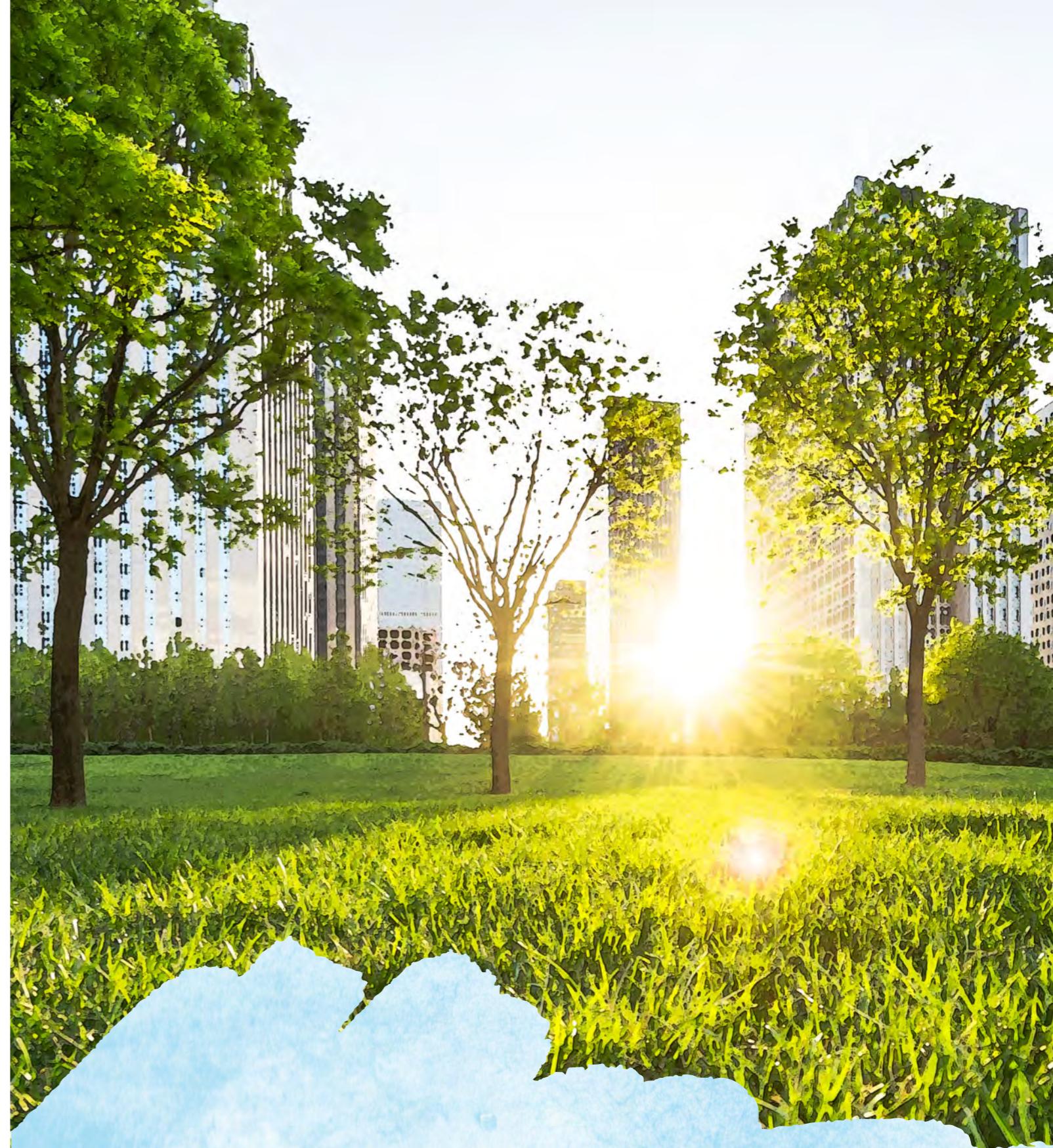
| Indicators  | Performance                             | Unit  | 2018       | 2021       | 2022       | 2023       |
|---|---|---|------------|------------|------------|------------|
| <b>GRI 303</b> <b>Water Withdrawal</b>  |   |   |            |            |            |            |
| GRI 303-3   | Water Withdrawal                        | Cubic meters                                | 400,570.32 | 329,311.80 | 389,102.86 | 341,797.38 |
| GRI 303-4   | Water Discharge                         | Cubic meters                                | 95,940.62  | 263,449.44 | 304,130.90 | 273,437.90 |
| Water Consumption (Water intensity)   |   |   |            |            |            |            |
|   | Water Consumption (Water intensity)     | Cubic meters per ton of production          | 2.94       | 1.99       | 2.40       | 2.17       |
| <b>GRI 305</b> <b>Emissions</b>   |   |   |            |            |            |            |
| GRI 305-1   | Direct (Scope 1)                        | TonCO <sub>2</sub> eq                       | 86,515     | 4,857.00   | 4,607.00   | 4,952.00   |
| GRI 305-2   | Energy Indirect (Scope 2)               | TonCO <sub>2</sub> eq                       | N/A        | 71,376.00  | 67,963.00  | 64,381.00  |
| <b>GRI 305-3</b> <b>Other (Scope 3) GHG Emissions</b>   |   |   |            |            |            |            |
|   | 1. Purchased goods and services         | TonCO <sub>2</sub> eq                       | N/A        | 13,394.72  | 16,378.08  | 12,299.54  |
|   | 2. Fuel - and energy related activities | TonCO <sub>2</sub> eq                       | N/A        | 18,563.74  | 18,606.52  | 17,555.35  |
| GRI 305-4   | GHG Emissions Intensity                 | TonCO <sub>2</sub> eq per ton of production | 0.63       | 0.46       | 0.45       | 0.44       |
| <b>GRI 305-7</b> <b>Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions</b> |   |   |            |            |            |            |
|   | Carbon Monoxide : CO                    | ppm   | 122        | 5.4        | 35         | 0.29       |
|   | Oxide of Nitrogen : NOx                 | ppm   | N/A        | 5.12       | 4.98       | 0.02       |
|   | Sulfur Dioxide : SO <sub>2</sub>        | ppm   |            | 1          | 1          | 0.01       |
|   | Total Suspended Particulates            | TSP mg/Nm <sup>3</sup>                      | 7.85       | 8.7        | 3.1        | 0.07       |

| Indicators   | Performance                         | Unit           | 2018      | 2021     | 2022     | 2023     |
|--|-------------------------------------|----------------|-----------|----------|----------|----------|
| <b>GRI 306-1</b> <b>Water discharge by quality and destination</b> |                                     |                |           |          |          |          |
|  | pH                                  |                | 7.37      | 7.1-8.5  | 8.3      | 8.1      |
|  | Temparature                         | Celsius Degree | 30.13     | 33.3     | 36       | 36.4     |
|  | BOD5                                | mg/l           | 4.82      | 214      | 280      | 166.5    |
|  | COD                                 | mg/l           | 26.49     | 472      | 632      | 423.25   |
|  | Oil and Grease                      | mg/l           | 2.33      | 4.1      | 9        | 8.17     |
|  | Zn                                  | mg/l           | 1.66      | 0.96     | 0.2      | 0.18     |
| <b>GRI 306-2</b> <b>Waste by type and disposal method</b>          |                                     |                |           |          |          |          |
| <b>Hazardous Waste</b>   |                                     |                |           |          |          |          |
|  | Reuse                               | Tons of waste  | 0         | 0        | 0        | 0        |
|  | Recycling                           | Tons of waste  | 13,017.81 | 3,334.81 | 1,865    | 2,681    |
|  | Composting                          | Tons of waste  | 0         | 0        | 0        | 0        |
|  | Recovery, including energy recovery | Tons of waste  | 0         | 683.79   | 2,912    | 1,159    |
|  | Incineration                        | Tons of waste  |           | 0        | 0        | 0        |
|  | Deep well injection                 | Tons of waste  | 0         | 0        | 0        | 0        |
|  | Landfill                            | Tons of waste  | 839.13    | 404.1    | 375      | 116.83   |
|  | On-site storage                     | Tons of waste  | 0         | 0        | 0        | 0        |
|  | Other Management Method             | Tons of waste  | 0         | 0.3      | 27       | 23.08    |
|  | Total Hazardous Waste               | Tons of waste  | 13,856.94 | 4,423.00 | 5,179.00 | 3,980.36 |
| <b>Non-hazardous waste</b>   |                                     |                |           |          |          |          |
|  | Reuse                               | Tons of waste  | 0         | 0        | 0        | 0        |

| Indicators                          | Performance             | Unit                                | 2018      | 2021      | 2022      | 2023      |
|-------------------------------------|-------------------------|-------------------------------------|-----------|-----------|-----------|-----------|
| Recycling                           | Tons of waste           |                                     | 17,018.78 | 25,322.97 | 30,112.00 | 20,233.74 |
| Composting                          | Tons of waste           |                                     | 0         | 0         | 0         | 0         |
| Recovery, including energy recovery | Tons of waste           |                                     | 0         | 0         | 12        | 70.17     |
| Incineration                        | Tons of waste           |                                     | 0         | 0         | 0         | 0         |
| Deep well injection                 | Tons of waste           |                                     | 0         | 0         | 0         | 0         |
| Landfill                            | Tons of waste           |                                     | 332.65    | 6,473.60  | 5,157.00  | 222.38    |
| On-site storage                     | Tons of waste           |                                     | 0         | 0         | 0         | 0         |
| <b>Waste Intensity</b>              | Other Management Method | Tons of waste                       | 1,521.92  | 1.85      | -         | -         |
|                                     | Total Hazardous Waste   | Tons of waste                       | 18,873.35 | 31,798.42 | 35,281.00 | 20,526.29 |
|                                     | Total Waste             | Tons of waste                       | 32,730.29 | 36,221.42 | 40,460.00 | 24,506.65 |
|                                     | % Recycle of waste      | %                                   | 96.42%    | 81.01%    | 86.26%    | 98.52%    |
|                                     | Waste Intensity         | Tons of waste per ton of production | 0.24      | 0.22      | 0.25      | 0.16      |

1=N/A not applicable

2=Greenhouse gas emissions in Scope 1,2 and 3 have been audited by the Center of Excellence in Eco-Energy Economics, Department of Chemical Engineering, Thammasat University.



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| <b>GRI 414 : Supplier Social Assessment</b> |  |         |
| GRI 103 : Management Approach               |  | 120-121 |
| GRI 414-1                                   | New suppliers that were screened using social criteria                               | 120-121 |
| <b>GRI 419 : Socioeconomic Compliance</b>   |  |         |
| GRI 419-1                                   | Non-compliance with laws and regulations in the social and economic area             | N/A     |

## 11. Independent Assurance Statement



## 12. Sustainability Report 2023 Feedback Form

Thank you for your interest in Sustainability Report 2023. Your feedback is important to us. It helps us to improve our overall sustainability performance and future reporting.

Please complete the feedback form and send us your views.

 **Email your comments to:**

Thepyuda.s@somboon.co.th

 **Alternatively, mail your comments to: Center of Excellence**

215 Bangna-Trad Rd. Bangchalong sub-district, Bangplee district, Samutprakan province 10540

1. Which of the following best describes your affiliation?\* (You may tick  more than one box)

employee  Investor  Customer  Supplier  Communities  
 Regulatory agency/government  Industry association  
 Educational Institutions/Non-Governmental Development Agencies  
 Other Please state :.....

2. How effectively does the sustainability report communicate SAT's sustainability performance?\*

(Please rate by ticking  the following topic, where 5 is Excellent and 1 is poor)

| Topic                           | 1<br>★                   | 2<br>★★                  | 3<br>★★★                 | 4<br>★★★★                | 5<br>★★★★★               |
|---------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 2.1 Our Sustainability Approach | <input type="checkbox"/> |
| 2.2 Economic Performance        | <input type="checkbox"/> |
| 2.3 Environmental Performance   | <input type="checkbox"/> |
| 2.4 Social Performance          | <input type="checkbox"/> |
| 2.5 Other, please state: .....  | <input type="checkbox"/> |
| .....                           |                          |                          |                          |                          |                          |
| .....                           |                          |                          |                          |                          |                          |

3. Please rate the content and quality of SAT's Sustainability Report 2023 by the following criteria

(where 5 is Excellent and 1 is poor)\*

| Topic                         | 1<br>★                   | 2<br>★★                  | 3<br>★★★                 | 4<br>★★★★                | 5<br>★★★★★               |
|-------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 3.1 Balance                   | <input type="checkbox"/> |
| 3.2 Clarity                   | <input type="checkbox"/> |
| 3.3 Comparability             | <input type="checkbox"/> |
| 3.4 Materiality/<br>Relevance | <input type="checkbox"/> |
| 3.5 Completeness              | <input type="checkbox"/> |
| 3.6 Accuracy                  | <input type="checkbox"/> |
| 3.7 Transparency              | <input type="checkbox"/> |
| 3.8 Structure                 | <input type="checkbox"/> |
| 3.9 Design and Layout         | <input type="checkbox"/> |

Please provide any other comments on our sustainability performance and reporting



Somboon Advance Technology Public Company Limited



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